

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LABOR RELATIONS BOARD**

**IN THE MATTER OF THE EMPLOYES OF** :  
 : **ACT 88-14-22-E**  
**STATE COLLEGE AREA SCHOOL DISTRICT** :

**REPORT AND RECOMMENDATIONS**

**FACT FINDER: Debra K. Wallet, Esquire**

**FOR THE EMPLOYER:**

Scott C. Etter, Esquire  
Miller, Kistler & Campbell  
720 South Atherton Street, Suite 201  
State College, PA 16801

**FOR THE UNION:**

Ms. Jane French Brubaker  
PA State Education Association  
400 Shiloh Road  
State College, PA 16801

**BACKGROUND**

Pursuant to Act 88 of 1992 (Act 88) and the Public Employee Relations Act (PERA), the undersigned was appointed by the Pennsylvania Labor Relations Board (Board) on August 19, 2014 as the Fact Finder in the impasse between the State College School District (District) and the State College Area Educational Support Personnel Association PSEA/NEA (Association).

In accordance with the Board's Order of August 19, 2014, the Association filed with the Fact Finder written statements of the issues in dispute. The parties have agreed that there are 8 unresolved issues, including the length of the Agreement.

A Fact Finding was held at the State College Area School District Offices on September 11, 2014, at which time both Parties were afforded a full opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions regarding the issues in dispute.

Both representatives made professional and courteous presentations to the Fact Finder. The positions of the Parties were clearly articulated and the extensive written documentation was both informative and useful.

The recommendations which follow constitute the settlement proposal upon which the Parties are now required to act, as directed by statute and Board regulations. Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the Report does not constitute agreement with or endorsement of the rationale in support of any recommendation, but rather represents only an agreement to resolve all outstanding issues by adopting these recommendations. The Parties are directed to review the Report and, within ten (10) days of its issuance, notify the Board of their decision to accept or reject the recommendations.

**ISSUES**

The Fact Finder has made recommendations on the following issues:

1. Article II. Term of Agreement
2. Article IX. Job Classification and Work Year, Section D. Vacations, subsection 1. Secretaries
3. Article X. Working Hours and Conditions, Section A. Definitions
4. Article XII. Vacancies-Transfer, Section D. Awarding Positions
5. Article XVII. Insurance Benefits, Section A. Insurance Benefits, subsection 1. Medical Benefits
6. Article XVIII. Retirement Benefits
7. Article XIX. Wages, Section A. Wage Schedules, subsection 1. Rates of pay

## OVERVIEW AND BARGAINING HISTORY

The District is located in Centre County, serving a 150 square mile attendance area encompassing the Borough of State College and the surrounding townships of College, Ferguson, Halfmoon, Harris, and Patton. Approximate enrollment is 6,900. Contiguous districts are Tyrone Area, Juniata Valley, Huntingdon Area, Penns Valley Area, Bellefonte Area, and Bald Eagle Area. The District is part of Intermediate Unit #10.

This is a bargaining unit consisting of approximately 370 individuals in secretarial and paraprofessional job classifications such as special education assistants, guidance and attendance paraprofessionals, and library assistants. Some are full-time and some are part-time. Based upon the Order of Certification #PERA-R-98-10-E, the unit is defined as “All full-time and regular part-time white-collar nonprofessional employees including but not limited to secretarial employees and paraprofessionals.”

A prior collective bargaining agreement covered the period through June 30, 2014. The parties continued to work under the terms and conditions of the expired contract while bargaining on a successor agreement beginning in January, 2014. The parties met thirteen times in an effort to reach an Agreement, but when these efforts were unsuccessful, the District filed for Fact Finding on July 25, 2014 and the undersigned Fact Finder was appointed August 19, 2014.

The parties have been able to sign off on several issues, such as recall procedures, transfers, some modifications to health care, certain wages for lunch duty, and a differential for health room paraprofessionals. It is assumed that all Tentative Agreements will be incorporated into any new Collective Bargaining Agreement. These tentative agreements were considered in reaching the recommendations on the issues in dispute.

