

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

In the Matter of Impasse Between the

TUSCARORA SCHOOL DISTRICT,
"Public Employer,"

-and-

**REPORT
AND
RECOMMENDATIONS**

TUSCARORA EDUCATION ASSOCIATION,
"Association."

Case No. ACT 88-15-19-E

**Before
Robert C. Gifford, Esq.
Fact Finder**

Appearances:

For the Employer:

Carl P. Beard, Esq.
Andrews & Beard

For the Association:

Marcia Bender, Regional Field Director
Pennsylvania State Education Association

Pursuant to Act 88 of 1992 ["Act 88"] and the Public Employee Relations Act ["PERA"], I was appointed by the Pennsylvania Labor Relations Board ["PLRB" or "Board"] on May 19, 2015, as the Fact Finder in the impasse between the Tuscarora School District [the "Employer" or "District"] and the Tuscarora Education Association [the "Association"], a unit comprised of approximately 161.65 professional employees. The parties commenced negotiations for a successor agreement in January 2014. They met on their own and then with the assistance of a mediator. The parties reached tentative agreements to a number of issues, but several issues remain unresolved. On May 11, 2015, the Association requested fact finding.

On June 18, 2015, a hearing was held in Mercersburg, Pennsylvania at which time the parties were afforded the opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions on the remaining, unresolved issues.

ISSUES

Based upon the statement of issues the parties submitted to the fact-finder at the hearing, there are eight (8) issues at impasse, some of which may have sub-issues: term of agreement, salary/salary schedule, extra-duty wage scale, medical insurance, course credit reimbursement, scheduling planning periods, work year, and involuntary transfers. Although each issue may be discussed separately or with similar issues as a package, the impact of the issues in their entirety was given careful consideration.

DISCUSSION AND RECOMMENDATIONS

I have carefully considered all of the evidence the parties presented at the hearing, including their supporting rationale for each issue. The recommendations below are amply supported by the record evidence, they will provide a level of stability through the 2017-2018 school year, and, when taken together, represent a reasonable compromise to the parties' competing interests.

The parties are familiar with the outstanding issues. **To the extent an issue is not specifically addressed or incorporated by reference herein I recommend the status quo.**

Each party presented an analysis of the District's finances and ability to pay. The evidence shows that the District is facing the same issues that are being encountered by many others school districts around the Commonwealth – flat or reduced state subsidies, increased pension and health insurance costs, and the limitations of the Act 1 Index. Besides those issues, the District indicates that it (1) has the “highest tax rate in Franklin County at 113.65 mills”; (2) a lack of significant interest earnings; (3) pays out more than it receives for special education; (4) does not receive any reimbursement for the costs of cyber/charter schools; and (5) anticipates several capital projects over the next five (5) years, including the replacement of the HVAC system at St. Thomas Elementary at an expected cost of \$2 million. The Association does not contest that issues exist; however, the Association emphasizes that (1) the actual total salary increases since the 2004-2005 school year have been lower than the estimated costs when they were negotiated; (2) the general fund balance levels have met or exceeded recommended levels since 2007; (3) the District's unrestricted current assets are 74% higher than total liabilities; and (4) the District remained below the Act 1 index from 2009 to 2014.

The parties also presented comparisons of the salary and benefits packages received by professional units in other school districts. In sum, the evidence shows that this bargaining unit receives a competitive salary and benefits package.

Tentative Agreements

The parties' tentative agreements shall be incorporated into this report by reference herein.

Term of Agreement

The parties have been working under the terms and conditions of their contract that expired on June 30, 2014. The Association seeks a term of four (4) years. The District proposes a term of three (3) years.

Recommendation

The first year of the successor agreement ends tomorrow, June 30, 2015. I recommend a term of four years, effective from July 1, 2014 through June 30, 2018.

Salary/Salary Schedule

The Current Provision

The salary schedule for base year 2013-2014 was as follows:

