

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE FACT FINDING BETWEEN

RIVERSIDE SCHOOL DISTRICT

-AND-

CASE NO. ACT 88-15-31-E

RIVERSIDE EDUCATION ASSOCIATION, PSEA/NEA

FACT FINDING REPORT AND RECOMMENDATIONS

APPOINTED: July 21, 2015

FACT FINDER: John C. Alfano, Arbitrator & Mediator

FOR THE EMPLOYER:
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PRELIMINARY STATEMENT

The **UNDERSIGNED**, appointed by the Pennsylvania Labor Relations Board (“Board”), pursuant to Act 88 of 1992, received written arguments and exhibits on August 21, 2015 supplemented by oral argument telephonically on August 26, 2015.

BACKGROUND

Riverside School District (“District”) provides K-12 education to approximately 1600 students in the boroughs of Moosic and Taylor, Pennsylvania. There are three educational facilities, Riverside Elementary East School, Riverside Elementary West School and Riverside Junior/Senior High School.

The Collective Bargaining Agreement (“Agreement”) was executed on June 15, 2009 covering the period from September 1, 2008 to August 31, 2013. The parties have been without a successor Agreement through the 2013-2014 and 2014-2015 school years and are beginning the 2015-2016 school year without an Agreement. During the expiration period, the terms and conditions of employment have been established by the terms of the expired Agreement under the *status quo* principle. The parties used mediation with mediator Daniel A. O’Rourke when direct bargaining failed to bring about an Agreement and before the dispute was submitted to fact finding on July 15, 2015. On July 21, 2015, the Pennsylvania Labor Relations Board (“PLRB”) approved and appointed the undersigned as the Fact Finder. The Report is due on or before August 31, 2015.

During bargaining and mediation, the parties entered into tentative agreements on part or all of each of the following Articles, which are attached and incorporated as part of the fact finding report.

TENTATIVE AGREEMENTS

Article I - Term of the Agreement

Article II - Fringe Benefits

Article IV - Teacher Work Year

Article V - Homebound Instruction

Article X - Extra Duties

Article XV - General Provisions

Article XVI - Curriculum

Article XVIII - Preparation Period

Article XXI - Centralized Record Keeping

Article XXXVI - Tuition Reimbursement

Bereavement Leave Form

Exhibit "B" Extracurricular Activities

Following is a consolidated list of the Issues in Dispute submitted by the parties:

1. Article II - Insurance Program
- Article IX - Salary & Exhibit A
- Article XXIV - Ratings
- Article XXXV - Early Retirement Incentive Program
- New Article - Professional Staff Reduction

ISSUES IN DISPUTE

After reviewing the data and exhibits and considering the arguments in support of the parties' positions on the issues, the Fact Finder makes the following analysis and recommendations:

Issue No. 1: Article II - Fringe Benefits

Position of the District:

Board Proposal:

Article II - Fringe Benefits

B. INSURANCE PROGRAM

(1) Hospital and Medical Service Plan

The District agrees to pay the premium, for each member of the bargaining unit on the active payroll and their dependents, for a group Hospital and Medical Service Plan which will have unlimited coverage for In-Network (Preferred) and a maximum coverage of One Million (\$1,000,000) Dollars for Out of Network (Non-Preferred). The plan summary for such services is attached hereto and made a part hereof. This plan will provide student rider coverage up to age 26 for dependent children. The health insurance plan shall also include a Five Hundred (\$500.00) Dollar annual first dollar deductible, maximum of two (2) per Family (\$1,000.00). Deductible would apply to all claims other than Doctor visits, prescriptions filled through Mail Order or Pharmacy Network, Emergency Room visits and other benefits with co-pay identified specific to benefit. Maximum two (2) deductibles per family; no one person pays more than the individual Five Hundred (\$500.00) Dollar amount. One family member must satisfy the first Five Hundred (\$500.00) Dollar deductible. No family pays more than the aggregate family amount. The second Five Hundred (\$500.00) Dollar deductible may be met by multiple family members contributing to the second deductible.

Enrollment in the plan is voluntary. A Fifteen (\$15.00) Dollar co-pay per doctor office visit and a Thirty-Five (\$35.00) dollar co-pay per Specialist office visit as well as a Fifty (\$50.00) dollar co-pay for out-patient emergency room visits are included components of the plan. Enrollment in the Health Insurance Plans will be for a minimum one (1) year term. Change in enrollment may only take place during the open enrollment period after notice. The District will pay the premium for each member of the bargaining unit on the active payroll, including eligible dependents, during any period of enrollment.