It is important to note that the specific recommendations of the Fact Finder made in this report on each issue, although discussed separately, were made only after consideration of all the issue recommendations taken together and their total combined impact upon both parties in this dispute. No single recommendation stands in isolation from the total package. These issues will be addressed in the order in which they were identified. Recommended additions are shown in **Bold**.

## FACT-FINDER'S DISCUSSION AND RECOMMENDATIONS

### 1. ARTICLE II – TERM OF AGREEMENT

#### *Current Agreement*

The term of this Agreement shall begin July 1, 2010, and shall continue in full force and effect until June 30, 2014, or until such later date as the parties may hereinafter agree is to be the extended ending date. Any such extended date shall be evidenced by an amendment to this Agreement, to which amendment both parties shall signify their approval by affixing their signatures hereto.

#### *Discussion*

The District proposes a three-year term ending June 30, 2017. Its reasoning is that with the uncertainty of its taxing capabilities, especially the “Cadillac Tax” which will come into play in 2018, and the volatility of the current economic climate in both the nation and the Commonwealth, it is difficult to plan. Health Care Reform remains in flux, therefore, an extended multi-year agreement is not in the best interests of either party.

The Association made no proposal on term but stated that it is not opposed to a three-year term.

As will be seen in the balance of this Report, the recommendations include wage increases and increases in healthcare premium contributions which will be effective as of July 1, 2014. Therefore, the Fact Finder has provided for a nearly three-year period of labor certainty in which both wages and healthcare premium contributions will increase.

#### *Recommended New Agreement*

The term of this Agreement shall **begin July 1, 2014**, and shall continue in full force and effect until **June 30, 2017**, or until such later date as the parties may hereinafter agree is to be the extended ending date. Any such extended date shall be evidenced by an amendment to this Agreement, to which amendment both parties shall signify their approval by affixing their signatures hereto.

**2. ARTICLE IX – JOB CLASSIFICATION AND WORK YEAR, SECTION D. VACATIONS, SUBSECTION 1. SECRETARIES**

*Current Agreement*

D. Vacations

1. **Secretaries/Clerical**

- a. Twelve month (260 paid days) employees shall earn vacation days as follows:
  - 1 through 3 years of service – 1 day per month = 12 days
  - 4 through 8 years of service – 1.25 days per month = 15 days
  - 9 or more years of service – 1.67 days per month = 20 days
- b. Eleven month (238 paid days) employees shall earn vacation days as follows:
  - 1 through 3 years of service - .92 days per month  
calculated over 12 months = 11 days
  - 4 through 8 years of service – 1.17 days per month  
calculated over 12 months = 14 days
  - 9 or more years of service – 1.50 days per month  
calculated over 12 months = 18 days
- c. Ten month (216 paid days) employees shall earn vacation days as follows:
  - 1 through 6 years of service - .83 days per month  
calculated over 12 months = 10 days
  - 7 or more years of service – 1.04 days per month  
calculated over 12 months = 12.5 days
- d. 200 paid day employees earn no vacation days

*Discussion*

The District proposes no change to this provision.

The Association wishes to bring the vacation schedule more in line with other School District support staff by adding vacation days as follows:

D. Vacations

1. **Secretaries/Clerical**

- a. Twelve month (260 paid days) employees shall earn vacation days as follows:
  - ~~9 or more~~ **through 19** years of service – 1.67 days per month = 20 days
  - 20 or more years of service – 1.83 days per month = 22 days**
- b. Eleven month (238 paid days) employees shall earn vacation days as follows:
  - ~~9 or more~~ **through 19** years of service – 1.50 days per month  
calculated over 12 months = 18 days
  - 20 or more years of service – 1.67** days per month calculated  
over 12 months = **20 days**
- c. Ten month (216 paid days) employees shall earn vacation days as follows:
  - ~~7 or more~~ **through 9** years of service – 1.04 days per month  
calculated over 12 months = 12.5 days
  - 10 or more years of service – 1.25** days per month  
calculated over 12 months = **15 days**

These requests are reasonable and reward longevity. Those toward the top of the pay scale will receive lower percentage increases as later explained because “cents per hour” rather than percentage increases have been granted. Additional vacation days for longer-term employees is one way of granting some additional benefits to these longer-term employees. While the current vacation award schedule is certainly not out of line, additional vacations for longer term clerical staff will be recommended.

