

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD

In the Matter of Impasse Between the

EAST ALLEGHENY SCHOOL DISTRICT,

"Public Employer,"

-and-

**REPORT
AND
RECOMMENDATIONS**

EAST ALLEGHENY EDUCATION ASSOCIATION,

"Association."

Case No. ACT 88-12-16-W

Before
Robert C. Gifford, Esq.
Fact Finder

Appearances:

For the Employer:

Michael A. Palombo, Esq.
CDBP&M

For the Association:

Robert Myers, UniServ Representative
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 April 10, 2012, as the Fact Finder in the impasse between the East Allegheny School District [the "Employer" or "District"] and the East Allegheny Education Association [the "Association"], a

unit comprised of approximately 128 professional employees as of the 2011-2012 school year. The District is located within Intermediate Unit 3 ["I.U. 3"].

The parties' Agreement is set to expire on June 30, 2012. The parties commenced negotiations for a successor agreement. Their bargaining included one (1) joint session with a mediator. The issues in dispute remained unresolved, and the District initiated its request for fact finding. On May 3, 2012, a hearing was held at the District's administrative offices in North Versailles 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 unresolved issues.

ISSUES

One or both parties proposed changes to the following Articles and Article Sections of the Agreement:

1. Article VII – Professional Qualifications, Assignments, Vacancies, and Transfers
 - Section 6. Professional Employee Assignments
 - Section 7. Assignments in Addition to the Normal Schedule
2. Article VIII – Salary and Wage Provisions
3. Article XIV – Duration of Agreement
 - Section 1.
4. Article XV – Salary & Wage Provision
5. Article XVI – Extra-Curricular Salaries
 - Section 2. Coaching Positions
6. Article XVII – Salary and Wage Provisions
 - Section 1. Work Beyond Work Day or Work Year
 - Section 5. Non-accredited credits
 - Section 6. Guidance Counselors
 - Section 7. Home and School Visitor
 - New Section (Association Input – School Calendar)
7. Article XVIII – Welfare and Fringe Benefits
 - Section 1. Group Insurance
 - Section 2. Sick Day Reimbursement
 - Section 7. Extended Sick Leave
 - Section 9. Maternity Leave
 - Section 13. Illness or Disability Leave/Act 88 and the Family Medical Leave Statutes
 - Section 14. Association Leave
 - Section 17. Seniority
 - Section 18. Part-Time Professional Employees
 - Section 19. Fair Furlough Practices
 - Section 20. Furlough Benefits
 - Section 21. Instructional Day
 - Section 23. Mileage Reimbursement
 - Section 24. Personal Property Protection
 - Section 25. Early Retirement Incentive Program
 - Section 26. Comp Time and Pro Rata
8. Article XIX – Miscellaneous Items

- Section 1. Basic Contract Year
- Section 2. Professional Employees' Daily Schedule
- Section 3. Professional Employees Records
- Section 5. Salary Deductions
- Section 6. Certification of Reason for Absence
- Section 15. Reporting Off Duty
- Section 16. Substitute Teachers
- Section 17. Long-term Substitutes
- Section 21. Closing of School Due to Inclement Weather
- Section 23. Class Size
- Section 33. Availability of Information
- Section 39. Professional Task Force Participation
- Section 40. Report Cards
- Section 44. Distance Learning or Any New Educational Endeavors

DISCUSSION

I have carefully reviewed all of the relevant factors. I will focus on the areas in which I recommend changes. Therefore, to the extent an issue is not specifically addressed or incorporated by reference herein I recommend the status quo.

1. Tentative Agreement

Recommendation – To the extent the parties may have reached tentative agreements during their bargaining they shall be made part of the final package. They shall be incorporated by reference herein.

2. Term of Agreement

The term of the parties' current Agreement expires on June 30, 2012. The Association seeks a five (5) year term. The District proposes three (3) years.

Recommendation – I recommend a term of three (3) years – July 1, 2012 through June 30, 2015. This term will provide stability for the next three (3) school years.