Employees covered by a spouse's plan may dis-enroll and will receive Three thousand Dollars (\$3000.00) payable in two (2) installments, one being by separate check the last pay in December and the second being by separate check the last pay in June.

Employees who choose to dis-enroll from the insurance plans must dis-enroll from all. Dis-enrollment from the Prescription Drug program will be subject to approval by the carrier.

(3) Prescription Drugs

(a) The District agrees to pay 100% of the premium of a Prescription Drug Program for each eligible employee on the active payroll and their eligible dependents. The prescription drug plan shall include oral contraceptives and a student rider providing coverage for dependent children up to age 26.

(b) The prescription drug benefit shall include a tiered Co-pay of \$10.00/\$25.00/\$40.00; there shall be no co-pay for prescription drugs ordered through the approved Mail Order vendor for a ninety (90) day supply.

The District has been self-insured for healthcare claims since June 2009. On June 30, 2014, the District carried a stop loss policy limiting its liability for any one specific claim to \$75,000 and an aggregate excess loss with a minimum annual aggregate deductible of \$2,335,167, a maximum aggregate benefit (excess of annual aggregate deductible) of \$1,000,000, a specific excess loss with a specific deductible of \$75,000 and a maximum specific benefit (per person in excess of specific deductible) of \$1,925,000. During the year ended on June 30, 2013, employees of the District were covered by the District's medical self-insurance plan. The District contributed \$2,551,375 to the plan during the year ended June 30, 2013.

The current CBA provides for a Ten (\$10.00) Dollar co-pay per doctor office visit and twenty (\$20.00) dollar co-pay per Specialist office visit as well as thirty-five (\$35.00) dollar co-pay for out-patient emergency room visits are included components of the plan. The District proposes to raise the co-pays for doctor visits by five (\$5.00) dollars and by fifteen (\$15.00) dollars for Specialists and Emergency Room Visits. In addition, there is a five hundred (\$500.00) dollar annual first dollar deductible with a maximum of two (2) per family (\$1,000.00).

The proposal provides a benefit comparable to other employers in the area. The movement from a traditional premium based plan to self-insurance has helped reduce costs. However, with the current employee population, health care costs continue to rise in today's market. The District's proposal will help reduce costs without a significant burden on employees. The current contracts for the Superintendent, Business Manager and Act 93 Employees all contain language that has higher costs for them than the proposal for employees. In 2018, to avoid a 40 percent federal tax that will assess penalties for insurance and related perks valued at more than \$10,200 for singles and \$27,500 for families, the District proposed modest co-pay increases and the addition of deductibles for health care expenses to slow premium growth which have increases over \$551,173.21 since inception in 2009.

Finally, with respect to the prescription drug co-pays, the District is proposing tiered co-pays of \$10.00/\$25.00 /\$40.00 in addition to the minor increase. However, the co-pays may be avoided by employees ordering prescription drugs though the approved mail order vendors for a ninety (90) day supply. It's probable that employees' cost for maintenance and other prescription drugs ordered by mail will be less than what the current benefit provides.

The District seeks the proposed co-pay and deductible increases to ensure the District can continue to provide quality benefits for all employees in the face of significant health insurance claims and rate hikes.

Position of the Association:

The District's proposal shifts a large burden of healthcare to employees during a time when the District's overall health insurance costs associated with the bargaining unit have decreased because employees have used the plan reasonably. To recommend any change in healthcare is the equivalent of saying to employees, "Well done, now pay more!"

Similarly with respect to prescription drugs. The formula in the Agreement increases employee co-pays as the districts expenses increase. However, the maximum increase permitted by that formula has not been reached since the Agreement went into effect in 2009, clearly demonstrating that increased costs have not been consequential.

In summary there is no valid reason to shift increases for doctor visits and prescription drug co-pay and deductibles to employees.

