

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE FACT FINDING BETWEEN

CENTRAL SUSQUEHANNA INTERMEDIATE UNIT  
EDUCATION ASSOCIATION

-AND-

CENTRAL SUSQUEHANNA INTERMEDIATE UNIT NO. 16

CASE NO. ACT 88-15-23-E

**FACT FINDING REPORT AND RECOMMENDATIONS**

**APPOINTED:** July 27, 2015

**FACT FINDER:** John C. Alfano, Arbitrator & Mediator

**FOR THE EMPLOYER:** John G. Audi, Esq.  
Sweet Stevens Katz & Williams  
2 S. Main Street, Suite 303  
Pittston, PA 18640

**FOR THE UNION:** Mark McDade, UniServ Representative  
Pennsylvania State Education Association, NEA  
1188 Highway 315  
Wilkes-Barre, PA 18702

**PRELIMINARY STATEMENT**

The **UNDERSIGNED**, appointed by the Pennsylvania Labor Relations Board (“Board”), pursuant to Act 88 of 1992, conducted a fact finding on July 14, 2015 from 9:00 a.m. to 1:30 p.m. the Central Susquehanna Educational Intermediate Unit 16 (“IU”) and the Central Susquehanna Intermediate Unit Education Association (“Association”), at the office of the IU at 90 Lawton Lane, Milton Pennsylvania. The following people were in attendance (in alphabetical order):

1. Paul Baskin, Association
2. Susan Darrah, Association
3. James Dugan, IU (testified)
4. Victoria Frace, Association
5. William Hartman, IU (testified)
6. Derek Megargell, Association
7. Brian Musto, IU
8. Charles Peterson, IU (testified)
9. Gary Shaffer, IU
10. Condace Willard, Association
11. Harris Zwerling, Association (testified)

**BACKGROUND**

The Intermediate Unit is an educational agency that serves as a link between member school districts and the Pennsylvania Department of Education. It is part of the governance structure of public education, functioning between the state education agency and the local school districts, to provide member school districts with specialized services that can be provided and operated more effectively and efficiently on a regional basis. The majority of its programs are funded by fee-for-service, which is quite different from other intermediate units that are supported by federal, state and district contributions. The IU serves 17 school districts, 3 career and technical centers, 69 nonpublic schools with a total of 36,945 public and nonpublic school students and 3,905 district instructional, administrative and support staff in the following regional schools <sup>1</sup>:

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<sup>1</sup> See IU website, <https://www.csiu.org/index.cfm?pageid=662> .

## Public Schools

Benton Area School District	Milton Area School District	Mount Carmel Area SD
Berwick Area School District	Selinsgrove Area School District	
Bloomsburg Area School District	Shamokin Area School District	
Central Columbia School District	Shikellamy School District	
Danville Area School District	Southern Columbia Area School District	Warrior Run School District
Lewisburg Area School District	Columbia-Montour Area	
Line Mountain School District	Northumberland County Career and Technology Center	
Mid-West School District	SUN Area Technical Institute	
VT School		
Mifflinburg Area School District		
Millville Area School District		

## Nonpublic Schools

Columbia County Christian School	St. Columba School
Greenwood Friends	St. Monica School
Holy Family Consolidated School	St. Joseph School
Meadowbrook Christian School	Sunbury Christian Academy
Northumberland Christian School	Watsonstown Christian Academy
Our Lady of Lourdes Regional School	

The Collective Bargaining Agreement (“Agreement”) took effect on July 1, 2011 and expired on June 30, 2014. The parties have been without an Agreement through the 2013-2014 school year with the terms and conditions of employment having been established under *status quo* principle. The parties used mediation with mediator John Healey when direct bargaining failed to bring about a resolution before the Association submitted the dispute to fact finding on May 27, 2015. On June 6, 2015, the Pennsylvania Labor Relations Board (“PLRB”) approved and appointed the undersigned as the Fact Finder. The Report is due on or before July 27, 2015. During bargaining and mediation, the parties had ‘understandings’ but did not enter into traditional tentative agreements on those items.

Following are the Open Issues <sup>2</sup>:

1. Article I, Recognition
2. Article II, Term of the Agreement
3. Article IV, Wages and Salary Benefit
4. Article VI, Length of School Year
5. Article VII, Length of School Day
6. Article X, Job Security and Job Progression
7. Article XII, Notice
8. Appendix B
9. Appendix C
10. Appendix D

The parties presented data, testimony and argument to support their positions on the issues. After considering those presentations, the Fact Finder makes the following analysis and recommendations:

### Issue No.1: Article I, Recognition

#### *Position of the Association:*

The Association is proposing to change from 105 consecutive days a long-term substitute teacher may work to qualify as an employee covered by the Agreement to *at least one semester or the equivalent thereof*. The Association argues that the semester or 90 days standard was established by the **Mill Creek** Commonwealth Court decision.

#### *Position of the IU:*

The IU rejects this proposal. **Mill Creek** did not establish a mandatory standard to determine when substitutes become employees.

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<sup>2</sup> Each issue may break down into multiple parts within the same article.

***Analysis and Opinion:***

The Association is not persuasive arguing for the proposed change. The current contract appears not to have created problems that require the proposed change. For those reasons, I recommend that the current contract remain unchanged from the expired CBA.

***Recommendation:***

The Fact Finder recommends **no change** to Article I

**RECOGNITION**

The Central Susquehanna Intermediate Unit Education Association, hereinafter called "Association" is hereby recognized by the Central Susquehanna Intermediate Unit #16 hereinafter called "Board" or "Employer", as the bargaining agent for all full-time, full-time substitute and regular part-time professional employees whose positions require certification and who are employed as special education teachers, teachers in non-public schools, alternative education instructors, in-home instructors, professional support advisors, early intervention teachers, speech therapists, teachers of gifted, hearing therapists, vision therapists, occupational therapists and physical therapists; excluding supervisors, management and confidential employees as defined in Act 195 of 1970.

**Definition of Regular Part-Time Professional Employees**

- A. Full-time substitutes who are scheduled for a period of at least one hundred and five (105) consecutive work days to fill the position of professional employees on leaves of absence.
- B. Regular professional employees who are scheduled for a school term twenty-five (25) hours per week on the average, but less than thirty-seven and one-half (37 %) hours per week on the average.

Both parties agree that this Agreement sets forth the terms and conditions to which each party agrees to be bound, and that such agreement has been reached voluntarily without undue and unlawful coercion or force by either party.

The term "employee" and "employees" as used in this agreement shall be deemed to apply only to those persons within the hereinabove described bargaining unit and this agreement shall apply to and affect only such persons. All references to "professional employees" shall include occupational therapists and physical therapists unless otherwise specified.

**Issue No. 2: Article II, Term of the Agreement**

***Position of the Association:***

The Agreement shall be in effect from July 1, 2014 and shall expire on June 30, 2019. The longer, five year term provides labor peace and stability while giving the parties the ability to engage in long-term planning.

***Position of the IU:***

The IU cannot commit beyond a four year period (July 1, 2014 to June 30, 2018) because of unknown factors which could greatly impact the financial stability of the institution and that of the sending districts. Because the IU is funded exclusively on a pay-for-services basis, it cannot make more than what now amounts to a three year commitment. In addition, since the Affordable Care Act excise tax will begin in 2018, it is not prudent that the parties, and especially the IU, commit to a health care plan beyond that date.

***Analysis and Opinion:***

The parties should enter into the shorter four year term as proposed by the IU. Given my recommendations for wages and health insurance, especially, the remaining three years on a four year term will give the IU the ability to assess its standing in the market and make adjustments and proposals for the successor Agreement. Additionally, the possible effect the Affordable Care Act may have on the parties' health insurance plan can be discussed and addressed in bargaining in advance of the 2018 expiration date.

***Recommendation:***

The parties should enter into a five year Agreement that expires on June 30, 2019.

## ARTICLE II - TERM OF AGREEMENT

The term of this Agreement shall begin on July 1, **2014** and shall continue in full force and effect until June 30, **2018** or such later date as the two (2) parties may hereafter 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.

### **Issue No. 3: Article IV, Wages and Salary Benefit**

#### ***Position of the Association:***

The Association is proposing a five year contract with increases to the MA Step 15 and step increases in each year:

- 2014-2015: \$2250, a total increase of 5.25% or \$434,070, above the previous year, retroactive.
- 2015-2016: \$2250, total increase of 5.09% or \$442,978 above the previous year.
- 2016-2017: \$2000, total increase of 4.58% or \$419,322 above the previous year.
- 2017-2018: \$2000, total increase of 4.40% or \$420,651 above the previous year.
- 2018-2019: \$2000, total increase of 4.20% or \$419,398 above the previous year.

