

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LABOR RELATIONS BOARD**

**IN THE MATTER OF THE FACT FINDING BETWEEN**

**EAST STROUDSBURG AREA SCHOOL  
DISTRICT**

**-AND-**

**EAST STROUDSBURG EDUCATION  
ASSOCIATION, PSEA/NEA**

**CASE NO. ACT 88-16-32-E**

**FACT FINDING REPORT AND RECOMMENDATIONS**

**APPOINTED:** December 20, 2016

**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:** Matthew Gruenloh, 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 January 10, 2017, from 10:00 a.m. to 5:00 p.m. with the East Stroudsburg Area School District (“District”) and the East Stroudsburg Area Education Association (“Association”), at the District office at 50 Vine Street, Stroudsburg, Pennsylvania. In addition to the advocates, the following people were in attendance (in alphabetical order):

1. Jeffrey Bader, Chief Financial Officer, Co-Presenter
2. Ann Cattrillo, Association President
3. Joseph Formica, Association Chief Negotiator
4. Marc Gelman, Esq., Association Co-Presenter
5. Jill Greenword, Association
6. Scott Hnasko, Association Vice President
7. Paul Kernan, Association
8. Deborah Kulick, District
9. Thomas Lamb, Association (Testified)
10. William Ricker, District Superintendent
11. Rick Stine, Association
12. Gary Summers, District
13. Lisa Van Why, District
14. Harris Zwerling, PSEA Asst. Dir. of Research

## **BACKGROUND**

The East Stroudsburg Area School District, in the Pocono Mountains area of northeast Pennsylvania, is a large, rural district located in Monroe and Pike Counties. Distributed over approximately 214 square miles, it is the second largest by area in Monroe County, divided into the South and North sections, with a high school in each. It serves East Stroudsburg Borough, Smithfield Township, Middle Smithfield Township and Price Township in Monroe County and Lehman Township and Porter Township in Pike County. In school year 2006-2007, the District provided educational services to 8,243 pupils. Due to declining enrollment, that number is 6,903 for the 2015-2016 school year, a loss of 1,340 students or 16.3%. As with many of the Pennsylvania school districts, declining financial aid, exacerbated by delayed Commonwealth budgets, declining economy, declining enrollment and the relatively low per capita incomes, has forced the District to budget carefully.<sup>1</sup>

The Association is affiliated with the Pennsylvania State Education Association/National Education Association. It represents the 593<sup>2</sup> District teachers in addition to educational support staff in a separate bargaining Unit.

The parties have attempted to bargain the successor to the 2014-2016 Agreement that expired August 31, 2016. Bargaining began in January 2016, meeting monthly until August

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<sup>1</sup> Due to anomalies in the current school funding law, Monroe County schools receive less aid than the vast majority of districts similarly situated in other counties in the Commonwealth.

<sup>2</sup> The figure is the number of teachers for the 2015-2016 school year, the base year for statistical consistency.

2016. Periodically, mediator John Healey attended bargaining meetings. Bargaining began again in October, and when it still did not result in a contract, the parties made a joint request for fact finding on December 9, 2016.

On December 20, 2016, the Pennsylvania Labor Relations Board (“PLRB”) approved the request and appointed the undersigned as the Fact Finder. The Report is due on or before January 30, 2017.

Following is a consolidated list of Open Issues in order of presentation at the hearing:

### **Open Issues**

- |   |   |
|---|---|
| 1. Article XII - New - Early Retirement<br>Article XII G - Notification date. | New - Provide incentive for senior employees to retire.<br>G - Change notifications date for sick leave reimbursement           |
| 2. Article XI – Work Hours  | Provide elementary teachers with 425 minutes of preparation time in 6 day cycle.  |
| 3. New Article - Professional Relationships                                   | Provide a local District complaint procedure.   |
| 4. Article XIII – Child Rearing Leave   | Provide sick leave for longer periods after child birth or adoption.  |
| 5. Article X - Salary/Salary Schedule   | Propose rate increases for three years and adjustments to MA scale and horizontal movement; tuition reimbursement; pay periods. |
| 6. Article XII - Health Benefits.   | Changes to the health insurance premiums and benefit costs; spouse rule.  |
| 7. Extracurricular Pay Schedule   | Proposed increasing all rates.  |
| 8. Tentative Agreements   | Included as part of this Report.  |

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

## **I. REPORT AND RECOMMENDATIONS**

### **Issue No.1: Article XII**

#### **A. Issue: New - Early Retirement**

Position of the Association:

The Association is proposing to add the following contract language:

Article XII - Early Retirement Incentive

The Board agrees to provide the following early retirement incentive program to their bargaining unit members who qualify and retire during the term of this contract. In order to qualify, a bargaining unit member must:

1. Must have fifteen (15) years or more of service in the East Stroudsburg Area School District and at least twenty (20) overall years of credited service as defined by the Public School Employees Retirement System (PSERS).
2. Must meet Public School Employee Retirement System qualifications and actually retire.
3. If so, they shall receive the following percentage of their final year's base salary as determined by their years of PSERS service:

<u>Years of Service</u>	<u>Amount of incentive</u>
20 to <24	90% of final base salary
24 to <28	75%
28 to <30	60%
30 to <35	50%

Early retirement incentives lower the cost for employers by encouraging experienced teachers to consider retiring before reaching their full 35 years of service. Each induced retirement will afford the District the option to eliminate the position or hire a new teacher who will have substantially less experience, generating a savings in the instructional budget. When the incentivized teacher is replaced, savings to the District will accrue for the years the retired teacher would have worked as compared to the cost of the replacement teacher. Finally, incentivized teachers will help avoid having to eliminate positions through the statutory suspension and furlough system, a more complicated system that may produce mixed results.

Position of the District:

Although the early retirement incentives may save the District money in some cases, placing the incentive in the Agreement becomes a retirement bonus, an option that could be taken at any time during the teachers' employment and not when needed by the District. The District plans to offer incentives strategically as needed to create specific savings during particularly difficult times. For these reasons, the District rejects this proposal.

**Analysis and Opinion:**

Early retirement incentives are methods to reduce payroll costs. I agree with the District that such incentives should be established sparingly and applied strategically when needed to control and reduce costs that are beyond the control of the District. I don't believe that education will be served well if senior, experience teaching staff is encouraged to leave artificially. From an educational perspective, losing highly experienced teachers especially in critical areas should not be encouraged.

**Recommendation:**

**Current Contract**

**B. Issue: Article XII.G – Payment for Unused Sick Leave at Retirement Eligibility**

**Position of the District:**

The District is proposing to change the notification date from March 1 to February 1 at which time the applicants must present a binding commitment letter. The change is necessary because the extra month's notice will give administrative and support staff time to process the applications while tending to their other responsibilities for the large staff of teachers and other District employees.

**Position of the Association:**

By moving the date may discourage rather than encourage employees from declaring at year's end. Keeping the deadline currently where it is allows employees to make this important and life changing decision. By allowing the current March 1 date to remain more teachers may retire annually as a benefit to them and more importantly, to help the District by reducing salary and benefit costs. The Association rejects the proposed change.

**Analysis and Opinion:**

I don't see much difference to the District if the February 1 date is adopted. If the change is needed for budget development, the District has previous years' retirement data to help build the proposed budget. I don't recommend the change.

**Recommendation:**

**Current Contract**

## **Issue No.2: Article XI - Work Day**

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

The Association is proposing the following:

#### **Article XI – Hours of Work – Employees**

##### **A. Work Day**

The normal workday for employees shall be seven and one-half (7½) hours, including a duty-free thirty (30) minute lunch period. However, employees shall devote to their assignments the time necessary to meet their professional responsibilities.

**For elementary level teachers, the District shall consistently implement the current practice of 425 minutes of unencumbered, non-instructional time in a six-day cycle. This time will be given in a minimum of 30 minute increments. For intermediate and high school level teachers, continue current practice of 2 periods of non-instructional time per pay to be awarded in a minimum of 42 minute increments.**

The Association is proposing to put in writing the current practice regarding the current allotment of preparation time at the various grade levels. This proposal is the equivalent of specifying the 30 minute duty-free lunch break. In this manner administrators will be reminded how it should be scheduled, especially as building-level administrators are replaced by new administrators unaware of current practices. With this proposal, the Association will delete Section H that designates that the schedule for instructional periods must continue as adopted in 1994-1995.

