COMMONWEALTH OF PENNSYLVANIA

PENNSYLVANIA LABOR RELATIONS BOARD

PLRB Case No. ACT 88-13-18-E

In the Matter of Fact-Finding

Between

MOUNT CARMEL AREA SCHOOL DISTRICT

and

MOUNT CARMEL EDUCATION ASSOCIATION

REPORT OF THE FACT-FINDER

Pursuant to Act 88 of 1992, Commonwealth of Pennsylvania, and Sections 96.61 through 96.64, Public Sector, Rules and Regulations, PLRB, Chapter 95, the undersigned was appointed as Fact-finder by the PLRB on the 10th day of April 2013.

BACKGROUND

The Mount Carmel Education Association (the Association) is the bargaining agent for one hundred and nine professionals in the Mount Carmel School District. The bargaining unit is comprised of classroom teachers, school nurses, librarians, school counselors, dental hygienist, home and school visitor, and director, audio-visual.[1] During the term of the last contract, the bargaining unit was reduced by ten (10) percent through attrition.

Mount Carmel Area School District, (the School District or District) is located in Northumberland County, Pennsylvania. It serves a community whose population is 12,000 people including Mount Carmel Borough, Mount Carmel Township, Kulpmont Borough and Marion Heights. The community is considered rural, blue color with a high population of senior citizens. There are approximately 1625 students attending the elementary and junior/senior high schools. The facilities are located adjacent to each other on the main campus. Approximately 56% of the student population is classified as economically disadvantaged. [2]

The parties are signatories to a collective bargaining agreement with an expiration date of June 30, 2012. Prior to the expiration of the contract, the parents engaged in discussions commencing in March 2012. The parties held eight negotiating sessions and sought the assistance of State Mediator Jack Yanchulis.

When an impasse was reached, the Association requested that the Pennsylvania Labor Relations Board appoint a Fact-finder. The Pennsylvania Labor Relations Board thereupon appointed the undersigned Fact-finder pursuant to the Public Employee Relations Act and Act 88. The parties submitted to the Fact-finder their respective list of issues on April 12, 2013 for the School District and April 16, 2013 for the Association.

A hearing was held on May 9, 2013 at the Mount Carmel School District in Mount Carmel, Pennsylvania. At the hearing, the parties formally presented their positions and relevant information on the issues. Mr. Benjamin Pratt, Esq. represented the School District. Also present at the hearing on behalf of the School District were: Mr. Bernard Stellar, Superintendent; Mr. Charles Mannelli, Financial Consultant; and Ms. Corrina Lesko Office Manager.

Ms. Virginia Cowley, PSEA Uniserv Representative; and Mr. Dan Mercer, PSEA Research, represented the Association. Also present on behalf of the Association were Mr. Joseph F. Varano, President of MCAEA; Mr. Aaron Domanski, MCAEA Vice President; Ms. Kelly Domanski, MCAEA negotiation team member; Ms. Heidi Toland-Altman, MCAEA negotiation team member; and Mr. Bob Schicchitano, MCAEA negotiation team member.

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[1] Collective bargaining agreement, Appendix A, Certification of Representation.

[2] Mount Carmel Area School District website http://www.mca.k12.pa.us/. School District's presentation notebook, Introduction.

The Fact-finder also met in executive session with Mr. Pratt and Ms. Cowley via telephone conferences separately and together after the hearing for the purposes of clarifying the issues presented. I want to thank them for their professionalism and candor with me during the process.

ISSUES RESOLVED BEFORE AND DURING FACT-FINDING

1. Article VI, Term of the Agreement-three year term. The contract language will be modified as follows:

   The term of the Agreement shall be effective on July 1, 2012 and shall continue in full force and effect until June 30, 2015 or until such later date as the two parties may hereinafter agree is to be the extended ending date. Any such extended date shall be evidenced by an amendment to this Agreement, to which amendment both parties shall signify their approval by affixing their signatures thereto.

2. Article VIII, Hours Wages and Salary Provision; Appendix B, Paragraph 1, Teacher Work Days and Teacher Work Year. A tentative agreement was reached on teacher planning time.

3. Article IX, Other Employee Benefits; Appendix C, Paragraph 2A, Death of a Relative. The parties agreed to include the death of a grandparent or grandchild to the list of relatives for which five days of leave will be provided.