## Recommended New Agreement

### D. Vacations

#### 1. Secretaries/Clerical

- a. Twelve month (260 paid days) employees shall earn vacation days as follows:
- |  |                  |
|--|------------------|
| 1 through 3 years of service – 1 day per month             | = 12 days        |
| 4 through 8 years of service – 1.25 days per month         | = 15 days        |
| <b>9 through 19 years of service – 1.67 days per month</b> | <b>= 20 days</b> |
| <b>20 or more years of service – 1.83 days per month</b>   | <b>= 22 days</b> |
- b. Eleven month (238 paid days) employees shall earn vacation days as follows:
- |  |                  |
|--|------------------|
| 1 through 3 years of service - .92 days per month<br>calculated over 12 months           | = 11 days        |
| 4 through 8 years of service – 1.17 days per month<br>calculated over 12 months          | = 14 days        |
| <b>9 through 19 years of service – 1.50 days per month<br/>calculated over 12 months</b> | <b>= 18 days</b> |
| <b>20 or more years of service – 1.67 days per month calculated<br/>over 12 months</b>   | <b>= 20 days</b> |
- c. Ten month (216 paid days) employees shall earn vacation days as follows:
- |   |                    |
|---|--------------------|
| 1 through 6 years of service - .83 days per month<br>calculated over 12 months          | = 10 days          |
| <b>7 through 9 years of service – 1.04 days per month<br/>calculated over 12 months</b> | <b>= 12.5 days</b> |
| <b>10 or more years of service – 1.25 days per month<br/>calculated over 12 months</b>  | <b>= 15 days</b>   |
- d. 200 paid day employees earn no vacation days

## 3. ARTICLE X – WORKING HOURS AND CONDITIONS, SECTION A. DEFINITIONS

### *Current Agreement*

#### A. Definitions

For the purposes of identification of employees, the following will apply:

1. A full-time employee is any employee who works at least five (5) hours per day, twenty-five (25) hours per scheduled work week.
2. A part-time employee is any employee who works less than five (5) hours per day, less than twenty-five (25) hours per scheduled work week.

### *Discussion*

The School District wants to change the definition of “full-time” to those who work 30 hours rather than those who work 25 hours or more. This request is to align with the requirements of federal Health Care Reform. Because all secretarial/clerical employees are already assigned a 35-hour work week, this would mean no change for them unless the assigned hours of work are also changed. The paraprofessionals could be affected with respect to eligibility for health benefits available only to full-time employees. The School District has modified its proposal to exclude current employees and asks that this change in definition be applied only to prospective employees.

This proposal would affect only future employees, which the Fact Finder deems to be those hired after January 1, 2015. Since the advent of Health Care Reform, those employees who do not qualify for benefits under this Agreement will now have access to benefits through the Insurance Exchange and may qualify for tax credits to help pay for a portion of their health care premiums. Consequently, the Fact Finder will recommend that the 30-hour requirement be applied to those employees hired after January 1, 2015.

### *Recommended New Agreement*

#### A. Definitions

For the purposes of identification of employees, the following will apply:

1. A full-time employee is any employee who works at least five (5) hours per day, twenty-five (25) hours per scheduled work week. **For those employees hired after January 1, 2015, a full-time employee is any employee who works at least thirty (30) hours per scheduled work week.**
2. A part-time employee is any employee who works less than five (5) hours per day, less than twenty-five (25) hours per scheduled work week. **For those employees hired after January 1, 2015, a part-time employee is any employee who works less than (30) hours per scheduled work week.**

#### 4. ARTICLE XII – VACANCIES – TRANSFERS, SECTION D. AWARDING POSITIONS

##### *Current Agreement*

- D. Awarding Positions
  - a. Vacancies will be filled as soon as possible following the end of the posting period. All internal candidates within the bargaining unit providing a written bid will be interviewed before external candidates are interviewed. If any bargaining unit candidate is not interviewed prior to external candidates being interviewed, he/she shall be granted an interview prior to the filling of the vacancy.