### **Position of the District:**

Instructional time and non-instructional time is a managerial concern that relates directly to how education will be delivered to students. Decisions to modify or change scheduling should not be encumbered any more than it may be by the Agreement so that the District may respond to changing needs in the District and to innovations in education. The District rejects the proposal.

### **Analysis and Opinion:**

Teaching at the elementary level provides unique challenges to teachers and the administration in methods to provide teachers with a modicum of preparation time. As the work day becomes more controlled, teachers seem to have less time to do some of their work during the designated work day. However, until elementary school scheduling is dramatically changed, the current model that has been in effect for many years makes it difficult to make

recommendations for change even though I recognize that the proposals address a real issue and concern. Finally, I don't have enough information in the record to make a proposal, one that does not have unintended consequences for both parties.

**Recommendation:**

**Current Contract**

**Issue No. 3: New Article - Professional Relationships**

**Position of the Association:**

The Association is proposing the following new contract language:

**New Article**

The East Stroudsburg School District shall not:

1. deny or impede a bargaining unit member in the exercise or enjoyment of a professional right or privilege in being an educator.
2. distort evaluations of bargaining unit members.
3. use coercive means or promise special treatment to influence professional decisions of bargaining unit members.
4. threaten, coerce, or discriminate against any bargaining unit member who in good faith reports or discloses to a governing agency actual or suspected violations of law, agency regulations, or standards.

If a bargaining unit member claims that he/she has experienced one or more of the above scenarios, he/she must put the allegations in writing and submit them directly to the Superintendent or if applicable, the Assistant Supt. or Director of Human Resources.

This proposal will create a local conduit for complaints instead of involving the Pennsylvania Department of Education through complaints filed with the Professional Standards and Practices Commission. The Association prefers to deal with complaints in-house by having the District conduct investigations.

**Position of the District:**

The District rejects this offer but instead will review and revise where necessary the current Unlawful Harassment Policy, No. 348, which already addresses the matter.

**Analysis and Opinion:**

I recommend that the proposal not be included in the Agreement. I recommend that the District review the current policy and make modifications where necessary after input from the Association.

**Recommendation:**

Non Contractual Recommendation: The District should review Policy No. 348. After soliciting input and suggestions from the Association, the District may make modifications where necessary.

**Issue No.4: Article XIII – Transfers & Leaves of Absence**

Position of the Association:

The Association is proposing the following:

Article XIII – Transfers & Leaves of Absence

5. Child Rearing Leave

Childrearing Leave without pay shall be equally available to the natural or adoptive parent of a newborn child, or an infant to the age of forty-eight (48) months, in the event of adoption. Childrearing leave shall be for a maximum period of one calendar year, and the employee shall return at the beginning of a semester, unless otherwise approved by the Superintendent or designee at his discretion. A return at the beginning of a quarter may be requested and would be approved by the Superintendent or designee. Whenever possible written application for leave must be made at least sixty (60) days prior to the proposed effective date of leave. The Board must approve all leaves of absence.

Return to service prior to the originally approved dates requires a written request sixty (60) days before the requested date of return, unless such period is waived at the discretion of the Administration in extenuating circumstances.

Payment of premiums for life and health insurance may be made at employee expense or, at the employee's option, by the Board to the same extent that such premium payments are made for current active employees, provided that such benefit payments must be repaid to the District if the employee fails to return to full time service for a period of at least equal to the length of leave.

**Sick leave for disabilities caused or contributed to by pregnancy prior to the date of the unpaid childrearing leave may be utilized on the same basis as sick leave for any other disabilities.**

**Paid childrearing leave will be allowable as long as the member has sufficient sick days to cover the term of the requested leave. Once sick leave is exhausted unpaid leave will commence**

Upon return from Child Rearing Leave, the bargaining unit member will be returned to his/her previous teaching assignment which includes building, grade level and subject areas, where applicable.

The proposal will give teachers more flexibility to use sick leave during childrearing so that teachers could be on leave for at least 45 days or a school quarter instead of the more common shorter leave times which has the tendency to be more disruptive to education. And the District could hire long-term substitutes to provide more stability and continuity to the students. In addition, teachers will be returning to work when they are physically and emotionally ready. The proposal is better overall to students and teachers alike. Finally, although the District says this change is not necessary because it is already the practice, such requests for paid childrearing leave have not been approved in the past.

**Position of the District:**

The proposal is a recapitulation of current, well-established practice. Including it in the Agreement is neither necessary nor needed.

**Analysis and Opinion:**

Since the proposal reflects a long-standing practice, and such leaves are a matter of law to a large degree, it is not necessary to include it in the Agreement at this time.

**Recommendation:**

**Current Contract**

**Issue No.5: Article X - Salary/Salary Schedule**

**A. Issue: Schedule A**

**Position of the Association:**

The Association is proposing a general rate increase on 3.5%, which includes the cost of the incremental step increases for each of the three years on the Agreement. 3.5% increase will result in modest adjustment to the rates since the incremental increases (fixed costs) will absorb 2.5%, 2% and 2% in each of the years of the Agreement, with 1%, 1.5% and 1.5% remaining in each year respectively, for general wage scale adjustments. The 3.5% proposal is necessary to offset health care increases, especially for those on Step 16, top of scale, and those within the wage bands.

Moreover, the proposed increase is modest when considering step and wage freezes that were agreed upon during the difficult budget years the District faced earlier. Currently, teachers,

except those at the top of the scale are multiple steps below where they should have been without those freezes, while the District continues to save total wage costs as long as the salary is depressed in that manner. Cumulatively, lifetime earnings for all employees are greatly reduced as a result of the wage freezes and step suppression.

The general fund balance is a healthy \$45.8 million in 2015-2016 school year; it ranked 2<sup>nd</sup> as the largest balance in the entire state. In addition, the District's budgets run an average surplus of \$8 million per year despite projected deficits. In 2014, the District created a budget deficit by choice by moving \$14.5 million to capital reserve.

Lastly, the District decreased property tax by 1.50 mills for Monroe County and 2.15 mills for Pike County, losing \$764,000 in revenue in 2016-2017. Previously, mill rates were reduced 1.44 and .02 in Monroe and Pike Counties, respectively. The District has proclaimed that there will not be a tax increase for 2017-2018. Finally, the tax collection rate is approximately 90%.

The cost of the 3.5% proposals is as follows:

#### **Association 3.5% Proposal**

	<u>Base Year</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Total Increase (3 yrs. not cum.)</u>
<b>3.5%</b>	n/a	\$1,414,330	\$1,463,207	\$1,513,690	\$4,391,227
<b>Total</b>	\$40,368,978	\$41,783,308	\$43,246,515	\$44,760,205	\$129,790,028

All of the above indicate that the District is doing well enough financially and has the resources to pay the proposed raises.

Position of the District:

At the beginning of bargaining, the District put its full wage proposal on the table to speed up the process. Its proposal for 3% per year for each of the three years with BA Step 1 increases by 5% in each year of the Agreement will continue to make salary competitive with other districts in the area. The proposal for 5% on the BA Step 1 is in recognition that the District lags behind the region including the neighboring Stroudsburg Area School District while the top of the MA scale is second highest in the region. Closing the BA gap will help with recruiting new teachers.

Historically, teachers in the District have done well under previous contracts as indicated by 89.5% of the teachers who were in the District in 2010-2011 remained in 2015-2016. Those teachers had an average annual increase of 3.4% over the same five year period with a median increase of 3.8%. During that same time, 60.6% had a 15% or more increase. Even teachers at the top of the scale at Step 16 have done well with an average increase of 4.2% while at least 81.1% had increases of 15% during the same five years.