3. Salary

The Current Provision

The salary schedule for the 2011-2012 school year is attached hereto.¹ There are 16 steps in the salary schedule. Placement on the guide is based upon years of service and education level. For example, an employee in his/her first year of service and has earned a Bachelors Degree is placed at Step 1 of the schedule and advances one (1) step per school year until the employee reaches the top step. Employees advance across the columns in the guide (Bachelors, B+12, B+24, Masters, M+15, M+30, M+45, M+60, and PhD) after attaining additional college credits. Base salary in the 2011-2012 school year ranges from \$47,419.16 (Bachelors Step 1) to \$100,764.71 (PhD, Step 16). The top step Masters degree ("career rate")

¹ The salaries were rounded to the nearest dollar.

was \$93,806.59. The total base payroll for the 128 professional employees in the bargaining unit in 2011-2012 was approximately \$8,519,088.

The Association's Proposal

The Association proposes a full freeze for 2012-2013, an increase of 1% to the salary schedule plus advancement of two (2) steps in 2013-2014, an increase of 2% plus advancement of one (1) step in 2014-2015, an increase of 2.5% plus advancement of one (1) step in 2015-2016, and an increase of 2% plus advancement of one (1) step in 2016-2017. Assuming the bargaining unit will continue to comprise of 128 professional employees, the Association's proposals would not increase the total base payroll in 2012-2013, and would then increase the total base payroll by 7.83% in 2013-2014, 5.16% in 2014-2015, 4.78% in 2015-2016, and 4.34% in 2016-2017.

The Association supports its proposal with such factors as: (1) a comparison of base salary and salary increases within I.U. 3, and (2) a 16 year analysis of the projected versus the actual average salaries for the bargaining unit from 1993-1994 to 2010-2011.

The Association reviewed the District's finances. It acknowledges that the District has ended every school year since 2006-2007 with a negative general fund balance:

<u>Fiscal Year</u>	<u>Actual Ending Balance</u>	<u>As % of Expenditures</u>
2006-2007 (2007)	-370,851	-1.5%
2007-2008 (2008)	-15,296	-0.1%
2008-2009 (2009)	-1,589,242	-5.5%

2009-2010 (2010)	-2,628,735	-9.0%
2010-2011 (2011)	-2,040,532	-7.1%

The Association contends that bargaining unit salaries are not reason for the District's financial woes. It presents a comparison of the bargaining unit salaries as a percentage of total instructional expenditures and the average for all school districts in the state:

Area	2004-05	2005-06	2006-07	2007-08	2008-09
EASD	40.3%	39.0%	37.6%	39.4%	40.4%
PA (all SDs)	47.9%	47.1%	46.2%	45.5%	45.9%
Difference	(7.6%)	(8.1%)	(8.6%)	(6.1%)	(5.5%)

The Association provides the following summary:

Compared to other districts in IU 03, East Allegheny School District is in the bottom 20 percent in property and income resources backing each student. The district is also near the bottom of the group in its dependence on revenue from the state, as measured by its Aid Ratio. Only one district in the IU, Quaker Valley, is at the minimum value of 0.1500.

East Allegheny School District is at the top of the group in taxes on property (2008-09 data). The school district is also near the top (top 15 percent) among districts in the group on personal income (PI) tax effort (also 2008-09 data).

As of 2008-2009, tax effort was running ahead of wealth and asset measures in East Allegheny.

Millage rates for property taxes have NOT been rising at the Act 1 index, meaning that East Allegheny has been forgoing some of the revenue it needs to cover the expenditures.

The School District's Response

The District proposes a three (3) year salary and step freeze. It proposes to add four (4) steps to the salary schedule and to lower the salaries on each step for bargaining unit members hired after July 1, 2012. In addition, the District seeks the elimination of the cost of living provision and to freeze supplementals. The District provides an abundance of budgetary and demographic information in support of its proposals. It summarizes the basis of its salary proposal as follows:

Among other things, the District has a relatively low market value/personal income ratio, a declining population, declining student population, a high percent of elderly and one of the highest equalized mills ranking that has varied from second (2nd) to fourth (4th) from the top among 499 school districts in tax effort. At the same time, the District has balanced salary schedule with starting and ending rates and number of steps which are competitive with the richest school districts in Allegheny County and in the State.

