

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE EMPLOYEES OF :  
: :  
: Case No. ACT 88-14-12-E  
: :  
JIM THORPE 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 April 10, 2014, as the Fact Finder in the impasse between the Jim Thorpe Education Association PSEA/NEA (Association) and the Jim Thorpe Area School District (District or Board).

In accordance with the PLRB's Order of April 10, 2014, the parties filed written statements of the issues in dispute with the Fact Finder. On May 2, 2014, the parties met with the Fact Finder in an informal session to discuss and clarify the issues in dispute. On May 13, 2014, the Fact Finding hearing was held at the Jim Thorpe 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 eight (8) 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:

1. Article II. Term of Agreement
2. Article IV. Appendix A. Wages and Salary
3. Appendix B. Health Insurance (Employee Benefits and Conditions of Employment)
4. Appendix B, Section 1-A & B. Prescription Plan
5. Appendix B, Section 3. Credit and Textbook Reimbursement
6. Appendix B, Section 7-C. Sick Leave
7. Appendix C, Section 1 & 2. Retirement Incentive and Benefits
8. Proposed New Article. Demotions

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**

Jim Thorpe Area School District is comprised of the borough of Jim Thorpe and the townships of Penn Forest and South Kidder in Carbon County. The District is comprised of one (1) elementary school, one (1) middle school and one (1) high school. It is part of Carbon Lehigh Intermediate Unit (IU) Twenty-one (21). The Jim Thorpe 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 currently employs one hundred and fifty-two (152) professional faculty. Currently, there are approximately two thousand and two hundred (2,200) students enrolled in the District.

The last Agreement negotiated between the parties became effective on July 1, 2008 and had an expiration date of June 30, 2013. The parties began negotiations for a successor Agreement in January of 2013. The parties continued to bargain after June 30, 2013, while operating under the terms of the expired contract. In April of 2014, the District petitioned the PLRB to enter into the Fact Finding Process under the Provisions of Act 88.

### **Comparables**

The Jim Thorpe Area School District is part of the Carbon Lehigh Intermediate Unit Twenty-one (21), which encompasses fourteen (14) school districts in Carbon, Lehigh, Northampton and Schuylkill Counties. The Carbon Lehigh IU includes the Allentown School District, Catasauqua Area School District, East Penn School District, Jim Thorpe Area School District, Lehigh Area School District, Northern Lehigh School District, Northwestern Lehigh School District, Palmerton Area School District, Panther Valley School District, Parkland School District, Salisbury Township School District, Southern Lehigh School District, Weatherly Area School District and Whitehall-Coplay School District.

The District and the Association look to a smaller group of school districts located within Carbon County for contract language and benefit comparisons. These County school districts include Lehigh Area School District, Palmerton Area School District, Panther Valley School District and Weatherly Area School District.

### **Discussion and Recommendations**

#### **Issue 1. Article II. Term of Agreement**

##### **Current Status**

The current Collective Bargaining Agreement began on July 1, 2008 and expired on June 30, 2012. The parties have continued to operate under the terms of the past Agreement during the continuing bargaining process.

**Positions of the Parties**

**Association Proposal:**

The Association proposes a four (4) year agreement.

**District Proposal:**

The District has proposed a three (3) year agreement.

**Discussion**

The District and Association have negotiated regarding the terms of this Agreement for more than sixteen (16) months. Any new agreement should provide for a period of labor/management peace and stability prior to the necessity of resuming negotiations over future collective bargaining issues.

**Recommendation**

It is my recommendation that the term of the successor Agreement shall begin on July 1, 2013 and shall continue in full force and effect to and including June 30, 2017.