The 3% annual three year proposal will add another \$3,743,294 to teachers' salaries, keeping average salary competitive in the region: (1) 2016-2017, \$70,141; (2) 2017-2018, \$72,308, and; (3) 2018-2019, \$76,784. That average will increase 12.8% during the three years. The cost of the 3% proposals is as follows:

#### **District's 3% Proposal**

	<u>Base Year</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Total</u> (3 yrs. not cum.)
<b>3.0%</b>	n/a	1,211,069	1,247,401	1,284,823	3,743,293
<b>Total</b>	\$40,368,978	41,580,047	42,827,448	44,112,271	128,519,766

All of the above demonstrate that teachers have been doing well and will continue to do so with the District's proposal.

#### Analysis and Opinion:

The District's presenting its full wage proposal as its initial proposal was unique to the parties. Sometimes that approach speeds up bargaining, especially since both proposals are somewhat close. The .5% difference between the Association's proposal and the District's for each year translates into a total three year difference of approximately \$1,270,262. In addition, the current scale structure presents challenges for distributing either wage increase due to the so-called jump steps and plateaus which consume much of the increase. However, because structural changes to the scale have not been offered by either party, the Fact Finder has no authority, insufficient information and no alternative models offered and discussed by the parties to be evaluated and considered.

In addition the Association argued however unpersuasively that much of its proposal helped make-up for partial and full wage freezes in the past. Make-up will not be part of my

proposal or rationale for my recommendations because the Association agreed to them to deal with matters that were of importance at the time and from which the parties derived some benefit and consideration. I don't have enough information about the trade-offs and concessions each may have made and if they should or could be unraveled. Any 'catch-up' should be done at the bargaining table as specific proposals that if not agreed, may be considered more rationally in any future fact finding.

Therefore, my recommendations will maintain the current schedule adjusted in the following manner.

- 2016-2017 – 3% retroactive increase over the previous year's rates, inclusive of wage and steps.
- 2017-2018 – 3% increase over the previous year's rates, inclusive of wage and steps.
- 2018-2019 – 3.25% increase over the previous year's rates, inclusive of wage and steps.

I am recommending the 3.25% increase in third year in consideration of the health insurance recommendations below and other recommendations in this Report. The District can afford the increase since it is relatively financially healthy that the recommendations will not change. Keeping the District's finances healthy is in both parties' interest to avoid the need for future wage and step freezes, furloughs or other financial decisions, which may solve immediate problems while generating future problems of their own.

**Recommendation:**

Schedule A, Salary Schedules

[See Attached Fact Finding Exhibit 1]

**B. Issue: D. Horizontal Movement Beyond Master Equivalency/Master's Degree**

Position of the District:

The District is proposing the following:

Article X. D. Salary Scale: Horizontal Movement Beyond Master Equivalency/Master's Degree

All employees who have attained by August 31, 1994, a Master's Equivalency Degree issued by the fall of 1994 based on course work completed prior to August 31, 1994, shall be granted horizontal movement to and beyond the Master's column. After August 31, 1994, employees attaining a Master's Equivalency Degree shall be granted horizontal movement to but not beyond the Master's column. During the term of this Agreement, employees attaining a Master's Equivalency Degree will follow this policy as long as PDE recognized said Degree. Only those

employees who have attained a Master's Degree from an accredited college or university shall be granted horizontal movement beyond the Master's column after the aforementioned date. Credits earned after the Master's Degree will be recognized for horizontal movement on the salary schedule only if properly defined and approved by the Superintendent in advance as being relative to the employee's subject area and teaching assignment. Credits will not be recognized if the employee fails to maintain a "B" average. It is the intent of this paragraph that "C" grades will count only if balanced by an "A" in another course.

Horizontal movement on the salary schedule shall be granted for each ~~six (6)~~ **Twelve (12)** graduate credits earned after the Master's Degree to a maximum of forty-eight (48) graduate credits. Horizontal movement shall also be granted for the earned Doctorate as indicated in the detailed salary schedule. These credits must have prior administrative approval.

The proposal is economic in that it attempts to slow the movement across the Matrix to reduce or slow the related economic expense.

**Position of the Association:**

The District's proposal to eliminate the + 6, + 18, +30 and +42 columns and grandparenting employees currently receiving those rates is unacceptable. Considering the two pay freezes within the past four years and minimal raises for teachers on Step 16, horizontal movement is the only option to increase pay rates and continue their education. Moreover, the District's proposal will result in higher increases when teachers become qualified thereby causing 'spikes' in this budget item as teachers become qualified for pay for 12 credits instead of the current 6 credit intervals.

**Analysis and Opinion:**

Teachers should be encouraged to continue their education because being aware of the changes in their field, especially since currently changes occur more rapidly, to be able to provide and use the most up-to-date information and methods. The continuing education of teachers outweighs its economic impact because being current is critical to the overall effectiveness of the District. Finally, whether those courses are relevant and necessary is already determined by the administration's prior approval.

**Recommendation:**

**Current Contract**

**C. Issue: E. Tuition Reimbursement**

**Position of the District:**

The District's proposal is as follows:

Article X. E. Tuition Reimbursement

The Board agrees to pay tuition reimbursement for graduate credits under the following conditions:

1. Only graduate credits taken beyond those required for permanent certification will be eligible for reimbursement. ~~As of September 1, 2000, the only exception will be those [B]argaining unit members who are taking credits toward permanent certification (i.e. 24 credits) and those who are enrolled in a bona fide masters graduate program may receive tuition reimbursement for up to twelve (12) of those the first twenty-four of those~~ credits as provided below in item 3.
2. Credits will be recognized for tuition reimbursement only if properly defined and approved by the Superintendent in advance as being relative to the employee's subject area and teaching assignment. Credits will not be recognized if the employee fails to maintain a "B" average. It is the intent of this paragraph the "C" grades will count only if balanced by an "A" grade in other courses.
3. **Effective September 1, 2000, [T]uition** reimbursement for ~~all courses taken beyond the first twenty four (24) credits~~ shall be reimbursed at actual cost not to exceed the cost per credit rate at East Stroudsburg University. **Effective September 1, 2010, [T]he** annual amount will be based on a maximum of ~~twelve (12)~~ six (6) credits annually for credits taken. Those persons on sabbatical leave for the purpose of professional development shall have an annual reimbursable amount based on a maximum of 24 credits taken during the period of the leave. It is understood that if a bargaining unit member takes the above credits elsewhere, the same annual dollar amount allowable will also apply to them.  
....

The Proposal will allow credit reimbursement for the first 24 credits earned for permanent certification, which is not permitted under the current language. In addition, post Master's and Master's Equivalent credits will be reimbursed for six (6) instead of twelve (12) annually. The proposal will slow movement across the salary matrix and reduce annual costs of credit reimbursement and slow the economic expense of the salary matrix.

Position of the Association:

The Association disagrees in part with the District's proposal to reimburse first 24 credits earned for permanent certification at up to 12 credits per year and reduce the number thereafter from 12 to 6 credits earned per year. By extending credit reimbursement to new teachers will help with the District's ability to recruit new teachers. However, extending credit reimbursement to new teachers at the expense of the vast majority of experienced teachers will result in the rejection of this or any similar suggestions.

Analysis and Opinion:

Reimbursing new teachers as they receive permanent certification will help recruit teachers and help those at the lowest levels of the salary scale with their expenses, but it should not come at the expense of experienced and already certified teachers. People in education should not be discouraged from educating themselves in the latest developments in their academic fields and in the latest more effective teaching methods. With respect to the District's proposal regarding reimbursing credits for permanent certification, if the District believes that reimbursing those credits has value, it may make that change without objection from the Association.

I am recommending that the credit reimbursement be limited to nine (9) credits per year which results in a maximum of eighteen (18) credits over two years instead of twenty (24). This proposal will provide some slowing in cost for the District without discouraging teachers from keeping current in their academic areas and teaching methods. I further recommend that this proposal take effect for the 2017-2018 contract year to give teachers to receive reimbursement under the current contract provisions. The Fact Finder's proposal below will modify Article X.E. 3 only with all other sections to remain unchanged from the current language. (The District, at its option, may implement its proposal to reimburse teachers obtaining credits for permanent certification, after notification to the Association.)