4. Article IX, Other Employee Benefits; Appendix C, Paragraph 7, Life Insurance. The parties agreed that the employee shall receive the following in life insurance benefits:

   a. 2012-2013 -$40,000
   b. 2013-2014- $45,000
   c. 2014-2015- $50,000

5. Article IX, Other Employee Benefits; Appendix C, Paragraph 13, Notice of Vacancies. The parties agreed to the Board's proposal. The contract language will be modified as follows:

   Notice of all newly created teaching and all vacant coaching positions shall be posted on the school district's website within ten days of the Board's decision to post and fill the position. Bargaining unit members may submit written application for such position within five (5) days of the date the notice was originally posted. Such application shall be forwarded to the Superintendent of Schools.

ISSUES TO BE RESOLVED AT FACT-FINDING

The issues to be resolved by the Fact-finder are:

1. Article VIII, Hours Wages and Salary Provision; Appendix B, Paragraph 1, Teacher Work Day and Work Year

2. Article VIII, Hours, Wages and Salary Provisions; Appendix B, Paragraph 2, Professional Compensation

3. Article VIII, Hours Wages and Salary Provision; Appendix B, Paragraph 3, Additional Teacher Duties

4. Article VIII, Hours Wages and Salary Provision; Appendix B, Paragraph 5, Compensation for College (and In-Service) Credits

5. Article IX, Other Employee Benefits; Appendix C, Paragraph 1, Personal Leave and Emergency Leave

6. Article IX, Other Employee Benefits; Appendix C, Paragraph 2B, Death of Relative

7. Article IX, Other Employee Benefits; Appendix C, Paragraph 5, Jury Duty or Subpoenaed Witness Leave

8. Article IX, Other Employee Benefits; Appendix C, Paragraph 7, Insurance Coverage

9. Article IX, Other Employee Benefits; Appendix C, Paragraphs 17, 18, and 19, Medical, Dental and Vision Insurance payments upon retirement.

10. Article IX, Other Employee Benefits; Appendix C, Sick Leave-new

11. Article IX, Other Employee Benefits; Appendix C, Tuition Waiver new

FINDINGS OF FACT

A. GENERAL FINDINGS

The major issues in this dispute, unsurprisingly, are wages and health care benefits. The Association proposes increases to professional employee compensation in each of the three years of the contract. In the first year of the contract, the Association proposes a step increase for those moving through the salary schedule and a stipend of $1500 to those at the top of the salary schedule. In the second and third years of the contract, the Association proposes a 2 percent increase to the salary schedule plus step increase. The Association points out that the salaries of the teachers have been the lowest in the County for decades and the increases it proposes will raise the salaries to a more competitive range. The Association also seeks to retain the current premium share. It points out that with the modest salary increases being proposed, whether by the Association or the School District, the increase in premium share proposed by the School District would essentially eliminate any wage increase granted.

In addition to the salary proposal, the Association made proposals on personal leave and emergency leave, leave for death of a relative, sick leave, compensation for college (and in service credits), and tuition wavier. The Association is seeking a fair and equitable contract, which recognizes the work of these valued and dedicated professionals.

The School District proposes an on-scale salary and step movement freeze in the 2012-2013 school year. In the two subsequent years of the contract, it proposes a step movement freeze and a 2% increase to the on-scale salary in each of those years. The School District also proposed increasing the amount the bargaining unit members contribute to the cost of the health care plan premium from 1% of salary to 7% and 8% percent of the premium in the second and third years of the contract. Its proposal reflects the change in premium structure that will go into effect in 2013-2014.

The School District expressed concerns about increasing health care costs and PSERS liability. It opined that Employees should understand the obligations of the District and that in order to maintain benefits and wages, as well as jobs, there has to be a compromise and resolution of all the financial liabilities which, at times, employers have no control over. The School District believes that its proposals are fiscally responsible in light of the financial uncertainties that it faces in the next several years.

In addition to salary and benefits, the School District made proposals on additional teacher duties, compensation for college and in service credits, jury duty and subpoenaed witness leave, teacher work year, and the elimination of medical, dental and vision insurance payments upon retirement.

In reaching the conclusions in this report, the Fact-finder considered the testimony, documents and arguments presented by the parties on all of the proposals. The documentation provided was well prepared and informative; and the presentation of the parties added valuable insight into the respective positions without be laboring the point.