Recommendation – I have carefully reviewed the salary schedules and the evidentiary support submitted by each party. The District has serious financial issues as it has consistently maintained a negative general fund balance since as early as the 2006-2007 school year. The District, notwithstanding its poor financial status, continues to provide competitive salaries and benefits to bargaining unit members. The Association submitted salary information for bargaining units in I.U. 3. from 2007-2008 through 2011-2012. It also provided a comparison of settlements that took place in 2010 and 2011. But the Association did not separate its comparison of settlements between those reached before and after the

significant reduction in state subsidies that the Governor announced in March 2011 which I believe is a relevant factor not only in this case but across the state.

Having considered all of the evidence, I recommend a salary schedule and step freeze for 2012-2013, step (one step) advancement plus an increase of 0.5% to the salary schedule for 2013-2014, and step advancement (one step) plus an increase of 0.5% to the salary schedule in 2014-2015. The recommended schedules and step movement are attached hereto. In addition, I recommend that the supplementals be frozen for 2012-2013 and 2013-2014, and increased by 1% in 2014-2015.

4. Insurance

The Current Provision

Article XVIII is entitled "Welfare and Fringe Benefits". It contains 26 separate sections that encompass such benefits as insurance, leaves, furlough, instructional day, class coverage, early retirement incentive, and comp time.

The District's Proposal

The District proposes to reduce a number of benefits based mainly upon its poor financial condition and the national economic recession.

The Association's Proposal

The Association opposes the District's proposals. It seeks either the status quo or modest improvements to the benefits in Article XVIII.

Recommendation – I make the following recommendations with respect to Article XVIII.

- Section 1. Group Insurance – Eligible bargaining unit members currently pay a flat rate of \$70.00 per month for insurance. The monthly rate shall be increased to \$80.00 per month for 2012-2013, \$90.00 per month for 2013-2014, and \$100.00 per month for 2014-2015.
- Section 1. Group Insurance, Sub-Section g.5 – Effective July 1, 2014, reduce the health care waiver from 40% of premium to 25% of premium.
- Section 25. Early Retirement Incentive Program – The current agreement provides for an early retirement incentive for the 2009-2010, 2010-2011, and 2011-2012 school years. I recommend that current incentive be offered for the 2013-2014 school year only.

5. Other Provisions

Recommendations for the Following Provisions –

Article XVII, Section 6 – Add the following sentence to the end of the first paragraph: Prior to June 1, guidance counselors shall be given an opportunity to meet with administrators to discuss the scheduling of the additional work days.

Article XIX, Section 21 – Add the following language: In the event of a two-hour delay or an early dismissal due to inclement weather teachers shall follow the same schedule as students.

SUMMARY

I believe the recommendations above represent a reasonable, acceptable compromise to the outstanding issues given the current economic climate and the poor financial status of the District. 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: May 21, 2012
State College, Pennsylvania

Robert C. Gifford

**2011-
2012**

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD
1	47,419	47,776	48,133	48,757	49,649	50,631	51,612	52,593	53,574
2	48,311	48,668	49,025	49,649	50,541	51,523	52,504	53,485	54,466
3	49,293	49,649	50,006	50,631	51,612	52,593	53,574	54,556	55,537
4	50,274	50,720	51,077	51,701	52,682	53,753	54,823	55,894	56,964
5	51,433	51,879	52,236	52,861	53,842	54,913	55,983	57,053	58,124
6	52,593	53,039	53,396	54,110	55,091	56,161	57,232	58,302	59,373
7			54,645	55,359	56,340	57,410	58,481	59,551	60,622
8			56,072	56,875	57,856	59,016	60,176	61,335	62,495
9			57,946	58,838	59,819	60,979	62,138	63,298	64,458
10			59,908	60,889	61,871	63,030	64,190	65,260	66,509
11			61,068	62,138	63,209	64,368	65,528	66,688	67,758
12			64,814	65,885	66,955	68,115	69,275	70,434	71,683
13			68,383	69,453	70,524	71,683	72,932	74,181	75,519
14			75,965	77,214	78,463	79,712	80,961	82,299	83,726
15			83,994	85,243	86,581	87,830	89,457	90,684	92,022
16			92,468	93,807	95,323	96,750	98,089	99,605	100,765