### **Recommendation:**

#### **Article X. E. Tuition Reimbursement**

The Board agrees to pay tuition reimbursement for graduate credits under the following conditions:

1. Only graduate credits taken beyond those required for permanent certification will be eligible for reimbursement. As of September 1, 2000, the only exception will be those bargaining unit members who are taking credits toward permanent certification (i.e. 24 credits) and who are enrolled in a *bona fide* masters graduate program may receive tuition reimbursement for up to twelve (12) twenty four (24) of those twenty-four credits as provided below in item 3.
2. Credits will be recognized for tuition reimbursement only if properly defined and approved by the Superintendent in advance as being relative to the employee's subject area and teaching assignment. Credits will not be recognized if the employee fails to maintain a "B" average. It is the intent of this paragraph the "C" grades will count only if balanced by an "A" grade in other courses.

**Effective September 1, 2017: Effective September 1, 2000, [T]uition** reimbursement for all courses taken beyond the first twenty-four (24) credits shall be reimbursed at actual cost not to exceed the cost per credit rate at East Stroudsburg University. **Effective September 1, 2010, [T]he** annual amount will be based on a maximum of ~~twelve (12)~~ nine (9) credits annually for

credits taken. Those persons on sabbatical leave for the purpose of professional development shall have an annual reimbursable amount based on a maximum of 24 credits taken during the period of the leave. It is understood that if a bargaining unit member takes the above credits elsewhere, the same annual dollar amount allowable will also apply to them.

....

#### **D. Issue: F. Horizontal Movement Effective Date**

##### Position of the District

The District's proposal is:

##### F. Horizontal Movement Effective Date

Horizontal movement on the salary schedule shall become effective on the date of the ~~first (1st), ninth (9th) fourth (4th)~~ and ~~seventeenth (17th)~~ fifteenth (15<sup>th</sup>) pay. In order to have the salary adjustment become effective on those dates, all required documentation must be submitted to the Personnel Office forty-five (45) calendar days prior to either the ~~first (1st), ninth (9th) fourth (4<sup>th</sup>)~~ and ~~seventeenth (17th)~~ fifteenth (15<sup>th</sup>) .

Changing to two dates will move employees regularly and in a less cumbersome and less difficult manner. The existing system requires three changes during school years which is unnecessary, and by the proposal, qualifying employees will receive salary credit sooner by having more time in September to get their paperwork submitted and sooner when it's delayed. The change will have little negative effect on employees while freeing District staff from having to change pay rates three times a year.

##### Position of the Association:

Initially the Association proposed to shorten the 45 days to 30 days to for submitting paperwork to qualify for movement. In an attempt to bring about a settlement, the Association withdrew the proposal and accepted the current contract, which the District rejected by inaction.

The proposal is rejected because the effective dates appear to be randomly selected. The current provision divides the pay year into equal fourths while the District's proposal doesn't even divide it into halves. Only submissions made 45 days before the 15<sup>th</sup> pay of the previous school year will qualify for a full year's reimbursement for any following school year. This proposal is unacceptable.

##### Analysis and Opinion:

The current provision is odd by providing three adjustment periods per year. The District's proposal to keep the 45 day requirement may have been needed with the three periods or it may have been an oversight when the proposal was developed. Therefore, I recommend that

the effective dates be changed to two times per year beginning in the 1<sup>st</sup> and 14<sup>th</sup> pay check with payments being made retroactive to the 1<sup>st</sup> and 14<sup>th</sup> paychecks respectively depending upon the dates of the submissions by the teachers. This proposal may lessen the impact of the two year proposed change for teachers while still giving the District some relief from the paperwork by reducing the number of payroll change per year. I am recommending that the 45 day requirement be retained since I do not have enough information to determine whether it is superfluous or substantive.

**Recommendation:**

**F. Horizontal Movement Effective Date**

Horizontal movement on the salary schedule shall become effective **retroactive to on the date of the first (1st), ninth (9th) and seventeenth (17th) fourteenth (14th) pay checks.** In order to have the salary adjustment become effective on those dates, all required documentation must be submitted to the personnel office forty-five (45) calendar days prior to either the first (1st), **ninth (9th) and or the seventeenth (17th) fourteenth (14)** paychecks.

**E. Issue: H. Pay Periods**

Position of the District

The District is proposing to provide contract language to deal with the 27<sup>th</sup> pay check that occurs periodically during leap years and other random occasions. It is also proposing to remove contract language that enables the District to place all employees in addition to new employees on direct deposit as the language is unnecessary since all employees currently are paid by direct deposit. [Note: The District did not propose any specific language for either proposal.]

Position of the Association:

The Association doesn't believe this proposal is necessary because the current contract gives the District the ability to adjust pay periods as such anomalies occur. However, the Contract should be modified to reflect the current practice for direct deposit of pay.

Analysis and Opinion:

This payroll problem is perplexing to payroll personnel because it occurs infrequently, generally, every five or six years for a weekly payroll and every 11 or 12 years for biweekly payrolls due to the leap year calendar adjustment. Although the Association believes the current contract provides the District with the ability to make necessary leap year adjustments, the contract appears to permit adjustments to pay periods to align with the school year's beginning

dates only. The remaining contract language is confusing and unclear since it does not refer to anything specific nor does it appear to modify the beginning of the year adjustments in the second sentence. Therefore I recommend language that makes it clear that the District may make adjustments as needed to accommodate the leap year anomaly after consulting (not negotiating) with the Association. My proposal is not intended to make what can be an easy administrative adjustment without incurring protracted discussions.

With respect to direct deposit, since all employees are paid in this manner, I recommend that the contract reflect the current practice.

**Recommendation:**

**H. Pay Periods**

Pay for all personnel covered by this Agreement shall be distributed in twenty-six (26) bi-weekly periods throughout the calendar year. The pay periods shall be periodically adjusted to account for the odd day(s) encountered each year so that the periods will align with the school year beginning dates **and, after consultation with the Association, to accommodate the years when an extra pay period may occur. It is intended that these periodic adjustments will be made at approximately five (5) year intervals by adding a one (1) week pay period in December or January of the affected year.** The School District shall **have the discretion to** pay all employees by direct deposit. **Effective August 1, 2000, all new bargaining unit members will be on direct deposit. Effective September 1, 2001 and at the discretion of the Board, all current bargaining unit members will receive their pays by direct deposit.**

**Issue No.6: Article XI – Hours of Work – Employees**

**Position of the District:**

The District is proposing to delete Section H:

**H. Instructional Periods**

The Board shall make every effort to maintain the scheduling of instructional periods existing in 1994-1995.

The District needs to regain the ability to change schedule formats as new, different and innovative schedules are developed that may change how education may be delivered. The District needs to have flexibility to make changes that accommodate students' learning needs.

**Position of the Association:**

The Association agrees with this proposal provided the District agrees with the Association's preparation time proposal. The District does not want to agree without protecting non-instructional preparation time which could disappear with a change in schedule. Since the

District does not agree with the preparation time proposal, the Association cannot agree to changing schedules which could leave teachers vulnerable to losing or having preparation time diminished.

Analysis and Opinion:

I agree that the District should have the ability to make schedule changes that improve learning and address new understandings how students learn. When block scheduling was introduced traditionalists at first opposed the change, now it would be difficult to do away with them. Under the current contract, the District has the ability to make schedule changes because the language only requires “every effort” to hold on to the current schedules. Had the parties intended to stop any and all schedule changes, the contract would have stated so specifically. The current provision does not specifically stop the District from changing instructional schedules to accommodate change. Therefore, I recommend the current contract language be maintained until a specific schedule change is suggested, at which time the concerns emanating from a proposed schedule changes may be discussed and addressed.

Recommendation:

Current Contract

**Issue No.7: Article XII – Employee Benefits**

**A. Healthcare Benefits**

Position of the District:

The District is proposing the following insurance plan benefits (changes noted in **bold**).