The parties’ negotiations as well as the hearing and the Fact-finder’s deliberations were conducted in the midst of uncertain economic times. While the economy is slowly starting to recover, it is clearly a fragile recovery that could stall at any time. There is no question that the Governor and the Legislature must address the growing PSERS liability problem. That said, it is anyone’s guess when they will address the issue, what they will do, and to what extent their solution will alleviate the School District’s liability.

The uncertain times do not make arriving at a settlement any easier. That having been said, there is no reason why the parties cannot bridge whatever gaps still remain to reach an equitable resolution for all. At the end of the day, approving a new contract between the Association and the School District is in the best interest of all of the stakeholders –students, professional employees, school board members, school administrators, parents and community members.

B. Specific Findings

1. Article VIII, Hours Wages and Salary Provision, Appendix B, Paragraph 1, Teacher Work Day and Work year

The District proposes to add one workday during the term of the Agreement. Thus, increasing the number of workdays from 185 to 186 workdays during the school year. The day would be used for educational purposes. The Association opposes the increase in workdays as the School District did not explain how the additional day would be used.

Recommendation:
Maintain the current language.

2. Article VIII, Hours Wages and Salary Provision, Appendix B, Paragraph 2, Professional Compensation

The Association proposes the following regarding professional compensation: in 2012-2013, a step increase and a $1500 stipend that is not added to the base salary; and in 2013-2014 and 2014-2015, a step increase and 2% increase to the salary schedule. The professional employees in the School District have had far lower salaries than the surrounding school districts for decade. According to the Association, low salaries is one reason that a beginning employee may leave after obtaining a few years of teaching experience with the School District. Consequently, it would benefit the School District to raise the salary schedule to incentivize the teachers to stay in the District. A review of the other salaries in the school districts composing IU#16 indicates that the 2011-2012 starting salary ranks sixteenth out of seventeen school districts; the career rate ranks twelfth out of sixteen school districts; and the 2010-2011 average salary ranks the lowest of the seventeen school districts. The 2010-2011 career earnings index shows that the teachers earn over their career the lowest out of the thirteen schools from which data is available. The Association's proposal seeks to ameliorate this disparity and move the salaries up towards, at least, a middle ranking.

The Association maintains that the School District has the ability to pay for these modest increases. The School District has typically underestimated the revenues and overestimated its expenditures. The fund balances of the District on average have been $1,020,672 per year over the past five years. The District ended the 2011-2012 school year with a $3,747,900 surplus. The District budgeted balance for 2012-2013 was $2,594,153. Therefore, $1,153,747 was not carried over and is available for use. Looking at the District financial history, one can conclude that it will continue to have surpluses beyond that which were budgeted, even without an increase in tax revenues. Thus, the Association's wage proposals are well within the School District's budget.

The School District proposes the following regarding professional compensation: 2012-2103, a wage and step freeze; 2013-2014 and 2014-2015, no step movement, however a 2% increase to the salary schedule. A number of factors have influenced the District's proposal on wages and health care benefits-- economic constraints in the community, increases in all costs, federal and state unfunded mandates on the District, and reduced funding from these same governmental entities to meet these obligations. These factors have all conspired to force the District to take measures to control costs while still meeting its obligations to the students. The District also points out that wages are only one piece of an employee's compensation package. The compensation that employees receive also includes health benefits, unemployment compensation, workers compensation, and social security. The District must take into consideration the total costs of this package as it seeks to limit its ever increasing financial obligations.

The District's ability to raise revenues to meets its financial obligations are constrained due to the fact that they are under the limits set forth in Act 1. Act 1 restricts the amount of money that can be raised by the School District through tax increases. The District has not raised taxes since 2009-2010. However, even if the District was able to raise taxes to the Act 1 index, one mill or 2% will equate to only $70,000 being provided to the District. To add further problems to raising taxes, the District has maintained an 85% tax collection rate over the years. Therefore, even if the District raises taxes, the District would be unable to collect the money due to delinquent taxes of up to one million dollars.

The Association points to the $3.7 million in the fund balance in 2012-2013 as an indication of the District's ability to pay the requested wage increases. The District points out, $2.5 million of the fund balance is assigned to PSERS, health care and capital building projects. For the 2013-2014 proposed budget, $187,524 was taken from the assigned fund balance to balance the budget. This was done for retirement purposes. The District submits that its wage proposal rewards the professionals for their work while safeguarding the financial viability of the District.