The total five year non cumulative increase is \$2,136,419 or 23.52%. The Association argues that this proposal for the first four years is approximately \$634,000 higher than the IU's for same four years, and well within its ability to pay. These increases will not price the IU out of the market, as the IU argues, because the salary will remain competitive with the rates of those paid to teachers in the participating districts. Additionally, the IU's reasoning for districts choosing to forego the IU's services to merely save money is flawed as indicated by districts that continue the IU's services even though those districts have much lower pay scales. The Association believes that districts provide their own services to retain managerial control over the employees providing these programs.

Moreover, the proposal is fair compensation for the IU's highly skilled employees with specific and special education to provide unique services to students with multiple and varying educational challenges.

#### ***Position of the IU:***

The IU is proposing to slow down costs to remain competitive so that it is not priced out of the market by high wages and benefits. Many districts could save money by providing services 'in house' at a lower rate or by contracting with other service providers. The IU's major funding source is based on a fee-for-service model with almost no funding from federal and state sources, which is very different from other IUs. Therefore, all employee costs plus facility and administrative overhead, an additional 7%, is passed on in the fees charged to participating districts. Following is the IU's proposal that attempts to address competition.

- 2014-2015: no change from previous year (freeze rates and steps).
  - 2015-2016: add \$500 to each teacher's previous year's pay for a total cost of \$7,860,977.
  - 2016-2017: add \$500 to each teacher's previous year's pay for a total cost of \$7,925,977.
  - 2017-2018: add \$500 to each teacher's previous year's pay for a total cost of \$7,990,977.
- Note:** Steps are frozen for the duration of the Agreement.

On average, each years' increase of \$65,000 will add \$2.65 per day per teacher or \$.35 per hour for each year beginning with the 2015-2016 year for a total of \$7.95 per day or \$1.05 per hour for the duration of the Agreement. Additionally, the IU is proposing to base future salary scale rates on the Masters Step 1 instead of the current Step 15. By doing so, the IU will be better able address the lower wage rates, especially for recruiting purposes. Finally, the IU is proposing that employees must have worked at least 80%, instead of the current 50%, of the previous year to qualify for the next step on the salary scale, when step increases are implemented.

#### ***Discussion and Opinion:***

Both parties' proposals are equally unattractive. The IU's proposals are attempts to control salaries and health insurance costs, simultaneously, where employees will have less expendable cash in each year of the Agreement. At that rate, *status quo* is the more attractive than a settled contract, where continuing under the current contract will result in higher insurance costs for the district. As irrational as it may be and expensive to employees, it is not unusual for contracts to go for multiple years without resolution, because employees reject health insurance changes. On the other hand, the Association's proposals resemble initial proposals with a price tag beyond the IU's willingness pay for fear of pricing the IU out of the market. The confluence of both proposals will definitely result in no agreement, continued labor unrest and higher health insurance dollars that increase faster than inflation, three unattractive and unnecessary outcomes. Against this backdrop after much deliberation and concern, I am making the following salary recommendations that, when evaluated together with the health insurance recommendations herein, will strike a fair balance between the IU's and the Association's needs and concerns.

The following computations are based on the IU's matrix, sample size, methodology.

For the 2014-2015 year, I am recommending no retroactive salary increase and no step level increase. According to the IU's **Financials Exhibit 8**, the total cost for wages paid is \$7,860,977, less than the base 2013-2014 year's cost of \$8,145,826, a decrease of \$284,849, due to a reduction of 6 employees and the hiring of new employees at lower steps to fill vacancies of higher paid employees who left the IU.<sup>3</sup>

For the 2015-2016 year, I am recommending an increase of \$700 (1% increase) to the MA Step 15, and one step increase above the 2014-2015 step level for each teacher who qualifies for a step increase for a total cost of \$8,034,566, or an overall increase above the 2014-2015 year's cost of 1.36% using the IU's methodology or 2.95% above the base 2013-2014 base year cost. For the 2016-2017 year, I am recommending an increase of \$700 to the MA Step 15, and one step increase above the 2015-2016 step level for each teacher who qualifies for a step increase for a total cost of \$8,264,865 for overall increase above 2015-2016 of 2.87% .

For the 2017-2018 year, I am recommending an increase of \$700 to the MA Step 15, and one step increase above the 2016-2017 step level for each teacher who qualifies for a step increase for a total cost of \$8,497,306 for an overall increase above 2016-2017 of 2.81% .

I do not recommend freezing step increases, because they exist to bring employees to a career level pay rate in 15 years of employment, even though teachers at that level will receive less of an increase than if the equivalent total money were distributed equally among all employees. In my experience, re-implementing frozen step scales is difficult at best.

The above proposals are based on the existing Salary Schedule Index in Appendix A and the Masters Step 15 as the point from which all other rates are derived. The IU is not persuasive seeking to change the scale formula and methodology, because the lower step pay rates can be addressed by targeting those that are below market by changing the index factor.

The overall four year cost increase is approximately \$351,500 using the IU's methodology ( $\$8,145,823 - \$8,497,306 = \$351,483$  or 3.87%) or \$79,000 average per year. Based on 130 teachers working 188 days, the proposal adds approximately \$3.25 per day per teacher on average per year to the amount charged to the districts for their services or \$.43 per hour based on a 7.5 hour day.

Finally, I further recommend eliminating Article IV, Sections A.1, 2, 3, 4, & 5, B.1 & 2, C.1 & 2 and D.1 & 2, because both parties have made the same proposals. Employees may continue to move laterally through the salary scale as they become qualified for Masters, Masters +15, +30, +45, +60 and Doctorates Degrees pay scales. I do not recommend eliminating the Masters +60 rates as the IU has proposed. Finally, I also don't recommend changing from 50% to 80% of the previous school year worked for employees to qualify for step movement on the scale. I have no data to make a decision.

#### ***Recommendation:***

The Fact Finder recommends the following changes to Article IV and the Salary Scales base in accordance with my above recommendations.

### **ARTICLE IV WAGES AND SALARY PROVISION**

- A. The salary schedules for **2014-2018** will be based on the **2014-2018** salary schedule index contained in Appendix "A", and will be calculated using **the Masters Degree Step 15 as the point from which all salary rates shall be calculated for each school year.**
- B. Master's, Master's + 15, and Master's + 30, Master's +45, Master's +60, and Doctorate columns
  1. Eligibility for placement on the Master's column shall be met by attaining a PDE Letter of Equivalency for Master's Degree or a Master's Degree in or related to the employee's field of certification or job responsibilities.
  2. Eligibility for placement on the Master's + 15 column shall be met by the completion of a minimum of 15 graduate level credits and/or PDE approved in-service credits after attainment of a Master's degree. Such credits shall be related to the employee's field of certification or job responsibilities.
  3. Eligibility for placement on the Master's + 30 column shall be met by the completion of a minimum of 30 graduate level credits and/or PDE approved in-service credits after attainment of a Master's degree. Such credits shall be

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<sup>3</sup> My salary scale calculations are based on IU's methodology, even though the base year for calculating costs usually is the final year of the expired contract, 2013-2014. Oddly, the IU uses a matrix with a different sample for 2014-2015 and continues to use it for each year thereafter, which I adopted for all my calculations.

related to the employee's field of certification or job responsibilities.

4. Eligibility for placement on the Master's + 45 column shall be met by the completion of a minimum of 45 graduate level credits and/or PDE approved in-service credits after attainment of a Master's degree. Such credits shall be related to the employee's field of certification or job responsibilities.
  5. Eligibility for placement on the Master's +60 column shall be met by the completion of a minimum of 60 graduate level credits and/or PDE approved in-service credits after attainment of a Master's degree. Such credits shall be related to the employee's field of certification or job responsibilities.
  6. Eligibility for placement on the Doctorate column shall be met by attaining a Doctoral Degree in or related to the employee's field of certification .or job responsibilities.
- C. In the event that the term .of this Agreement shall be extended as provided in Article II, above, and in the event that such mutually agreed upon changes result as a condition of such extension, then a revised Appendix "A" shall be executed by the parties and attached to and made a part of this Agreement.
- D. Advancement on the Salary Schedule - Employees in the bargaining unit on salary schedules of the bargaining unit will be placed on the appropriate step of the salary schedule. An employee will advance in accordance with the **2014-2018** salary step placement chart provided the employee has provided service equal to 50% of the instructional days in the prior school year.