##### *Discussion*

The District would like a modification to this provision adding that those “with minimum qualifications included on the job description for the position” would be interviewed. The District contends that if an employee does not meet those minimum qualifications then there is no purpose in conducting the interview. It also requests the deletion of the last line granting interviews prior to filling the position.

The Association states that the problem is that the job descriptions are not always available, i.e. not properly posted either on the website or on the bulletin boards pursuant to the posting requirements of Article XII, Section B. Therefore, potential candidates do not know the minimum qualifications. This may be related to current software problems with the website.

At the Fact Finding, the District promised to fix this problem and to respond to any future problems with the posting of the job descriptions. The Fact Finder is satisfied with this response and will recommend the language requested by the District with respect to minimum qualifications.

##### **Recommended New Agreement**

- D. Awarding Positions
  - a. Vacancies will be filled as soon as possible following the end of the posting period. All internal candidates within the bargaining unit providing a written bid **and with the minimum qualifications included on the job description for the position** will be interviewed before external candidates are interviewed. If any bargaining unit candidate is not interviewed prior to external candidates being interviewed, he/she shall be granted an interview prior to the filling of the vacancy.

#### 5. ARTICLE XVII – INSURANCE BENEFITS, SECTION A. INSURANCE BENEFITS, SUBSECTION 1. MEDICAL

##### *Current Agreement*

- A. Insurance Benefits
  1. Medical Benefits
    - a. Blue Cross/PPO  
The Board agrees to provide a Capital Blue Cross Preferred Provider Organization (PPO) Health Insurance Plan starting July 1, 2006 subject to a premium co-share of \$20.00 per month to be made by participating employees. Effective April 1, 2012 participants will pay \$20 per month for individual coverage, \$35 per month of parent/child or parent/children and \$40 per month for spouse/domestic partner or family coverage. This premium co-share will be made through monthly payroll deduction. At the employee’s request, these deductions can be paid through a Section 125 Plan with pre-tax dollars.
    - b. Effective July 1, 2012 there will be a choice of plans provided by the District: Plan A and Plan B. A Summary of Benefits chart for each plan is included in Appendix E. Should the District choose to change insurance providers during the term of the agreement the benefit level will be equal to the plans described.

Employees may change plans during the open enrollment period each year or in the case of a qualifying event.

c. **Monthly Premium Co-Share**

1. **Plan A – July 1, 2012 through June 30, 2013**

\$20 for individual coverage  
 \$35 for parent and child(ren)  
 \$40 for employee and spouse/domestic partner or family coverage

**Plan A – Effective July 1, 2013**

\$30 for individual coverage  
 \$45 for parent and child(ren)  
 \$50 for employee and spouse/domestic partner or family coverage

2. **Plan B – July 1, 2012 through June 30, 2013**

\$6 for individual coverage  
 \$12 for parent and child(ren)  
 \$14 for employee and spouse/domestic partner or family coverage

**Effective July 1, 2013**

\$9 for individual coverage  
 \$15 for parent and child(ren)  
 \$17 for employee and spouse/domestic partner or family coverage

*Changes from the current plan are shown in the chart below for information purposes. All other provisions of the current plan remain part of the new plans.*

	<b>Current Value</b>	<b>Plan A</b>	<b>Plan B</b>
<b>Office Visit Co-payment</b>	\$20	\$25	\$25
<b>ER Copayment</b>	\$50	\$100	\$100
<b>Network Deductible</b>	\$250/\$500	\$250/\$500	\$500/\$1,000
<b>Network Coinsurance</b>	N/A	N/A	10%
<b>Network Maximum</b>	N/A	N/A	\$750/\$1,500
<b>Retail Drug Copayment</b>	10%/20%/30%	15%/25%/30%	10%/20%/30%
<b>Mail Order Drug Copayment</b>	\$5/\$20/\$35	\$10/\$30/\$50	\$5/\$20/\$35
<b>Premium Co-share (monthly)</b>	\$20	<b>July 1, 2012:</b> \$20/\$35/\$40 <b>July 1, 2013:</b> \$30/\$45/\$50	<b>July 1, 2012:</b> \$6/\$12/\$14 <b>July 1, 2013:</b> \$9/\$15/\$17

*Discussion*

Both parties agree that subsection a, which references Blue Cross/PPO, is obsolete and can be deleted.