These are most difficult times for public education. The administration and the employees are expected to do more with less. Despite the best efforts of the District, the Association and the employees governmental financial support is winnowing, yet the public cries out for quality programs, quality facilities, and quality teachers. In this environment, the employees, Board and administration at Mount Carmel find themselves trying to craft a wage (and benefit) package that is financially responsible; fair and equitable; and retains and attracts the best and brightest teachers for our young people…the future of the country. I have poured over the financial information from both parties and the comparable information. Both parties make reasonable arguments regarding their respective positions.

Several things stand out for me. First, the vast majority of the teachers in Mount Carmel are at the beginning or middle of their career. That is a blessing. If they are fairly compensated they will spend their career at the District. However, if their compensation is seen as below that of their colleagues working in the surrounding districts, there will be a revolving door from Mount Carmel to another district. This can't be good for anyone. That said, equity adjustments are usually accomplished in a more stable economic environment in which the government funding and tax effort is stable if not growing. It is clear that this is not the environment in the Mount Carmel community. Thus, the fact-finder concludes that this is not the time to try to make up for the lower salaries as compared to the other districts.

Second, there are twenty steps to this salary schedule. That means that a Mount Carmel teacher will spend twenty years before reaching the career rate. A freeze on step lengthens the time to a career rate. To be sure, there have been school districts that have requested and received agreement from the teachers for step movement freezes. The request by the School District to freeze a teacher on step for the entire three years of the contract, in essence, adds three steps to the schedule for the current teachers. A three year step freeze does not seem to be a way to attract or retain these teachers who are already receiving lower salaries. Moreover, a 2% salary adjustment in the last two years of the contract is a smaller increase then those given in other districts.

Third, because a majority of the teachers are moving through the salary schedule, the incremental costs are higher. A teacher moving from one step to the next results in an average 3.18-3.57% wage increase depending upon the year. Thus, trying to increase the salaries on scale and provide step movement results in larger then average overall wage increases and increases the liability of the School District significantly as compared to other districts in which the incremental costs are lower. While a 2% increase to salaries is well below the average increase when one adds a 3% incremental cost, it results in a salary increase of 5%. Such percentage increases are well above the average in the area.

Fourth, the Fact-finder considered the School District's proposal on health care premium share. While the Fact-finder does not recommend the District's proposal in total, she is recommending increases to premium share that will result in substantial dollar amount increases to well over half of the employees who receive the benefit.

Consequently, the recommendation below seeks to provide step movement to the teachers and provide small salary adjustments to keep the salaries on scale from falling too far behind the other districts. The recommendation also seeks to limit the School District's payroll and other compensation costs. The increases recommended are also offset somewhat by the recommended increase to the premium share paid by the teachers. I have provided for a step increase for the first year, but limited the financial liability to only a partial year of back pay. In the second and third years of the contract there will also be step increases, and modest on-scale increases. The increases recommended will result in average increases of 1.78% in the first year, 3.85% in the second year, and 4.20% in the third year of the contract.

Recommendation:
2012-2013: Step increase retroactive to January 1, 2013 and $1500 stipend to the employees ate the top step of the salary schedule.
2013-2014: Step increase plus .5% on scale increases.
2014-2015-Step increase plus 1% on scale increases.
Appendix A contains the salary schedules that these increases represent.

3. Article VIII, Hours Wages and Salary Provision, Appendix B, Paragraph 3, Additional Teacher Duties

The District proposes the addition of a required function. Therefore, teachers are to attend at least three (3) functions to get credit for ½ in-service day. The School Board believes that employees should be present during important aspects of the student's education experience through their school life. They should be showing support to the student on a regular basis. The Association proposes maintaining the current contract language. The Association had no problem with attendance at graduation; however, the Board should provide a full day credit for attendance at all three functions.

Recommendation:
Adopt the School Board modifications to the provisions. The contract language will be modified to read:

> Secondary Teachers will be required to attend open house unless exempted by written approval of the superintendent or his designee and are required to attend graduation and one other approved function. Elementary Teachers will be required to attend open house unless exempted by written approval of the superintendent or his designee and are required to attend one of the following: Kindergarten graduation, high school graduation, and after school parent teacher conferences totaling a maximum of two hours. Teachers must attend open house, graduation, and another event to receive credit for one half (1/2) day of in-service. For all teachers, attendance at all three functions shall result in credit for a one half (1/2) in-service day to be applied only on the final in-service day of the school year. If a teacher desires to attend less then the required functions, then the teacher shall attend the full last in-service day.

