

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE EMPLOYEES OF

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Case No. ACT 88-14-28-E

TOWANDA AREA SCHOOL DISTRICT

REPORT AND RECOMMENDATIONS

FACT FINDER: Alex A. Kaschock

FOR THE EMPLOYER:

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FOR THE UNION:

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BACKGROUND

Pursuant to Act 88 of 1992 (Act 88) and the Public Employee Relations Act (PERA), the undersigned was appointed by the Pennsylvania Labor Relations Board (PLRB) on September 24, 2014, as the Fact Finder in the impasse between the Towanda Area Education Association PSEA/NEA (Association) and the Towanda Area School District (District or Board).

In accordance with the PLRB's Order of September 24, 2014, the parties filed written statements of the issues in dispute with the Fact Finder. On October 6, 2014, the parties met with the Fact Finder in an informal session in Wilkes-Barre, Pennsylvania to discuss and clarify the issues in dispute. On October 21, 2014, the Fact Finding hearing was held at the Towanda Area School District, at which time both parties were offered a full opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence and argue orally in support of their respective positions.

The Fact Finder commends both parties for their professional and courteous presentations. The positions of the parties were clearly articulated and the documentation presented was helpful and informative.

In some instances, when a party has proposed a change in the current language or the addition of a new section to existing language from the Agreement, recommendations have been made in this report with little or no discussion. This is intended to indicate only that these proposals are not being recommended as part of the overall proposal for settlement suggested by the Fact Finder at this time and not to negate the concerns expressed by the party offering them. Some of these issues might very well be appropriate for informal discussions between the parties and/or bargaining for future agreements.

The recommendations that follow constitute the settlement proposal upon which the parties are now required to act, as directed by statute and PLRB regulations. Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the report does not constitute agreement with or endorsement of the rationales, but rather represents only an agreement to resolve the issues by adopting the recommendations.

ISSUES

The District and the Association have identified seven (7) general issues remaining in dispute between the parties at the time of Fact Finding. The outstanding unresolved Articles and Sections of the contract issues, as presented at the Fact Finding hearing, are as follows:

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|---------------------------------------|--|
| 1. Article VI, Sections 6.01 and 6.02 | Salary Schedules, Step and Column Movement |
| 2. Article VI, Section 6.06 | Extra -Curricular Salaries |
| 3. Article VI, Sections 6.04 and 6.07 | Work Beyond the School Day |
| 4. Article VII, Section 7.01 | Health Insurance |
| 5. Article VIII, Section 8.01 | Incentive Payments for Credits |
| 6. Article XII, Section 12.02 | Layoff |
| 7. Article XII, Section 12.03 | Recall |

These issues are discussed in detail in the following sections.

It is important to note that the specific recommendations of the Fact Finder made in the report on each issue, although discussed separately, were made only after consideration of all the issue recommendations taken together and their total combined impact upon both parties in this dispute.

Background / Bargaining History

Towanda Area School District is comprised of the boroughs of Towanda and Monroe, and the townships of Franklin, Monroe, Towanda, North Towanda, Wysox, Asylum and Standing Stone in Central Bradford County.

The District is comprised of one (1) elementary school, one (1) middle school and one (1) high school. It is part of BLaST Intermediate Unit (IU) Seventeen (17). The Towanda Area Education Association, PSEA/NEA is certified by the PLRB as the exclusive collective bargaining representative for this bargaining unit. The unit covers all professional staff employed by the District. The School District employs one hundred and fifteen (115) professional faculty. Currently, there are approximately one thousand, five hundred and eighty-five (1,585) students enrolled in the District.

The last Agreement negotiated between the parties became effective on September 1, 2007 and had an expiration date of August 31, 2012. The District and the Association bargained a one (1) year extension for salary through August 31, 2013. The parties began negotiations for a successor Agreement in January of 2013. The parties continued to bargain after August 31, 2013, while operating under the terms of the expired contract. In September of 2014, the District and the Association petitioned the PLRB to enter into the Fact Finding Process under the Provisions of Act 88.