**Issue 2. Article IV. Appendix A. Wages and Salary**

**Current Status**

Currently, the Collective Bargaining Agreement contains salary schedules covering each employee in the bargaining unit. The salary schedule contains twenty (20) longevity steps corresponding to years of employment and six (6) horizontal steps corresponding to educational achievement (i.e.: Bachelor’s Degree, Master’s Degree, Master’s + 15, Master’s + 30, Master’s + 45 and Master’s + 60 / Doctorate). In 2012-2013, the current cost of funding the schedule was nine million, thirty-three thousand, two hundred and four dollars (\$9,033,204.00). The average salary was fifty-nine thousand, four hundred and twenty-nine dollars (\$59,429.00). The cost of step movement for the 2013-2014 school year would be one and ninety-five hundredths percent (1.95%).

**Positions of the Parties**

**Association Proposal:**

The Association is proposing a four (4) year Agreement with the following salary increases:

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Step Movement	Step Movement	Step Movement	Step Movement
	+ 1% increase for each Employee	+ 1% increase for each Employee	+ 1% increase for each Employee

The Association points out that when the current contract was negotiated for the years 2008 through 2013, the District demanded that the salary schedule reflect the number of years of service. As a consequence, the Association agreed to expand the number of steps from a compressed schedule to accommodate the District’s need. In this negotiation, the District is proposing no step movement for the term of the Agreement. In order for the integrity of the schedule to be maintained, the Association is proposing step movement in each year of the Agreement. In addition, the Association proposes an additional one percent (1%) be placed on each step in years two (2), three (3) and four (4) of the contract. This increase, although small in amount, will allow the District to make changes to the employees’ healthcare plan without causing them to suffer large losses in earning power. Without an adequate increase in salary, the District’s proposal of increased premium share, deductibles, doctor visit costs and prescription costs would cause financial hardship to the employees.

During its Fact-Finding presentation, the Association pointed out that the District has built up a substantial fund balance in its general fund. The District's fund balance by the end of the 2013-2014 school year is projected to be ten and six tenths million dollars (\$10.6 million). Of that balance, one million dollars (\$1 million) is committed to pay for increases in health care costs and nine tenths of a million dollars (\$.9 of a million) for increases in Pennsylvania State Employee Retirement System (PSERS) costs, leaving the District eight and seven tenths million dollars (\$8.7 million) unassigned. That unassigned balance is equivalent to twenty-five percent (25%) of total District expenditures. The Association believes that the District has sufficient funds to provide a modest increase for its professional staff.

**District Position:**

The District proposes a freeze on salary for the term of the Agreement. The Board argues that any raise is unjustified and unreasonable because Jim Thorpe teachers are already the highest paid teachers in Carbon County. It points out that the District faces larger increases in PSERS cost increases to fund retirement obligations and additional increases due to health care costs over the term of the Agreement. The District claims that it will have to increase taxes at an unacceptable rate in order to meet these demands as well as the proposed teacher salary increase.

**Discussion**

In this contract negotiation, the District has proposed significant changes to its health coverage plan, its retirement obligations and its tuition reimbursement costs. During these negotiations, the Association has already agreed to changes in the health care programs that include incorporating a deductible payment where none previously existed and eliminating a costly "traditional" insurance plan. Further recommended changes to the retirement health coverage and tuition reimbursement will be included in this report. Each one of these changes will meet the goal of the District to significantly reduce costs in these areas. The District's financial situation as presented in their current budget, together with the decrease in benefits costs that will be achieved in the Recommendation if accepted, will provide justification for a modest increase in teacher salaries in the second (2<sup>nd</sup>), third (3<sup>rd</sup>) and fourth (4<sup>th</sup>) years of the Agreement.

**Recommendation**

It is my recommendation that the teacher salaries be increased in this Agreement as follows:

2013-2014	2014-2015	2015-2016	2016-2017
0 % (Freeze)	1% plus Increment	1% plus Increment	2% plus Increment

Salary schedules reflecting these changes are attached in Appendix A of this document.