Following are the recommended salary scales.

**2014-2015**

<b>Step</b>	<b>B</b>	<b>M</b>	<b>M+15</b>	<b>M+30</b>	<b>M+45</b>	<b>M+60</b>	<b>DOC</b>
<b>1</b>	45,459	47,140	48,022	48,905	49,787	50,670	51,552
<b>2</b>	46,530	48,211	49,094	49,976	50,859	51,742	52,624
<b>3</b>	47,602	49,283	50,166	51,048	51,931	52,813	53,696
<b>4</b>	49,332	51,013	51,896	52,778	53,661	54,543	55,426
<b>5</b>	51,062	52,743	53,626	54,508	55,391	56,273	57,156
<b>6</b>	52,792	54,473	55,356	56,238	57,121	58,003	58,886
<b>7</b>	54,522	56,203	57,086	57,968	58,851	59,734	60,616
<b>8</b>	56,252	57,933	58,816	59,699	60,581	61,464	62,346
<b>9</b>	57,982	59,663	60,546	61,429	62,311	63,194	64,076
<b>10</b>	59,713	61,394	62,276	63,159	64,041	64,924	65,806
<b>11</b>	61,443	63,124	64,006	64,889	65,771	66,654	67,536
<b>12</b>	63,173	64,854	65,736	66,619	67,501	68,384	69,267
<b>13</b>	64,903	66,584	67,466	68,349	69,231	70,114	70,997
<b>14</b>	66,633	68,314	69,196	70,079	70,962	71,844	72,727
<b>15</b>	68,363	70,044	70,927	71,809	72,692	73,574	74,457

**2015-2016**

<b>Step</b>	<b>B</b>	<b>M</b>	<b>M+15</b>	<b>M+30</b>	<b>M+45</b>	<b>M+60</b>	<b>DOC</b>
<b>1</b>	45,913	47,611	48,502	49,393	50,285	51,176	52,068
<b>2</b>	46,995	48,693	49,584	50,476	51,367	52,259	53,150
<b>3</b>	48,078	49,775	50,667	51,558	52,450	53,341	54,232
<b>4</b>	49,825	51,523	52,414	53,306	54,197	55,088	55,980
<b>5</b>	51,572	53,270	54,162	55,053	55,944	56,836	57,727

<b>6</b>	53,320	55,018	55,909	56,800	57,692	58,583	59,474
<b>7</b>	55,067	56,765	57,656	58,548	59,439	60,330	61,222
<b>8</b>	56,815	58,512	59,404	60,295	61,186	62,078	62,969
<b>9</b>	58,562	60,260	61,151	62,042	62,934	63,825	64,717
<b>10</b>	60,309	62,007	62,898	63,790	64,681	65,573	66,464
<b>11</b>	62,057	63,754	64,646	65,537	66,429	67,320	68,211
<b>12</b>	63,804	65,502	66,393	67,285	68,176	69,067	69,959
<b>13</b>	65,551	67,249	68,141	69,032	69,923	70,815	71,706
<b>14</b>	67,299	68,997	69,888	70,779	71,671	72,562	73,453
<b>15</b>	69,046	70,744	71,635	72,527	73,418	74,309	75,201

**2016-2017**

<b>Step</b>	<b>B</b>	<b>M</b>	<b>M+15</b>	<b>M+30</b>	<b>M+45</b>	<b>M+60</b>	<b>DOC</b>
<b>1</b>	46,367	48,082	48,982	49,882	50,782	51,683	52,583
<b>2</b>	47,460	49,175	50,075	50,975	51,875	52,776	53,676
<b>3</b>	48,553	50,268	51,168	52,068	52,969	53,869	54,769
<b>4</b>	50,318	52,033	52,933	53,833	54,733	55,633	56,534
<b>5</b>	52,083	53,797	54,698	55,598	56,498	57,398	58,298
<b>6</b>	53,847	55,562	56,462	57,362	58,263	59,163	60,063
<b>7</b>	55,612	57,327	58,227	59,127	60,027	60,927	61,828
<b>8</b>	57,377	59,091	59,992	60,892	61,792	62,692	63,592
<b>9</b>	59,141	60,856	61,756	62,656	63,557	64,457	65,357
<b>10</b>	60,906	62,621	63,521	64,421	65,321	66,221	67,122
<b>11</b>	62,671	64,385	65,286	66,186	67,086	67, 86	68,886
<b>12</b>	64,435	66,150	67,050	67,950	68,851	69,751	70,651
<b>13</b>	66,200	67,915	68,815	69,715	70,615	71,515	72,416
<b>14</b>	67,965	69,679	70,580	71,480	72,380	73,280	74,180
<b>15</b>	69729	71,444	72,344	73,244	74,145	75,045	75,945

**2017-2018**

<b>Step</b>	<b>B</b>	<b>M</b>	<b>M+15</b>	<b>M+30</b>	<b>M+45</b>	<b>M+60</b>	<b>DOC</b>
<b>1</b>	46821	48553	49462	50371	51280	52189	53098
<b>2</b>	47925	49657	50566	51475	52384	53293	54202
<b>3</b>	49029	50761	51670	52579	53488	54397	55306
<b>4</b>	50811	52542	53451	54361	55270	56179	57088
<b>5</b>	52593	54324	55233	56142	57051	57960	58870
<b>6</b>	54375	56106	57015	57924	58833	59742	60651
<b>7</b>	56157	57888	58797	59706	60615	61524	62433
<b>8</b>	57939	59670	60579	61488	62397	63306	64215
<b>9</b>	59721	61452	62361	63270	64179	65088	65997
<b>10</b>	61503	63234	64143	65052	65961	66870	67779
<b>11</b>	63285	65016	65925	66834	67743	68652	69561
<b>12</b>	65067	66798	67707	68616	69525	70434	71343
<b>13</b>	66849	68580	69489	70398	71307	72216	73125
<b>14</b>	68631	70362	71271	72180	73089	73998	74907
<b>15</b>	70413	72144	73053	73962	74871	75780	76689

#### **Issue No. 4: Article VI, Length of School Year**

##### ***Position of the IU:***

The IU is proposing to delete the second paragraph of the Article for clarification. The current language of first paragraph determines the per diem pay for employees working in excess of the 188 work year. The second paragraph is confusing because it repeats the terms of the first paragraph for no purpose, except to cause confusion.

##### ***Position of the Association:***

The Association believes the current language of the second paragraph adds clarity to the first paragraph. There is no need for the proposed change.

##### ***Discussion and Opinion:***

The IU did not offer any compelling reason to change the current Article VI. It appears the current language has served the parties for at least since 2011. Absent a compelling reason, I believe that changing contract language for clarification purposes only without a history of trouble interpreting it may cause confusion. Since contract language exists for a purpose, its removal may mean that something has been changed even if that were not the intent of the change.

##### ***Recommendation:***

The Fact Finder recommends **no change** from the existing language in the expired contract.

#### **ARTICLE VI - SCHOOL YEAR**

The school year shall be one hundred eighty-eight (188) days. A minimum of one hundred eighty (180) of such days shall be for pupil instruction. The remaining eight (8) days for each school year shall be used for curriculum revision or planning, pupil or parental conferences, in-service meetings and administrative meetings, with joint planning for in-service days being undertaken by both the administration and Association. However, any disagreement arising from the joint planning shall not be subject of grievance. Any employee required to work more than one hundred eighty-eight (188) days shall be compensated at his/her per diem rate for all such days.

Employees working under CSIU service contracts which require a school year in excess of 188 days will be required to work the number of days required under the service contract. Those staff will be compensated from the current salary schedule by calculating the daily rate of pay and multiplying that product by the number of days required to be worked. (Example: a teacher who is to be paid \$50,000 per year under this Teachers Contract and is required by a service contract to work 220 days would be paid \$58,510.64 ( $\$50,000/188 \times 220$ ). In addition, those staff will be granted paid sick leave, paid holidays and paid vacation days in accordance with CSIU policies.

#### **Issue No. 5: Article VII, Length of School Day**

##### ***Position of the Association:***

The Association is proposing to change the contract provision so that 7.5 hours is designated as the 'maximum' rather than the 'normal' work day, and to delete the sentence permitting the IU to change work hours and the length of the work day. The length of the work day has been arrived at by mutual agreement and should not be subject to change by one of the parties to the contract, in this case, the employer. The Association's proposal further states that the work day shall not exceed 7.5 hours and that the work day and schedule may not be altered in any manner unilaterally.

##### ***Position of the IU:***

The IU needs to keep the current contract to be able to schedule employees to conform with the schedules at the assigned districts.