Comparables

The Towanda Area School District is part of the BLaST Intermediate Unit Seventeen (17), which encompasses twenty-one (21) school districts in Bradford, Lycoming, Sullivan and Tioga Counties. The BLaST IU includes the Athens Area School District, Canton Area School District, East Lycoming School District, Jersey Shore Area School District, Loyalsock Township School District, Lycoming Career and Technology Center, Montgomery Area School District, Montoursville Area School District, Muncy Area School District, Northeast Bradford School District, Northern Tier Career Center, Northern Tioga School District, Sayre Area School District, South Williamsport Area School District, Southern Tioga School District, Sullivan County School District, Towanda Area School District, Troy Area School District, Wellsboro Area School District, Williamsport Area School District and Wyalusing Area School District.

The District and the Association look to a smaller group of school districts located within County for contract language and benefit comparisons. These Bradford County school districts include the districts of Athens Area School District, Canton Area School District, Northeast Bradford School District, Sayre Area School District, Troy Area School District and Wyalusing Area School District.

Issue 1. Article VI, Sections 6.01 and 6.02 Salary Schedule, Step and Column Movement

Current Status

Currently, the Collective Bargaining Agreement contains salary schedules that cover each employee in the bargaining unit. The salary schedule contains eleven (11) longevity steps corresponding to years of employment and fifteen (15) horizontal steps corresponding to educational achievement [Bachelor's Degree (B), B+12 credits, B+24 credits, Master's Degree (M), M+6 credits, M+12 credits, M+18 credits, M+24 credits, M+30 credits, M+36 credits, M+42 credits, M+48 credits, M+54 credits, M+60 credits and Doctorate]. The current dollar advancement between the columns indicated in the Agreement provides for an increase in payment of one thousand, two hundred and sixty-nine dollars (\$1,269) for each column movement to the Master's Degree column. The current advancement between the remaining columns provides for an increase in payment of six hundred, thirty-four dollars and fifty cents (\$634.50) for each column movement through the Doctorate column.

In 2012-2013, the cost of funding the schedule was seven million, two hundred, thirty-four thousand, and six hundred, sixteen dollars (\$7,234,616). The average salary of bargaining unit employees was sixty-two thousand, nine hundred and nine dollars (\$62,909). There is currently approximately one hundred fifteen and five tenths (115.5) staff covered by the bargaining unit. The cost of step movement in the initial year of the Agreement is estimated at one and eighty-eight hundredths percent (1.88%), the second year at one and seventy-four

hundredths percent (1.74%), the third year at one and seventy-one hundredths percent (1.71%) and the fourth year at one and seventy-seven hundredths percent (1.77%). The parties have agreed that the term of the new Collective Bargaining Agreement shall run from September 1, 2013 through June 30, 2017.

Positions of the Parties

District Proposal:

The District is currently proposing either of two alternative salary structures. In the first alternative, the District proposes to abolish all existing salary schedules. In lieu of schedules, each employee will receive a flat three percent (3%) raise in each contract year, starting with the 2014-2015 contract year.

OR

Under the alternative option, the existing schedules will be amended as set forth below:

YEAR	AMOUNT
2013-2014	0
2014-2015	2% (Inclusive of Step Movement)
2015-2016	2% (Inclusive of Step Movement)
2016-2017	2% (Inclusive of Step Movement)

Columns will be reduced to Bachelor’s Degree, B+24 credits, Master’s Degree and M+24 credits. Each employee reaching Bachelor’s Degree and B+24 credits will be entitled to a five hundred dollar (\$500) increase, and each employee reaching a Master’s Degree and M+24 credits will be entitled to a two hundred and fifty dollar (\$250) increase.

The District’s argument states that the existing schedules are convoluted, unbalanced and unfair. The District wishes to create a more transparent and fair salary structure that reflects the economic realities of the day. The proposed raises are still in excess of the Consumer Price Index.

Association Proposal:

The Association proposes salary schedules that reflect a three percent (3%) increase in each year of the contract.

YEAR	AMOUNT
2013-2014	3%
2014-2015	3%
2015-2016	3%
2016-2017	3%

The percentage increases include the incremental cost as well as the on scale increase. In addition, the Association proposes that the M+54 credit and Doctorate column be eliminated by attrition.

The Association proposes that the following language be added to Section 6.01 of the Agreement:

Issue #1 (Proposed New Language)

Section 6.01 -- Salary Schedules and Step Placement

Step placement and schedules for the term of this contract are as follows: Professional employees shall progress through the salary schedules in a horizontal manner on the below step placement chart beginning from their new 2013-2014 step.