To				III					
Top	Steps	I (B)	II (B+15)	(M/ME)	IV	V	VI	VII	VIII
12	1	45,027	45,433	47,322	48,602	49,882	51,162	52,442	53,722
11	2	45,853	46,259	48,148	49,428	50,708	51,988	53,268	54,548
10	3	46,679	47,085	48,974	50,254	51,534	52,814	54,094	55,374
9	4	48,264	48,670	50,723	52,003	53,283	54,563	55,843	57,123
8	5	49,849	50,255	52,472	53,752	55,032	56,312	57,592	58,872
7	6	51,434	51,840	54,221	55,501	56,781	58,061	59,341	60,621
6	7	53,019	53,425	55,970	57,250	58,530	59,810	61,090	62,370
5	8	54,604	55,010	57,719	58,999	60,279	61,559	62,839	64,119
4	9	56,189	56,595	59,468	60,748	62,028	63,308	64,588	65,868
3	10	57,774	58,180	61,217	62,497	63,777	65,057	66,337	67,617
2	11	59,359	59,765	62,966	64,246	65,526	66,806	68,086	69,366
1	12	60,944	61,350	64,715	65,995	67,275	68,555	69,835	71,115
Top	13	62,529	62,935	66,464	67,744	69,024	70,304	71,584	72,864

Step 1, Column 1 is the starting rate - \$45,027. Step 13, Column 3 is the career rate - \$66,464.

The Association's Proposal

The Association proposes the following:

- 2014-2015: \$500 plus the increment.
- 2015-2016: 1.86% plus the increment.
- 2016-2017: 1.86% plus the increment.
- 2017-2018: 1.86% plus the increment.

The School District's Proposal

The District proposes the following:

- 2014-2015: Wage freeze; no step movement.
- 2015-2016: 1.80% inclusive of any step movement.
- 2016-2017: 1.80% inclusive of any step movement.
- Bargaining unit members to move one column horizontally every two (2) years.
- Bargaining unit members to move one step vertically every two (2) years.
- The District to develop the salary schedules.

The District indicates that its salary proposal is part of an overall package tied to health care and tuition reimbursement.

Recommendation

I recommend increases that fit within the going area rate, account for the District's financial condition, and take into consideration the recommended changes in medical insurance. The increases shall be retroactive to July 1, 2014:

- 2014-2015: Step movement only (1 step) – total base payroll increase of 1.7%;
- 2015-2016: Step movement (1 step) & increase of \$455 to each step – total base payroll increase of 2.4%;
- 2016-2017: Step movement (1 step) & increase of \$500 to each step – total base payroll increase of 2.4%;
- 2017-2018: Step movement (1 step) & increase of \$675 to each step – total base payroll increase of 2.4%.

The recommended guides are attached hereto.

Extra-Duty Wage Scale

The expired Agreement lists the extra-duty positions and wages. The parties propose to increase the wage scales by the percentage increases they each proposed for salaries.

Recommendation

I recommend that the scales be increased by 1.7% for 2014-2015, 2.4% for 2015-2016, 2.4% for 2016-2017, and 2.4% for 2017-2018, retroactive to July 1, 2014.

Medical Insurance

The Current Provision

Medical insurance is outlined in Article XII, Section 12.1 of the Agreement. To highlight, there is a PPO Plan in place with an annual deductible of \$200 per person/\$400 per family for in-network providers, an annual deductible of \$500/\$1000 for out-of-network, an office co-pay of \$25 per visit for in-network, a prescription plan with co-pays and co-insurance, and an employee premium share of 9.75%.

The Association's Proposal

The Association proposes no change in healthcare for 2014-2015. Beginning in 2015-2016 the Association proposes to modify the healthcare plan design as follows:

- Change to a QHDHP with a deductible for in and out of network of \$1,300/\$2,600.
- Add OOP maximum to 90/70 with a total OOP maximum, including the deductible, of \$1,800/\$3,600.
- No premium share.
- District deposit into a Health Savings Account (HSA) each year of the agreement \$1,300. All money shall be accessible via a Debit card.
- The District will pay all costs incurred to establish/maintain the HSA accounts.
- Any additional increases to the deductible should the IRS make any changes over the life of the contract will be covered by the District depositing additional money to cover the difference into the employee's HSA account.

The School District's Proposal

The District proposes the following:

The District, as part of a *Comprehensive Settlement Offer*, agreed to modify its proposal from its original \$1300/\$2600 Qualified HDP to \$1400/\$2800 QHDHP (subject to adjustment as IRS numbers change)

- HSA Contribution 40%
- Health care contributions shall be 9.75%
- Create Healthcare Committee for planning, implementing and monitoring the modifications to the above plan.