**Issue 3. Appendix B. Health Insurance (Employee Benefits and Conditions of Employment)**

**Current Status**

The employees covered by this bargaining unit are given the option of two (2) health care plans. The language of the Agreement provides:

**Health Care Options:**

A. Blue Care Traditional (BC/BSIMM)

The Jim Thorpe Area School District will provide a Blue Care Traditional (BCIBS/MM)(sic) health care program including hospital benefits, major medical (coverage unlimited), medical-surgical and diagnostic outpatient coverage as prepared for the Jim Thorpe Area School District by First Priority Life

(formerly Blue Cross of Northeastern Pennsylvania and Pennsylvania Blue Shield) for all members of the bargaining unit and their dependents, including spouse, dependents to age nineteen, and full-time matriculating college age dependents to age twenty-three (23). The Major Medical coverage portion of the medical insurance shall be subject to a two hundred and fifty dollar (\$250) per year, per person deductible provision not to exceed five hundred dollars (\$500) per family for each bargaining unit member. The employee's per month premium share will be \$35.00, \$37.50, \$40.00, \$42.50, and \$45.00 respectively through the five years of the contract.

**B. Blue Care PPO**

The Jim Thorpe Area School District will provide a Blue Care PPO (formerly Access Care LI) health care program including hospital benefits, major medical (coverage unlimited), medical-surgical, diagnostic outpatient coverage, and prescription drug program as prepared for the Jim Thorpe Area School District by First Priority (formerly Blue Cross of Northeastern Pennsylvania and Pennsylvania Blue Shield) for all members of the bargaining unit and their dependents, including spouse, dependents to age nineteen, and full-time matriculating college age dependents to age twenty-three (23). The employee's per month premium share will be \$42.00, \$45.00, \$48.00, \$51.00, \$54.00 respectively for the individual plan and \$84.00, \$90.00, \$96.00, \$102.00, \$108.00 respectively for dependent coverage of any type through the five years of the contract. No deductible is included with this plan as long as a preferred provider is utilized. The prescription drug program shall contain a co-payment of \$5.00 generic and \$10.00 brand name with a mail order option for long term prescriptions.

Currently, part-time employees are entitled to health care coverage as follows from Article XIV, Part Time Employees, Section A. Insurance Coverage:

An employee working fifty percent (50%) or greater shall receive full insurance coverage, provided he/she is not covered or eligible to be covered under another medical insurance plan.

An employee working less than fifty percent (50%) shall receive insurance coverage provided they pay fifty percent (50%) of the appropriate premium to the District and he/she is not covered or eligible to be covered under another medical insurance plan.

**Positions of the Parties**

District Proposal:

The District proposes that the Blue Care Traditional Plan be eliminated. It proposes that the Employee Health Care Plan consists of the following elements:

Preferred Provider Organization (PPO) Only

**Plan 1**

Deductible (In Network)	\$500/\$1,000 (Single/Family)
Office Visits	\$20
Specialists	\$40
Premium Share	
First Year	\$46/\$106 (Single/Family)
Second and Subsequent Years	Difference between Plan 1 & 2

**Plan 2**

Deductible (In Network)	\$1,000/\$2,000 (Single/Family)
Co-Insurance	10%
Co-Insurance OOP Max	\$1,500/\$3,000 (Single/Family)
Office Visits	\$30
Specialists	\$45
Premium Share	\$0

1. Retirees get the same Plan options under the same conditions (e.g. premium share) as current Employees.
2. Part-time Employees only receive healthcare coverage if they qualify under the PPACA.

The Board believes that the current healthcare system is too expensive. They argue that the plan is the most costly of any program among other comparable districts in the County. Further, the Jim Thorpe Area School Teachers are the only teachers in the County with a PPO plan that is not subject to a deductible.

With regard to retirees, the District states that there is no justification for having retirees receive a better healthcare plan than current employees. It counters the Association argument that it legally cannot be changed as inaccurate and points to a recent Commonwealth Court ruling that the District believes states that the benefits provided to retirees are subject to collective bargaining.