Analysis and Opinion:

With respect to doctor visit co-pays, I recommend the District's proposal to increase from \$10 to \$15 for doctors office visits, \$20 to \$35 for specialists office visits, and \$35 to \$50 per for emergency room visits. I recommend the District's proposal for drug co-payments being increased and tiered in the following manner, \$10.00/\$25.00 /\$40.00. This is a common and effective means to continue to provide a valuable benefit with a moderate cost to employees. The Association is not persuasive arguing that the increases are unnecessary cost shifting, because the co-pay increases since 2009 have not reached the maximum permitted by the Agreement. However, employees may avoid co-pays by ordering from approved mail-order suppliers. This benefit is especially an improvement for maintenance drug prescriptions, generally the most costly reoccurring individual's expense. Finally, the cost for prescriptions for the few times employees may need a prescription immediately most likely will be off-set by mail-order savings for their other prescriptions.

I also recommend a single first \$500 first dollar deductible attached to all claims. Although employees will see an increase cost for health insurance use, the District will continue to pick up the full cost of premiums for the duration of the proposed Agreement. Moreover, because the District is self-insured, the deductibles are direct cash savings for the District.

Health insurance is a major portion of employee costs that the District has been able to control by self-insuring. The recommended changes will help slow down those costs while the employees will continue to receive a reasonable benefit.

Recommendation:

Replace the current Article II. B (1) and (3) with the following (changes are in **bold**):

Article II - Fringe Benefits

B. INSURANCE PROGRAM

(1) Hospital and Medical Service Plan

The District agrees to pay the premium, for each member of the bargaining unit on the active payroll and their dependents, for a group Hospital and Medical Service Plan which will have unlimited coverage for In-Network (Preferred) and a maximum coverage of One Million (\$1,000,000) Dollars for Out of Network (Non-Preferred).

There is a single five hundred (\$500) Dollar annual first dollar deductible, applied to all claims except doctor visits, prescriptions, emergency room visits and other benefits with co-pay identified specific to benefit. The plan summary for such services is attached hereto and made a part hereof. This plan provides a student rider coverage up to age **26** for dependent children. Enrollment in the plan is voluntary. A **Fifteen (\$15.00)** Dollar co-pay per doctor office visit and a **thirty-five (\$35.00)** dollar co-pay per Specialist office visit as well as a **Fifty (\$50.00)** dollar co-pay for out-patient emergency room visits are included components of the plan.

Enrollment in the Health Insurance Plans will be for a minimum one (1) year term. Change in enrollment may only take place during the open enrollment period after notice. The District will pay the premium for each member of the bargaining unit on the active payroll, including eligible dependents, during any period of enrollment.

Employees covered by a spouse's plan may dis-enroll and will receive Three Thousand Dollars (\$3000.00), **payable in two (2) installments, one being by separate check the last pay in December and the second being by separate check the last pay in June.**

Bargaining unit members who choose to dis-enroll from the insurance plans must dis-enroll from all. Dis-enrollment from the Prescription Drug program will be subject to approval by the carrier.

(3) Prescription Drugs

(a) The District agrees to pay 100% of the premium of a Prescription Drug Program for each eligible employee on the active payroll and their eligible dependents. The prescription drug plan shall include oral contraceptives and a student rider providing coverage for dependent children up to age **26**.

(b) All currently retired employees including bargaining unit members whose effective date of retirement is September 1, 2000, or earlier, shall not be subject to the increased deductible for prescriptions. Such retired employees shall continue to pay a \$1.00 deductible for each prescription filled.

(c) All currently retired employees, including any bargaining unit member whose retirement is effective September 1, 2000, or earlier, shall not be subject to the major medical exclusion for the prescription drug co-pay. All such retired employees, whose retirement is effective September 1, 2000, or earlier, shall continue to submit all covered prescription drug costs to Blue Cross/Blue Shield major medical for reimbursement under the same terms and conditions in force on the effective date of retirement.

(d) **The prescription drug benefit shall include a tiered co-pay of \$10.00/\$25.00/\$40.00; there shall be no co-pay for prescription drugs ordered though the approved Mail Order vendor for a ninety (90) day supply.**

Issue No. 2: Article IX - Salary; Exhibit A

Association proposal:

IX. Salary

Year 1: 2013-2014 - The payroll shall be increased by 3.72 percent over the previous year's payroll as provided for in the salary schedule developed by the Association.

Year 2: 2014-2015- The payroll shall be increased by 3.72 percent over the previous year's payroll as provided for in the salary schedule developed by the Association.

Year 3: 2015-2016 - The payroll shall be increased by 3.72 percent over the previous year's payroll as provided for in the salary schedule developed by the Association.

Year 4: 2016-2017 - The payroll shall be increased by 3.72 percent over the previous year's payroll as provided for in the salary schedule developed by the Association.