1. Deductibles (In-Network)

Calendar Year	Single	Family	Out of Network
2015	\$0	\$0	N/A
2016	<b>\$250</b>	<b>\$750</b>	2 x Network
2017	<b>\$500</b>	<b>\$1,500</b>	2 x Network
2018	<b>\$500</b>	<b>\$1,500</b>	2 x Network
2019	<b>\$750</b>	<b>\$2,250</b>	2 x Network

2. Office Visit Co-Pays (In-Network)

<u>Contract Year</u>	<u>PCP</u>	<u>Specialist</u>	<u>Urgent Care</u>	<u>ER</u>
2016-17	\$15	\$15	\$15	\$35
2017-18	\$15	\$15	\$15	\$35
2018-19	\$15	\$15	<b>\$50</b>	<b>\$100</b>

3. Prescription Drug Co-Pays

No proposed changes from current Agreement

4. Employee Premium Share

<u>Contract Year</u>	<u>Premium Share</u>
2015-16	\$50 per pay period
2016-17	<b>8% COBRA rates less admin. fee</b>
2017-18	<b>10% COBRA rates less admin. fee</b>
2018-19	<b>10% COBRA rates less admin. fee</b>

5. Eligibility Restrictions

<u>Contract Year</u>	<u>Spousal Surcharge/Restriction</u>
2016-17	No spousal surcharge
2017-18	<b>\$150 per month surcharge</b>
2018-19	<b>Spouses with other access are off District plan</b>

The largest expense categories are wages and fringe benefits with health insurance one of the fastest growing cost of all benefits. Projected cost for health insurance will be approximately \$21,000,000 in 2017-2018 school year with the bargaining unit responsible for 56% of those costs, and costs are projected to increase at approximately 7.5% over the life of the Agreement. Under the current plan, the District pays approximately 93% of those costs and teachers pay a flat rate amount, \$25 per week or \$50 per pay period with the District absorbing all premium increases.

The District's proposals have the following goals: Reduce the impact of rising healthcare costs of the projected budget deficits. Help employees to become informed consumers of healthcare. Minimize the impact on employees. Maintain the generous benefits in current plan. With these goals in mind, the District focused on five of the seven major components, deductibles, coinsurance, emergency/urgent care, employee premium share and spouse eligibility.

Employees' premium share is \$1300 per year. The flat rate amount discriminates against those with single coverage because it represents a higher percentage of their premiums than those with family plans. As a group, for the 2015-2016 school year, teachers paid approximately 7.5% of the total cost of health insurance, while the District's share is approximately 92.5%.<sup>3</sup>

Spouse eligibility will apply only to those spouses who have access to health insurance from their own employers. The proposal will first place a surcharge and finally remove them from the plan altogether. Administrative staff currently has this rule.

The combination of the proposed changes will slow growth and actually save \$1,785,154 over the life of the Agreement. When the savings is combined with the 3% wage proposal, the teachers' net gain is \$1,988,140 out of a total increase cost for wages of \$3,743,294. The Association's proposal will increase healthcare cost by approximately \$1,100,000.

#### Position of the Association:

The District's combined healthcare and wage proposals will result in a significant number of teachers will see any wage increases outstripped by the health insurance increases. Veteran teacher on Step 16 and those on the steps within the wage bands especially will be hardest hit by the proposal. While health plans without deductibles are rare, the District's proposal is too much to be absorbed in one year. Add the spousal rule and the premium share, the potential loss is too great to consider.

In response the Association is offering the following Healthcare Proposal with only changes listed below while the unlisted provisions will remain at current levels.

#### Article XII. A. Healthcare Benefits

##### A. Premium Share:

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<sup>3</sup> Data from Conrad Siegel Actuaries *Financial Comparison of Healthcare Benefits Proposals* dated May 31, 2016.

Effective January 1, 2018 the annual premium share will be increased to \$1950 annually or \$75 per pay.

B) Deductibles:

School Year	Single	Family	Out of Network
2016-17	\$125	\$250	2 x in network
2017-18	\$250	\$500	2 x in network
2018-19	\$250	\$500	2 x in network

Effective January 1, 2019: the deductible may be increased, decreased, or remain at the present level based on the District's actual health care costs (using EBTEP's audited annual report) during the term of this Agreement through the process enacted by the Cost Containment Committee as outlined below.

C) Wellness Program:

- i. Starting with the 2017 calendar year if an employee completes any three (3) of the following Wellness Activities listed below during the course of the calendar year, then that employee shall receive a 33.333% (1/3rd) discount of their premium share for the following calendar year. The 1<sup>st</sup> calendar year the premium share discount would take effect for completers of the wellness activities, as defined above, would be 2018. At the start of each calendar year, all employees will have the opportunity to participate and to complete any three (3) of the below wellness activities to earn the reduction in premium share the next calendar year. For example, if a prior year completer fails to once again successfully complete a minimum of three (3) wellness activities in the current calendar year, they would revert back to paying the full premium share as defined above starting January 1 of the next calendar year.

Wellness Activities:

Verification of a Primary Care Physician  
Receive a flu shot  
Complete a Blue Health Assessment {BHA}  
Completion of a Physical (physical exam as defined by the District/Association Wellness Committee)

Participate in any of the following approved wellness activities as agreed upon by the District and the Association:

- Weight Watchers
- tobacco cessation program
- gym membership
- walking club
- other activities as defined by the District/Association Wellness Committee

ii. Cost Containment Committee

- (A) Within thirty (30) days of the ratification of this Agreement the parties shall establish a Health Care Committee comprised of the Superintendent, Business Manager, School Board Representative, two (2) representatives from East Stroudsburg Education

Association, and if permitted by its collective bargaining agreement with the district, members of the East Stroudsburg Educational Professional Association. All actions of the committee must be by unanimous vote.

- (B) Any party can bring guests to committee meetings for the purpose of expertise or representation on positions. Guests do not have voting rights on committee decisions. All votes shall take place in executive session of the committee. Specifically, guest shall be excused prior to votes.
- (C) The Committee shall meet as often as necessary to perform its function. All parties agree they shall consider performance of the duties of the Committee as a priority and shall only designate representatives to the Committee who will make all reasonable efforts to devote the necessary time and interest to the activities of the Committee to maximize its potential for the successful completion of its function and purpose.
- (D) All committee members must sign privacy agreements. Privacy agreements shall be drafted and agreed upon by the District's & the Association's legal consultants.
- (E) If Committee meetings are scheduled during the work day, employee representatives shall be able to attend with no loss of wages and benefits. Additionally, there will be no loss in wages or benefits if necessary Committee work is done during the workday.
- (F) The purpose of the Committee is not to examine means of cost shifting to the employee but to attempt to contain or even lower medical and prescription cost through innovative, proven programs. Furthermore, the committee shall be to examine and consider health care plans, benefit levels, providers, delivery mechanisms and structures that will continue to provide high quality health care benefits to the bargaining unit members and their families in a manner which lowers or contains increases in the district's spending on healthcare as referenced above.
- (G) As a member of the Employee Benefit Trust of Eastern Pennsylvania (EBTEP) the District shall use the resources available to it to further the function of the Committee. All communications between the District and representatives of EBTEP or its designees, shall be shared with Association representatives on the Committee. Additionally, all information received by any representative regarding Committee functions shall be shared with all representatives.
- (H) The District shall fully cooperate with the Committee by making available to it any and all records or other documents that it reasonably requires for the performance of its duties and functions and by fully and promptly cooperating with any and all decisions of the Committee regarding the investigation and potential purchase/offering of alternative health care coverages.
- (I) The Committee shall not have the power to bind its decisions upon either the District or the Association. There shall be no change in health care provisions of this agreement unless and until such change is ratified by both the general membership of the Association and the District's School Board.
- (J) It is recognized and agreed that the formation and performance of the Committee is on an experimental basis in a mutual effort to provide quality healthcare at the most cost effective premium. If the Committee is to perform its purpose and function, an open and frank exchange of ideas must occur. Therefore, the parties mutually agree that neither shall make direct or indirect reference to the existence, function or any activities of the

Committee or either party's actions based thereon in any future proceedings between the parties.

