PENNSYLVANIA LABOR RELATIONS BOARD

NAZARETH AREA SCHOOL DISTRICT
And
NAZARETH EDUCATION ASSOCIATION
PSEA/NEA
(Fact- Finding 2015)

Case No. Act 88-15-37-E
Ralph H. Colflesh, Jr., Esq.
Fact-Finder

Appearances

For the District:
Ellis H. Katz, Esq.
Sweet Stevens Katz & Williams
New Britain, Pennsylvania

For the Association:
Corinne Fecho, Univserve Rep.
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Allentown, Pennsylvania

FACT-FINDER'S REPORT WITH RECOMMENDATIONS
FOR SETTLEMENT

Pursuant to action by the Pennsylvania Labor Relations Board and Act 88, the undersigned was appointed to serve as fact-finder in the above referenced case. Upon due notice to the parties, a fact-finding evidentiary hearing was convened at 9:00 a.m. on September 22, 2015 in the District's administrative offices in Nazareth, Pennsylvania. At that time and place both parties had an opportunity to produce testimony and all forms of non-testimonial evidence as well as arguments in support of their respective positions. At the conclusion of the hearing, the record closed, and this matter is now ready for the within Report with Recommendations for Settlement.

Last Proposals of the Association:

Term of Agreement:
3 years: September 1, 2015 through and including August 31, 2018.

Salary:
2% increase year-over-year for each year to be applied to the salary matrix, plus step increments as set forth under the current (2014-2015) salary matrix for each employee.

Long Terms Substitute Salary:
Long-term substitutes shall be paid at Step 1 of the substitute's appropriate column on the salary matrix.

Personal Leave:
The number of employees allowed personal leave on any given day shall be calculated so that it is limited to 10% of the bargaining unit in any given building (High School, Middle School, Shafer, Bushkill and Lower Nazareth Elementary Schools).

Permit carry-over of unused personal leave for each year as either sick leave or personal leave, the option to be irrevocable. Eliminate the current option of each employee to convert unused personal leave to cash on a $100 per day basis.

Limit use of personal leave to 5 days per year for each bargaining unit member.

Sick Leave:
Allow all ten sick days allotted per year for each employee to be used for illness of a spouse, child, parent, parent-in-law, sibling grandparent, grand child or "near relative" residing in the employee's household.

Bereavement Leave:
Add stepfather, stepmother, stepbrother, stepsister to list of "immediate family members." Move grandfather and grandmother from "near relative" section to "immediate family" section.

Jury Leave:
Substitute phrase "civic duty" for "jury duty" which substitution shall include answering subpoenas for a trial not for the employee's personal gain, or working as a judge of elections.

Tuition Credit Reimbursement:
Include a provision for the District and a bargaining unit member to mutually agree upon a schedule of payments in order to pay back any tuition amount owed to the District.

Vision Care:
Include a yearly eye examination for all bargaining unit members and their dependents under the District's vision care insurance program.

Work Day:
Change from 6:00 p.m. to 4:45 P.m. the time on a school day after which the District may not make a demand for services from bargaining unit members.

Change preparation time language, which currently limits use to "full days," and allows exclusion of such time on "any shortened student day," so that the exclusion would apply to "any unexpected shortened student day including but not limited to inclement weather delays or early dismissals."

Seniority:
Include prorated part-time professional service in the calculation of seniority for the purposes of retention.

Posting of Vacancies and Transfers:
Require the District to post notices of vacancies (defined as bargaining unit positions that are newly created or vacant due to resignation, retirement or termination) electronically to all staff members via District email addresses and on the District's intranet for 10 days, and further provide that a vacant position "shall be filled by the most senior bargaining unit member that voluntarily applies for the vacancy."

Medical Benefit Waiver:
See Attachment A hereto.

Healthcare Premium and Plan:
No change in any aspect of medical, prescription, dental or optical coverage and premium contributions, other than for a new "yearly" examination under the optical coverage.

Cyber Education:
Language to be supplied in the event there is no agreement on this subject.

District's Proposals*:

*The following list does not include editorial changes in the current contract, including necessary date changes, as well as changes in grammar, capitalization, spelling, etc. proposed by the District.