4. Article VIII, Hours Wages and Salary Provision, Appendix B, Paragraph 5, Compensation for College (and In-Service) Credits

The Association proposes to provide tuition reimbursement to any professional employee who has earned six (6) credits beyond their Bachelor's degree rather than eighteen (18) credits beyond their Bachelor's Degree. The Association opines that it is the beginning teacher who is at the bottom of the salary schedule that needs the most financial assistance to obtain additional credits. The new teachers would utilize this benefit to the overall improvement of the District and the students. The School District points out that this would increase the financial liability of the District by reimbursing credit sooner at the very time that it is attempting to limit its exposure.

The School District proposes to provide $2000 to each professional employee for college or in service credits per year. It also proposes to modify the Payback Provision by requiring the professional employee who leaves the District within one year of completing all courses or within two years of completing all courses to pay back 100% or 50% of the tuition, respectively. Finally, it proposes to limit the number of online/video courses that a teacher can take in order to receive reimbursement.

The District maintains that its proposal is an attempt to monitor and control the cost of tuition going forward. A flat amount will reduce the District's exposure to cost increases by the universities of which it has no control. A flat dollar amount will enable the employee to understand the exact costs of this benefit. The District also submits that by limiting the online or video courses the District is also limiting its financial liability not only through reimbursement both through salary schedule movement. Finally, increasing the payback amount is necessary so that when an employee does obtain a degree or credits the School District will reap the benefits of the additional education and not another school district.

The Association submits that no rationale was given during negotiations for this particular proposal. No costs were submitted or analyzed and no cost saving projections were made.

Both proposals have merit. The School District certainly should seek to control its costs and providing reimbursement to anyone with six credits may have the effect of increasing the costs to the District exponentially. At the same time, beginning teachers should have the opportunity to improve their educational status and therefore their salaries. Since the salary schedule is comparatively lower then in other school districts, permitting employees to increase credits and move along the columns is one way to improve their salaries and their personal economic situation. Moreover, it may act as an incentive for these employees to remain in the District. That said, the District certainly should reap the benefit of the education that it has paid for, and an increase the payback requirement is reasonable. The Fact-finder is not recommending adoption of the District's proposals on the cap and the limit on online/video courses.

Recommendation:
The contract language should be modified as follows:

For the length of this contract payment at the actual cost of but not to exceed the Bloomsburg rate per credit and not to exceed 12 credits per year shall be paid to each professional employee who has earned (12) credits beyond his/her Bachelors Degree.

If a professional employee leaves the school district within one year of completing courses he/she shall return one hundred percent (100%) of the reimbursement to the school district. If a professional employee leaves the school district within two years of completing courses he/she shall return fifty percent (50%) of the reimbursement in the school district…

The modified contract language will take effect on July 1, 2013.

5. Article IX Other Employee Benefits; Appendix C, Paragraph 1, Personal Leave and Emergency Leave

The Association proposes removing the requirement that employees must give advance notice on taking personal leave. The Association submits that personnel leave is most often taken without planning or forethought. Advance notice negates the very reason for personal leave. Thus, the requirement should be eliminated. The School District wants to maintain the current contract language as it is necessary for notice to be given as soon as possible so that the District can arrange for class coverage.

Recommendation:
Maintain the current language.

6. Article IX Other Employee Benefits; Appendix C, Paragraph 2B, Death of a Relative

The Association proposes an extra day to attend a funeral that is 150 miles or more away. The School District wants to maintain the current contract language.

Recommendation:
Maintain the contract language regarding one leave day for attendance at the funeral.

7. Article IX Other Employee Benefits; Appendix C, Paragraph 5, Jury Duty or Subpoenaed Witness Leave

The District proposes to remove the "subpoenaed witness" provision and only pay for an employee to serve on a jury. It opines that serving as a witness is not the same as serving on the jury, which is a civil service duty. The School District submits that an employee can use personal days to serve as a witness**.** The Association wants to maintain the current contract language. The Association argues that the District did not submit data to show that such service has been a problem. Moreover, a teacher has a civic duty by being available to serve as a witness to a crime or a legal action.

Recommendation:
Maintain the current language.