Association Position:

The Association proposes that the traditional plan may be eliminated and replaced with a PPO plan. Its PPO plan would contain the following features:

**Association Plan**

Deductible (In Network)	\$250/\$500 (Single/Family)
Office Visits	\$20
Specialists	\$40
Premium Share	\$45/\$90 (Single/Family)

The Association argues that its proposal allows the District to utilize significant savings by adding a deductible, increasing the cost of doctor visits and increasing prescription cost. In addition, the District would receive additional premium share payments from the employees changing from Traditional Coverage to PPO coverage. To help counter the increased out of pocket expenses the employees will incur, the Association is proposing a minimal decrease in premium share [\$9/\$18 (Single/Family)] for those employees currently in the PPO plan [the current premium share is \$45 per month for Traditional care and \$54/\$108 (Single/Family) for the PPO].

The District proposal offers a Plan 2 as the standard plan. The plan has a high deductible, 10% co-insurance with an out of pocket max of \$1,500/\$3,000 and office visits at nearly triple the current rate. To get a plan close to the one proposed by the Association, the employer would have to be responsible for the cost difference between the two (2) plans.

The District is also proposing changing the contractual conditions that currently qualify part-time employees for healthcare coverage. The change would essentially prohibit any current part-time employee from qualifying for healthcare coverage.

The Association believes that their proposal is a significant effort on their part to help the Employer control healthcare expenditures. The overall effect of its proposal will significantly decrease the Employer's contribution for healthcare over the term of the Agreement and will increase the personal cost of the employees in the unit to maintain necessary healthcare coverage.

**Discussion**

The parties in this dispute have both worked to provide an acceptable solution to the current and projected healthcare costs during the term of the Agreement. They are not far apart from a contractual agreement acceptable to both the Association and the District.

**Recommendation**

The following is my recommendation healthcare conditions in the successor Agreement:

1. The Traditional Healthcare Plan will be eliminated.
2. Effective as soon as implementation is reasonable and possible, the new plan shall provide for a choice of two (2) PPO plans with the following elements:

**PPO I**

Deductible (In Network)		\$250/\$500 (Single/Family)
Office Visits		\$20
Specialists		\$40
Premium Share	Single	Family
2014-2015	\$46	\$106
2015-2016	\$50	\$110
2016-2017	\$55	\$115

**PPO II**

Deductible (In Network)		\$1,000/\$2,000 (Single/Family)
Office Visits		\$35
Specialists		\$45
Co-Insurance		10%
Premium Share		\$0

3. No change in coverage language for part-time employees.

**Issue 4. Appendix B, Section 1-A & B. Prescription Plan**

**Current Language**

The prescription drug program shall contain a co-payment of \$5.00 generic and \$10.00 brand name with a mail order option for long term prescriptions.

**Discussion**

During the Fact-Finding process, both parties brought forth different proposals but agreed at the hearing that the recommended language below was acceptable to resolve this issue.

**Recommendation**

It is my recommendation that the following language be incorporated into the successor Agreement:

	Tier I	Tier II	Tier III
Retail (30-day supply)	\$10	\$35	\$40
90-day Mail Order	\$20	\$50	\$70

In addition to the above, prescription coverage shall be subject to a step therapy administered by First Priority Life (formerly Blue Cross of Northeastern Pennsylvania and Pennsylvania Blue Shield) and a mandatory generic requirement according to which the employee must use the generic equivalent when available or pay the difference between the generic and non-generic prescription.

**Issue 5. Appendix B, Section 3. Credit and Textbook Reimbursement**

**Current Status**

The contract provides reimbursement for tuition at the rate of one hundred percent (100%) of the State College/University rate. There is no limit of the yearly expenditure for this benefit and there is no language in the Agreement that requires a specific grade be reached to qualify for payment.

## **Positions of the Parties**

### District Proposal:

The District proposes to cap the yearly pot of dollars for this benefit to seventy-five thousand dollars (\$75,000) non-cumulative per year. In addition, the District proposes to amend the current contract language to require that only credits for which the employee receives a grade of “B” or better will be eligible for reimbursement. The Board argues that the District needs a cap on tuition expenditures given the financial situation in which it finds itself. Such language is required for budgeting purposes in the District’s planning process.