Recognition:
Add "learning specialists" to list of bargaining unit positions.

Term:
Same length as Association proposed term: three years, but beginning August 1, 2015, and ending July 31, 2018 to cover those work years that begin in August.

Printing of Agreement:
Change number of printed contracts from an unspecified number in the current Agreement to 6 print copies with 3 of those plus one electronic copy provided to the Association.

Fair Share:
Add language relieving the District of responsibility for deducting fair share fees from employee paychecks if the Commonwealth repeals the Public Employee Fair Share Law, PL 1993, June 2, PL 45 No. 15; 43 P.S.1102.1.

Salaries:
2015-2016: Freeze all 2015-2016 salaries at the levels they were in the 2014-2015 salary matrix without either horizontal or vertical movement. Place any new hires on the 2014-2015 matrix.

2016-2017: Increase total salaries by 1% over the total salaries generated on the 2014-2015 matrix in 2015-2016 as of January 31,

2016. The 1% increase would include the cost of both step and columnar movement. The cost of additional staff positions shall be included in the 1% increase but the additional staff positions shall increase the total amount of salary paid in 2016-2017. The total salary base for purposes of calculating 2016-2017 increases will be adjusted in the case of positions vacated before January 31, 2016 and filled after that date.

2017-2018: Same as for 2016-2017, except the date for calculating the total base salary for the bargaining unit would become January 31, 2017.

Early Retirement Bonus:
Require that employees receiving the bonus be retired and actively collecting a pension from PSERS with evidence provided to the District of same.

Increase the number of continuous years of service to the District that are necessary for the bonus from 15 to 20 immediately prior to the final year of service and eliminate credit for years of service through the Intermediate Unit.

Provide for a payment from the District of the following amounts as a contribution to the Enhanced TSA Retirement Program of the employee's choice:

> 1% of final year salary for 20-30 years of service to the District as a member of the bargaining unit for each year of service with the percentage decreasing for each year of such service as follows:
>
> 0.8% for 30-31 years of service; 0.6% for 31-32 years 0.4% for 32-33 years of service; 0.2% for 33-34 years of service; and, no bonus for 34 years of service.

Change the date of notification of early retirement from March 1 to February 1 of the final year of service.

Eliminate the payment for accrued sick days as an optional substitute for the retirement incentive.

Eliminate all Extra Duty pay.

Method of Payment (Paydays)*:
Change the first payday in September to "the first scheduled payroll in September, with the next payday to be the second Thursday thereafter. "

In the event there are 27 paydays in a year there will only be 26 paydays with an adjustment of one extra day per pay period over the last 5 pay periods.

Paydays that fall on federal holidays shall be advanced to the last business day preceding the holiday.

Allow an extension of up to two days for payroll 'in the case of an extreme emergency," examples of such events being extensive power outages or severe weather conditions limiting travel.

Require all bargaining unit members participate in a direct deposit system for payroll purposes.

*This proposal has been tentatively accepted by the Association.

Learning Specialists:
The District will retain the right to determine which Learning Specialists are needed and whether full or part time.

Provide that **full time** learning specialists will not have a normal classroom assignment and those providing services above the normal contractual day during the school year shall receive compensatory time. Learning specialists working in the summer will be paid $40 per hour for up to 25 additional hours. The District must pre-approve and determine the number of hours to be worked and time sheets must be submitted.

Provide that **part time** learning specialists will have classroom assignments and shall receive an annual stipend of $500 for providing services above the normal contractual day during the school year and $40 per hour up to 25 additional hours for work during the summer with all additional hours to be pre-approved by the District which shall determine the number of hours. Time sheets must be provided to the District. Additional hours may be approved by the District.

Teacher Leaders:
Lead Teachers may be appointed by the District under a supplemental contract upon the recommendation of the Superintendent. Lead teachers shall receive an annual stipend of $500 for, among other duties: coordination and facilitating meetings; budget development, and coordinating communication between administrators and teachers. Such tasks are anticipated to take place during the normal school day.