Year 5: 2017-2018 - The payroll shall be increased by 3.72 percent over the previous year's payroll as provided for in the salary schedule developed by the Association.

The Association's proposal is reasonable but not excessive, because it generally maintains, in some cases losses, wage positions relative to other districts in the surrounding area. On the other hand, the District's proposal will move wages farther down. For example, during the final year of the expired Agreement, the BA starting rate ranked approximately in the middle of the area wage scales, while the MA top ranked in the bottom. Both the Association's and the District's proposals will move them somewhat lower on the BA comparisons and keep them at the bottom of the MA top in comparison to the surrounding districts. The District's proposal to eliminate the intermediate salary scale pay columns is unnecessary. The increases proposed will provide stability in the salaries. It will allow professionals to move one step upward on the schedule should they not have already achieved the maximum position.

Position of the District

District proposal:

IX. Salary

Year 1: 2013-2014 - There shall be no payroll increase over the previous year's payroll as provided for in the salary schedule developed by the District.

Year 2: 2014-2015 - There shall be no payroll increase over the previous year's payroll as provided for in the salary schedule developed by the District.

Year 3: 2015-2016 - The payroll shall be increased by 1.75 percent over the previous year's payroll as provided for in the salary schedule developed by the District.

Eliminate: MA + 15; MA + 24; MA + 45; and change MA + 75 to Doctorate

Year 4: 2016-2017 - The payroll shall be increased by 2.25 percent over the previous year's payroll as provided for in the salary schedule developed by the District.

Year 5: 2017-2018 - The payroll shall be increased by 2.75 percent over the previous year's payroll as provided for in the salary schedule developed by the District.

The District's wage increase is reasonable given the other budget demands and weakened financial position from increased pension costs, Act 1 maximum tax increases, charter school costs, extremely low fund balance and special education costs increasing while state funding remains flat. Even with all the financial difficulties, the District's primary goal is to treat all employees equitably with an Agreement that is fair to teachers and taxpayers.

The District's proposal to increase the pay scales in the third through fifth years will cost \$485,021 above current costs. When retirement and social security are added in, the estimated cost of the proposal is \$1,164,336 with an 11.64 mill rate cost over its life, not including horizontal increases for earned college credits and degrees. By comparison, the Association's five year proposal's cost is \$2,253,752. With retirement and social security the total is \$3,258,513 with a 22.58 mill rate cost. The proposal to eliminate the additional credit pay increases for future employees is necessary, because they cost approximately 2% per year in addition to the District's proposed general salary increase.

Charter school costs have risen from approximately \$150,000 in 2009 to almost \$350,000 in 2013. This is education money taken off the top of the budget before any District's costs are considered. Mandatory increases to retirement contributions have gone from 5.64% in 2010-2011 to 21.4% for 2014-2015 fiscal years. Although those costs will increase, the increases will be suppressed by rate caps. In addition, the District is projecting a \$554,875 budget shortfall in next year's general fund operations, and the 2015-2016 budget assumptions did not include a salary increase as the Association was advised that if bargaining were not concluded by April 15, 2015, the District would not be able to calculate salary increases for the 2015-2016 contract year.

Analysis and Opinion:

Neither party's proposals will move wages up relative to surrounding districts. Although the District has financial challenges, they are not much different from what others have been experiencing. The fund balance, although low, is under the control the District to maintain and use as it chooses. However, I have considered it when I have arrived at my recommendations. On the other hand, the Association's proposal to recoup wage increases not received due to the inability of the parties to negotiate a timely Agreement is fair but not reasonable given the cost and economic position of the District. I cannot turn back the clock. By using the Association's proposal, the costs will be a 7.44% straight line increase and 11.16% cumulatively for the 2013-2015 years. After I have considered the evidence and argument, I am recommending that there be no increase for the 2013-2014 and 2014-2015 contract years, and a total increase, including a step increase, of 3% for each of the contract years starting with the 2015-2016, 2016-2017 and 2017-2018.

The aggregate cost for my proposal is \$651,762 or \$166,762 more than the District's or an average difference of \$55,587 per year. The Association's proposal is \$749,370 more than \$149,874 per year over 5 years because it is retroactive to 2013. My proposal is affordable given the changes recommended for health insurance and retirement incentive.