8. Article IX Other Employee Benefits; Appendix C, Paragraph, Insurance Coverage

The School District proposes the following regarding cost sharing of the health care premiums:

a. 2012-2013- Cost sharing shall be maintained at the 1% of the employee's salary, all employees must move to the PPO plan with $0 deductible or the Geisinger Health Plan under the Trust, the Traditional coverage will cease to exist.
b. 2013-2014 Employees shall pay 7% of the premium
c. 2014-2015 Employees shall pay 8% of the premium

The School District is part of a health care trust in which the other districts participates. Currently, the District pays a composite premium for the health care coverage for the employees. It is the same premium regardless of the type of coverage that an employee selects. The employee pays 1% of salary towards the premium costs regardless of the type of coverage chosen. Thus, an employee with family coverage pays the same premium share as one with single coverage if both employees receive the same salary.

Due to the fact that the District has experienced increases in health care costs, the District found it necessary to make modifications to the types of health care plans and the cost premium calculation. The District has eliminated the traditional health care plan. Employees will be choosing between a PPO and a Geisinger Health Plan. However, there will be no deductibles. Moreover, it has moved from the composite premium to a premium based upon the type of coverage chosen by the employees, referred to as tiers.

The District's proposals in the second and third year of the contract are designed to further reduce its financial liability for health care costs. proposing First is the proposal to move from percent of salary to percent of premium as the method to calculate the employee's share of the premium cost. According to the District, this more accurately reflects the actual costs of coverage for that employee. Thus, making the employee a stakeholder in minimizing increases in health care costs. Second, the percentage of premiums proposed in each year reflects the reality that the cost of the insurance will probably increase and the employees should contribute to those increases.

The Association proposes to maintain the current cost sharing and health plans. The Association recognizes that health care costs have increased. The traditional plan will no longer be part of the offerings because of the costs of such a plan. It points out that the District has realized about $110,000 reduction in costs merely from moving from the composite to the tiered premium. It also points out that the increases to the premium proposed by the District equates to 2.5% of the employee's salary on average. Moreover, the salary increases proposed by the District or the Association will not cover the increased premium payments to be made by the employees.

Increases in health care costs have been dogging consumers for many years now. Whether it is the employer as the consumer of insurance for its employees, or the employees who utilize the health care system, neither party has any control over what is charged or how much insurance premiums will increase. Recent articles about the cost of health care services underscore the consumer's helplessness to ascertain costs of services, let alone evaluate the differing costs in order to make informed choices.[3] Yet, that is the system in which Mt. Carmel School District and its teachers must navigate.

The School District's modifications to the current insurance coverage are to be applauded. Teachers will still receive coverage and will not have to pay a deductible. Moreover, asking the employees to pay a percent of premiums is eminently reasonable. It makes sense that an employee should pay based upon the coverage selected and that those receiving more coverage, such as family coverage, should pay more then an employee who is receiving single coverage. It is also typical of the practice in the surrounding school districts.

The amount of premium proposed, however, is more than what is being paid in most of the other districts in the IU according to the information supplied by the District. Moreover, based upon the modest increases recommended, a smaller premium share is warranted. I recommend a 5% premium share in years two and three of the agreement. Assuming a current average salary of $42,616 and a current average premium payment of $426 (1% of salary), thirty employees will see a reduction in their costs. Fifty-nine employees will pay a premium share ranging from $438 to $1030 dollars a year depending on the type of coverage and whether the employee selects the PPO or Geisinger Plan. The retroactive pay received in year one, while the amount of the premium paid by the employees remains the same, and the salary increase in year two are designed to cushion the premium increases in year two.

Since it is an unknown as to what the insurance costs will be in year three, I am recommending that the 5% be retained as the percentage of premium. Should the actual costs of the insurance increase, there will be an increase in out of pocket payments by the employee, which will help the School District with, the increased costs that it will be paying.

Recommendation:

2012-2013- Retain the current premium share at 1% of salary
2013-2014- Employees shall pay 5% of the premium of the coverage tier selected by the employee
2014-21015-Employees shall pay 5% of the premium of the coverage tier selected by the employee.