The M+54 and Doc columns shall be eliminated through attrition. No new members shall be allowed to move into the columns. Members currently in the columns shall continue to receive step movement with the rest of the bargaining unit.

The Association's argument states that it is appropriate for its members to have step movement in each of the contract's four (4) years. It points out that the members of this bargaining unit have moved a step in only three (3) of the past seven (7) years. The freeze on step in 2012-2013 was voluntary in order to assist the District with its financial difficulties. The Association argues that its salary proposal is affordable by the District because historic analysis of collective bargaining increases show that the funds available to the District in future years increase because of attrition of staff due to retirement and compensates for the cost of members' movement through the salary schedule. Further, the Association points out that even though pension contributions will increase, increased Public School Employees' Retirement System (PSERS) contributions will mitigate those pension increases impact on the District. In addition, the Association points out that the District's revenues have exceeded expenditures by an average of eight hundred, fifty-one thousand, five hundred and six dollars (\$851,506) in each of the past six (6) years.

The Association believes that its salary proposal is affordable by the District.

Discussion

The District believes that the Association's proposal of a three percent (3%) per year increase is inappropriate and ill advised considering the uncertain future costs facing the District in years to come. Those costs include the funding of necessary ongoing maintenance requirements due to an aging infrastructure and the projection of increased funding responsibilities required by law. The District believes that the Association members are paid appropriately when compared to other teachers in surrounding districts and also argues that fifteen (15) column movement steps is too many and that the column payments do not provide the District with sufficient increased benefit to educational improvement for its students to justify the cost. The District believes that its proposal of six percent (6%) over the term of this Agreement is appropriate.

The Association points out that its members, in good faith bargaining, agreed to a freeze in the 2012-2013 year of the previous agreement because those members recognized that the District needed help to cope with costs during the economic slow down. It believes that the economy has gotten better since that time and expects that the District will try to consider the economic needs of its teachers in this successor contract. The Association has agreed to reduce the fifteen (15) column step to thirteen (13) column steps in its proposal. In addition, the Association has made a significant effort together with the District to reduce health care costs for the District by agreeing to a new higher deductible plan. It does not believe its proposal for a twelve percent (12%) increase over four (4) years is unreasonable or unaffordable for the District.

It is clear that both parties in this negotiation have made significant efforts to find solutions to each of the issues brought to the bargaining table. The information presented throughout the fact-finding process has been complete and clearly presented. It shows the sincerity of the parties' concerns and the complexity of the situation that makes it difficult to find a compromise that both may be able to accept. The following is my recommendation for the parties' consideration.

Recommendation

It is my recommendation that the salary increase in each of the contract years are as follows:

YEAR	AMOUNT
2013-2014	0
2014-2015	Step Movement plus 2%
2015-2016	3% (Inclusive of Step Movement)
2016-2017	3% (Inclusive of Step Movement)

The horizontal columns on the salary schedules shall be changed as follows:

The M+6 credits, M+18 credits, M+30 credits, M+42 credits, M+48 credits, M+54 credits and Doctorate columns shall be eliminated through attrition. Members of the bargaining unit qualified for movement into those columns prior to December 31, 2014 shall be placed into the eliminated columns. Effective January 1, 2015, no bargaining unit member will be placed on these column steps of the pay schedule. Members currently in those columns on January 1, 2015 shall continue and remain in those columns until they advance to an existing column for which they qualify.

The difference in payment between each remaining column for the term of this Agreement shall be one thousand, two hundred and sixty-nine dollars (\$1,269). The remaining columns are listed below:

Bachelor's Degree (B), B+12 credits, B+24 credits, Master's (M) Degree, M+12 credits, M+24 credits, M+36 credits, M+48 credits, M+60 credits.

Schedules reflecting these changes are found in Appendix A of this document.

Issue 2. Article VI, Section 6.06 Extra-Curricular Salaries

Current Status

Section 6.06 of the Agreement between the parties lists all the positions in the School District that are compensated for extra-curricular activities. Each position's compensation under the contract is shown for each year of the Agreement. The list includes all athletic positions and all student activity salaries. Currently there are forty-six (46) positions listed in the athletic area and thirty-two (32) positions listed under student activity salaries.

Positions of the Parties

Association Proposal:

The Association proposes that all extra-curricular salaries shall be increased by three percent (3%) each year of the contract. In addition, the Association proposes that the following positions shall be added to the existing list:

Student Council, Science Club, Spanish Club, French Club, Department Head for Electives/Humanities, Department Head for Special Education, IRC (1) (2) etc. and Junior Scholarship Challenge.