The District believes that it is not unreasonable to demand that its tuition dollars are being well spent by requiring those who spend them to obtain at least a “B” grade for their efforts.

### Association Proposal:

The Association is proposing that the “cap” for tuition reimbursement (or Pot of Dollars) for each year be one hundred and sixty thousand dollars (\$160,000) with any unused money carried over into the next year.

The Association has calculated the District’s yearly expenditure on this item during the last five (5) years and states that the average yearly expenditure in those years was one hundred, fifty-five thousand, and seven hundred nineteen dollars (\$155,719). They argue that one hundred and sixty thousand dollars (\$160,000) per year with carry over is a reasonable “pot of money” for this benefit. During the last five (5) years, the District has exceeded that amount in three (3) different years, thus the requirement to roll over any unused designated funds.

## **Discussion**

During the hearing, the District argued that the five (5) years used for the averaging by the Association were an aberration, and that, in any event, one hundred and sixty thousand dollars (\$160,000) is too high for the District to afford. The Association believes the District’s seventy-five thousand dollars (\$75,000) figure is exceedingly low and not adequate to fund the required educational attainments of the District’s teachers. Both parties through their proposals have agreed that some “cap” may be appropriate.

## **Recommendation**

It is my recommendation that the following obligation be incorporated into the Appendix B, Section 3 language of the Agreement:

The District’s yearly expenditure for credit reimbursement shall not exceed one hundred and twenty thousand dollars (\$120,000) in any one (1) year. Unspent dollars in any year shall not be carried over to the next year.

Only graduate credits for which the employee receives a grade of “B” or better will be eligible for reimbursement.

## **Issue 6. Appendix B, Section 7-C. Sick Leave**

### **Current Status**

#### C. Sick.

During the term of this contract, each professional employee shall be granted twelve (12) days of sick leave per year, cumulative without limit. Excused sick leave shall include illness of employee, illness of spouse, minor, dependent children, or any family member for whom employee is caregiver.

The employer may require the employee to furnish a physician's certificate indicating that the illness or accidental injury prevented the employee from working as a professional employee of the School District for three (3) or more consecutive work days or where the District may suspect abuse.

**Positions of the Parties**

Association Position:

The Association position is that there be no change to the language.

District Proposal:

The District proposes the following change in the language:

The employer may require a physician's certificate justifying the employee's absence from work whenever an employee uses sick leave for three (3) or more consecutive days, uses six (6) or more sick days in a year, or otherwise displays a pattern of abuse. Once a pattern of abuse has been found, the employer may require a physician's certificate for each use of sick leave thereafter and/or may subject the employee to discipline.

**Recommendation**

It is my recommendation that the status quo remain with regard to this issue.

**Issue 7. Appendix C, Section 1 & 2. Retirement Incentive and Benefits**

**Current Status**

The current Agreement provides for the following benefits:

Reimbursement for accumulated sick days to a 403(b) plan.

Years of Service in the District	Reimbursement
One to Ten (1-10)	\$50
Eleven to Twenty (11-20)	\$60
Twenty-one (21) or more	\$90

1. Retirement Incentive

For any teacher with thirty (30) or more years of credited teaching who does not earn three (3) years as a Training Advisor, the District will make a non-elective employer contribution to the 403(b) plan of the employee in the amount of three thousand three hundred thirty-three dollars (\$3,333) for each year not a Training Advisor to max of ten thousand dollars (\$10,000). The employee will not have a cash option. To be eligible for this incentive, the full-time member of the bargaining unit must have 30 years of credited service under PSERS of which 15 years of service is in the Jim Thorpe Area School District, and must retire from employment with the Jim Thorpe Area School District.