##### ***Discussion and Opinion:***

The Association did not present convincing evidence to change the existing language, which has been in effect for at least five years. The parties have a long-term understanding and practice regarding this Article that should not be disturbed without clear and convincing evidence that it has caused misunderstanding, misinterpretation or has otherwise been a problem. Furthermore, the Association's proposal may be confusing, because it would change the normal work day to the maximum work day. Using 'maximum' even with deleting the current second sentence may still permit the IU to change the length of the work day. With respect to work hours,

the IU needs to be able to establish employees' 7.5 hour work schedule to conform with the receiving districts' schedules.

***Recommendation:***

The Fact Finder recommends **no change** from the language of the expired Agreement.

**ARTICLE VII - LENGTH OF THE SCHOOL DAY**

The normal work day shall be 7.5 hours. The Employer reserves the right to change the work hours and/or length of the work day.

**Issue No.6: Article X, Job Security and Job Progression**

***Position of the Association:***

The Association is proposing to delete 'whenever possible' from Section F to require the IU to advertise all job openings to employees in the bargaining unit no later than the general advertising of the position. Since employees are assigned to other schools, they may not be aware of a desirable vacancy until it is too late to apply.

***Position of the IU:***

The IU attempts to post all vacancies, but some circumstances may arise where the posting prior to advertising may delay the filling of a critical and necessary vacancy.

***Discussion and Opinion:***

The Association has not presented convincing reasons for changing the current contract language. Any employee who is interested in changing positions need only go to the website periodically, contact the human resources department or contact the Association president to ascertain whether vacancies exist or are anticipated. Finally, the existing language puts the onus on the IU to defend its not having posted a job vacancy before general advertising, since the operable language is 'whenever possible', where the employer has to establish that it was not possible, or impossible, to do so in each specific circumstance. In other word, the IU is obligated by the current to language to post all vacancies in a timely manner where not posting a vacancy would be a highly unusual circumstance outside the norm and subject to scrutiny.

***Recommendation:***

The Fact Finder recommends **no change** from the current contract language.

**ARTICLE X, JOB SECURITY AND JOB PROGRESSION**

F. Whenever possible, postings will be made no later than any advertising for the open position.

**Issue No. 7: Article XII, Notice**

During the fact finding, the parties entered into an agreement, which is as follows.

**ARTICLE XII - NOTICE**

Whenever any notice is required to be given by either of the parties to this Agreement to the other party, pursuant to the provisions of this Agreement, either party shall do so by certified mail or personal messenger service at the following addresses:

A. If by Association to the Employer, delivery to:

Central Susquehanna Intermediate Unit #16  
P.O. Box 213  
Lewisburg, Pennsylvania 17837

B. If by the Employer to the Association, delivery to:

Present address of the President of the Association.

## Issue No. 8: Appendix B

### A) Section 1: Hospital, Medical, Prescription Drugs, Dental and Vision Coverage

#### *Position of the IU:*

The IU has proposed a comprehensive overhaul to health insurance provided to employees from the current tiered system to a higher deductible plan with an health savings account (HSA) to off-set the deductibles. The IU is attempting to reduce health costs and slow the rate of premium increases, because the cost of high deductible plans generally increases at a lesser rate than the current more traditional plans. In addition, the IU is proposing to shift some of the premium cost by having all employees pay 20% of the tiered premium. Currently, employees hired after July 1994 pay a portion of the premium and employees hired after July 2011 may not enroll in the indemnity plan. Included in the proposal is the elimination of the Monetary Incentive Plan that pays employees 20% of the premium in lieu of enrolling in the health insurance plan.

Implement QHDP plan with \$2000/\$4000 deductible and HSA with employees cost-sharing equal to 20% of the tiered premium.

2014-2014: no change.

2015-2016: employer paid HSA - \$2000/\$4000

2016-2017: employer paid HSA - \$\$1900/\$3750

2017-2018: employer paid HSA - \$1000/\$2000\*

\* *HSA sunsets immediately before the expiration of the Agreement.*

The IU is proposing no change to the premiums and benefits provided by the dental and vision care plans. The proposal will give the IU a mechanism to reduce costs to save jobs. The proposed higher deductible plan will maintain quality benefits at a lesser net cost which will slow the growth of future premium costs. In addition, employees may accumulate funds to off-set future medical expenses and premiums.

#### *Position of the Association:*

The Association rejects the IU's proposal as too costly, because it shifts a larger portion of the premium costs and risk through higher deductibles and co-payments to employees, the HSA notwithstanding. Instead it is proposing to eliminate all health insurance plan tiers in exchange for all employees enrolling in the CS Trust PPO or the GHP HMO plans. Currently, some employees have an indemnity plan while others may only opt into either CS Trust PPO \$500 or the GHP \$500 HMO plans.

The proposal eliminates all premium sharing because the IU will obtain savings with lower premium costs by employees paying for more deductibles and co-payments. Employees who participate in the Monetary Incentive Plan should receive 50% of the premium in stead of the current 20%. The Association is also proposing to increase the per person annual maximum dental care from \$1500 to \$2500 effective for the 2015-2016 contract year.

This proposal will streamline health insurance by eliminating the two-tiered system and eliminate premium payments for current employees not grand parented by the current Agreement.

#### *Discussion and Opinion:*

Health insurance is an important and large benefit to employees and costly to the employer. The IU's plan's time has not come, because health insurance change is difficult to sell even though resistance may at times be irrational. Resistance is further increased, because most employees are covered by a no deductible traditional preferred provider plan and a no deductible HMO. It wasn't too long ago that preferred providers plans and to a lesser extent HMO plans were resisted in much the same manner the IU's current proposal is being resisted. Instead, I am proposing that effective for the 2015-2016 contract year, all employees will be eligible for either the PPO \$500 plan or the HMO \$500 plan.<sup>4</sup>

Currently, only 7 and 9 employees are enrolled in each of those plans, respectively, while the majority of employees, 55 and 44 are enrolled in the PPO \$0 and HMO \$0 plans, respectively. Because the PPO \$500 plan is approximately 12+% less expensive on average than the PPO \$0, and the HMO \$500 is 12.5% less on average than the HMO \$0, the proposal is approximately 11.4 is less costly than the current offerings. I am also proposing to keep the current premium cost sharing plan in effect for employees currently paying premiums. Those employees not paying a premium share (those hired before July 1, 1994) will be required to pay 50% of the premium charged to employees currently paying premiums. These employees are the senior, highest earners in the bargaining unit,

<sup>4</sup> The proposal may likely be the bridge to the IU's plan for the next round of bargaining in 2018, when the full weight of Affordable Health Care is realized.

while the lower paid have been paying for over two decades.<sup>5</sup> In exchange for not recommending the IU's health plan and recognizing that the recommended plan will cost employees more for services, charging these additional employees will help offset some, but not much of the health cost. In addition, I am proposing that the dental and optical plan shall not be increased for the duration of the Agreement. Employees who participate in the Monetary Incentive plan will continue to receive 20% under the conditions outlined in the expired Agreement, except that the amount will be based upon the PPO \$500 plan.

**Recommendation:**

1. HOSPITAL, MEDICAL, PRESCRIPTION DRUG, DENTAL AND VISION COVERAGE

The Board agrees to pay the monthly premium for the hospitalization, medical and prescription drug plans as provided by the Trust for all employees and their eligible dependents.

**Effective for the 2015-2016 contract year, all employees will have a choice of the CS Trust PPO \$500 or GHP \$500 health plans only. No other plans will be available.**

Employees hired on or after July 1, 1994, shall pay part of the monthly premium for the hospital, medical and prescription drug plans by authorizing a payroll deduction in accordance with the Health Premium Cost Sharing Schedule attached. **(The schedule shall be amended to reflect the rates of the PPO \$500 and HMO \$500 plans; the other plans not offered shall be removed.)**

**Effective July 1, 2017, employees hired before July 1, 1994, who are exempt from paying a portion of the health insurance premium shall pay premium share at 50% of the rate charged to employees hired after July 1, 1994**

The Board agrees to pay the monthly premium for the Central Susquehanna Intermediate Unit Dental Care Plan, basic and supplemental benefits, (including a per person annual maximum of \$1,500 and the application of sealants for children under the age of 14) and the Central Susquehanna Intermediate Unit Vision Care Plan as provided by the CS Trust for all eligible employees and their eligible dependents.