The Association's proposals is directed toward cost containment rather than cost shifting and trading. Health care is expensive and is getting more expensive. There are two ways to address expenses. First, meaningful cost containment may occur by reducing, restricting or ameliorating health care costs by adjusting benefits that reduce costs and limit or slow future increases. Second, by cost shifting, employees will pick up a larger portion of a premium that will continue to increase.

The Association's proposal will concentrate on the limiting and containing costs. The proposed wellness program will provide discounted premium share to successful participants in the wellness activities to encourage and develop healthier lifestyles. Healthier people have fewer medical problems thus reducing costs. In addition, establishing a cost containment to detect improper billing, duplicate claims, detect fraud and abnormal use of emergency and urgent care facilities will help further control costs.

In summary, the District's proposal shifts costs without meaningful reform while the Association's will make teachers and medical providers accountable for the services they request and bill and the insurance company responsible for accurately paying those bills.

#### Analysis and Opinion:

My proposals concentrate on changes to the user side of the equation, because higher user fees generate greater current and future savings for the District more so than the proposed premium share increases. Those who do not use the plan will not pay more than they do now, while those who do will pay more for their services.

First, the deductibles proposed by the District are higher than surrounding area districts according to the District's exhibit. However, in consideration of the wage recommendation and no increase in premium share, there needs to be some savings since the District is continuing to carry most of the current premium costs and any increases that may occur during the term of the Agreement. Therefore, I recommend that the deductibles be increased as proposed by the District for January 2017. However I recommend increasing them to \$600 and \$1800 earlier than proposed, on January 2018, with those rates to remain in effect until contract expiration. Again,

the only teachers who will have an increase in costs are those who use the plan, while those who use it less or not at all will see little or no increase above current cost.

Second, I agree with the District's proposal for urgent care and emergency room visits being increased in 2017-2018, sooner than the District proposed, to \$50 and \$100, respectively, to gain the benefit of any savings sooner. Both of those medical provider centers can result in large additional fees being charged to the plan that the proposed increases may help to control premium costs by encouraging teachers to use both places appropriately.

Third, employee premium share is cost shifting. Many studies have found that when employees pick up a larger share of premiums their use also increases because there is a false need to get their money's worth. However, cost sharing is not uncommon especially in the region. According to the District's exhibit, the districts in the sample all pay fixed dollar amounts for premiums except one which is 1%, capped at \$384. According to that exhibit, the District's current cost share is higher by approximately twice that of other districts except Monroe County Technical Institute, which is \$1404 for dependents. In keeping with shifting costs to those who use the plan, I recommend no change from current \$50 per pay period or \$1300 per year even though single plan recipients pay a higher proportionate share of their premium. The recommendations made regarding increased pay for using the plan will help control premium costs substantially.

Fourth, the District is not persuasive arguing for the spouse rule in any form. I recognize the problem for the District by providing a generous plan where employers of spouses and significant others may offer a less attractive benefit, thereby shifting the burden to the District. Because this proposal has many far-reaching and unknown implications if adopted in any form, it should be bargained across the bargaining table. It is not one that I can recommend because I don't have sufficient information and don't know the implications. Finally, districts in the region do not remove spouses from their plans although there are two that have a surcharge.

Fifth, the wellness and monitoring proposal from the Association has merit in principle. Historically, the traditional approach of labor and management when dealing with health insurance has been to focus only on cost shifting by premium sharing, increasing fees for service and reducing benefits while ignoring the other side of the health insurance equation, lifestyle modification. By implementing wellness and monitoring programs that encourage and develop

healthier lifestyles, premiums will not grow as quickly or slow them down so that they don't keep growing at much greater than inflationary rates. My first Blue Cross family plan cost \$432 per year in 1975, and \$1,938 today adjusted for inflation, but, if it were available, today's cost would be in excess of \$36,000. During the interim, very little has been done from the consumer side of the equation to slow that growth and control costs by encouraging and rewarding healthier lifestyles. Some of the successful programs are healthy eating and cooking, exercise programs, smoking cessation, annual physicals, early screening and detection, special programs for diabetics and heart disease programs. Although the Association's proposal will not produce instant savings, it will be cost effective in the long term if developed and monitored properly and diligently. Therefore I recommend that not later than 60 days from execution of the Agreement, the parties will form a labor/management committee of District and Association representatives to determine if wellness and insurance billing monitoring programs should be developed and adopted by the District and possibly in conjunction with the Employees Benefit Trust. If this key part of health insurance is not addressed, premiums will continue to rise, benefits will continue to be reduced and costs will be shifted.

### **Recommendation:**

Following are the recommendations (**in bold**) for Section A only. The remainder of the Article shall remain unchanged except as may be noted in other recommendations above.

## **ARTICLE XII - EMPLOYEE BENEFITS**

### A. Healthcare Benefits

The Board agrees to provide healthcare benefits for bargaining unit members and their eligible dependents through the Employees Benefit Trust of Eastern Pennsylvania (EBTEP). Medical insurance and prescription coverage for bargaining unit employees and their eligible dependents will be provided by First Priority Life Insurance Company, Inc. (dba First Priority Life) through Preferred Provider Organization (PPO) Comprehensive Major Medical Plan, as delineated in the plan documents published by EBTEP on its website as of the date of signing of this agreement by both parties. The District shall not make changes to the benefit levels provided to employees. However, the District shall not be responsible for changes to the plan if made unilaterally by EBTEP except for changes that EBTEP is required to make due to applicable federal and/or state laws and regulations. The maximum benefit from all sources for each employee covered by this Agreement and for his/her eligible dependents covered under the PPO Plan shall be \$2,000,000 annually with a \$1,000,000 lifetime maximum for nonpreferred providers and a \$5,000,000 lifetime maximum for preferred providers. Should either the annual or the lifetime maximum benefit from all sources be increased by the Employee Benefit Trust of Eastern Pennsylvania (EBTEP) (as standard) during the term of this Agreement, the Board agrees to increase the annual

or lifetime maximum benefit from all sources to the EBTEP level. Should recent Federal laws be repealed the District may revert to the standard noted above if advised to do so by the EBTEP.

Employees hired on or after March 8, 2011 will only be eligible for the First Priority Life Insurance Company/Blue Care PPO Plan. Effective June 30, 2014, the Traditional Plan shall be eliminated and all employees shall move to the First Priority Life Insurance Company/Blue Care PPO Plan. Employees who are on the traditional plan at the time of transition and are taking medications will not be required to undergo new Step Therapy period when they move to the PPO Plan. All medications will be considered "grandfathered" and will be covered.

Employees shall contribute the following amounts toward healthcare:

**2014-15: fifty dollars (\$50) per pay period**

**2015-16 2016-19:** fifty dollars (\$50) per pay period

**Beginning the 2011-2012 school year, the** The District will **continue to** offer a \$2,500 hearing aid benefit to active teachers once every two (2) years.

The District shall **adopt continue to offer** a 125 plan prior to any employee contribution towards benefits so that the employee contribution may be paid before taxes are deducted from the gross pay.

Retirees shall not be made to contribute towards the purchase of their healthcare.

#### **1. Deductibles (In/Out Network)**

Calendar Year	Single	Family	Out of Network
2016	No change	No change	No change
2017	<b>\$500</b>	<b>\$1,500</b>	2 x in network
2018	<b>\$600</b>	<b>\$1,800</b>	2 x in network
2019	<b>\$600</b>	<b>\$1,800</b>	2 x in network

#### **2. Office Visit Co-Pays (In-Network)**

Contract Year	PCP	Specialist	Urgent Care	ER
2016-17	\$15	\$15	\$15	\$35
2017-18	\$15	\$15	<b>\$50</b>	<b>\$100</b>
2018-19	\$15	\$15	<b>\$50</b>	<b>\$100</b>

#### **3. Prescription Drug Co-Pays**

No Change

#### **4. Eligibility Restrictions**

No Change

#### **5. Wellness Program**

**Not later than 60 days from execution of the Agreement, the parties will form a Labor/Management Committee of equal numbers of District and Association representatives to determine if wellness and insurance billing monitoring programs should be developed and adopted by the District, possibly in conjunction with the Employees Benefit Trust. The purpose of the Committee is to develop programs that encourage employees to adopt healthier lifestyles, which may include dietary, fitness and other similar programs. The Committee will submit its recommendations to the Board and the Association in writing not later than 180 days from the date the Committee is established.**

### **Issue No.7: Schedule “B” – Extra-Responsibility Pay Schedule**

Both parties discussed the need to review and make changes to Schedule B. However, I do not have enough information to make recommendations due to the large number of positions and the need for market and other related information for each position.