I do not recommend the District's proposal to eliminate the +15, +24 and +45 pay rates, because the changes the parties have tentatively agreed to Article XXXVI, Tuition Reimbursement may materially limit the number of employees qualifying for those pay scales and reduced costs. However, I do recommend changing the MA +75 to a Doctorate Degree for employees not already being paid on that scale for credits not leading to a degree.

The recommendations are fair and reasonable to both parties who need to move forward without contract negotiations holding them back.

Recommendation:

Contract year 2013-2014: No Change

Contract year 2014-2015: No Change

Contract year 2015-2016: A step increase for those not at top and base rate increase, the total not to exceed 3%. MA+75 becomes Doctorate

Contract year 2016-2017: A step increase for those not at top and base rate increase, the total not to exceed 3%.

Contract year 2017-2018: A step increase for those not at top and base rate increase, the total not to exceed 3%.

Issue No. 3: Article XXIV – Ratings

Position of the Association:

Association proposal:

Article XXIV Ratings

So long as the rating and evaluating of teachers is required by the *School Code of the Commonwealth of Pennsylvania*, the following shall apply.

1. All formal evaluations/observations or walk through evaluations/observations time and date shall be provided no later than two full school days prior to the observation. If the person to be evaluated/observed has a valid reason that such a time or date will not provide for a reasonable opportunity for a comprehensive evaluation/observation, then the evaluator/observer and the evaluated/observed shall agree on mutually agreeable time and date. No evaluations/observations shall take place on a day in which a delay of the school start time occurs or on a day in which school will end time is modified.
2. No person shall be rated unsatisfactory based solely on student test scores.
3. A person subject to evaluation/observation shall be permitted to choose either the formal evaluation process or the differentiated supervision model. Such choice will be communicated to the building principal.
4. Should a person choose the differential supervision model, the District Representative and the person shall mutually agree upon the project which will be evaluated/observed. Should the District Representative and the person fail to reach agreement, each will put their recommendation into writing into an appropriate container

and then the person shall draw one which becomes the project. Once the project is established it shall not be changed except by mutual agreement of the District Representative and the person.

5. A committee made up of an equal number of District representatives and Bargaining Unit Members, the District shall appoint their representatives and the Association shall appoint their representatives, shall be involved in setting goals, measures, indicators, and expectations of Student Learning Objectives. These goals will be standardized for all teachers in a department and/or grade. The number of goals in play at any one time shall not exceed five (5). Student Learning Objectives can be modified at any time by the committee.
6. No person shall be required to work outside the contractual work day or during planning time to complete the requirements of the evaluation/observation.

The proposal is needed to supplement the rating procedures newly enacted by law to provide a clear path for both the District and the employees. The proposal is well thought out and intended to avoid problems that other districts have experienced.

Position of the District:

District proposal:

ARTICLE XXIV

In accordance with Act 82 of 2012 and the School Code of the Commonwealth of Pennsylvania, evaluations will be uniformly applied during the term of the Agreement. After the rating is recorded, the teacher will be given a copy of the rating and supported documentation and, if requested, a conference will be held involving the teacher, the rater and the Superintendent of Schools. The teacher has the right to respond in writing to the rating and supporting documentation and such response shall be attached to the rating.

Act 82 specifies the components and their rating value for the evaluations for planning and preparation, classroom environment, instruction, and professional responsibilities. The universal rating system for overall performance classifies teachers as 'distinguished', 'proficient', 'needs improvement' and 'failing'. Also, Act 82 protects teachers from dismissal based on student test scores. "No employee shall be dismissed...unless the employee has been provided a completed rating tool provided for under this section, which includes a description based upon classroom observations of deficiencies in practice supported by detailed anecdotal records that justify the unsatisfactory rating." Similarly, "No employee shall be rated 'needs improvement' or 'failing' based solely upon student test scores." The District's proposal in combination with Act 82 adequately protect teachers while the District's evaluation needs and procedures.

The Association's proposal may limit the effectiveness of the rating system by the two day notification prior to the observation and prohibiting observations on compressed schedule days. These conditions will severely limit the District's ability to observe teachers under all conditions, notably observing teachers conducting classes or how they plan for shortened periods. The two days' notice will not permit observations of true classroom experiences for the evaluators.

