

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD

In the Matter of Fact-Finding	(Fact-Finding Report
	(and
Between	(Recommendations
	(
Plum Borough School District	(Case No.: ACT 88-12-34-W
	(
and	(Date of Hearing: December 14, 2012
	(
Amalgamated Transit Union,	(Date of Report: January 7, 2013
Local 1595	(

Michelle Miller-Kotula
Fact-Finder

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Background

By letter dated November 27, 2012, the Pennsylvania Labor Relations Board (PLRB), pursuant to Act 88 of 1992 (Act 88) and the Public Employer Relations Act (PERA), appointed the undersigned as Fact-Finder in the impasse between the Plum Borough School District (hereafter referred to as the “District”) and the Amalgamated Transit Union, Local 1595 (hereafter referred to as the “Union”). The Union represents a unit of approximately 53 bus drivers, 3 mechanics, and 9 aides, who work for the District, located in Plum, Pennsylvania.

The parties to this Fact-Finding have an ongoing bargaining relationship and are parties to a collective bargaining agreement (hereafter referred to as the “Agreement”) which was effective by its terms from August 1, 2007 through July 31, 2012. The parties met several times for purposes of negotiating a successor Agreement, and reached tentative agreements on many issues, but were unable to reach agreement on all issues raised during the course of bargaining. As a result, a request for Fact-Finding was initiated.

The parties informed the Fact-Finder of tentative agreements that are referenced in this report. In accordance with the PLRB’s Order, the parties filed written statements of the issues in dispute involving the following provision of the Agreement: Article XX Wages.

On December 14, 2012, a formal fact-finding hearing was held in accordance with the Pennsylvania Labor Relations Act before the undersigned in the District’s administrative offices. During the hearing both parties were afforded a full opportunity to present testimony, examine and cross examine witnesses and introduce oral explanations and documentary evidence in support of their respective positions. Executive Session discussions were held and through these discussions, this Fact-Finder was given a thorough understanding of each party's position on the outstanding issues.

To arrive at the following recommendations, this Fact-Finder relied upon, among other items, the following criteria:

- The reliable and credible testimony provided, the evidence presented at the Fact-Finding Hearing and further clarifications given to questions of this Fact-Finder during Executive Session discussions.
- The expired collective bargaining agreement.
- Comparisons of unresolved issues relative to the employees in this bargaining unit and how those issues related to other districts and other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classifications involved.
- The interest, welfare of taxpayers, and the ability of the District to finance and administer the issues proposed.

- The understanding that each issue has been reviewed for its relative individual merit; at the same time, each issue has also been reviewed with consideration given to whether or not it appropriately fits into the Agreement created through this process.

ISSUES IN DISPUTE AND RECOMMENDATIONS

Article XX WAGES

District Position:

The District proposes a reduction of \$5.00 per hour of combined wages and payroll taxes for a three year term in its Flat Reduction method. The District contends it is not proposing for the Union to match dollar for dollar the pecuniary savings the District would garner by outsourcing student transportation services to a third party vendor.

The District proposes the following hourly wage schedule under the Flat Reduction Method:

<u>Effective Date</u>	<u>Bus Drivers</u>	<u>Mechanics</u>	<u>Aides</u>
August 1, 2012	\$16.91	\$19.22	\$8.83
August 1, 2013	\$16.99	\$19.30	\$8.91
August 1, 2014	\$17.10	\$19.41	\$9.02

2012-2013

Driver currently @ \$21.14 less \$4.23 = \$16.91
 Mechanic currently @ \$23.45 less \$4.23 = \$19.22
 Bus Aide currently @ \$13.06 less \$4.23 = \$ 8.83

2013-2014

Driver currently @ \$21.14 less \$4.15 = \$16.99
 Mechanic currently @ \$23.45 less \$4.15 = \$19.30
 Bus Aide currently @ \$13.06 less \$4.15 = \$ 8.91

2014-2015

Driver currently @ \$21.14 less \$4.04 = \$17.10
 Mechanic currently @ \$23.45 less \$4.04 = \$19.41
 Bus Aide currently @ \$13.06 less \$4.04 = \$ 9.02

The District proposes a flat \$5.00 per hour reduction / combined wage and payroll taxes of \$360,350 per year. The District points out the wage reduction portion at 85% is \$306,298 and 15% of its share of payroll taxes or \$54,052 would be saved.

The District also offers an alternative proposal. In this proposal, the third party provider of student transportation services would be obligated to pay any former District bus driver or aide guaranteed minimum hourly wages. The District points out a private seasonal employer would be required to pay Unemployment Compensation benefits. The District states under this alternative, the hourly wage at a reduced rate in combination with the Unemployment benefits would amount to the same yearly wages and hourly rate the Union members presently receive.