[3] "Bitter Pill: Why Medical Bills are Killing Us," Steven Brill, Time Magazine, March 4, 2013; "Administration offers Consumers an unprecedented look at hospital charges," Health and Human Services Department, May 8, 2013, http://www.hhs.gov/news/press/2013pres/05/20130508a.html

9. Article IX Other Employee Benefits; Appendix C, Paragraphs 17, 18, and 19

Currently, the School District pays one hundred percent of the premium for family coverage for a retired employee until the retiree reaches Medicare age. If the premium increases, the retiree pays half of the increase. The School District proposes to remove paragraphs 17, 18, and 19 from the contract. This would effect future retirees only. Current retirees would continue to receive the benefits contained in these provisions. The District is looking to reduce the impact that the retirement incentive has on its budget. Even though there may be attritional savings with individuals retiring, there still is a significant amount of money needed to pay out these retirement benefits. By removing this benefit, the District may be able to offer incentives, which are more cost effective and lead to less financial impact on the District.

The Association wants to maintain the current contract language. Forty-four retires are currently receiving the health care benefits. By the end of this new agreement, seventeen retires will have moved off the District's health care to Medicare yet only three teachers will be eligible for these benefits and can actually receive them. In five years, thirty-three members will shift to Medicare. This will allow the District to realize a huge savings while still rewarding twenty-five year professional employees with a retirement benefit.

The benefit currently provided is very generous- 100 percent of the premiums for family coverage with the employee paying only 50% the increase. As stated previously, I have recommended payment of premium share by current employees based upon the type of coverage selected with single coverage the least expensive and family coverage the most expensive. It makes sense then that this provision be modified to reflect the changes to the health care premiums structure, recognize that currently employees will be paying a percentage of the premium, and that the dollar amount of the premium share is based upon the type of coverage selected. Thus, the Fact-finder is recommending that retirees receive the same benefit as he/she received as an active employee and pay any increase in the premiums that is negotiated by the parties in subsequent contracts.

Recommendation:
An employee who retires during the term of this Agreement will receive the same insurance coverage and pay the same percentage of premium that he/she was paying on the date of his/her retirement. Should the parties negotiate a different premium share in succeeding collective bargaining agreements, the retiree will pay the new premium share.

10. Article IX Other Employee Benefits; Appendix C, New-Sick leave

The Association proposes to allow two sick days to be used in ½ day increments, which could be used for doctor appointments that cannot be scheduled after school hours. It would also allow teachers more time in the classroom. The Association has surveyed the professionals on the substitute list and found ten individuals willing to substitute for a half a day. That represents about 10 percent of the bargaining unit. The School District wants to maintain the current contract language. The District maintains that this poses a class coverage problem and it could cause disruption in the school day. If an individual needs time off due to illness and/or appointment, the individual should take a full day or personal day.

The proposal only applies to two of the ten days of sick leave. It certainly would permit teachers to spend more time in the classroom as they would not have to take a full day off when only a half day is necessary. As in any other substitute situation, the School District does not know in advance whether there will be a need for a substitute. There was no data indicating that the use of substitutes is extensive or it is difficult to obtain coverage. In this case, the District may be more likely to obtain a substitute for a half a day, then a full day. Moreover, the teacher might even be in the classroom when the substitute arrives to provide the transition and minimize the disruption.

Recommendation:
Adopt the following contract language:

4. Sick Leave:
A maximum of two sick days can be taken in ½ day increments.

11. Article IX Other Employee Benefits; Appendix C, New- Tuition Waiver

The Association proposes that children of professional employees who reside outside of the District receive a tuition waiver for attending school in the School District. The Association points out that allowing these children to attend the schools in the District would further a teacher's investment in the School District's community. With children are at the same location on the same schedule, more teachers would be able to participate in after school activities, tutoring or coaching.

The School District respects and admires the fact that the professional employees desire to have their children attend schools in the District. However, because of the financial impact on the school, the District opposes the proposal. By allowing students to attend for free, it limits the District's ability to realize full reimbursement from the State for the students attending its schools. The District points out that it could loose $24,000 to $30,000 per student.

The financial impact of providing free tuition must be balanced against the benefits to the professional employees. Considering the other recommendations of this award that have financial impact on the District and the economic circumstances of the School District, the Fact-finder does not believe that adding this benefit is appropriate at this time.

Recommendation:
Do not adopt new language pertaining to tuition waiver.

CONCLUSION

Any tentative agreements mutually made prior to, during, and after the fact-finding hearing that are not specifically addressed in the report are recommended to be included, as agreed upon, in the contract. It is further recommended that issues that were raised in negotiations, but were not specifically addressed in fact-finding, remain status quo for the term of the new contract. The parties will make any editorial changes needed to effectuate the recommendations and/or to update the agreement regarding dates or removal of obsolete language.