Analysis and Opinion

Act 82 sets forth the standards for employees who are required to be rated. As with any evaluation system, its integrity, accuracy and value depends on the character of the evaluators and the training they will receive by the District, all of which cannot be established by the Agreement. However, I am recommending replacing the current provisions with a recommendation that will help provide the evaluator with an accurate representation of the employees' performance. The Association is not persuasive arguing that all observations should be scheduled, because that does not give the evaluator accurate performance observations. Even when classes don't go according to plan, it should not yield an unsatisfactory rating because how the employee innovates to control the situation is as much a part of teaching as a lesson that occurs when it goes according to plan. The District is not persuasive arguing that any instructional day may be observed for rating, however. Anyone who has been a student and anyone who has been an educator knows that the day before a holiday or school break is nearly impossible even for veteran employees to conduct regular instruction. I have recommended that those days may not be used for rating observations. Also to the extent permitted by the Act, I have recommended the Association's differentiated supervision model with modification. This method of evaluation may be ideal, especially for the more experienced employees. Finally, the District should conduct at least one workshop or in-service program to train the teachers and administrators together so that everyone subject to the evaluations and raters know what is expected.

The recommendation in combination with the Act will provide employees with adequate protection from unfair or inaccurate evaluations while enabling the District to assess employees' performance and skills.

Recommendation:

Follow is the recommendations (changes are in **bold**)

ARTICLE XXIV

In accordance with Act 82 of 2012 and the School Code of the Commonwealth of Pennsylvania, evaluations will be uniformly applied during the term of the Agreement. After the rating is recorded, the teacher will be given a copy of the rating and supported documentation and, if requested, a conference will be held involving the teacher, the rater and the Superintendent of Schools. The teacher has the right to respond in writing to the rating and supporting documentation and such response shall be attached to the rating.

- 1. All observations, including walk through observations shall occur at times that will provide the evaluator with reasonable opportunities to obtain a comprehensive representation of employees' performance. Secondary and supplemental observations may occur on days when there is a delay of the school starting time or on a day in which school ending time is modified. No observations will occur days immediately preceding holidays and vacation periods. After ratings are recorded, the employee will be given a copy of the rating and supported documentation and, if requested, a conference will be held involving the employee, and if requested, the employee's Association representative, the rater and the Superintendent of Schools. Employees may respond in writing to the rating and supporting documentation and when such response is submitted, it shall be attached to the rating.**
- 2. In conformance with the Act, no employee will be rated solely on student test scores.**
- 3. Alternatively, to the extent the Act permits, employees will notify their building principals that they have opted to be evaluated by the differentiated supervision model. Within a reasonable time thereafter, they shall meet to determine the project to be evaluated. The agreed upon project once establish it may not be changed except by mutual agreement. If they cannot agree on a project, the employee may opt out of the differentiated supervision model.**

Issue No. 4: Article XXXV - Early Retirement Incentive Program

Position of the District:

The District is proposing to eliminate the incentive because it is not cost effective. Under the plan, 28 teachers retired since 2008. Just 6 of those retirees were paid \$448,308 in cash payable over 5 years, and an estimated \$716,658 in health insurance. Moreover, the program's maximum liability for health insurance ranges from 3 years for an employee with 41 years of service to 19 years for one with 25 years of service. The additional savings that the District would realize from the elimination of this benefit would significantly improve the financial status of the District for future.

Position of the Association:

The overall problem with the District's proposals, especially the retirement incentive, are that they are presented to persuade the fact finder to make unnecessary changes that reward financial game playing. A close look at the financial information provided reveals that the district choked off revenue forcing it to spend down the fund balance inexplicably as bargaining began. The Association argues that this was done expressly to justify concessionary bargaining.

Analysis and Opinion:

This is a good benefit that should help and encourage employees to retire. However, the payback to the District should have a better pay back to free up money to spend on active employees and other school matters. The combination of the 90% of salary incentive and other buyouts for 3 of the 6 in the sample resulted in a cash out of more than their salary for the year they retired. The remaining 3 were at or close to 90% of their final salary. Assuming a teacher with a masters degree at the top of the existing scale earning \$59,904 retires under the program, the cash out is \$53,914. The replacement's pay is \$41,054, assuming a bachelors degree and no experience. The difference between their salaries is \$18,850. Even with no movement on the scale for the replacement teacher, the District does not see a payback for 2 to 3 years from the year of retirement. That savings is further diminished and prolonged because the District is paying two insurance premiums, one for the retiree until he or she qualifies for Medicare and the premium for the replacement. It appears that the program is a high ticket item that diverts money from the active to retired employees to the active employees' detriment. A retirement incentive that provides real payback for the District also should free up money in a budget to fund other items including salary and benefits for active employees. This one does not.