The Association believes that the suggested increase is warranted because of increased demands on many advisors and coaches. Record keeping and family communication responsibilities have increased and the time investment made by these individuals has increased. Current estimates of a "per hour" pay in relationship to the stipends range from twenty-five cents (\$.25) to one dollar and fifty cents (\$1.50) per hour. The Association gave a rationale for each new category suggested at the fact-finding hearing.

District Position:

The District proposes to provide a one percent (1%) raise per year. In addition, the District wishes to eliminate (by mutual agreement) positions on the list that no longer exist at the school. They agree to include the positions of the Department Head for Special Education, the IRC positions, Student Council and Scholarship Challenge position.

In addition, the District wishes to add a stipend for Elementary Concerts. It wishes to reduce the Post Season Rate from forty dollars (\$40) per day to twenty-five dollars (\$25) per day to put the District in line with surrounding district payments for similar activities. The District believes that the clubs requested by the Association should first apply through the School Board and then they will be considered on their merits, which is the normal process for clubs.

Recommendation

It is my recommendation that the parties beginning effective in the second year of the Agreement amend the contract to incorporate the following changes:

1. Increase all extra-curricular salaries by two percent (2%) for that year and each succeeding year of the Agreement.
2. The following positions shall be added to the existing list:
 - Student Council
 - Department Head for Electives/Humanities
 - Department Head for Special Education
 - Appropriate IRC positions
 - Junior Scholarship Challenge
3. Provide a stipend for Elementary Concerts
4. Reduce the Post Season Rate from forty dollars (\$40) per day to twenty-five dollars (\$25) per day.
5. Eliminate (by mutual agreement) all listed positions that no longer exist.

Issue 3. Article VI, Section 6.04 and 6.07 Work Beyond the School Day

Current Status

The current language of the contract provides language that covers payment for employees who work beyond the school day and beyond the school year.

Section 6.04 -- Payments for Employees who Work in Excess of or less than 187 days.

(a) Members of the bargaining unit who are normally scheduled to work one hundred eighty-seven (187) days and are required to perform services in excess of one hundred eighty-seven (187) days shall be paid additional compensation on the basis on 1/187 of their annual salary for each day worked. In the event said teachers are not required to work the scheduled one hundred eighty-seven (187) days, then their annual salary will be determined on a pro rata basis of 1/187 of their annual salary.

Section 6.07 -- Work Beyond the School Day

All professional employees working at times other than school hours during the normal contract year or at times outside the normal school day shall be paid at the following hourly rates designed for each inclusive contract year.

2007-08	2008-09	2009-10	2010-11
\$22.70 / hr.	\$23.45 / hr.	\$24.25 / hr.	\$25.10 / hr.

The employees included, but not limited to this rate are Driver Instruction, Night School, Summer School, Curriculum Development, and Homebound Instruction. Mileage will apply to Homebound Instruction only. The exception will be all those employees covered under Section 6.04.

Positions of the Parties

Association Proposal:

The Association proposes to amend the Agreement to increase the hourly rates listed in Section 6.07 by one dollar (\$1) per hour in each year of the successor contract. The current rate is twenty-five dollars and ten cents (\$25.10) per hour. The Association proposes the rates listed below:

2013-14	2014-15	2015-16	2016-17
\$26.10 / hr.	\$27.10 / hr.	\$28.10 / hr.	\$29.10 / hr.

The Association opposes the change in the language of this Section proposed by the District.

District Proposal:

The District proposes that the hourly rate contained in Section 6.07 be increased as follows:

2013-14	2014-15	2015-16	2016-17
\$25.10 / hr.	\$25.60 / hr.	\$26.11 / hr.	\$26.53 / hr.

In addition, the District proposes to add language to Section 6.04, which will clarify that the Summer School / Curriculum Development / Professional Development will all be paid at the teacher’s hourly rate unless an administrator has asked a faculty member to work in that teacher’s normal assignment beyond the one hundred, eighty-seven (187) day contract.

Discussion

Both parties recognize that the hourly rate for teachers who work beyond the school day should be increased. The District and the Association strongly disagree about modifying the contractual language in order to “clarify” the meaning of the current language as originally negotiated.