There will be additional incentive for loyalty to the Jim Thorpe Area School District of two hundred dollars (\$200) for each year of teaching in the Jim Thorpe Area School District if the employee has 15 years or more of employment in the Jim Thorpe Area School District and permanently retires.

To be eligible for this incentive, the employee must provide written notice of his/her intent to retire to the Superintendent's office at least sixty (60) days prior to the end of the semester in which the employee

retires. This sixty (60) days' notification period may be waived in situations of medical necessity or disability.

## 2. Medical Benefits

Medical insurance coverage (hospitalization, surgical, major medical) will be provided at no cost to the employee/retiree for employees who retire from employment with the District. The District will contribute 100% of the annual medical insurance premium for the employee/retiree only. The employee/retiree shall be eligible for said coverage for 12 years or until eligible for Medicare, whichever occurs first, provided the employee is not covered or eligible to be covered by another medical plan. The District will not contribute to the annual medical insurance premium for the employee/retiree's spouse and/or other covered family member. 100% of the annual insurance premium for the employee/retiree's spouse and/or other covered family member will be paid by the employee/retiree.

### **Positions of the Parties**

#### District Proposal:

The Board proposes to eliminate the position of the Training Advisor. It will continue to provide a ten thousand dollar (\$10,000) retirement incentive for any teacher with thirty (30) years or more of credited service under PSERS of which fifteen (15) years of service is in the Jim Thorpe Area School District and who retires from employment with the District.

The District also proposes that until the day before the expiration of the Agreement, retiring employees receive the current benefit with two (2) exceptions:

- a. The salary enhancement, otherwise known as Training Advisor, is eliminated.
- b. It will contribute six thousand dollars (\$6,000) per year toward healthcare for seven (7) years or until age sixty-five (65), whichever comes first, provided that the employee does not purchase the healthcare through the District.

In addition, the District wants the retirement benefit [i.e.: Reimbursement for unused sick days, two hundred dollars (\$200) for each year of District service) to be reduced by twenty-five percent (25%) every year beginning with the 2014-2015 school year.

The District argues that these changes are necessary because no other District in Carbon County offers anything approaching with Jim Thorpe Area School District teachers receive. The benefits are expensive to the District, currently costing from one hundred thirty-nine thousand, nine hundred dollars (\$139,900) to two hundred forty-six thousand, six hundred and seventeen dollars (\$246,617) per retiring teacher, depending on how long a teacher continues on the District's insurance. Further, because these benefits do not require that teachers retire before their normal retirement age, none of the savings due to retirements can be attributed to the existence of these incentives.

#### Association Position:

The Association proposes that there be no change in the benefits offered now to current retirees with the exception of plan coverage. The language in the contracts that these people retired under guaranteed the up to twelve (12) years of single coverage provided by the District at no cost to the retiree. The language is specific in this regard and, as such, provides the retiree with a vested benefit. Changing these conditions will most likely result in court action.

Both the District and the Association propose eliminating the position of Training Advisor while retaining the ten thousand dollar (\$10,000) incentive. The incentive must be placed into the employee/retiree's 403(b) plan. The employee/ retiree will not have a cash option.

For future retirees, the Association proposes that the number of years of retiree single healthcare coverage be reduced by two (2) from the current amount of twelve (12) to ten (10). In addition, the Association proposes the future retirees pay a premium share equal to the amount reimbursable by PSERS [currently one hundred dollars (\$100)]. Since the Association is proposing PPO coverage only, the District will realize additional savings because of the increased deductibles, the increased doctor visit costs and increased prescription cost. The Association proposes that all other benefits covered in the Retirement Incentive and Benefits section of the contract (loyalty incentive and payment for unused sick leave) should remain status quo.

The Association argues that the District's proposal of six thousand dollars (\$6,000) per year for up to seven (7) years is meaningless if they are proposing reducing retirement benefits by twenty-five percent (25%) starting with the 2014-2015 school year since we are already in 2014. The Association believes that the District's proposal is unduly harsh on employees who have dedicated their careers to educating the students of the Jim Thorpe Area School District.