#### **Recommendation:**

#### **MEMORANDUM OF UNDERSTANDING Schedule “B” – Extra-Responsibility Pay Schedule**

The District and the Association will continue to bargain over the pay rates and other matters contained in Schedule B, Extra-Responsibility Pay Schedule, after the ratification and execution of the Agreement. The Fact Finder retains jurisdiction to reconvene the fact finding of Schedule B over any issues that may arise from that negotiation. The fact finding may be re-convened by either party after due written notice to the other and the Fact Finder.

## **II. Tentative Agreements**

The following tentative agreements are incorporated herein and made part of this Report.

### **Tentative Agreement 1: Article XIV – Member/Association Rights**

#### Article XIV – Member/Association Rights

##### A. Use of Facilities

The Association may have, in each school building, the use of **physical and/or electronic** of a bulletin board in the faculty lounge for the posting of information of professional interest. The Association may use school mailboxes for correspondence with **the teachers all bargaining unit members**.

[2/17/16 Agreed without signatures]

### **Tentative Agreement 2: Article XII – Employee Benefits**

#### Article XII – Employee Benefits

##### G. Payment for Unused Sick Leave at Retirement Eligibility

Unused sick leave at retirement shall be paid at the ~~rate of eighty dollars (\$80) per day during the term of this agreement current substitute rate for sick day reimbursement at the time of his/her retirement.~~ This money shall be added to the final salary payment, but shall not be construed to apply to the final average salary for purposes of retirement. This payment shall be made in one lump sum as a non-elective contribution to a qualified 403(b) tax sheltered account with the employee not having the option for cash payment and shall not be construed to apply to the final average salary for purposes of retirement.

Only those employees who are eligible for retirement either by years of service or by attaining the age of sixty-two (62) or more years of age are eligible. Indications of retirement must be made prior to [March 1]<sup>4</sup> of the applicable year. However, the Board may waive this requirement in special cases. Payment for unused sick days, as identified above, shall be subject to the following limitations:

- A. In order to be eligible for said payment, an employee must have twenty (20) years of service in the East Stroudsburg Area School District upon retirement.
- B. Days transferred from another governmental entity will not be eligible for reimbursement but may be used for sick leave for illness.
- C. Eligible bargaining unit members who qualify based on the above provisions shall be paid for each day of unused sick leave but not to exceed a maximum of two hundred twenty (220) sick days. The only exception will be for those employees who have, prior to June 30, 1995, have accumulated more than two hundred twenty (220) days. Those employees will be paid the new rate for all such accumulated sick days as of June 30, 1995.

[On 2/17/16 the parties agreed to incorporate the existing MOU signed on 5/19/14 into the Agreement.]

### **Tentative Agreement 3: MOU #1 (VIRTUAL ON-LINE COURSES)**

#### **Tentative Agreement to Replace the Current MOU #1**

##### **Memorandum of Understanding** Implementation of Virtual Classrooms

The Parties to this Agreement, the East Stroudsburg Area Education Association (hereinafter called the "Association") and the East Stroudsburg Area School District (hereinafter called the "District) agree to the following:

- 1) The Parties agree to the job duties and expectations for online teachers as listed in the attached document with the same title.
- 2) The District shall accommodate the teachers' "brick and mortar" schedule to align with virtual courses so no teacher will have more than two virtual preps unless the virtual course is an elective and/or the teacher agrees to more than two preps.

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<sup>4</sup> The March 1 date remained at issue at the time the tentative agreement was reached and was an issue in the fact finding. See Fact Finder's recommendation in preceding pages.

- 3) The District shall not schedule more than 30 students per block assignment in any internal virtual classroom.
- 4) The District shall not include the virtual classroom in any teacher's evaluation.
- 5) This agreement between the parties to offer courses via virtual classrooms shall expire at the end of the 2016-2017 school year. Throughout the year, the virtual classroom platform shall be evaluated mutually by the District and Association as to whether it should continue as constructed, continue with alterations, or be discontinued. The Parties agree to alter and/or renew this agreement upon mutual consent dependent upon the outcome of this evaluation of the platform.
- 6) This agreement shall neither constitute a new past practice nor nullify any existing past practice.
- 7) Internal virtual classroom teachers will maintain general documentation of duties performed during classroom sessions, to assist in the evaluation of work/time requirements with the new service provider.
- 8) The district will utilize a new compensation schedule for external virtual teachers. This pay/hour schedule will be based off of student enrollment within each specific course. All external virtual teachers will be paid the curriculum rate per the CBA. The pay/hour schedule is as follows for Full Credit Courses:
  - Course enrollment 1-3 students - 25 hours
  - Course enrollment 4-7 students - 40 hours
  - Course enrollment 8-12 students - 55 hours
  - Course enrollment 13- 30 students - 70 hoursThe pay/hour schedule is as follows for  $\frac{1}{4}$  and  $\frac{1}{2}$  Credit Courses:
  - Course enrollment 1 - 3 students - 15 hours
  - Course enrollment 4 - 7 students - 22 hours
  - Course enrollment 8 -12 students - 30 hours
  - Course enrollment 13 - 30 students - 38 hoursAdditional provisions apply:
  - Hours are on a per course per semester basis.
  - Curriculum wage applies.
  - Roster Review and adjustment of pay rate is based on enrollment at 3 specific points in the semester as follows:
    - First day of school/class per semester
    - 30 days of school/class per semester
    - 60 days of school/class per semester
  - Teachers will be notified of changes to enrollment and pay/hour schedule via email.
  - Hours provided in the pay schedule can only be adjusted upward and student withdraws from courses will not cause a downward adjustment.- 9) Virtual Teacher time sheet submissions and dialogue will be used to determine if previous pay/hour schedule for external virtual teachers is reasonable. The pay/hour schedule shall be evaluated mutually by the District and Association as to whether it should continue as constructed, continue with alterations, or be discontinued.

10) The District and Association agree to begin discussions on creating some guidelines related to the evaluation of teachers for external virtual positions and internal virtual positions for the purposes of future evaluation and program accountability.

East Stroudsburg Area School District

/s/ 5/17/16

East Stroudsburg Area Education Association

/s/ 5/17/16

#### **Tentative Agreement 4: Article XVII - Duration of Agreement**

On March 16, 2016, the parties agreed to a three (3) year contract to cover the period from 2016 through 2019.