Recommendation

It is my recommendation that the hourly rates for work beyond the school day listed in Section 6.07 be modified as follows:

2013-14	2014-15	2015-16	2016-17
\$25.10 / hr.	\$25.90 / hr.	\$26.70 / hr.	\$27.50 / hr.

The remaining current language in Sections 6.04 and 6.07 shall remain the same.

Issue 4. Article VII, Section 7.01 Health Insurance

Current Status

Currently, the bargaining unit employees of the Towanda Area School District are members of the Northern Tier Insurance Consortium (NTIC), which offers an Indemnity (traditional) Plan through Blue Cross/Blue Shield, \$1,000,000 Major Medical, and a Preferred Provider Organization (PPO), referred to as Access Care II (preferred physician office visits – \$10 co-payment; preferred prescription drugs – 30 day supply – \$10 co-payment, Tier 1; \$10 co-payment, tier 2; \$25 co-payment, Tier 3), Access Care II (10), Access Care II (18) or comparable plan/co-payment option offered by the insurance carrier and with contractual plans selected by the NTIC. The employer pays premiums to the NTIC. Currently, each employee contributes to the premium cost of his/her insurance in accordance with the following chart:

Traditional Plan	Access II	Access II (10)	Access II (18)
10% of Premium	10% of Premium	3% of Premium	0%

If an employee covered by this Agreement (excluding husband and wife both employed by the School District) decides not to elect coverage under this plan, the School Board agrees to pay the employee a sum of two thousand dollars (\$2,000) each year.

Positions of the Parties

The parties have agreed to amend the language of Section 7.01 to eliminate the current plan offered to the District’s employees and replace the plans with the NTIC High Deductible Health Plan – 1 (HDHP-1) Option.

The District and the Association have come to an agreement on the majority of the Association’s proposal with regard to Health Insurance, but disagree in four (4) substantive specific elements of the proposed agreement. (The full proposal as presented by the Association is attached to the document in Appendix B.) The positions of each party with regard to those differences will be discussed in the remainder of this section.

Health Care Issue 1. First Year Premium Share Contribution

Association Position:

The proposed High Deductible Health Care Plan provides for a total out-of-pocket maximum deductible of two thousand dollars (\$2,000) for single coverage and a total out-of-pocket maximum deductible of four thousand

dollars (\$4,000) for non-single coverage. Under the plan, the employer agrees to provide a prepaid Health Reimbursement Account (HRA) of two thousand dollars (\$2,000) for those employees who select the single coverage option and four thousand dollars (\$4,000) for those employees who choose any of the non-single coverage options.

The Association's Plan provides that all employees enrolled in the HDHP-1 single coverage plan contribute one thousand dollars (\$1,000) for their premium share throughout the first year of the coverage. Those employees who select a non-single coverage will be responsible for contributing a premium share of one thousand, five hundred dollars (\$1,500) in the first year of the plan.

Each year thereafter, the bargaining unit members' premium share shall be equal to the amount of the HRA that is used to pay for health care costs during the previous year.

District Position:

The District believes that the premium share contributions in the first year of the Health Care Plan should be:

- For employees electing single coverage - \$1,000
- For employees electing non-single coverage - \$2,000

Health Care Issue 2. Payment for Non-election of Coverage

Association Position:

Under Section 7.01(b), the Association would amend current language to increase the compensation to employees who decide not to elect coverage under the plan. The Association proposes that the current language be changed from two thousand dollars (\$2,000) each year to four thousand dollars (\$4,000) each year. The equal June and December payments of such sum would be changed from one thousand dollars (\$1,000) to two thousand dollars (\$2,000).

District Position:

The District argues that this payment should remain at two thousand dollars (\$2,000) each year.

Health Care Issue 3. The Patient Protection and Affordable Care Act (PPACA) Excise Tax Language

Association Position:

The Association has proposed the following new language for incorporation in the new Collective Bargaining Agreement on Health Care:

The parties agree that should the cost of any health care plan (as determined by the Internal Revenue Service) increase to a point that an additional ten percent (10%) increase would subject the cost taxable in regards to the PPACA excise tax, the parties will, in an effort to keep the cost below the taxable level:

- Meet to identify any and all alternatives that would not be subject to the excise tax.
- Reduce any agreements regarding the above to writing.

Should the parties not be able to agree to an alternative using the guidelines above, the issue will be submitted to binding arbitration wherein the arbitrator is empowered to choose only one of the proposals submitted by the parties.