The District takes the position approximately 50% of the bus drivers are retirees from another employer and most likely receive pension benefits. The District argues the vast majority of the drivers do not work to actively support their family.

The District contends the wage comparisons presented by the Union do not represent similar comparisons to other areas in Western Pennsylvania, but only compare what drivers receive in other areas of the country.

The District points out schools are not in the business of transportation and busing students. The District argues if more districts thought they could save money busing students, they would get back into such business.

The District submits the quality of service issues brought up by the Union would be an issue that must be dealt with by management.

The District notes it is limited to the amount it is able to raise taxes. The District argues other support personnel have taken wage freezes. The District points out new buildings were needed and submits reserve funds must be used to pay for building work that needs to be done. The District argues it has concerns related to the amount it will be required to pay toward PESRS. The District submits it has been prudent in its spending. The District concludes money that would be saved by outsourcing the bus function could be spent on education.

Union Position:

It is the position of the Union the wages shall be adjusted, retroactive, as follows:

<u>Effective Date</u>	<u>Bus Drivers</u>	<u>Mechanics</u>	<u>Aides</u>
August 1, 2012	\$21.88	\$24.27	\$13.52
August 1, 2013	\$22.65	\$25.12	\$13.99
August 1, 2014	\$23.44	\$26.00	\$14.48

The Union states its proposal to increase wages is reasonable. The Union argues the proposal advanced by the District is not reasonable because it rolls back the level of wages to amounts received approximately ten years ago by the members of this bargaining unit. The Union notes many families are raised by the Union personnel on the wages they currently receive.

The Union argues The District should invest in the community and continue to operate a safe community. The Union points out the District has spent tremendous amounts of money on a new building, athletic fields, new projects and other improvements. The Union contends only 3.2% to 3.3% of the District’s overall budget is spent on the bus function. The Union argues the wages set forth in its proposal are standard across the industry in the public sector. The Union states the comparisons it provided during the hearing represent other public sector entities. The Union realizes its members must take concessions, but notes in this instance the concessions proposed by the District are too severe. The Union submits it proposed a wage freeze, but such proposal was rejected by the District. It is the position of the Union its members want a living wage. The Union contends it represents dedicated employees who want to give back to the District.

The Union contends there is not much opportunity for the bargaining unit employees to reduce their benefits. The Union submits because insurance is provided to the employee only and the employee pays 50% of the premium, only 10 bus drivers take the insurance plan. The Union states mechanics are offered insurance but must pay a percentage based on their wages.

It is the position of the Union all other employees in the District were provided with increases but were not required to reduce their wages and benefits as has been proposed for these bargaining unit employees. The Union points out the District has agreed to other fact-finding recommendations.

It is the Union’s concern if the District outsources, the same level of services will not be provided as the services provided by the current bargaining unit employees. The Union is apprehensive as to whether or not the District will save revenue by outsourcing. The Union realizes the District would receive a large sum of money for selling its fleet of buses, but notes once this revenue is gone, no savings would occur. The Union states the proposed outsourcing company may provide a poor quality of service which would not be in the best interest of the students and the residents.

Recommendation:

Upon carefully reviewing the background information and relevant evidence that has been submitted by the parties, this Fact-Finder recommends for the parties to adopt the wage schedule contained in Appendix A. This wage proposal represents a wage freeze and increases similar to the one adopted for other District personnel. It is recommended for the 2011-2012 school year wage schedule in the expired Agreement to be used as the base year for wage calculations. The evidence establishes this bargaining unit comprises a very small portion of the District’s overall budget.

TENTATIVE AGREEMENTS

At the Fact-Finding hearing the parties revealed they had reached tentative agreements concerning several issues discussed during negotiations. It is recommended for these tentative agreements to be incorporated into this report as set forth herein and made part of the Agreement.

CONCLUSION

In conclusion, the parties are directed to review the Fact-Finding report and within ten (10) calendar days from the date of the issuance of this report to inform the Pennsylvania Labor Relations Board and each other if they accept or reject this report.

Confidentiality of the report should be maintained during the ten-day consideration period and until officially released for publication by the Board in the event of a rejection.

The Fact-Finder submits the Findings and Recommendations as set forth herein.

Michelle Miller-Kotula
Fact-Finder
Washington, Pennsylvania

Issued: January 7, 2013

APPENDIX A

Hourly Wage Schedule

<u>Effective Date</u>	<u>Bus Drivers</u>	<u>Mechanics</u>	<u>Aides</u>
August 1, 2012 (no increase)	\$21.14	\$23.45	\$13.06
August 1, 2013 (.25 increase)	\$21.39	\$23.70	\$13.31
August 1, 2014 (.35 increase)	\$21.74	\$24.05	\$13.66