2011-
2012

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD	
1	0	0	0	1	0	0	0	0	0	1
2	1	0	0	2	0	0	0	0	0	3
3	1	1	0	1	0	0	0	0	0	3
4	3	4	4	7	0	0	0	0	0	18
5	1	2	2	2	1	1	0	0	0	9
6	1	2	4	6	0	0	0	0	0	13
7			4	0	1	0	0	0	0	5
8			2	0	0	0	0	0	0	2
9			5	6	0	0	0	0	0	11
10			2	0	1	0	1	0	0	4
11			2	3	0	0	0	0	0	5
12			2	3	0	0	0	0	0	5
13			6	5	0	0	0	0	0	11
14			2	3	1	0	0	0	0	6
15			2	1	1	0	0	0	0	4
16			21	5	0	0	0	1	1	28
	7	9	58	45	5	1	1	1	1	128

**2012-
2013**

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD
1	47,419	47,776	48,133	48,757	49,649	50,631	51,612	52,593	53,574
2	48,311	48,668	49,025	49,649	50,541	51,523	52,504	53,485	54,466
3	49,293	49,649	50,006	50,631	51,612	52,593	53,574	54,556	55,537
4	50,274	50,720	51,077	51,701	52,682	53,753	54,823	55,894	56,964
5	51,433	51,879	52,236	52,861	53,842	54,913	55,983	57,053	58,124
6	52,593	53,039	53,396	54,110	55,091	56,161	57,232	58,302	59,373
7			54,645	55,359	56,340	57,410	58,481	59,551	60,622
8			56,072	56,875	57,856	59,016	60,176	61,335	62,495
9			57,946	58,838	59,819	60,979	62,138	63,298	64,458
10			59,908	60,889	61,871	63,030	64,190	65,260	66,509
11			61,068	62,138	63,209	64,368	65,528	66,688	67,758
12			64,814	65,885	66,955	68,115	69,275	70,434	71,683
13			68,383	69,453	70,524	71,683	72,932	74,181	75,519
14			75,965	77,214	78,463	79,712	80,961	82,299	83,726
15			83,994	85,243	86,581	87,830	89,457	90,684	92,022
16			92,468	93,807	95,323	96,750	98,089	99,605	100,765

2012-
2013

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD	
1	0	0	0	1	0	0	0	0	0	1
2	1	0	0	2	0	0	0	0	0	3
3	1	1	0	1	0	0	0	0	0	3
4	3	4	4	7	0	0	0	0	0	18
5	1	2	2	2	1	1	0	0	0	9
6	1	2	4	6	0	0	0	0	0	13
7			4	0	1	0	0	0	0	5
8			2	0	0	0	0	0	0	2
9			5	6	0	0	0	0	0	11
10			2	0	1	0	1	0	0	4
11			2	3	0	0	0	0	0	5
12			2	3	0	0	0	0	0	5
13			6	5	0	0	0	0	0	11
14			2	3	1	0	0	0	0	6
15			2	1	1	0	0	0	0	4
16			21	5	0	0	0	1	1	28
	7	9	58	45	5	1	1	1	1	128

**2013-
2014**

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD
1	47,656	48,015	48,373	49,001	49,898	50,884	51,870	52,856	53,842
2	48,553	48,911	49,270	49,898	50,794	51,780	52,766	53,753	54,739
3	49,539	49,898	50,256	50,884	51,870	52,856	53,842	54,828	55,815
4	50,525	50,973	51,332	51,960	52,946	54,022	55,097	56,173	57,249
5	51,691	52,139	52,498	53,125	54,111	55,187	56,263	57,339	58,415
6	52,856	53,304	53,663	54,380	55,366	56,442	57,518	58,594	59,670
7			54,918	55,635	56,622	57,697	58,773	59,849	60,925
8			56,353	57,159	58,146	59,311	60,477	61,642	62,808
9			58,235	59,132	60,118	61,283	62,449	63,614	64,780
10			60,208	61,194	62,180	63,345	64,511	65,587	66,842
11			61,373	62,449	63,525	64,690	65,856	67,021	68,097
12			65,139	66,214	67,290	68,456	69,621	70,787	72,042
13			68,725	69,800	70,876	72,042	73,297	74,552	75,897
14			76,345	77,600	78,855	80,111	81,366	82,710	84,145
15			84,414	85,669	87,014	88,269	89,904	91,138	92,483
16			92,931	94,276	95,800	97,234	98,579	100,103	101,269