- Spousal exclusion language as follows:

The District will make coverage for insurance benefits available to spouses of employees in limited circumstances. Spouses who work for and are eligible for medical coverage from any of the following entities will not be eligible for [TSD] medical coverage:

- Federal Government, Federal Courts and Military
 - Commonwealth of Pennsylvania
 - County government
 - Public School Districts, charter and cyber schools, higher education and other public school entities
 - Other governmental agencies outside of Pennsylvania
 - Private Employer
- Spouses of a District employee not employed by the entities noted above are eligible for District medical
- All new hires on or after July 1, 2014 to only receive individual coverage.
 - District will withdraw Cadillac Tax language from its Initial Contract Proposal of September 4, 2014 if above items are agreeable.

Recommendation

I recommend that the following terms be implemented effective July 1, 2015, or as soon as practicable:

A \$1400/\$2800 QHDHP. If required by IRS action, the QHDHP deductible amount shall be modified to match the minimum IRS guidance to maintain a qualified plan.

- HSA Contribution 50%
- Health care contributions shall be 5.00%
- Create Healthcare Committee for planning, implementing and monitoring the modifications to the above plan. The Committee shall be made up of three (3) District representatives, selected by the Board, and three (3) Association representatives, selected by the Association leadership.
- Spousal exclusion language as follows:

The District will make coverage for insurance benefits available to spouses of employees in limited circumstances. Spouses who work for and are eligible for medical coverage from any of the following entities will not be eligible for TSD medical coverage:

- Federal Government, Federal Courts and Military
- Commonwealth of Pennsylvania
- County government
- Public School Districts, charter and cyber schools, higher education and other public school entities
- Other governmental agencies outside of Pennsylvania

Spouses of a District employee not employed by the entities noted above are eligible for District medical

Course Credit Reimbursement

The Current Provision

ARTICLE XIV – MISCELLANEOUS PROVISIONS

Section 14.11 Course Credit Reimbursement

Members of the bargaining unit completing post baccalaureate courses, credited workshops, and/or credited in-service courses in the employee's area of certification or other area of certification in education shall be reimbursed with the following limitations:

- A. The maximum annual reimbursement for any member of the bargaining unit shall be for twenty-four (24) credits.
- B. The rate of reimbursement shall be a maximum of 90% of the Shippensburg University rate, upon completion of the course and district receipt of bill and course grade report.
- C. To qualify for reimbursement, a member of the bargaining unit must be an employee of the District at the time of reimbursement and courses or workshops outside the employee's area of certification requested for reimbursement must be approved by the Superintendent. Prior approval is not required for employees enrolled in a Master's program or attaining additional certification.
- D. Upon completion of the course, the employee must provide the employer with proof of tuition payment and a transcript or grade report indicating successful completion of the credits.
- E. The employee will be reimbursed at a maximum of 90% of the Shippensburg University tuition rate within five (5) days after the next scheduled board meeting.
- F. Complete form on following page 36 and submit to Central Administration Office when requesting reimbursement.

The Association's Proposal

The Association seeks to increase the maximum reimbursement rate in Paragraph E from 90% to 100%.

The School District's Proposal

The District proposes to modify Section 14.11 as follows:

Section 14.11 Course Credit Reimbursement

Members of the bargaining unit completing post baccalaureate courses, credited workshops, and/or credited in-service courses in the employee's area of certification or other area of certification in education shall be reimbursed **subject to the prior approval of the Superintendent** with the following limitations:

- A. The maximum annual reimbursement for any member of the bargaining unit shall be for ~~twenty-four (24)~~ **fifteen (15) credits per year prior to obtaining a Masters degree and twelve (12) credits per year after obtaining a Masters degree. Employees on an educational sabbatical shall be reimbursed for a maximum of twenty-four (24) credits per year.**
- B. The rate of reimbursement shall be a maximum of **100%** ~~90%~~ of the Shippensburg University rate, upon completion of the course and district receipt of bill and course grade report.

- C. To qualify for reimbursement, a member of the bargaining unit must be an employee of the District at the time of reimbursement ~~and courses or workshops outside the employee's area of certification requested for reimbursement must be approved by the Superintendent. Prior approval is not required for employees enrolled in a Master's program or attaining additional certification.~~
- D. Upon completion of the course, the employee must provide the employer with proof of tuition payment and a transcript or grade report indicating successful completion of the credits.
- E. The employee will be reimbursed at a maximum of **100%** ~~90%~~ of the Shippensburg University tuition rate within five (5) days after the next scheduled board meeting.
- F. Complete form on following page 38 and submit to Central Administration Office when requesting reimbursement.
- G. **Should an employee voluntarily terminate employment to obtain employment elsewhere within one (1) year of earning any credit, the professional will refund 100% of the tuition reimbursement monies; if the professional should leave the district within two (2) years of earning any credit, the professional will refund 75% of the tuition reimbursement monies; and, if the professional should leave the district within three (3) years of earning any credit, the professional will refund 50% of the tuition reimbursement monies. The Superintendent will consider extenuating circumstances and may waive said payback provision if he/she deems appropriate. Employees leaving the employment of the District for purposes of retirement, disability, suspension/furlough, or termination by the Employer are excluded from this repayment requirement.**