District Position:

The District has proposed the following language to address this subject:

If it is determined at any time that the Plan will be subject to the excise tax or any other ruling or regulation is promulgated which has the effect of raising health care costs for the District by more than ten percent (10%), then the parties agree to meet to identify an alternative plan that will not be subject to the excise tax or increased costs. If the parties fail to agree on such a Plan by the start of the school year in which the increased costs will take effect, then the issue will be submitted to binding arbitration wherein the arbitrator is only empowered to pick one of the two proposals submitted by the parties.

Health Care Issue 4. Maintenance Fee for Plan Card

Association Position:

As a consequence of the adoption of this new Health Care Plan, a carrier will be selected to administer the plan through a Health Care Plan card. Fees are charged by the carrier as a maintenance fee for the administration of the card. The Association proposes that the District pay these fees because the District has input into the selection and retention of the Carrier/Administrator.

District Position:

The District's position is that the employees pay for any fees necessary for maintenance of the Plan Card.

Discussion

Both parties have made a sincere effort to solve the dilemma of health care in a way that saves costs to both the District and the covered employee. The not-yet-resolved issues presented at the fact finding that affect the costs can be addressed by compromises that may slightly increase (and perhaps decrease) the cost of this change to both parties.

The issues that are raised by the differences in the PPACA are more fundamental and raise legitimate serious concerns on both sides of the negotiation table. There is no disagreement between the parties on the necessity of agreeing to contract language that is necessary to deal with the possible imposition of an excise tax. Their fundamental disagreement is over whether creating language to deal with other outside (as yet undiscovered) influences that may necessitate increases in future costs for health care is appropriate in this contract. Both parties recognize the potential of new legislation or legal rulings in the future to compel changes in the costs of health care in addition to the market forces. Both are sincere in trying to find language that will protect the Association from having to agree to language that would diminish the terms of this contract by the normal inflation of health care costs.

Recommendation

The following are my recommendations for inclusion in the successor Agreement:

Health Care Issue 1. First Year Premium Share Contribution

The premium share contributions for the first year in the Health Care Plan should be:

- For employees electing single coverage - \$1,000
- For employees electing non-single coverage - \$2,000

Health Care Issue 2. Payment for Non-election of Coverage

The contract shall be amended to provide that employees who decide not to elect coverage under the plan be compensated three thousand dollars (\$3,000) per year. Equal payment will be made in June and January of the coverage year of one thousand and five hundred dollars (\$1,500) each payment.

Health Care Issue 3. The Patient Protection and Affordable Care Act (PPACA) Excise Tax Language

The following language should be incorporated into the new Agreement between the parties:

If it is determined at any time that the Plan will be subject to excise tax, or any other legal ruling or regulation is promulgated which has the effect of directly causing health care costs for the District to be raised by more than ten percent (10%), then the parties agree to meet to identify an alternative Plan that will not be subject to the excise tax or increased costs directly attributable to legal ruling or regulation. If the parties fail to agree on such a Plan, then the issue will be submitted to binding arbitration, wherein the arbitrator is only empowered to pick one of the two proposals.

In the case that either party believes that the supporting data for the conclusion that raising the health care costs by ten percent (10%) does not meet the criteria set forth herein, the arbitration meeting will be bifurcated. The

arbitrator will first rule on the matter of arbitrability before hearing and deciding on the solutions proposed by the parties.

Health Care Issue 4. Maintenance Fee for Plan Card

The following language should be incorporated into the new Agreement between the parties:

Any administrator fees required by the carrier of the Health Care Plan will be shared equally between the employee and the District.

The Association shall have a right at any time to suggest carriers for the administration of the Plan and will have a full opportunity to present and discuss options with the District related to the correction of difficulties or the overall improvement of the Plan's administration.

Issue 5. Article VIII, Section 8.01 Incentive Payments for Credits

Current Status

The following article is in the current contract:

**ARTICLE VIII
PROFESSIONAL DEVELOPMENT AND EDUCATIONAL IMPROVEMENT**

Section 8.01 -- Incentive Payments for Credits

(a) The Board shall provide one hundred percent (100%) reimbursement of tuition per credit hour for courses taken in the following areas:

1. Planned Master's program.
2. Planned Doctorate program.
3. Additional area of certification provided the certification has advance approval of the Superintendent.