Teacher leaders may be used in connection with programmatic changes that require additional work beyond regular teacher leader duties and shall be compensated at an hourly rate of $40 per hour up to 20 hours during the school year and summer. Time sheets shall be required for payment, and the work must be preapproved ty the District.

Compensation for Professional Development:
Provide payment of $40 per hour for time spent on professional development beyond the 54 hours outlined in the current Agreement. The administration will determine when such additional development is needed. Employees will be required to submit time sheets and hours must be preapproved by administration.

Compensation for Program Development:
Work required on program development over or separate from the required 54 hours of professional development shall be compensated at the rate of $40 per hour with time sheets required and the work determined and preapproved by administration.

Long Term Substitutes:
Change definition from a minimum of 45 days of work to 70 days, with “days” meaning student instructional days.

Exempt long term substitutes from medical, prescription, dental, vision, life insurance or income protection benefits except as may be required by law. Delete provisions to the contrary.

Prorate the number of sick and personal days long term substitutes are eligible to use.

Personal Leave:
Change the number bargaining unit members eligible to take personal days each day from 6 to 7 at the high school; 6 at the Intermediate School, and from 4 to 3 each at Shafer and Bushkill and Lower Nazareth.

Reduce the number of personal days available each year from 3 to 2.

Sick Leave:
Allow for unused sick leave to accumulate from year to year without limitation, as per current practice.

Exclude any obligation of the District to pay full salary for any absence caused by sickness or injury that is covered by workers compensation, and give the District the right to recover any salary paid for periods covered by workers compensation benefits.

Provide for District to require a doctor’s note verifying illness or disability and require proof of ability to return to work after an absence of 3 or more days.

Provide that when a physician's statement is required and not produced the time absent relative to the District's requirement shall equate to an abandonment of duties.

Jury Duty:
Allow employees to retain any compensation received for jury duty and continuation of all benefits during term of jury duty.

Provide for written proof of service of length of jury service.

Child Caring Leave:
Provide that the leave is for one calendar year and includes any sick or FMLA leave relating to the child care request that were taken prior to the commencement of the child caring leave.

Require 20 days' work days' notice of desired date of return.

Provide that bargaining unit members who resign at end of child caring leave shall be required to reimburse the District all medical, prescription, vision, dental, life and income protection insurance that was provided during the leave which included any sick and FMLA time.

FMLA Leave:
Provide that FMLA leave shall be offered concurrently with all compensated time off and that bargaining unit members who resign at end of FMLA shall reimburse the District for all medical, prescription, vision, dental, life insurance and income protection insurance that was provided during the FMLA leave.

Tuition Credit Reimbursement:
Provide that courses be pre-approved by the District and that courses not pre-approved will not be considered for reimbursement.

Establish a lifetime maximum tuition reimbursement amount at $15,000.00, to include any tuition reimbursement that may have been previously paid by the District. Continue the current annual limit of $3,000 per year for each bargaining unit seeking reimbursement.

Provide that if an employee leaves the District within 3 years of receiving tuition reimbursement he or she will pay back the said amount as follows: 100% if the departure is within 1 year, 75% if the departure is within 2 years, and 50% if the departure is within 3 years.

Group Term Life Insurance & Income Protection Plan/Sick Leave:
Provide that claims will be handled in accordance with the terms of the policy which may be modified from time-to-time.

Medical, Prescription Drug, Vision, and Dental Benefits:
Delete provisions in the current Agreement in their entirety and replace with District Proposal attached hereto as Appendix B.*

Also add a provision for parties to bargain over any increases imposed by the federal Affordable Care Act and for bargaining unit members receiving benefits to pay for any such increase in full in the even no negotiated alternative is reached.