Recommendation

I recommend that Section 14.11 be modified as follows:

Section 14.11 Course Credit Reimbursement

Course(s) must be taken in an accredited or District approved educational institution and must be related to the member's professional growth (related to member's professional growth related to member's academic or potential academic responsibilities, guidance and administration) within the School District as determined under the sole discretion of the Superintendent. Members shall be reimbursed with the following limitations:

- A. The maximum annual reimbursement for any member of the bargaining unit shall be for twenty-four (24) credits.
- B. The rate of reimbursement shall be a maximum of 100% of the Shippensburg University rate, upon completion of the course and district receipt of bill and course grade report.
- C. To qualify for reimbursement, a member of the bargaining unit must be an employee of the District at the time of reimbursement.
- D. Upon completion of the course, the employee must provide the employer with proof of tuition payment and a transcript or grade report indicating successful completion of the credits.
- E. The employee will be reimbursed at a maximum of 100% of the Shippensburg University tuition rate within five (5) days after the next scheduled board meeting.
- F. Complete form on following page 36 and submit to Central Administration Office when requesting reimbursement.

Scheduling Planning Periods

The Current Provision

ARTICLE V – WORK SCHEDULES

Section 5.4 Scheduling Planning Periods

Within the limits of reasonable scheduling, the Employer will endeavor but shall not be obligated to schedule a minimum of five (5) planning periods per week and no more than two (2) planning periods per day for each member of the Bargaining Unit.

The Association's Proposal

The Association seeks to modify Section 5.4 as follows:

~~Within the limits of reasonable scheduling, the Employer will endeavor but shall not be obligated to schedule a minimum of one (1) five (5) forty-five (45) consecutive minutes planning period per day week during the student day and no more than two (2) planning periods per day for each member of the Bargaining Unit at the Secondary (High School/Middle School) level. The employer will schedule a minimum of two hundred seventy (270) minutes of planning time per six day cycle for each member of the bargaining unit at the Elementary level. A minimum of one hundred sixty-five (165) minutes will be scheduled during the student day for grades K, 1, 2. A minimum of one-hundred eighty (180) minutes will be scheduled during the student day for grade 3. A minimum of one hundred ninety (190) minutes will be scheduled for grades 4, 5. The remainder of the planning time will be scheduled before/after the student day. All planning time will be in a minimum block of thirty (30) consecutive minutes. A prep period is defined as a period of time when a bargaining unit member shall be released from instruction and student contact, and free from other duties in order that such time may be used in preparation with the teacher's responsibilities.~~

The School District's Proposal

The District seeks the status quo.

Recommendation

I recommend the status quo on this issue.

Work Year

The Current Provision

ARTICLE V – WORK SCHEDULES

Section 5.1 Professional Employee Work Year

The work year of a regular professional employee shall be within the confines of the school calendar and shall not exceed 187 days. Commencing in year 2001-2002, one (1) day shall be utilized for professional education credit hours, which shall qualify under the School District's Professional Education Plan. However, such employee may be scheduled or required to work in excess of the aforementioned regular employee work year, and, if so, an employee performing such work shall be compensated on a pro rata basis, i.e., 1/187 X Annual Salary for each extra day worked.

The School District's Proposal

The District seeks to increase the work year to 189 days in 2014-2015, 190 days in 2015-2016, and 191 days in 2016-2017.

The Association's Proposal

The Association seeks the status quo.

Recommendation

The current work year is neither the shortest nor the longest of those within the comparison groups. I recommend the status quo.

Involuntary Transfers

The Current Provision

ARTICLE IV – RIGHTS OF PROFESSIONAL EMPLOYEES

Section 4.11 Involuntary Transfer

The Employer agrees to make a good faith effort to fill vacant positions through the voluntary transfer of professional employees before transferring any professional employee involuntarily. The Employer reserves the right to make the final decision, and its decision shall be final and binding.

The Association's Proposal

The Association seeks to replace Section 4.11 with the following:

In the event the Employer determines it wishes to fill a position through the transfer of an employee(s) the employer shall first seek a certificated volunteer(s) to accept the transfer(s). If no such volunteer(s) comes forward, the District may then transfer the least senior qualified employee(s).