The Association is not persuasive arguing that the District artificially reduced its income to force concessions. This program may not be judged by the District's ability to raise taxes to fund it. Rather it should be judged by what it is supposed to do, to provide incentive for people to retire to free up money for current expenditures, which it does not do.

The following recommendations will provide a reasonable benefit to employees by changing the retirement benefit to fifty (50) percent of last year's salary and pay health insurance at the single rate and provide a reasonable return to the District to provide additional savings that can be used to pay other District costs including salaries and benefits.

Recommendation:

The Fact Finder recommends the following (changes are in **bold**).

XXXV. EARLY RETIREMENT INCENTIVE PROGRAM

Effective September 1, 2008, the District agrees to modify the established early retirement incentive program pursuant to the following terms and condition:

In order to qualify for the early incentive retirement program, an employee must meet all of the following criteria:

- (1) No member of the bargaining unit shall be eligible for early retirement unless the member retires under the provisions of the Public School Employees' Retirement System and has no less than twenty-five (25) consecutive years of service with the Riverside School District. Also the bargaining unit member must retire prior to his or her forty-first (41st) year of service at the Riverside School District.
- (2) The employee must provide the Riverside School District with at least sixty (60) days written notice of his/her intent to retire. Such notice shall include: (a) date of notice; (b) name of applicant; and an effective date of early retirement. Within sixty (60) days of retirement, the employee must provide the District with proof of actual retirement.
- (3) The employee will receive **Fifty Percent (50%)** of current salary in five (5) lump sum payments paid over five (5) consecutive fiscal years. The first shall payment shall be paid on the effective date of retirement or at such later date as may be requested by the employee. Every member of the bargaining unit who receives an early retirement payment shall be provided hospital and medical service plan insurance program benefits **at the single level** pursuant to the terms of Article II, B (1), (2) and (3) of this Agreement pursuant to the schedule set forth below or until death whichever occurs first. The length of health care coverage will be as follows for teachers retiring with:

Credited Years of Service	Years of Health Care Coverage
25	19
26	18
27	17
28	16
29	15
30	14
31	13
32	12
33	11
34	10
35	9
36	8
37	7
38	6
39	5
40	4
41	3

Health care coverage shall be provided until the retired employee is eligible for another government or employer provided plan.

Issue No. 5: New Article - Professional Staff Reduction:

Position of the Association:

Proposal:

Article (New): Professional Staff Reduction

If it is necessary to reduce or demote a bargaining unit member, the school district will make such reductions or demotions, whenever possible, by attrition. The following procedures will govern the manner in which a reduction or demotion shall be effected.

When the Board determines that a program or programs will be or may be affected, the Board will notify, in writing, both the Association and any possible affected bargaining unit member(s) in writing within ten (10) days of such occurrence.

Any bargaining unit member affected by a staff reduction or demotion shall have realignment and recall rights according to district seniority.

A Professional Employee shall be considered to have greater Seniority than a Temporary Professional Employee regardless of district seniority.

The Pennsylvania School Code speaks to specific rules should staff reductions or demotions be necessary. However, this proposal provides a level of job security for bargaining unit members without delineating between professional, temporary professionals, or non-professionals. This will clearly provide that all bargaining unit members shall have recall rights should it be necessary to reduce the number of staff. It also clearly provides for an orderly procedure should a demotion be necessary. This proposal is not inconsistent with the school code while providing a greater level of benefit.

Position of the District:

The District rejects the Association's proposal because it will severely limit the District's administration of classroom programming, especially by the ten (10) day notice. There may be circumstances where a program may be justifiably eliminated where the notice delay caused by the notice is not practicable. Moreover, Section 1124 of the Pennsylvania School Code, Section 1124 lists the only lawful bases upon which professional positions may be eliminated and employees may be suspended (furloughed). As such, although economics may motivate a school board's decision to do so, suspensions will be overturned when one of the reasons specified in section 1124 is present. Moreover, Section 1124 requires that such curtailment or alteration must be recommended by the Superintendent, concurred in by the Board by Resolution at a public meeting, and approved by the Pennsylvania Department of Education, which requires data to support the District's decision.

Analysis and Opinion:

The Agreement provides adequate protection to employees in combination with the Act. The Association is not persuasive arguing that a ten (10) notice is necessary, given that the Agreement currently provides for the parties to meet to discuss when reduction or realignment of staff is proposed.