#### **Summary**

I want to thank the parties for their patience, assistance and complete presentations that enabled me to arrive at my recommendations. I believe these recommendations strike a balance between the needs of the District to manage and pay for the services it provides, while remaining competitive, and 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.**

January 30, 2017



John C. Alfano, Arbitrator  
1622 Birch Street  
Scranton, Pennsylvania 18505  
ESASD/esea2016

## Exhibit 1 - Salary Scales

**2016-2016**

Step	B	B+6	B+12	B+18	B+24	B+30	M	M+6	M+12	M+18	M+24	M+30	M+36	M+42	M+48	DR.
1	42,899	43,349	43,799	44,249	44,699	45,149	46,154	46,669	47,210	47,777	48,369	48,988	49,632	50,301	50,997	51,718
2	43,930	44,380	44,830	45,280	45,730	46,180	47,185	47,700	48,241	48,807	49,400	50,018	50,662	51,332	52,027	52,748
3	43,930	44,380	44,830	45,280	45,730	46,180	47,185	47,700	48,241	48,807	49,400	50,018	50,662	51,332	52,027	52,748
4	47,787	48,237	48,687	49,137	49,587	50,037	51,042	51,557	52,098	52,665	53,257	53,875	54,519	55,189	55,884	56,606
5	47,787	48,237	48,687	49,137	49,587	50,037	51,042	51,557	52,098	52,665	53,257	53,875	54,519	55,189	55,884	56,606
6	47,787	48,237	48,687	49,137	49,587	50,037	51,042	51,557	52,098	52,665	53,257	53,875	54,519	55,189	55,884	56,606
7	54,213	54,663	55,113	55,563	56,013	56,463	57,468	57,983	58,524	59,091	59,683	60,301	60,945	61,615	62,310	63,032
8	54,213	54,663	55,113	55,563	56,013	56,463	57,468	57,983	58,524	59,091	59,683	60,301	60,945	61,615	62,310	63,032
9	54,213	54,663	55,113	55,563	56,013	56,463	57,468	57,983	58,524	59,091	59,683	60,301	60,945	61,615	62,310	63,032
10	63,211	63,661	64,111	64,561	65,011	65,461	66,466	66,981	67,522	68,088	68,681	69,299	69,943	70,613	71,308	72,029
11	63,211	63,661	64,111	64,561	65,011	65,461	66,466	66,981	67,522	68,088	68,681	69,299	69,943	70,613	71,308	72,029
12	63,211	63,661	64,111	64,561	65,011	65,461	66,466	66,981	67,522	68,088	68,681	69,299	69,943	70,613	71,308	72,029
13	68,352	68,802	69,252	69,702	70,152	70,602	71,607	72,122	72,663	73,230	73,822	74,440	75,084	75,754	76,449	77,170
14	68,352	68,802	69,252	69,702	70,152	70,602	71,607	72,122	72,663	73,230	73,822	74,440	75,084	75,754	76,449	77,170
15	68,352	68,802	69,252	69,702	70,152	70,602	71,607	72,122	72,663	73,230	73,822	74,440	75,084	75,754	76,449	77,170
16	77,203	77,653	78,103	78,553	79,003	79,453	80,458	80,973	81,514	82,081	82,673	83,291	83,935	84,605	85,301	86,022

## 2017-2018

<b>Step</b>	<b>B</b>	<b>B+6</b>	<b>B+12</b>	<b>B+18</b>	<b>B+24</b>	<b>B+30</b>	<b>M</b>	<b>M+6</b>	<b>M+12</b>	<b>M+18</b>	<b>M+24</b>	<b>M+30</b>	<b>M+36</b>	<b>M+42</b>	<b>M+48</b>	<b>DR.</b>
1	43,214	43,664	44,114	44,689	45,289	45,889	46,894	47,409	47,950	48,517	49,109	49,728	50,372	51,041	51,737	52,458
2	44,245	44,695	45,145	45,720	46,320	46,920	47,925	48,440	48,981	49,547	50,140	50,758	51,402	52,072	52,767	53,488
3	44,245	44,695	45,145	45,720	46,320	46,920	47,925	48,440	48,981	49,547	50,140	50,758	51,402	52,072	52,767	53,488
4	48,102	48,552	49,002	49,577	50,177	50,777	51,782	52,297	52,838	53,405	53,997	54,615	55,259	55,929	56,624	57,346
5	48,102	48,552	49,002	49,577	50,177	50,777	51,782	52,297	52,838	53,405	53,997	54,615	55,259	55,929	56,624	57,346
6	48,102	48,552	49,002	49,577	50,177	50,777	51,782	52,297	52,838	53,405	53,997	54,615	55,259	55,929	56,624	57,346
7	54,528	54,978	55,428	56,003	56,603	57,203	58,208	58,723	59,264	59,831	60,423	61,041	61,685	62,355	63,050	63,772
8	54,528	54,978	55,428	56,003	56,603	57,203	58,208	58,723	59,264	59,831	60,423	61,041	61,685	62,355	63,050	63,772
9	54,528	54,978	55,428	56,003	56,603	57,203	58,208	58,723	59,264	59,831	60,423	61,041	61,685	62,355	63,050	63,772
10	63,526	63,976	64,426	65,001	65,601	66,201	67,206	67,721	68,262	68,828	69,421	70,039	70,683	71,353	72,048	72,769
11	63,526	63,976	64,426	65,001	65,601	66,201	67,206	67,721	68,262	68,828	69,421	70,039	70,683	71,353	72,048	72,769
12	63,526	63,976	64,426	65,001	65,601	66,201	67,206	67,721	68,262	68,828	69,421	70,039	70,683	71,353	72,048	72,769
13	68,667	69,117	69,567	70,142	70,742	71,342	72,347	72,862	73,403	73,970	74,562	75,180	75,824	76,494	77,189	77,910
14	68,667	69,117	69,567	70,142	70,742	71,342	72,347	72,862	73,403	73,970	74,562	75,180	75,824	76,494	77,189	77,910
15	68,667	69,117	69,567	70,142	70,742	71,342	72,347	72,862	73,403	73,970	74,562	75,180	75,824	76,494	77,189	77,910
16	77,518	77,968	78,418	78,993	79,593	80,193	81,198	81,713	82,254	82,821	83,413	84,031	84,675	85,345	86,041	86,762

## 2018-2019

Step	B	B+6	B+12	B+18	B+24	B+30	M	M+6	M+12	M+18	M+24	M+30	M+36	M+42	M+48	DR.
1	43,714	44,214	44,714	45,414	46,114	46,864	47,869	48,384	48,925	49,492	50,084	50,703	51,347	52,016	52,712	53,433
2	44,745	45,245	45,745	46,445	47,145	47,895	48,900	49,415	49,956	50,522	51,115	51,733	52,377	53,047	53,742	54,463
3	44,745	45,245	45,745	46,445	47,145	47,895	48,900	49,415	49,956	50,522	51,115	51,733	52,377	53,047	53,742	54,463
4	48,602	49,102	49,602	50,302	51,002	51,752	52,757	53,272	53,813	54,380	54,972	55,590	56,234	56,904	57,599	58,321
5	48,602	49,102	49,602	50,302	51,002	51,752	52,757	53,272	53,813	54,380	54,972	55,590	56,234	56,904	57,599	58,321
6	48,602	49,102	49,602	50,302	51,002	51,752	52,757	53,272	53,813	54,380	54,972	55,590	56,234	56,904	57,599	58,321
7	55,028	55,528	56,028	56,728	57,428	58,178	59,183	59,698	60,239	60,806	61,398	62,016	62,660	63,330	64,025	64,747
8	55,028	55,528	56,028	56,728	57,428	58,178	59,183	59,698	60,239	60,806	61,398	62,016	62,660	63,330	64,025	64,747
9	55,028	55,528	56,028	56,728	57,428	58,178	59,183	59,698	60,239	60,806	61,398	62,016	62,660	63,330	64,025	64,747
10	64,026	64,526	65,026	65,726	66,426	67,176	68,181	68,696	69,237	69,803	70,396	71,014	71,658	72,328	73,023	73,744
11	64,026	64,526	65,026	65,726	66,426	67,176	68,181	68,696	69,237	69,803	70,396	71,014	71,658	72,328	73,023	73,744
12	64,026	64,526	65,026	65,726	66,426	67,176	68,181	68,696	69,237	69,803	70,396	71,014	71,658	72,328	73,023	73,744
13	69,167	69,667	70,167	70,867	71,567	72,317	73,322	73,837	74,378	74,945	75,537	76,155	76,799	77,469	78,164	78,885
14	69,167	69,667	70,167	70,867	71,567	72,317	73,322	73,837	74,378	74,945	75,537	76,155	76,799	77,469	78,164	78,885
15	69,167	69,667	70,167	70,867	71,567	72,317	73,322	73,837	74,378	74,945	75,537	76,155	76,799	77,469	78,164	78,885
16	78,018	78,518	79,018	79,718	80,418	81,168	82,173	82,688	83,229	83,796	84,388	85,006	85,650	86,320	87,016	87,737