The School District's Proposal

The District seeks the status quo.

Recommendation

I recommend the status quo on this issue.

SUMMARY

I believe the recommendations above represent a reasonable, acceptable compromise to the outstanding issues. I direct the parties' attention to my cover letter which outlines their responsibilities to notify the PLRB of their acceptance or rejection of this Recommendation.

Dated: June 29, 2015
State College, Pennsylvania

Robert C. Gifford

2015-2016

To Top	Steps	I (B)	II (B+15)	III (M/ME)	IV	V	VI	VII	VIII
12	1	45,482	45,888	47,777	49,057	50,337	51,617	52,897	54,177
11	2	46,308	46,714	48,603	49,883	51,163	52,443	53,723	55,003
10	3	47,134	47,540	49,429	50,709	51,989	53,269	54,549	55,829
9	4	48,719	49,125	51,178	52,458	53,738	55,018	56,298	57,578
8	5	50,304	50,710	52,927	54,207	55,487	56,767	58,047	59,327
7	6	51,889	52,295	54,676	55,956	57,236	58,516	59,796	61,076
6	7	53,474	53,880	56,425	57,705	58,985	60,265	61,545	62,825
5	8	55,059	55,465	58,174	59,454	60,734	62,014	63,294	64,574
4	9	56,644	57,050	59,923	61,203	62,483	63,763	65,043	66,323
3	10	58,229	58,635	61,672	62,952	64,232	65,512	66,792	68,072
2	11	59,814	60,220	63,421	64,701	65,981	67,261	68,541	69,821
1	12	61,399	61,805	65,170	66,450	67,730	69,010	70,290	71,570
Top	13	62,984	63,390	66,919	68,199	69,479	70,759	72,039	73,319

2016-2017

To Top	Steps	I (B)	II (B+15)	III (M/ME)	IV	V	VI	VII	VIII
12	1	45,982	46,388	48,277	49,557	50,837	52,117	53,397	54,677
11	2	46,808	47,214	49,103	50,383	51,663	52,943	54,223	55,503
10	3	47,634	48,040	49,929	51,209	52,489	53,769	55,049	56,329
9	4	49,219	49,625	51,678	52,958	54,238	55,518	56,798	58,078
8	5	50,804	51,210	53,427	54,707	55,987	57,267	58,547	59,827
7	6	52,389	52,795	55,176	56,456	57,736	59,016	60,296	61,576
6	7	53,974	54,380	56,925	58,205	59,485	60,765	62,045	63,325
5	8	55,559	55,965	58,674	59,954	61,234	62,514	63,794	65,074
4	9	57,144	57,550	60,423	61,703	62,983	64,263	65,543	66,823
3	10	58,729	59,135	62,172	63,452	64,732	66,012	67,292	68,572
2	11	60,314	60,720	63,921	65,201	66,481	67,761	69,041	70,321
1	12	61,899	62,305	65,670	66,950	68,230	69,510	70,790	72,070
Top	13	63,484	63,890	67,419	68,699	69,979	71,259	72,539	73,819

2017-2018

To Top	Steps	I (B)	II (B+15)	III (M/ME)	IV	V	VI	VII	VIII
12	1	46,657	47,063	48,952	50,232	51,512	52,792	54,072	55,352
11	2	47,483	47,889	49,778	51,058	52,338	53,618	54,898	56,178
10	3	48,309	48,715	50,604	51,884	53,164	54,444	55,724	57,004
9	4	49,894	50,300	52,353	53,633	54,913	56,193	57,473	58,753
8	5	51,479	51,885	54,102	55,382	56,662	57,942	59,222	60,502
7	6	53,064	53,470	55,851	57,131	58,411	59,691	60,971	62,251
6	7	54,649	55,055	57,600	58,880	60,160	61,440	62,720	64,000
5	8	56,234	56,640	59,349	60,629	61,909	63,189	64,469	65,749
4	9	57,819	58,225	61,098	62,378	63,658	64,938	66,218	67,498
3	10	59,404	59,810	62,847	64,127	65,407	66,687	67,967	69,247
2	11	60,989	61,395	64,596	65,876	67,156	68,436	69,716	70,996
1	12	62,574	62,980	66,345	67,625	68,905	70,185	71,465	72,745
Top	13	64,159	64,565	68,094	69,374	70,654	71,934	73,214	74,494