2013-
2014

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD	
1	0	0	0	0	0	0	0	0	0	0
2	0	0	0	1	0	0	0	0	0	1
3	1	0	0	2	0	0	0	0	0	3
4	1	1	0	1	0	0	0	0	0	3
5	3	4	4	7	0	0	0	0	0	18
6	2	4	2	2	1	1	0	0	0	12
7			4	6	0	0	0	0	0	10
8			4	0	1	0	0	0	0	5
9			2	0	0	0	0	0	0	2
10			5	6	0	0	0	0	0	11
11			2	0	1	0	1	0	0	4
12			2	3	0	0	0	0	0	5
13			2	3	0	0	0	0	0	5
14			6	5	0	0	0	0	0	11
15			2	3	1	0	0	0	0	6
16			23	6	1	0	0	1	1	32
	7	9	58	45	5	1	1	1	1	128

**2014-
2015**

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD
1	47,895	48,255	48,615	49,246	50,147	51,138	52,129	53,120	54,112
2	48,796	49,156	49,516	50,147	51,048	52,039	53,030	54,021	55,013
3	49,787	50,147	50,507	51,138	52,129	53,120	54,112	55,103	56,094
4	50,778	51,228	51,589	52,219	53,210	54,292	55,373	56,454	57,535
5	51,949	52,400	52,760	53,391	54,382	55,463	56,544	57,625	58,707
6	53,120	53,571	53,931	54,652	55,643	56,724	57,806	58,887	59,968
7			55,193	55,914	56,905	57,986	59,067	60,148	61,229
8			56,634	57,445	58,436	59,608	60,779	61,950	63,122
9			58,526	59,427	60,419	61,590	62,761	63,933	65,104
10			60,509	61,500	62,491	63,662	64,834	65,915	67,176
11			61,680	62,761	63,842	65,014	66,185	67,356	68,438
12			65,464	66,545	67,627	68,798	69,969	71,141	72,402
13			69,068	70,149	71,231	72,402	73,663	74,925	76,276
14			76,727	77,988	79,250	80,511	81,772	83,124	84,566
15			84,836	86,097	87,449	88,710	90,354	91,593	92,945
16			93,395	94,747	96,279	97,720	99,072	100,604	101,775

2014-
2015

Level	Bachelors	B+12	B+24	Masters	M+15	M+30	M+45	M+60	PhD	
1	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0
3	0	0	0	1	0	0	0	0	0	1
4	1	0	0	2	0	0	0	0	0	3
5	1	1	0	1	0	0	0	0	0	3
6	5	8	4	7	0	0	0	0	0	24
7			2	2	1	1	0	0	0	6
8			4	6	0	0	0	0	0	10
9			4	0	1	0	0	0	0	5
10			2	0	0	0	0	0	0	2
11			5	6	0	0	0	0	0	11
12			2	0	1	0	1	0	0	4
13			2	3	0	0	0	0	0	5
14			2	3	0	0	0	0	0	5
15			6	5	0	0	0	0	0	11
16			25	9	2	0	0	1	1	38
	7	9	58	45	5	1	1	1	1	128

STEP ADVANCEMENT

2011-2012	2012-2013	2013-2014	2014-2015
			1
		1	2
1	1	2	3
2	2	3	4
3	3	4	5
4	4	5	6
5	5	6	7
6	6	7	8
7	7	8	9
8	8	9	10
9	9	10	11
10	10	11	12
11	11	12	13
12	12	13	14
13	13	14	15
14	14	15	16
15	15	16	16
16	16	16	16