The Fact-finder's recommendations attempted to reflect financial realities and balance the competing goals of each party. A vote to accept the Report does not necessarily constitute agreement with or endorsement of the rationales but, rather, represents only an agreement to resolve the disputed issues by adopting the Recommendations.

As stated previously, the Fact-finder is impressed with the professionalism of the parties and their candor in presenting their respective positions before, during, and after the fact-finding hearing. Whether both parties accept this report, the fact-finder hopes that the report can be used as a foundation for a final settlement.

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.

Rochelle K. Kaplan

Rochelle K. Kaplan, Esq.
Fact-finder

May 20, 2013
Fogelsville, PA

Appendix A
Mt Carmel School District
2011-2012 (Base Year)

To Top	Steps	Bach	Master	M+30
19	1	30,215	31,215	32,215
18	2	31,778	32,778	33,778
17	3	33,341	34,341	35,341
16	4	34,904	35,904	36,904
15	5	36,467	37,467	38,467
14	6	38,030	39,030	40,030
13	7	39,593	40,593	41,593
12	8	41,156	42,156	43,156
11	9	42,719	43,719	44,719
10	10	44,282	45,282	46,282
9	11	45,845	46,845	47,845
8	12	47,408	48,408	49,408
7	13	48,971	49,971	50,971
6	14	50,534	51,534	52,534
5	15	52,097	53,097	54,097
4	16	53,660	54,660	55,660
3	17	55,223	56,223	57,223
2	18	56,786	57,786	58,786
1	19	58,349	59,349	60,349
Top	20	59,912	60,912	61,912

Mt Carmel School District
2012-2013

To Top	Steps	Bach	Master	M+30
19	1	30,215	31,215	32,215
18	2	31,778	32,778	33,778
17	3	33,341	34,341	35,341
16	4	34,904	35,904	36,904
15	5	36,467	37,467	38,467
14	6	38,030	39,030	40,030
13	7	39,593	40,593	41,593
12	8	41,156	42,156	43,156
11	9	42,719	43,719	44,719
10	10	44,282	45,282	46,282
9	11	45,845	46,845	47,845
8	12	47,408	48,408	49,408
7	13	48,971	49,971	50,971
6	14	50,534	51,534	52,534
5	15	52,097	53,097	54,097
4	16	53,660	54,660	55,660
3	17	55,223	56,223	57,223
2	18	56,786	57,786	58,786
1	19	58,349	59,349	60,349
Top	20	59,912	60,912	61,912

Mt Carmel School District
2013-2014

To Top	Steps	Bach	Master	M+30
19	1	30,370	31,370	32,370
18	2	31,933	32,933	33,933
17	3	33,496	34,496	35,496
16	4	35,059	36,059	37,059
15	5	36,622	37,622	38,622
14	6	38,185	39,185	40,185
13	7	39,748	40,748	41,748
12	8	41,311	42,311	43,311
11	9	42,874	43,874	44,874
10	10	44,437	45,437	46,437
9	11	46,000	47,000	48,000
8	12	47,563	48,563	49,563
7	13	49,126	50,126	51,126
6	14	50,689	51,689	52,689
5	15	52,252	53,252	54,252
4	16	53,815	54,815	55,815
3	17	55,378	56,378	57,378
2	18	56,941	57,941	58,941
1	19	58,504	59,504	60,504
Top	20	60,067	61,067	62,067

Mt Carmel School District
2014-2015

To Top	Steps	Bach	Master	M+30
19	1	30,827	31,827	32,827
18	2	32,390	33,390	34,390
17	3	33,953	34,953	35,953
16	4	35,516	36,516	37,516
15	5	37,079	38,079	39,079
14	6	38,642	39,642	40,642
13	7	40,205	41,205	42,205
12	8	41,768	42,768	43,768
11	9	43,331	44,331	45,331
10	10	44,894	45,894	46,894
9	11	46,457	47,457	48,457
8	12	48,020	49,020	50,020
7	13	49,583	50,583	51,583
6	14	51,146	52,146	53,146
5	15	52,709	53,709	54,709
4	16	54,272	55,272	56,272
3	17	55,835	56,835	57,835
2	18	57,398	58,398	59,398
1	19	58,961	59,961	60,961
Top	20	60,524	61,524	62,524