### **Discussion**

The District's proposal with regard to this issue represents significant changes in the contract language. On the matter of the elimination of the Training Advisor position and the retention of the ten thousand dollar (\$10,000) retirement incentive, the parties are in agreement. Both parties have made innovative proposals to attempt to contain costs with regard to retirement and retirement healthcare. Exhibits presented at the hearing show that comparable school districts in the County and many in the IU for the most part have provisions that provide for buy back or payments into 403(b) plans for accumulated sick leave days. Many can use such funds to purchase healthcare coverage after retirement. It is clear that the School District believes that the retirement benefits of their teachers have become a priority for cost reduction. It is equally true that this language is extremely important to the membership of this bargaining unit and has been important in retaining the longevity and loyalty of the professional employees of the District.

### **Recommendation**

It is my recommendation that the following changes be incorporated into the retirement language of this Agreement:

1. The position of Training Advisor is eliminated effective July 1, 2015.
2. The language regarding payment of the ten thousand dollar (\$10,000) retirement incentive shall be retained in the Agreement.
3. For currently retired employees and those employees who retire prior to July 1, 2015, there will be no change except for plan coverage.
4. Effective July 1, 2015, all retired employees shall reimburse the District in the amount reimbursable to them by PSERS [currently one hundred dollars (\$100) per month]. The employer shall pay the remainder of the premium cost of retirees' healthcare insurance.
5. Effective July 1, 2016, for future retirees, the number of years of retiree healthcare coverage shall be reduced from the current twelve (12) years to eight (8) years.

### **Issue 8. Proposed New Article. Demotions**

#### **Current Status**

The School Code defines the process that must be followed for certain types of demotions. Not all demotions (reduction from full time to part time) are covered under the Code. There is no language in the contract that governs this issue.

#### **Positions of the Parties**

Association Proposal:

Should it become necessary for the District to reduce current programs, the demotion shall occur in reverse order of seniority for employees currently certified in the areas of reduction.

District Position:

The District objects to the Association's proposal and does not want new language incorporated into the Agreement concerning the issue of demotions.

**Recommendation**

It is my recommendation that the status quo will be maintained with regard to this issue.

**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:  
May 20, 2014  
Camp Hill, Pennsylvania

\_\_\_\_\_  
Alex A. Kaschock, Fact Finder

Appendix A

Jim Thorpe School District							
2013-2014							
To Top	Steps	B	M	M+15	M+30	M+45	M+60/D
19	1	43,702	44,702	45,952	47,202	48,452	49,702
18	2	44,452	45,452	46,702	47,952	49,202	50,452
17	3	45,202	46,202	47,452	48,702	49,952	51,202
16	4	46,702	47,702	48,952	50,202	51,452	52,702
15	5	47,702	48,702	49,952	51,202	52,452	53,702
14	6	49,702	50,702	51,952	53,202	54,452	55,702
13	7	50,702	51,702	52,952	54,202	55,452	56,702
12	8	51,702	52,702	53,952	55,202	56,452	57,702
11	9	52,702	53,702	54,952	56,202	57,452	58,702
10	10	53,702	54,702	55,952	57,202	58,452	59,702
9	11	55,702	56,702	57,952	59,202	60,452	61,702
8	12	56,702	57,702	58,952	60,202	61,452	62,702
7	13	58,702	59,702	60,952	62,202	63,452	64,702
6	14	59,702	60,702	61,952	63,202	64,452	65,702
5	15	60,702	61,702	62,952	64,202	65,452	66,702
4	16	62,702	63,702	64,952	66,202	67,452	68,702
3	17	63,702	64,702	65,952	67,202	68,452	69,702
2	18	65,702	66,702	67,952	69,202	70,452	71,702
1	19	66,702	67,702	68,952	70,202	71,452	72,702
Top	20	68,702	69,702	70,952	72,202	73,452	74,702
Freeze							