All hospital, medical, prescription drug, dental and vision coverage, whether provided by the CS Trust PPO \$500 or HMO \$500 plan(s) are a contract between the Employer and the insurance carrier. No dispute over a claim by a covered employee for health insurance shall be subject to the grievance procedure established in this Collective Bargaining Agreement. It is agreed that the Employer's liability to a covered employee shall be limited to the payment of premiums as provided herein.

Any employee who chooses to participate in the CSIU's Monetary Incentive Plan in lieu of electing to participate in CSIU health (hospitalization and medical) coverage shall receive annual compensation in lieu of such CSIU health coverage in the amount of twenty per cent (20%) of the then current CSIU health coverage annual cost for the PPO \$500 plan as indicated on the Health Premium Cost Sharing Schedule<sup>6</sup>, a copy of which Schedule for the current year is attached to this Agreement. The CSIU shall only provide this payment in a manner consistent with and under the CSIU Section 125 Monetary Incentive Plan Document requirements, which are governed by Section 125 of the Internal Revenue Code as amended.

In the event a husband and wife are both employed by the Board then payment of premiums shall be made for one spouse only, The other spouse may enroll as a dependent of the covered spouse and shall be eligible for the Section 125 monetary incentive above.

The Board agrees to pay 50% of the premium for each eligible regular part-time professional employee who agrees to pay 50% of the premium for the full term of the contract.

Pre-certification for all inpatient hospital admissions and use of the CS Trust's program for managed care services, shall be mandatory.

Full-time employees who begin an Employer approved unpaid leave of absence shall have the option to

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<sup>5</sup> I can only surmise that the number of exempt employees is fairly small, because the actual is not in the record.

<sup>6</sup> The Monetary Incentive plan shall be based upon the amended Health Premium Cost Sharing Schedule with the PPO \$500 and HMO \$500 plans.

continue health, dental and vision coverage at their own expense, payable to the Employer according to the following formula calculated and determined at the inception of the leave:

1 minus No. of days worked in a regular school yr\* x monthly Cobra rate = 188  
Monthly payment is due by the employee to Employer for each month of the leave.

*\*The number of days worked shall include approved and paid personal and sick leave days; then the number of days worked shall be rounded to the nearest first of the month to calculate the formula and the months of benefits payable.*

### **B) Section 3: Emergency Days**

#### ***Position of the Association:***

The Association is proposing to add the following definition for what may be an emergency for approval of emergency days. “An emergency shall be defined as a sudden, unexpected event which requires the employee’s immediate attention.” This provision will give both parties direction for requesting and approving this leave.

#### ***Position of the IU:***

The proposal is unacceptable because it is too broad and open to interpretation beyond managerial prerogative. The current contract has not been a problem for either party.

#### ***Discussion and Opinion:***

The Association is not persuasive arguing for a change to this provision. The addition of the Association’s language will not further define the conditions by which employees’ requests may or may not be approved, and the employer still has to approve the request. The provision as it currently exists is subject to approval, but such approval may not be arbitrarily denied, because employers’ discretion is always subject to the arbitrary standard. As the provision is written, employees may take the day, but seek approval upon their return to work. The proposed change does not provide any enlightenment to either party for the employee requesting it or the employer’s approving or denying it.

#### ***Recommendation:***

The Fact Finder recommends **no change** to the current language.

### **3. EMERGENCY DAYS**

Employees are eligible for emergency days with the approval of the Executive Director or his designee. A written explanation of the emergency must be given to the Executive Director or his designee and a request for a approval upon return to the job. Existing sick day policies relating to arrangements for a substitute will be followed.

### **C) Section 4: Personal Days**

#### ***Position of the Association:***

The Association proposes to increase the annual number of days from 3 to 4 days, increase the beginning and end of school year ‘black out’ days from 5 to 7, eliminate restrictions before and after school holidays, carry over 3 days rather than 1 unused day, increase the accumulation from 4 to 7 days and permit employees to use more than 2 consecutive days. The Association argues that these changes will provide employees with greater flexibility to use these days when needed, which need generally is out of the control of the individuals.

#### ***Position of the IU:***

Employee time away from the classroom is neither educationally sound nor an improvement to the services provided to the students and districts. Since the IU is fee for service, every day employees are away from their assignments is paid for by the districts, the IU rejects the proposals. The IU proposes to increase the blackout days to 10 days at the beginning and 10 days at the end of the school year because those are the two critical times when employees are needed put in place all the elements that are needed to begin a new school year and close the books on the school year in June. The remaining contract provisions should remain unchanged.

***Discussion and Opinion:***

Personal days are important because this class of employees does not have accumulated sick time as other professional and non professional employees have, that may be used to take time to attend to personal business needs that may arise out of the control of the employees. Even with the number of regularly scheduled school vacation periods, personal business doesn't always conform to school schedules. I agree with increasing the number of blackout days to the Association's proposed 7 days. I further recommend that 2 unused days may be carried over to the next school year and the maximum number of accumulated days be increased to 5 days. These changes will provide employees with enough days to use when needed and deter using them rather than losing them.<sup>7</sup>

***Recommendation:***

The Fact Finder recommends the following contract provision with the noted changes.

**4. PERSONAL DAYS**

Full-time professional employees and full-time substitutes who work 188 days are entitled to three (3) personal days per year with notice given to the Executive Director or his designee at least three (3) working days in advance for purposes of arranging for a substitute. One (1) day of personal leave without accumulation would be available in each school year for regular part-time professional employees. Part-time professional employees will be paid pro rata. Under normal circumstances, personal days may not be taken during the first **seven (7) days** or the last **seven (7) days** of the school term or immediately before or immediately after a regular school holiday, however, the Executive Director may grant such requests at his/her discretion. A limit of 10% of the professional personnel who require substitutes and 25% who do not require substitutes may be granted a leave on any day.

- A. Personal days can be used for personal employee business.
- B. Generally, such personal business can be planned at least one week in advance (for example: legal settlement activities attendant upon the purchase of a home) so that sufficient notice may be given to the Executive Director or his designee for purposes of arranging for a substitute teacher.
- C. Emergencies will occur, however (for example: taking a parent, spouse or child to a hospital or doctor under emergency conditions). In such cases, the Executive Director or his designee has made and will continue to make exceptions to the sufficient advance notice provisions.
- D. At the end of each year, **two (2)** unused day will be moved to the next year, with no more than **five (5)** personal days to be accumulated and used in anyone year; and any other unused personal days (from the current year) will be added to the employee's sick leave.
- E. Employees may not take more than two (2) consecutive personal days. In the case of an emergency or special circumstances, the Executive Director may pre-approve exceptions to this provision.

**D) Section 5: Sick Days**

***Position of the Association:***

The Association is proposing that part-time employees' sick leave should be increased from 5 to 10 days annually, because there should not be a distinction for part-time employees. Part-time employees will only receive pay for their reduced work day. There is no need to further pro rate those days by giving them essentially one half the full time benefit. In other words a half day of work is a half day of pay for employees working half time. The current provision is not consistent with School Code, Section 1154, which provides for not less than 10 days per year without regard to full time or part-time employment. Additionally, the Association is proposing to permit employees to use accumulated sick leave to attend to family members or any individual residing in the member's household.

***Position of the IU:***

The IU rejects any change to this provision because part-time employees should not receive part-time benefits. This proposal will further increase costs which will be passed on to the districts at a time when the IU is attempting to control costs to remain

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<sup>7</sup> Although there is no evidence that employees use them for no apparent good reason rather than lose them, the proposal may deter those who may contemplate doing so.

competitive. Additionally, with the changes in family relationships and responsibility, permitting sick leave to be used for family illness will increase costs while reducing the number of days that the districts will be paying full cost for services not provided. Increasing the number of days employees may be absent from work reduces the time they are able to provide services within the given work year at a cost to education. Therefore, the IU rejects any change to this provision.

***Discussion and Opinion:***

The most important employees in school employment are the employees who directly provide services to students. Each day they are absent is a day's worth of instruction that cannot be fully made up. However, since family and other responsibilities have changed and increased due to increased life expectancy and both parents working out of the house, absences related to these responsibilities are facts of modern life. But, emergency leave, personal days and family medical leave (FMLA) in combination will provide employees with enough time off to attend family responsibilities. With respect to part-time employee sick leave, the Association is not persuasive arguing for any change based on need or that the provision is inconsistent with Public School Code. It doesn't appear that Section 1154 refers specifically to "a professional or temporary professional employee" but not to part-time employees to require at least 10 sick leave days with pay per school year.<sup>8</sup> Unless there is case law to support the Association's proposal, the Association has not provided a compelling reason to change this provision.

***Recommendation:***

The Fact Finder recommends **no change** in this Article.