*Although set forth in Appendix B, it is worthwhile summarizing the more salient points of the District's proposal:

a. The PPO the District is proposing as an option in year one of the new contract and as the only plan thereafter has no family deductible maximum, except as may be provided by law.

b. The PPO would change prescription deductibles from $5/10 to $10/30/50 for generic, brand, and non-formulary, respectively and would raise the 90-day supply costs to $20/60/100.

c. The dental and vision coverage dependent eligibility age would be decreased from 25 to 21.

d. Spousal coverage would be eliminated if an employee's spouse were eligible for medical coverage elsewhere, regardless of the cost or plan-design of such other coverage.

e. The District's proposal would eliminate coverage for part-time employees, all of whom, regardless of the amount of time worked, are currently eligible for coverage.

f. In the event the Affordable Care Act (the "ACA") requires an excise tax on the medical plan, employees then enrolled shall be responsible for the entire tax. Further, if the ACA forces changes in the medical plan that cause a "significant" increase in costs of the plan, the parties will negotiate over such changes and their consequence and failing agreement the employees shall pay the entirety of any increased costs to the plan incurred by such ACA changes.

g. The PPO would have a deductible applicable to services without a co-payment requirement of $500 per person with no family maximum, except that the ACA imposes an in-network out-of-pocket maximum of $6,600 for individuals and $13,200 for families as to both medical and prescription expenses. Out-of- network costs include a co-payment of 20% up to a maximum of $2,000 with a family maximum of $6,000.

h. Among other prescription drug restrictions, the PPO would require the dispensing of generic drugs unless prescriber has mandated a brand and has prior approval from the plan's pharmacy administrator.

Insurance Coverage for Retirees:
Replace current provisions with provisions that allow retirees who have been covered by benefits while employed to continue to be so covered, with their dependents, at their pre-retirement levels at their own expense until Medicare eligibility. Retirement will be defined as actively collecting a pension from PSERS after 25 years of service under PSERS and 20 years of consecutive service with the District. Employees meeting that definition will be able to take medical insurance coverage only for themselves at District expense for a maximum of three years from retirement or up to the date of their Medicare eligibility, whichever occurs first.

Salary Deductions:
Add language providing that employees absent without pre-approval for other than a sick day shall be suspended for no less than 5 days without pay or benefits.

Dues Deductions:
Require that the Association give the District a list of names and amounts to be deducted for Association dues by September 15 of each year and provide for discontinuance of such deductions by the District if such discontinuance is authorized by law.

Delete provisions relating to the printing of payroll deduction authorization forms and distribution by the Association of payroll authorization cards.

First Commonwealth Federal Deductions:
Delete this provision.

Travel:
Remove reference to "other employer business" from travel for which the District will reimburse employees.

Hours of Work and Other Conditions of Employment:
Provide that all meetings shall begin no later than one-half hour after the end of the normal work day and that bargaining unit members must attend unless having prior approval from the administrator running the meeting.

Increase limit on duration of meetings other than faculty meetings from 1 ½ to 2 hours.

Provide for rescheduling of meetings as needed with at least 7 calendar days' notice except for faculty meeting which may be rescheduled at the discretion of the building principal.

Provide that the administration keeps a record of employees singing the attendance sheet for such meetings and that those not signing the sheet by the end of the meeting shall not receive credit for attending and further prohibit employees for signing in for each other.

Delete 48-hour advance notice requirement for meetings after the close of the normal work day for instructional support or teacher/parent meetings called by the principal and delete compensation for such meetings.

Change latest time for a scheduled parent/teacher meeting from 4:00 p.m. to 4:30 p.m.

Extend length of time for employee dismissal in an early closing situation from 15 to 45 minutes.

Change definition of "uninterrupted preparation time" so such time is not limited to the activities listed in the current Agreement and provide that activities during such time are given priority over other student-related activities that pay additional compensation.

Work Year:
Delete provisions that count in-service days toward the required 54 hours of professional development.

Provide for changes regarding the two weeks prior to Labor Day Monday and new Professional Development language attached hereto as Appendix C.

EPED Program:
Eliminate Appendix F relating to the EPED Program.