Recognizing that health care costs have increased significantly and will likely continue to go up, the Association proposes to increase the employee monthly premium cost share by \$5.00 per month in the second and third years of the Agreement, bringing the contribution to \$45.00 per month by July 1, 2016. The District wants significant increases in both the deductibles and the co-pays.

The District explains that its health care premium costs have increased faster than inflation and that projected increases are between \$350,000 and \$400,000 over the life of the Agreement if no changes are made. If these projections prove accurate, the increase in total compensation to employees would be close to 4% in each year of the Agreement without any increases in wages or pension costs.

There is really no dispute that health insurance premiums have greatly increased and it is not unreasonable for employees to be expected to make larger per month contributions in this area. It is commendable that the Association concedes that it must make some greater contributions, but the Association’s proposal is simply not enough to stem the tide of rising costs to the School District.

Nevertheless, the Fact Finder does not accept the School District's invitation to tie the proposed changes in health care to offset expected increases in the pension rates, over which the District has no control. Rather, the attempt here is to couple fairly substantial increases in health care contributions with modest pay increases

Based upon the information presented, it appears that every State College contract will include substantial increases in this area. In addition, contingent school districts and those school districts commonly used for comparison will experience fairly substantial health care contributions by employees.

Although the Fact Finder believes that the current economic situation unquestionably warrants an increase in the monthly premium contribution from Unit employees, those recommended increases will be imposed at a more modest rate, but still generally in line with, the increases of other non-professional units both within the State College District and in neighboring districts. The new chart will reveal more substantial increases to Plan B, which is utilized by very few members of this Unit. Further, the requested increases will be phased in over the life of the Agreement to allow Unit members time to budget for the increases to come. Premium increases for Employee/Partner and Family have been lowered from those recommended by the School District.

**Recommended New Agreement**

- A. Insurance Benefits
  - 1. Medical Benefits

**Delete current subsection a.**

- a. There will be a choice of plans provided by the District: Plan A and Plan B. A Summary of Benefits chart for each plan is included in Appendix E. Should the District choose to change insurance providers during the term of the agreement the benefit level will be equal to the plans described. Employees may change plans during the open enrollment period each year or in the case of a qualifying event.
- b. **Changes from the current plan are shown in the chart below. All other provisions of the current plan remain part of the new plans.**

**DEDUCTIBLES AND CO-PAYS**

	<b>Effective January 1, 2015</b>	<b>Effective January 1, 2016</b>
<b>Plan A</b>		
Network Deductible	\$300/\$600	\$450/\$900
Network Co-insurance	N/A	10%
Network Maximum	N/A	\$750
Retail Drug Co-pay	15%/25%/30%	15%/25%/30%
Mail Order Drug Co-pay	\$10/\$30/\$50	\$10/\$30/\$50
<b>Plan B</b>		
Office Visit Co-pay	\$40/\$50	\$40/\$50
ER Co-pay	\$125	\$125
Network Deductible	\$1,000/\$2,000	\$1,000/\$2,000
Network Maximum	\$1,000	\$1,000

**MONTHLY PREMIUM CO-SHARES**

	<b>Effective January 1, 2015</b>	<b>Effective January 1, 2016</b>
<b>Plan A</b>		
Individual	\$40	\$50
Parent/Child	\$75	\$110
Parent/Children	\$80	\$110
Employee/Partner	\$85	\$125
Family	\$90	\$130
<b>Effective July 1, 2015</b>		
<b>Plan B</b>		
Individual	\$20	
Parent/Child	\$35	
Parent/Children	\$40	