**5. SICK DAYS**

Employees are eligible for ten (10) sick days per year according to the provisions and regulations of Section 1154 of the Public School Code. Regular part-time professional employees are eligible for five (5) sick days per year paid on a pro rata basis.

The CSIU Board has established a sick leave bank policy and administrative regulations. Employees eligible to join the sick leave bank may do so at their discretion.

**E) Section 6: Credit Reimbursement**

***Position of the IU:***

The IU is proposing to provide repayment requirements for employees who leave the employment of the IU within one and two years of having completed reimbursed courses at the rate of 50% for leaving within one year and 25% for leaving within two years. The IU is willing to pay for educating its employees as long as it receives the benefit for the money paid.

***Position of the Association:***

The Association will accept the IU's proposal if the reimbursement rate is increased to 100%. The current rate at 50% of the Bloomsburg University rate is low and lower than the rates paid to employees at the participating districts.

***Discussion and Opinion:***

The IU is not persuasive arguing for this change. Although it is not in the business of the IU to educate future employees of other districts, there is no indication that there is a problem to fix. The Association is similarly unpersuasive conditioning approval for the proposal on increased reimbursement rates, especially since it did not make an initial proposal to increase the reimbursement rates, relying instead to hitchhike on the IU's proposal.

***Recommendation:***

The Fact Finder recommends **no change** to this provision.

**6. CREDIT REIMBURSEMENT**

Professional employees will be reimbursed up to the equivalent of fifteen (15) graduate credit hours in the field of certification or teaching assignment per fiscal year for pre-approved courses taken and completed while employed in

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<sup>8</sup> There was no case law cited and a search did not reveal any case law to support the Association's assertions that the Agreement does not comply with Public School Code.

Intermediate Unit #16. However, only the equivalent of six (6) credit hours per semester will be allowed for professionals employed full time during that semester. Payment will be up to the rate per graduate credit charged by Bloomsburg University. The Board will reimburse up to 50% of the rate per graduate credit charged by Bloomsburg University and paid by regular part-time professional employees. Payment will be made in the month following the submission of a grade sheet showing completion with a B grade or better and evidence of payment for the pre-approved courses, seminars, workshops, or programs.

#### **F) Section 7: Professional Improvement**

##### ***Position of the IU:***

The IU is proposing that requests for professional improvement activities by employees will be conditioned on funds available in the *program* budget. The IU believes that funding for such leave is a managerial concern that must be contingent upon available funding in the relevant program budget.

##### ***Position of the Association:***

The Association is proposing to eliminate any reference to budget or funding sources as conditions for approval. Instead it is proposing to add, "Requests for such leave shall not be arbitrarily or capriciously denied." In this manner, employees will be treated fairly and equitably when seeking opportunities for professional improvement.

##### ***Discussion and Opinion:***

Neither party made convincing arguments to change this provision which has been in the expired Agreement and in effect for not less than five years. There are enough safe-guards for the IU to review the proposal, make a determination on its value and determine if there are sufficient funds, especially if the IU has adopted program or similar budgeting. The Association is adequately protected, because it may challenge any proposal that is rejected if it believes the decision is arbitrary even though IU has the right to deny such requests.

##### ***Recommendation:***

The Fact Finder recommends **no change** from the existing contract provision.

### **7. PROFESSIONAL IMPROVEMENT**

An unspecified number of days shall be allotted for professional improvement (for example: observation days or attendance at conventions or workshops) occurring on school days. Plans for these activities prepared by the requesting employee shall be presented in writing for approval by the administration in advance provided they are job related and provided funds for the activity are available in the budget. Such planned professional activities may also be prepared by the administration and time provided here will be in addition to that pre-approved professional development time requested by the employee.

#### **G) Section 8: Full Summer Session**

##### ***Position of the IU:***

The IU is proposing to change the rate paid to employees who participate in the summer program to \$27 per hour instead of the current per diem hourly rate. This change is more in keeping with other districts' pay rates for such work. The proposed fixed standard rate controls program costs at a rate that is competitive and fair. This rate will not apply to employees working on an extended work year as provided by Article VI.

##### ***Position of the Association:***

Employees should continue to be paid at the current per diem rate for the work they perform whether it occurs in the regular school year or summers.

##### ***Discussion and Opinion:***

Employees are paid for what they know and the skills they have to implement and share that knowledge, whether they are working in the regular school year or summer programs.

##### ***Recommendation:***

The Fact Finder recommends **no change** from the current contract.

## 11. FULL SUMMER SESSION

Employees who participate in the summer program will be paid on the basis of the per diem hourly rate computed from the current salary schedule for each hour worked.

### H) Section 9: Mileage

#### *Position of the IU:*

The IU is proposing to change the rate of reimbursement from the only the IRS rate to the IRS rate or the lesser agency approved rate to control costs.

#### *Position of the Association:*

The Association rejects this proposal in favor of continuing the current contract provision.

#### *Discussion and Opinion:*

The IU is not persuasive arguing for a change in this provision. Gas and operating vehicles is expensive and when they are used for the IU's business, employees should receive the full IRS approved rate to reimburse them for the cost of operations and wear and tear on their vehicles.

#### *Recommendation:*

The Fact Finder recommends **no change** from current contract provision.

## 9. MILEAGE

The mileage rate for approved work-related mileage for full-time and regular part-time professional employees shall be the IRS rate allowable for federal income tax purposes.

### I) Section 11: Court Leave

#### *Position of the Association:*

The Association is proposing to broaden the provision so that employees who are required to appear in court whether or not the reasons are work related should continue to receive their full pay. The proposal does not include court appearances for litigation employees initiate on their behalf.

#### *Position of the IU:*

The IU rejects the proposal because the current contract protects their pay if they are required to appear for jury duty or for work related matters.

#### *Discussion and Opinion:*

The current contract provision protects employees' full pay for missed work for jury duty and work related appearances. The IU should not be responsible for other court related absences.

#### *Recommendation:*

The Fact Finder recommends **no change** from the existing contract provision.

## 11. COURT LEAVE

Employees who serve as jurors or are subpoenaed to court as witnesses for CSU #16 work related reasons shall not suffer a reduction in salary. Amounts received as a juror or witness shall be deducted from the employee's pay.

### J) Section 12: Mentor Pay

**Position of the Association:**

Employees who mentor other employees as part of the CSIU induction program shall be paid \$1000 per year instead of the current \$500. Mentoring is an integral component to a new employee’s introduction to working for the IU. The current stipend is low and in need of improvement to reflect the important service that mentors provide to the educational system.

**Position of the IU:**

There is no basis for doubling or increasing the current rate.

**Discussion and Opinion:**

The Association is not persuasive arguing for nor did it present convincing evidence that an increase to this rate is necessary or warranted.

**Recommendation:**

The Fact Finder recommends **no change** to the current contract provision.

**12. MENTOR PAY**

Employees who serve as mentors as part of the CSIU induction program shall be paid \$500 per year.

**K) Section 13: Retirement Fringe Benefits**

**Position of the Association:**

The Association argues that severance pay is a fair reward to employees who have committed their professional careers to the IU. Therefore, it is proposing to remove the requirement that employees retire permanently from public education to qualify for this benefit. It also proposes to increase the base rates and the rates for calculating the reimbursement effective immediately and freeze them for the duration of the Agreement in accordance with the following chart:

		<b>HRA Contribution Rates</b>				
		<b>Years of Service</b>				
		10-15	16-20	21-25	23-30	31+
<b>Effective 2015-2016</b>	Base Amount	\$1500	\$2000	\$2,500	\$3000	\$3,500
	Amount per unused day	\$100	\$110	\$120	\$130	\$140
	Maximum Benefit	\$16,200	\$24,000	\$32,500	\$42,000	\$52,000

**Position of the IU:**

The IU is proposing to keep the base amount unchanged but to increase the amount for each unused sick day and increase the maximum benefit paid and keep those rates for the duration of the Agreement. The ever-increasing rate diminishes the value to the IU as the difference between the severance costs and the lower rates of new employees becomes narrower. The following proposal will slow the rate of growth to maintain its value as an incentive to not use sick leave and an incentive to retire that still provides a valuable benefit to retiring employees.