Data Material to this Dispute:
The Association presented unrebutted evidence that the District is in excellent condition financially. Among the Association's cited facts:

> The District tax effort as measured by the percentage school taxes to market value of properties in the District has decreased since 2004, when the percentage was 2.44%. to 2013, when it was 1.7%;
>
> At the same time, the District's area local tax is the third lowest of all Districts in Lehigh and Northampton Counties, and its local tax effort is the lowest in Northampton County;[1]
>
> The District's total assets are over three time greater in value than its total liabilities, and the difference has been growing over the last four years (2011-2014);
>
> The surplus between the District's ending fund balances, taken as all funds whether encumbered, restricted or totally uncommitted and the District's total budgeted expenditures, is 164% of the ratio recommended by the Commonwealth's Auditor General;
>
> The District's total ending fund balances has grown from 14.2 % of revenue to 20.6% of revenue in the last five years;
>
> In 2014 the District's ending fund balance was 20.61% of its total expenditures;
>
> On average over the last five years, the District had ended each year with an actual ending fund balance 52% greater than the budgeted ending fund balance;
>
> Over the last 5 years, the District has overestimated expenses by an average of 2.4% or $ $1.6 million.
>
> In addition, the District has budgeted salary increases of 2.1% for the 2015-2016 school year. At the same time, bargaining unit total salaries as a percent of total expenditures have declined from 45.5% to 41.9 % between over the last six years.
>
> The bargaining unit is well compensated relative to other public education units in its area. Its current top salary is nearly more than 10% greater than the average top salary in Northampton and Lehigh Counties, and its current starting salary is about 10% higher than the average for those two counties. Its percentage salary increase for the present year over the one prior is 2.1% greater than the average in Northampton County and 2.2% greater than the average in Lehigh and Northampton Counties combined.
>
> On the other hand, the District's average salary, which very much is a function of length of service, is second to last in Northampton County and below the average of both Lehigh and Northampton Counties.

[1] The use of Lehigh County districts as comparators is appropriate since there are only seven District's in Northampton County in which the District is located.

Finally, the average salary increases for school years 2-15-2016 through 2017-2018 for districts having contacts for those years is 2.13%, 2.53%, and 2.20%.[2]

Analysis of the Parties' Chief Proposals:
The two proposed areas of change that are significant for this case are salaries and medical benefits (including prescription, dental, and vision care).

Salaries

The Association has provided estimates of additional costs inherent in its proposals in salary versus the costs of the District's proposal. As with the general data cited above, the District does not refute the Association's estimated comparable costs.

As to salaries, the Association proposal calls for an increase cost of about $1.77 million, $1.78 million, and $1.475 million for years 2015-2016, 2016-2017, and 2017-2018, respectively. These increases include "run up" costs driven by salary for Social Security, Medicare, and pensions. The costs also include a $700 "bonus" in 2015-2016 which was not included in the issues submitted to the undersigned prior to the fact-finding hearing on September 22, 2015.[3]

According to the Association, the comparable District salary proposal for the agreed upon three years of the new contract would cost $523,325, $725,972, and $386,895.

In terms of percentages off the base 2014-2015 contract year, the Association's proposal on salary would be an increase of 6.72% in the first year, followed by increases of 6.23% and 4.43% for each of the other two years over the preceding year.

The District's comparable increases would be 1.99%, 2.7% and 1.4% for each year over the cost of the preceding year.[4]

The average dollar differences between the Association's and District's proposals would be $1,129,869 over the three years of the new contract.

Medical Including Rx, Dental, and Vision

The Association has proposed a continuation of the status quo. The District, on the other hand, is proposing a wholesale change in health insurance. It seeks to terminate the current traditional indemnity plan with a Preferred Provider Organization (PPO) plan.

The District has proposed that during the 2015-2016 year both the traditional and PPO plans would be available with the PPO entirely supplanting the traditional plan in 2016-2017 and thereafter. The District estimates that costs under the traditional plan, would decrease from what the Board says is an annual cost of $6,201 for single coverage and $17,364 for family coverage to $5,422 and $15,183, respectively in the first year of PPO coverage. Therefore employee contributions to the costs, which are percentages of cost under the current contract, would decrease also. Employee premium sharing, which the Association estimates as $92 and $117 per month for single and family coverage respectively, would change to a flat 7% of what is known as the average 5-tier COBRA rate (without the permitted 2% COBRA administrative fee). It is not clear from the record what percent of the current premium is paid by employees, but using the monthly dollar premium amount asserted by both parties for the current traditional plan the percentages can be algebraically determined as 17.8% for single coverage and 8.08% for family coverage. It would appear, therefore, that employee contributions would decrease under the PPO. However, as set forth above in the discussion of the District's proposals and as seen in the Appendix B, the PPO has significantly higher deductibles and co-payments, has substantial restrictions on dependent coverage, and is highly managed.