Employee/Partner	\$45
Family	\$50

**6. ARTICLE XVIII – RETIREMENT BENEFITS**

*Current Agreement*

**A. Retirement Benefits**

A retirement benefit will be paid for accrued but unused sick leave days for those employees retiring from the District who meet the requirements described below:

1. The employee has terminated service by meeting the requirements of the School Code; and
2. Has had a minimum of ten (10) years continuous service with the State College Area School District, and
3. Has completed thirty-five (35) years or more of credited service in the Pennsylvania Public School Employees’ Retirement System (PSERS), regardless of age, or
4. Has completed thirty (30) years or more of credited service in the PSERS at age 60, or
5. Has completed twenty-five (25) years or more of credited service in the PSERS and qualified for a withdrawal (early) retirement, or
6. Has completed twenty (20) years of service in the State College Area School District at age 55, or
7. If disabled, after ten (10) years of service and is qualified for disability allowance under the PSERS.

The dollar benefit paid will be \$35.00 per day for each day of unused sick leave. The maximum days of sick leave paid shall not exceed the employee’s work year, as follows:

179 day employee	179 days maximum
180 day employee	180 days maximum
187 day employee	187 days maximum
200 day employee	200 days maximum
216 day employee	216 days maximum
238 day employee	238 days maximum
260 day employee	260 days maximum

*Discussion*

The Association proposes a bump-up to \$45.00 per day for each full-time employee and a slight reduction to \$30.00 per pay for all part-time employees who meet these conditions at retirement. It also recommends a slight change in the language to add a paragraph 8: “Is at least 62 years of age” and a modification to paragraph 6 to add “at least age 55.” These changes are to clarify the language and to make it consistent with PSERS normal retirement requirements.<sup>1</sup>

The District seeks to eliminate the payout for unused sick leave.

Obviously, this payout has a cost to the School District, but that cost is not extraordinary and the Unit members have had a similar payout in each of its Agreements. Considering all of the other Recommendations, there is no need to increase the payout nor to eliminate the section entirely.

***Recommended New Agreement***

**No change to the current Agreement.**

**7. ARTICLE XIX – WAGES, SECTION A. WAGE SCHEDULES, SUBSECTION 1. RATES OF PAY**

*Current Agreement*

**A. Wage Schedules**

1. Rates of pay for each classification (Secretarial/Clerical and Paraprofessional) are in accordance with the Wage Rate Schedules found in Appendix C.

*Discussion*

Not surprising, the primary issues to be decided by this Fact Finder are Health Insurance and the Wage Rate Schedule in the new Agreement. At hearing, the Association requested \$.50 per year (for three years) added to each step of all wage scales. This would be

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<sup>1</sup> The Fact Finder has used the proposal in the written materials from the Association. The School District’s description of the Association proposal is materially different.

in addition to the normal step increases. The District proposes a 1.8% increase in each of three years, *inclusive* of the step advancement. Step advancement averages 1.46% for the secretarial/clerical and 1.66% for the paraprofessionals.

Both parties agree that there are no longer any Secretaries in Grade III and that this column can be eliminated in the Rate Schedule.

Both parties have presented extensive documentation in support of their respective requests. The Fact Finder has carefully considered every page of it. While it is true the Association has gone without any increases for the nearly three months since the expiration of the contract on June 30, 2014, the current economic climate and the financial conditions of the School District are not now favorable for substantial salary increases for this bargaining unit.

This School District is well-run and conservative in its requests for tax increases. The District has made compelling arguments regarding financial uncertainty, particularly with respect to health care rising costs, and its capacity to support large salary increases. Further, the District argues quite persuasively that it has not had any trouble with losing employees in this Unit's classifications to neighboring school districts.

Juxtaposed against these excellent economic arguments from the District are extensive statistics offered by the Association showing how the District's wages for this Unit are on the low end when compared to similar employees in contiguous districts and to non-professional District employees in other Units such as bus drivers. The statistics also show that the District has been increasing its Fund Balance over time and appears to be able to support a modest increase for these lower-paid workers who contribute significantly to the mission of this successful school district.