		<b>HRA Contribution Rates</b>				
		<b>Years of Service</b>				
		10-15	16-20	21-25	23-30	31+
<b>Effective 2015-2016</b>	Base Amount	\$1000	\$1000	\$1000	\$1000	\$1000
	Amount per unused day	\$85	\$90	\$95	\$100	\$120
	Maximum Benefit	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000

**Discussion and Opinion:**

The Association’s proposal will increase the cost to the IU, immediately, by approximately 35% for the 10-15 year category and by approximately 71% for the 16-20 year category. The rate of growth for the four years of the expired contract in the same two categories was \$1000 per year or 25% for the 10-15 and 17.6% for the 16-20 years respectively. If the growth rate of the expired contract were continued, it will take 4.5 years for the 10-15 year category and 10 years for the 16-20 year category rates to ‘catch up’

to the Association's proposal. The remaining three categories will take even more years as the maximum benefit in each category is at least doubled. The Association's proposal prices this benefit out of existence. The IU's proposal increases the rates by \$1000 each but freezes them for the duration of the Agreement and until new rates are negotiated, as an attempt to slow down the overall growth of the fees charged to the districts for service to remain competitive. I recommend the IU's proposal to go into effect for the 2015-2016 school year and remain in effect for two years until the 2017-2018 school year, where the rates should be increased at the same growth rates established by the expired contract. I do not recommend changing the conditions by which employees may qualify or the base rates as proposed by the Association. I recommend the IU's proposal for notice by December 31 of the year preceding the employees' retirement date to give the IU the opportunity to plan its budget. (For example, notice will be given by December 31, 2015 for a retirement that will occur in 2016.) I do not recommend deleting or changing the conditions needed to qualify for the benefit, because it is a retirement benefit primarily instead of a retirement incentive. This proposal by slowing the growth by 50% as compared to the rate of growth established in the expired contract is a comfortable balance between the IU's need to slow the growth of its fees, while still providing a substantial and competitive benefit for retiring employees.

**Recommendation:**

The Fact Finder recommends the following retirement fringe benefit provision to be included in the Agreement.

**13. RETIREMENT FRINGE BENEFITS**

Professional employees, upon permanent retirement from the field of public education after ten (10) years or more of full-time continuous service with the Employer, shall receive a payment of \$1,000 plus an amount based on unused sick days, and with a total maximum retirement payout in accordance with the following rates and maximums at the end of the year in which a letter of intent to retire is received and accepted by the Board. Service with another employer as a result of Transfer of Entities will not constitute a break in continuous service, however, such years shall not be counted as service with the CSIU and the employee must complete at least five (5) consecutive years in the CSIU immediately prior to retirement to be eligible for this benefit. Such payment will be made by the Employer directly into a bona fide Healthcare Reimbursement Account to be used for healthcare costs as per the guidelines of the HRA. Employees shall have no cash option. This payment will be made no later than the, 15th of the month immediately following the employee's last day of active employment.

<b>HRA Contribution Rates</b>						
		<b>Years of Service</b>				
		<b>10-15</b>	<b>16-20</b>	<b>21-25</b>	<b>23-30</b>	<b>31+</b>
<b>Effective 2015-2016</b>	Base Amount	\$1000	\$1000	\$1000	\$1000	\$1000
	Amount per unused day	\$85	\$90	\$95	\$100	\$120
	Maximum Benefit	\$12,000	\$14,000	\$16,000	\$18,000	20,000
<b>Effective 2017-2018</b>	Base Amount	\$1000	\$1000	\$1000	\$1000	\$1000
	Amount per unused day	\$90	\$95	\$100	\$105	\$125
	Maximum Benefit	\$13,000	\$15,000	\$17,000	\$19,000	\$21,000

- A. An employee to be eligible for this retirement benefit shall:
  - (1) **Submit notice of intent to retire by December 31 preceding the retirement date.**
  - (2) Submit a valid written resignation to the CSIU Board; and,
  - (3) Submit to the Pennsylvania Public School Employees Retirement System or the Pennsylvania State Employees Retirement System the official application for retirement benefits.
- B. The date of separation from public education is defined as that date which the employee enters on his official application for retirement as the "date on which last service was rendered."
- C. The retirement benefit applies only to employees who qualify for benefits upon retirement under the Pennsylvania Public School Employees Retirement System or the Pennsylvania State Employees Retirement System. Employees who do not qualify for retirement under the Pennsylvania Public School Employees Retirement System or the Pennsylvania State Employees Retirement System for any reasons, such as less than full-time employment, do not qualify for a retirement benefit.
- D. Payment is limited to payment upon retirement. This is not a death benefit; no payment will be made upon death. An employee shall be eligible to receive a retirement benefit as provided in this article only one (1) time.
- E. The retirement benefit applies only to the official provisions for retirement under the Pennsylvania Public School Employees Retirement System or the Pennsylvania State Employees Retirement System and is restricted to superannuation retirement, disability retirement or withdrawal allowance. Vesting in excess of one (1) year prior to retirement will preclude payment.

Payment under this policy cannot be assigned or transferred.

#### **L) Section 14: Term Life**

##### ***Position of the Association:***

The Association is proposing to increase the face value from \$30,000 to \$50,000, and increase the additional amount employees may purchase from \$30,000 to \$50,000, in addition to removing the exclusion of part-time employees. Furthermore, the Association is proposing to make any dispute that may arise subject to the grievance procedure. The insurance needs to be improved, because most professionals within the CSIU marketplace and throughout the Commonwealth provide \$50,000 policies.

##### ***Position of the IU:***

The current policy is sufficient, because it is provided only to supplement employees' own portfolio. Eligibility requirements are dictated by law and the terms of the policy, and may not be changed in bargaining. Finally, the proposal to make all disputed claims subject to the grievance procedure is unacceptable, because claim disputes are resolved by the terms of the policy.

##### ***Opinion and Discussion:***

The current face amount is sufficient for the duration of the Agreement. Although term life insurance is relatively inexpensive, I have no basis to compute what the proposal may cost. Furthermore, I do not recommend the other changes proposed by the Association, because disputes arising between the insurance company and the insured must be resolved under the terms of the policy. By making such disputes subject to labor arbitration, any award may not be binding on the insurance company, while shifting the liability to the employer who has no authority to interpret and provide policy benefits. Finally, the Association is not persuasive arguing to provide policies to part-time employees, because I no basis to determine costs.

##### ***Recommendation:***

The Fact Finder recommends **no change** from the life insurance policy provisions of the expired Agreement.

#### **14. TERM LIFE INSURANCE**

The Employer agrees to pay the premium for a term life insurance policy in the amount of Thirty Thousand (\$30,000.00) Dollars for each eligible employee on the active payroll. Eligible employees shall be permitted to purchase at their own cost an addition Thirty Thousand (\$30,000.00) Dollars term policy at the supplemental premium rates charged to the Employer. The Board agrees to pay 50% of the premium for each eligible regular part-time professional employee who agrees to pay 50% of the premium for the full term of the contract.

- A. Coverage is effective on the first (1) day of actual employment.
- B. The insurance shall terminate at the end of the month in which the employee's active employment with the employer. Temporary leave of absence shall not be considered as termination of employment for the purpose of life insurance coverage, unless the employee shall so elect.
- C. To be eligible, an employee, other than a full-time employee, must be scheduled to work on a regular part-time basis of twenty-five (25) or more hours per week.
- D. Employees on an unpaid leave of absence may continue coverage by paying the premiums during the term of such unpaid leave.
- E. The term life insurance is a contract between the Employer and the insurance carrier. No dispute over a claim by a covered employee for life insurance shall be subject to the grievance procedure established in this collective bargaining agreement.
- F. It is agreed and understood that the Employer does not accept nor is the Employer to be charged with hereby, any responsibility in any manner connected with the determination of liability for payment of life insurance by a covered employee. It is agreed that the Employer's liability to a covered employee shall be limited to the payment of premiums.

#### **M) Section 14: Association Representation**

##### ***Position of the IU:***

The IU is proposing to change the existing leave provisions to require the Association to reimburse the IU for the cost of

substitutes when they are hired to replace employee delegates to the Association's House of Delegates meeting. It should not be the employer's expense for leadership to take time off to attend union functions.

***Position of the Association:***

The IU's proposal is unusual and unacceptable. Only two employees may take the leave for the usual two day conference, where one day is generally not an employee work day. In addition, the Association is proposing to change the unpaid leave to paid leave to provide employees with the opportunity to represent their members within the greater Association organization. Association representative are volunteers who provide a valuable service to the bargaining unit and IU by advocating for educational issues of mutual concern.

***Discussion and Opinion:***

The current contract provision is not over-burdening to the IU's budget or to employee delegates who are elected to attend the meeting. The cost of substitutes is not excessive for two people, if substitutes are required, and may cost approximately \$360, assuming substitute pay is \$90 each per day and if the meetings are held on work days. Absent any evidence that this provision has created a problem in the past for either party, I am not convinced that any change is necessary and warranted at this time.