Courses taken in these areas have no maximum of completed college credits per fiscal year for reimbursement.

All other courses will be paid up to the Pennsylvania State University graduate rate. For these courses a maximum of nine (9) college credits may be completed per fiscal year. Said courses taken for credits shall be in the employee's field of certification, reading, or general education courses which, in the opinion of the Superintendent, would benefit the employee's proficiency in classroom instruction.

For all courses a grade of "C" or better must be earned to be eligible for reimbursement. All courses taken shall have prior administrative approval.

If a course is submitted for approval and none is received within a ten (10) school day period of the date of submission to the Superintendent, it will be considered automatically approved.

(b) Reimbursement for credits will be paid during the months of October, February, and June upon presentation of an official course transcript or grade sheet and a receipt from the college or university, provided the employee continues in the employ of this District for the full term of the ensuing year unless suspended by the Employer.

(c) No teacher shall be entitled to any reimbursement who received scholarships or other financial assistance in the nature of scholarships, fellowships, grants or other types of financial assistance excepting only that if the financial assistance hereinabove referred to is less than the amount herein agreed to be paid, the Board shall reimburse such teacher the difference between the amount of the grant and the amount herein agreed to be paid upon receipt of proof of the amount otherwise received by the teacher.

(d) The employee must, when requesting reimbursement for courses that are required as part of a graduate program, present proof of this requirement and proof of his acceptance in a graduate program in the college or university he is attending.

(e) This reimbursement will not apply to employees on sabbatical or other leave.

(f) A Memorandum of Understanding shall be executed by the parties, which eliminates past practices concerning courses that may be reimbursed at Penn State graduate rate and section 8.01(a)(3).

Positions of the Parties

District Proposal:

The District proposes two (2) alternative amendments. In Option 1, the District proposes to amend the current language as follows:

(a) The Board shall provide one hundred percent (100%) reimbursement of tuition per credit hour for courses taken in the following areas:

1. Planned Master's program.

2. Additional graduate course work with the advance approval of the Superintendent. Course work toward an area of certification will be given preference.

Each association member may be reimbursed for up to nine (9) college graduate credits per year. Reimbursement will be provided at the Mansfield University graduate tuition rate. The total reimbursements for all association members will be capped at eighty thousand dollars (\$80,000) per year.

Even if approved for reimbursement by the Superintendent, no undergraduate course work will entitle the association member to any column movement.

For all courses a grade of "C" or better must be earned to be eligible for reimbursement. All courses taken shall have prior administrative approval.

If a course is submitted for approval and none is received within a ten (10) school day period of the date of submission to the Superintendent, it will be considered automatically approved.

(b) Reimbursement for credits will be paid during the months of October, February, and June upon presentation of an official course transcript or grade sheet and a receipt from the college or university.

(c) [No change.]

(d) [No change.]

(e) [No change.]

(f) [No change.]

(g) Should a bargaining unit member resign from the District within three (3) years from the date of reimbursement of courses covered by this Article 8.01, the bargaining unit member shall return the tuition reimbursement in accordance with the following schedule:

Within one year: 100% of the payment made by the District.

Within two years: 75% of the payment made by the District.

Within three years: 50% of the payment made by the District.

It is agreed that 8.01(g) shall not apply to retirements or to bargaining unit members who leave the District for medical reasons, dismissals or furloughs.

OR

- Eliminate tuition reimbursement, except for existing employees securing credits for Level II certification, and work two more days a year at per diem rate (189 days).

Association Proposal:

The Association wishes to maintain the current language of the Agreement and, in response to the District's concerns, proposes the following provisions:

The total amount of the District yearly reimbursement for the 2013-2014 school year is not to exceed one hundred forty thousand dollars (\$140,000). Employees with an instructional I certification shall receive the authorization for reimbursement before all others. Following employees with an instructional I certificate, authorization for reimbursement shall be on a first asked-first received basis.

Any part of the 2013-2014 reimbursement total (\$140,000) not used shall rollover and be added to the total for the subsequent year. Each year thereafter the total amount of the District yearly reimbursement shall begin at one hundred forty thousand dollars (\$140,000) and include any amounts rolled over from the previous year(s).