Step increases have been imbedded into the past Agreements, and the Unit expects movement toward the top wage rate based upon years of service. With respect to the School District's proposal of eliminating step movement, the Fact Finder is not convinced that no step movement is in the interest of either the School District or the Association. Step movement is the reward for longevity. It is certainly in the interest of the School District to maintain quality, experienced employees. The cost of these step increases must, however, be considered in determining any additional increase in wages.

Another issue is whether to grant a "cents per hour" increase across the board, as recommended by the Association, or to grant a percentage increase across the board, as suggested by the School District. A percentage increase further rewards those at the top of the salary schedule, but it also results in a less compact salary schedule. The schedule here already consists of 21 steps. A percentage increase will further increase the difference between the first and the 21<sup>st</sup> steps. Consequently, a "cents per hour" approach is recommended.

The conclusion is that a modest increase in addition to the step movement is warranted. Part of the wage increase is designed to minimize the impact of the increases in health care costs. However, the greater increase will be imposed in the last year of the Agreement to avoid some of the compounding which would attach if the higher wages are granted in the first year. Because the economic climate is uncertain and partly because the health insurance premium share will be increased in a significant way, the Fact Finder will recommend the following increases in addition to the normal step increases: \$0.20 effective July 1, 2014, \$0.25 effective July 1, 2015, and \$0.30 effective July 1, 2016.

Of course, these increases are a compromise. They should not be interpreted as a punishment to a school district which has been prudent in managing its Fund Balance. The recommendations are made in conjunction with increases in employee costs of health benefits. Both parties must share the uncertainty of the times. State College is not alone in facing challenges from rising costs. The Fact Finder has tried to balance all of the costs to the School District with the additional health care burdens imposed upon those employees who are among the lowest paid.

### ***Recommended New Agreement***

Attached to this Report is a set of new Wage Rate Schedules designed to do three things: (1) eliminate the Grade III Secretary/Clerical Scale because there are no employees currently at this Grade; (2) provide for the following across the scale increases in addition to the normal step increases: \$0.20 effective July 1, 2014, \$0.25 effective July 1, 2015, and \$0.30 effective July 1, 2016.; and (3) maintain the step movement.

## **8. ARTICLE XIX – WAGES, SECTION A. WAGE SCHEDULES, SUBSECTION 2. LONGEVITY ALLOWANCE**

### ***Current Agreement***

#### **A. Wage Schedules**

2. Secretarial/Clerical employees with 20 years of service or more by July 1, 2012 will receive a longevity allowance of 1.75% each year for as long as they continue to work for the District. Employees who reach 20 years of service or more after July 1, 2012 will not be eligible for this payment.

*Discussion*

The District requests no change to this section which obviously has a cost associated with it, but for very few employees.

The Association would like a bonus reward for *all* employees who reach 20 years of service or more at the rate of 1.75% each year for as long as they continue to work in the District. It notes that State College teachers receive a longevity bonus of 2% of their salary upon completion of 23 years of service.

A longevity allowance had previously applied only to secretarial/clerical workers who had gained 20 years or more by July 1, 2012, at the rate of 1.75%. This was phased out in the last contract for those meeting the requirements after July 1, 2012.

The requested change for all employees will affect very few individuals based upon the matrix supplied by the Association, but the recommendation will be to require 23, rather than 20, years of service. This will align the required years of service with teachers in this School District.

*Recommended New Agreement*

**A. Wage Schedules**

- 2. All employees with 23 years of service or more by July 1, 2014 will receive a longevity allowance of 1.75% each year for as long as they continue to work for the District.**

**ALL OTHER MATTERS**

Any other matters not specifically addressed herein are recommended to be withdrawn. As noted above, any agreements mutually made prior to the commencement of the Fact Finding that are not specifically addressed in this Report are recommended to be included, as agreed upon, in the new Agreement.

Date: September 29, 2014  
Camp Hill, Pennsylvania

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Debra K. Wallet, Esquire  
Fact Finder