***Recommendation:***

The Fact Finder recommends **no change** to the terms of the expired Agreement.

**16. ASSOCIATION REPRESENTATION**

- A. The Employer agrees that two (2) delegated representatives of the Association shall, for the purpose of attending the semiannual House of Delegates meeting, be given an unpaid leave of absence, provided the Employer is notified in writing by the Association within ten (10) working days in advance of said meeting naming the two (2) delegates and the leave time requested.
- B. The president or other designated officer of the Association shall be granted released time during the work day, equivalent to a maximum of four (4) days per year, to conduct official Association business. Such leave shall be subject to approval by the employee's supervisor or Executive Director and employees will suffer no loss of salary or benefits for such time.

**N) Section 17: Parental Leave**

***Position of the IU:***

The IU proposes to delete the current contract language because it is redundant as such leave, including the Associations proposed change to Section G, are covered by the Family Medical Leave Act (FMLA).

***Position of the Association:***

The Association is proposing to add that sick the leave provision of Section G shall apply *to recovery therefrom* when sick leave is used for pregnancy related disability. The IU's proposal to delete the provision in its entirety is unacceptable.

***Discussion and Opinion:***

I believe the FMLA addresses many of the unpaid leave of absence provisions to the extent that employees have FMLA leave accumulated. I also believe that employees may use accumulated sick leave for pregnancy related disability, whether such disability occurs before and after childbirth. However, the current provision also contains other matters that may or may not be covered by FMLA, such as life insurance premiums, sabbatical leave and other matters that I do not have enough information on the record to make the sweeping recommendations the IU proposes.

***Recommendation:***

The Fact Finder recommends **no change** to the provision contained in the expired Agreement, although the parties are encouraged, but **not** as part of my recommendation, to reconcile this provision with the FMLA.

## 17. PARENTAL LEAVE

An employee who becomes pregnant, or is a parent of a newborn infant(s) or adopts a child under the age of six (6) years shall be eligible for unpaid parental leave as follows.

- A. Length of Leave. The employee shall submit a written request to the Executive Director of the Employer stating the anticipated duration of the leave at least one (1) month in advance. Such leaves shall be granted for a period of time not to exceed six (6) calendar months.
- B. Extension of Leave. Upon written request from the employee, parental leave shall be extended for a period of time not to exceed six (6) calendar months. In no case shall the total amount of leave (original and extension combined) exceed twelve (12) calendar months.
- C. Return to Work. Each employee, upon written notification to the Employer one (1) calendar month in advance, may return to work in his/her former position or an equivalent position. An employee who was disabled due to pregnancy may return to work in her former position provided the physician certifies in writing that she is fully capable of performing her duties. If an employee does not return to work during the initial six (6) months parental leave, he/she may be required to wait until the first (1 st) day of the following semester to report to work. An employee who returns to work from parental leave on the first (1 st) day of a semester shall be returned to his/her former position provided it is still available. A position shall not be deemed unavailable simply because another employee of the Intermediate Unit has been transferred into that position or because a new employee has been hired for the position.
- D. During the parental leave, the duties of the position shall be performed, at the discretion of the Employer, by one or more other employees or by a substitute employee.
- E. Life Insurance. An employee may continue to be covered by paying the premium(s). The Employer shall not pay any insurance premiums while the employee is on parental leave of absence. However, if the employee begins an unpaid parental leave on or after the 15th of the month, the Intermediate Unit will pay the premium for that month. If the employee returns from the unpaid parental leave prior to the 15th of the month, the Intermediate Unit will pay the premium for the month in which the professional employee returned.
- F. The length of time while on parental leave shall not accrue toward sabbatical leave, certification requirements, tenure, sick leave or credit on the salary schedule.
- G. An employee is entitled to use sick leave days accumulated prior to parental leave for work days that she is disabled because of disabilities caused or contributed to by pregnancy, miscarriage, abortion or childbirth. The request for sick leave payment must be accompanied by a statement from the attending physician setting forth the nature of the disability and the inclusive dates that the employee is unable to work because of her disability. All other periods of leave related to childbirth shall be leave without pay.

### **Issue No. 9: Appendix C**

#### ***Position of the Association***

The Association is proposing to streamline and make the grievance procedure more “user friendly”, with the goal to resolve differences at the lowest possible level to promote labor fairness and peace between the Association and the IU. The Association is also proposing a default where the grievance is upheld when the employer does not respond in a timely manner, similar to a grievance being denied when the Association violates the time limits.

#### ***Position of the IU:***

The IU agrees with the Association’s proposal to streamline the procedure but rejects the grievance being sustained when the employer does not issue a timely response.

#### ***Discussion and Opinion:***

The IU did not raise any objections to the Association’s proposal for the grievance procedure and especially emphasized the need to have the Director of Human Resources the recipient of written grievances for submission to the appropriate first level supervisor. However, the Association was not persuasive arguing for the employer default for untimely responses or no response at all. The Association has the sole responsibility, sole ability and sole right to submit grievances under the Agreement and according to labor tradition, where the employer acts and the union reacts to the employer’s interpretation and implementation of the terms of the

Agreement. The Association as petitioner has the sole discretion to accept or reject the IU's resolution of grievances at any stage of the procedure, with the unilateral right and sole ability to submit any grievance it believes not resolved properly to arbitration, 'above the signature' of individual grievants and the IU. Absent strong evidence that the Association's proposal is necessary or the norm, I reject the proposal in favor of the long-standing labor relations standard, while recommending the remainder of the proposal.

**Recommendation:**

The Fact Finder recommends the Association's proposed grievance procedure as modified to eliminate the employer default to replace the existing Appendix C in its entirety.

**GRIEVANCE AND ARBITRATION PROCEDURE**

A grievance is a difference or dispute between the Employer and the Association or member(s) of the bargaining unit covered by this Agreement, as to the meaning and the application of, or compliance with the provisions of this Agreement. Grievances shall be disposed of in the following manner:

**STEP ONE:** The member(s) and/or the Association with a grievance shall first discuss it with his/her first level supervisor with the objective of resolving the matter informally.

**STEP TWO:** If the Member(s) and/or the Association are not satisfied with the result of Step One, the member(s) and/or the Association shall raise the grievance in writing by providing it to the Director of Human Resources within ten (10) work days after the receipt of the informal Step One response. The Director of Human Resources will provide the written grievance to the appropriate first level supervisor who will provide his/her written disposition to the Member(s) with a copy to the President of the Association within ten (10) days from its receipt.

**STEP THREE:** If the Member(s) and/or the Association are not satisfied with the Step Two disposition, he/she and/or the Association shall within ten (10) work days submit the grievance to the Executive Director or designee in written form. The Executive Director or designee will provide his/her written disposition to the Member(s) with a copy to the President of the Association within ten (10) days from its receipt.

**STEP FOUR:** If the grievance is not satisfactorily resolved at Step Three, the Member(s) and/or the Association shall within ten (10) work days submit the grievance to the Board of Directors. The Board of Directors shall provide the member(s) with a written disposition within ten (10) days after the conclusion of the Board of Directors most immediate scheduled Board meeting.

**STEP FIVE:** If the grievance has not been satisfactorily resolved at Step Four, the Association at its sole discretion shall submit the grievance for binding arbitration.

**General**

- a) The award and decision of the arbitrator shall be final and binding on both parties and the grievant;
- b) All reference to days in the grievance procedure shall mean teacher work days.
- c) The Arbitrator's fee shall be borne equally by the parties.
- d) Time limits can be waived and/or extended by mutual written agreement.
- e) The Association shall be represented at every step of the grievance procedure whether or not requested by the grievant.

**Issue No. 10: Appendix D**

Both parties proposed to eliminate Appendix D in its entirety to conform with their proposals to eliminate the salary formula.

**APPENDIX D**

**Delete the entire Appendix D**

**Summary**

I want to thank the parties for their complete presentations that enabled me to arrive at my recommendations. I believe these recommendations strike a balance between needs of the District to manage and pay for the services it provides, while remaining competitive, with a salary and benefit package that provides employees with economic stability and recognizes the value of their service.

**Please note that you are directed to notify the PLRB of your decision to accept or reject the recommendations herein within ten (10) days of the date of the issuance of this Report.**

July 27, 2015

A handwritten signature in black ink, appearing to read "John C. Alfano". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John C. Alfano, Arbitrator  
1622 Birch Street  
Scranton, Pennsylvania 18505  
CSIU16csiuea2015