Analysis and Recommendations for Settlement:
In some long-ago labor case that I vaguely recall, a judge or justice observed an eternal maxim: employers constantly seek more and more work for less and less compensation, and employees constantly seek more and more compensation for less and less work. I am reminded of that here. This case involves an already relatively well compensated bargaining unit that is looking for improvements to benefits and an overall wage increase that exceeds contemporary norms, and a District that continually ends each year with cash

[2] For 2017-2018 only one Northampton County district, Wilson Area, has a contract.
[3] All the Association's figure assume a constant bargaining unit census of 343.1 members.
[4] The District's "salary" costs would increase in 2015-2016 over 2014-2015 despite the District's proposal for a complete salary freeze (no "cell increases, no vertical movement, and no horizontal increases on the salary matrix) due to rising social security/Medicare and pensions costs.

balances—even those completely unencumbered—well in excess of what is necessary and has a population that carries a relatively light local school tax burden.

These observations are not meant to criticize the good motives of either side. Each is simply doing what it feels is best for its constituents by following the maxim cited above. That makes the prospects for my real aim here—to move the parties to a settlement—both easier and harder. While the Association has presented much data to support its positions, it offers little rationale that is compelling for the recommendation of any of its proposals. And the same is true of the District, which has offered little data and whose rationale is simply that compensation must be more restrictive out of concern for the future.

Despite the welter of proposals from both sides, it is apparent to me that there are two key areas of contention and a few others that properly need some modification.

The first of those is **salary**. Briefly stated, even according to its own data, the Association's proposed increases are beyond the area norm. The Association's first year costs would increase salary and correlated roll-up costs by 6.72%, despite the modest appearance of its 2% plus step increment offer. The next year (2016-2017) the Association's proposal would burden the District with an additional 6.32% in salary and related charges, and the third year (2017-2018) costs would amount to an additional 4.39%. Much of the increases is traceable to the longevity increment movement built into the salary matrix because relatively few of the District's teachers are at the top of their longevity pay grades.[5]

Could the District bear these costs? Apparently, given the District's $14.5 million actual general fund balance in 2014, and its own estimated general fund balances of $10.5 million and $13.7 million for 2015 and 2016, respectively. In this regard, it should be remembered that, as shown above, the District has consistently underestimated revenue, overestimated expenses, and consequently underestimated ending balances. In addition, the District's ending general fund balances have nearly tripled since 2010.

But should the District bear these costs? The Association's answer is "yes" based apparently on the implicit principle that if the District *has* the money it should *spend* the money. However, there seems to be no compelling reason why it should. The Association currently has the highest starting salary in the comparison group of Lehigh and Northampton Counties, the highest top step Master's salary, and the highest overall maximum salary, and all these figures are for 2014-2015 compared largely against 2015-2016 figures for the comparator districts. Additionally the salary (including step movement) percentage increases sought by the Association are in excess of the averages realized by reporting bargaining units in Lehigh and Northampton Counties by 2.44% and 1.76 % for years 2015-2016 and 2016-2017, when weighted for bargaining unit size.[6]

Given all these data—including salary movement in other districts—I conclude that the Board's proposal of complete wage freeze for 2015-2016 is without justification, but that the Association's proposal for a 2% wage increase plus step movement is equally unreasonable. The same is true for the parties' proposals for the years 2016-2017 and 2017-2018. In particular, as pointed out by the Association, the District's salary proposal for those years would have the effect of lowering salaries in the matrix cells because after step movement there would not be enough money to maintain—much less increase—them.

My recommendation is for salary to be increased by 3.6% inclusive of increment costs for 2015-2016; and increased further by 3.7% inclusive of increment costs in 2016-2017; and increased further by 3.7% inclusive of increment costs for 2017-2018.