Employees who voluntarily leave the District within one (1) year of receiving reimbursement for reason other than health or retirement shall return 100% of the reimbursed amount to the District. Employees who voluntarily leave the District within two (2) years of receiving reimbursement for reason other than health or retirement shall return 50% of the reimbursed amount to the District. Employees who voluntarily leave the District within three (3) years of receiving reimbursement for reason other than health or retirement shall return 25% of the reimbursed amount to the District.

Recommendation

It is my recommendation that the current contract language be amended as follows and be adopted in the successor Agreement between the parties:

Section 8.01 -- Incentive Payments for Credits

(a) The Board shall provide one hundred percent (100%) reimbursement of tuition per credit hour for courses taken in the following areas:

1. Planned Master's program.
2. Additional area of certification provided the certification has advance approval of the Superintendent.

Courses taken in these areas have no maximum of completed college credits per fiscal year for reimbursement.

All other courses will be paid up to the Pennsylvania State University graduate rate. For these courses a maximum of nine (9) college credits may be completed per fiscal year. Said courses taken for credits shall be in the employee's field of certification, reading, or general education courses which, in the opinion of the Superintendent, would benefit the employee's proficiency in classroom instruction.

For all courses a grade of "C" or better must be earned to be eligible for reimbursement. All courses taken shall have prior administrative approval.

If a course is submitted for approval and none is received within a ten (10) school day period of the date of submission to the Superintendent, it will be considered automatically approved.

(b) Reimbursement for credits will be paid during the months of October, February, and June upon presentation of an official course transcript or grade sheet and a receipt from the college or university .

(c) [No change.]

(d) [No change.]

(e) [No change.]

(f) The parties agree that the change in this language eliminates any claim of Past Practice regarding coursework approved for reimbursement by the District Superintendent prior to the implementation dates of this Collective Bargaining Agreement.

(g) The total amount of the District yearly reimbursement for the 2013-2014 school year is not to exceed one hundred twenty thousand dollars (\$120,000). Employees with an instructional I certification shall receive the authorization for reimbursement before all others. Following employees with an instructional I certificate, authorization for reimbursement shall be on a first asked-first received basis.

Any part of the 2013-2014-reimbursement total (\$120,00) not used shall rollover and be added to the total for the subsequent year. Each year thereafter the total amount of the District yearly reimbursement shall begin at one hundred twenty thousand dollars (\$120,00) and include any amounts rolled over from the previous year(s).

(h) Employees who voluntarily leave the District within one (1) year of receiving reimbursement for reason other than health or retirement shall return 100% of the reimbursed amount to the District. Employees who voluntarily leave the District within two (2) years of receiving reimbursement for reason other than health or retirement shall return 75% of the reimbursed amount to the District. Employees who voluntarily leave the District within three (3) years of receiving reimbursement for reason other than health or retirement shall return 50% of the reimbursed amount to the District.

Issues 6. Article XII, Section 12.02 Layoff and 7. Article XII, Section 12.03 Recall

Current Status

The current Agreement has specific language in Section 12.02 – Layoff, paragraphs (a), (b) and (c) governing the actions of the employer in the event of a layoff of bargaining unit members.

Section 12.03 – Recall contains language governing the actions of the employer with regard to recalls.

Positions of the Parties

Association Position:

The Association proposes to eliminate the language of Section 12.02 – Layoff and the language of Section 12.03 – Recall, and to replace the language in each section with language that states:

In Section 12.02:

The reduction of the workforce through furlough shall only be done in accordance with the school code.

In Section 12.03:

The recall of all furloughed employees shall only be done in accordance with the school code.

District Position:

The District opposes the modification presented by the Association.

Recommendation

It is my recommendation that the language of Section 12.02 and Section 12.03 of the current Collective Bargaining Agreement be maintained. Each Section shall include the Association's proposed language as the last paragraph.

Section 12.02 shall include:

(d) The reduction of the work force through furlough shall only be done in accordance with the school code.

Section 12.03 shall include:

(b) Recall of all furloughed employees shall only be done in accordance with the school code.

ALL OTHER MATTERS

Any other matters not previously agreed upon or specifically addressed herein are recommended to be withdrawn. Any agreements mutually made during this Fact Finding process or prior to the commencement of the Fact Finding that are not specifically addressed in this Report are recommended to be included, as agreed upon, in the Agreement.

Dated: November 3, 2014
Camp Hill, Pennsylvania

Alex A. Kaschock, Fact Finder

APPENDIX A

APPENDIX B