As to **medical benefits**, including prescription, dental, and vision, the District has proposed a sweeping and dramatic change that would eliminate the existing traditional plan and replace it with a PPO with severe restrictions on coverage and multiple increased costs for usage. All this is done, as the Association correctly points out, with no data that demonstrate the need for such change—such as relentlessly dramatic cost increases—or even convincing estimates of compelling cost savings.[7] Given those simple facts and the very substantial changes that would impose increased costs on the bargaining unit, it is difficult to find for the District's medical proposal in general. However, I see two areas in which the District's medical insurance proposal is inherently justified, albeit with some modifications.

The first is its proposal to eliminate part-time coverage. Put simply, providing part-time workers with full-time benefits on the same basis as full-timers is absurd, and public money should not be expended in such a fashion. Instead, the District should be able to

[5] The step movement costs for each of the three years of the new contract are 2.46%, 2.56%, and 2.51%, respectively.
[6] In sufficient data is available for a reasonable computation of the 2017-2018 differences.
[7] As stated above, the District estimates a cost saving of about $1,100 per year for family coverage and about $700 per year for single coverage. The District is a member of a health insurance trust and therefore is effectively self-insured so cost saving estimates are not based on established premiums.

eliminate coverage for those working less than half-time and charge part-time employees a pro-rata share of the premium contributions imposed on full-time workers, based on the number of hours part-timers work. Thus, a one-half time bargaining unit member would pay double the premium contribution of a full time employee, and a one-quarter part-time worker would pay triple the contribution, etc. for the same coverages that full-timers enjoy.

Second, the District should have the right to seek at least some of any additional health insurance costs imposed by the ACA, but only through negotiations with the Association and failing a negotiated agreement as to the sharing of those costs, submitting the matter to final and binding arbitration.

Third, the inclusion of dependents on the District's prescription and dental plan through age 25 is unjustifiable. "Children" are no longer children at ages 24 or 25 and there is no reason the District should be forced to treat them as such.

My recommendation as to health care is that no change be made to the existing benefit plan for medical, prescription, dental or vision coverage except as follows:

a. **The District should be able to eliminate coverage for those working less than half-time and charge other part-time employees a pro-rata share of the premium contributions imposed on full-time workers, based on the number of hours part-timers work.**

b. **The District should be able to seek at least some of any additional health insurance costs imposed by the ACA through negotiations with the Association and failing a negotiated agreement as to the sharing of those costs, through submitting the matter to final and binding arbitration.**

c. **The District should have the right to reduce the age for inclusion of dependents on the District's prescription and dental plan to 23 as long as that dependent is enrolled either as a full time high school or college student or in some recognized institution for post-secondary education.**

I find the District's proposals on including any paid leave that is taken for what would be FMLA leave as part of the employee's FMLA leave. Given the traditional shortness of the school year, it is reasonable to encourage the shortest leaves possible so that instruction by an individual teacher and student rapport between that teacher and students will not be interrupted any longer than necessary.

I further find the District's proposal to secure pro-rata reimbursement for tuition payments made within 3 years of an employee's departure from the District to be reasonable except where the departure is caused by a divorce, need to attend to the medical condition of a parent or child, transfer of a spouse's job, service in the armed services of the United States, or for medical reasons. The District's payment of tuition charges is based on the expectation that the employee's advanced education and training will benefit the District over a period of time. Departures within 3 years of payment frustrate this purpose.

Further, I find the District's proposal on the **computation of FMLA leave time** and for **reimbursement of benefits paid while on FMLA leave** in the event the employee does not return to be reasonable, with slight conditions.

My recommendation is that the District have the right to require that any available paid sick leave be taken and count toward FMLA leave.

My further recommendation is that the District have the right to secure pro-rata reimbursement for tuition payments made within 3 years of an employee's departure from the District; provided however, that where the departure is caused by a divorce, need to attend to the medical condition of a parent or child, transfer of a spouse's job, service in the armed services of the United States, or for medical reasons reimbursement such reimbursement may not be sought.

Finally, my recommendation is that all other proposals made by either party not be part of the new contract.

Respectfully submitted this 28th day of September 2015 by:

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Ralph H. Colflesh, Jr., Esq., Fact-finder

APPENDIX A

APPENDIX B

APPENDIX C