Recommendation:

The Fact Finder recommends no change to the Agreement.

TENTATIVE AGREEMENTS

The following tentative agreements were entered into by the parties as of June 2, 2015 before fact finding are incorporated herein. The changes are indicated in **bold** type.

1. Article I. TERM

The term of this Agreement shall be for a period of five (5) years commencing the 1st day of September, **2013**, and ending on the 31st day of August, **2018**.

2. Article II. FRINGE BENEFITS

Members of the certified bargaining unit shall be entitled to the following benefits pursuant to this Agreement:

B. (11) RETIREES HEALTH INSURANCE

All retired recipients of paid healthcare coverage shall be required to apply to PSERS for any subsidy available to them for their use in paying premiums for health insurance and in cases where the School District is making payment on the employee's behalf. Said employees shall remit any sums received from PSERS health insurance premiums to the School District in order to reduce the payments due by the School District.

The District shall provide written notice to the person within 30 days of non-payment, termination of retiree health insurance would become effective 30 days after providing written notice and still not receiving payment. A retiree may pre-pay any such payments that are due.

D. SICK LEAVE

Each teacher shall be entitled to full salary for each day he/she is unable, because of illness or accidental injury, to perform the normal and usual duties of his/her occupation, and for which he/she has an outstanding balance of credited and accrued sick leave days. During the term of this Agreement sick leave shall accrue at the rate of ten (10) days per year and any unused sick leave shall be cumulative from year to year. Effective September 1, 1990, employees with fifteen (15) years of service shall accrue twelve (12) sick leave days per year.

The Board agrees to allow members to use up to **Ten (10)** days of their accumulated sick leave per year for purposes of "family sick leave". Members, however, will not be allowed to accumulate Family Sick Leave and will only be allowed **ten (10)** days per year. Family Sick Leave shall be restricted to: **member and spouse and member and spouse's immediate family or household. Household shall mean any family member or person with whom you have made a home.**

No salary shall be paid if the accidental injury is incurred while the employee is engaged in remunerative work unrelated to school duties.

A written accounting of accumulated sick leave shall be given each teacher no later than September 30 of each year.

The Board **shall** require certification from a **medical provider** as to the necessity of such sick leave, **after three (3) days of consecutive sick days.**

E. BEREAVEMENT LEAVE

Up to four (4) consecutive working days leave with pay shall be granted in the event of the death of any member of a teacher's **or spouse's immediate family or household. Household shall mean any family member or person with whom you have made a home. The Employee shall provide the District a completed form which is attached to this agreement and shall include the employee's name, decedent's name, relationship to decedent, dates of bereavement leave and employee's signature. The employee shall be permitted to provide the completed form to the building principal upon return from this leave.**

Article 4. TEACHER WORK YEAR

Early duty teachers in the high school will report at 7:20 a.m. and leave at 2:30 p.m. Teachers will be compensated at the hourly rate if there is a need to stay beyond 2:30 p.m.

There shall be one (1) two (2) hour parent/teacher conference, per contract year, conducted between **6:00 p.m. and 8:00 p.m.** The parent-teacher conference shall be published in the school calendar and shall occur on an Act 80 day. Faculty will be released, in accordance with practice, immediately following student departure at the start of the lunch hour in the respective school district buildings. Other parent-teacher conferences may be held during the regular work year in accordance with current practices.

Article V. HOME BOUND INSTRUCTION

The Association and the Superintendent will establish a list of volunteers who will be available for home bound instruction.

The Superintendent of Schools will select a teacher certificated for the assignment. Any professional employee involved in home bound instruction shall be compensated at the **rate of twenty-eight dollars (\$28.00) per hour for the life of the contract.**

Teachers paid in this program shall be eligible for compensation up to a maximum of five (5) periods per week per student requiring assistance. **However, no teacher shall be required to work without compensation.**

Article X. EXTRA DUTIES

The Board has provided a schedule of extra compensations as set forth in Exhibit "B" hereto attached. Payment of compensation set forth in Exhibit "B" shall be by a check separate and apart from the regular pay check of any employee who is otherwise being compensated pursuant to this Agreement.

Other extra activities beyond those mentioned in the foregoing Schedule shall be compensated at the rate **of twenty-four dollars (\$24.00).**

The compensation for any field trip or related duty which exceeds the normal day **shall be the actual hours worked but the compensation shall not exceed one hundred ninety two dollars (\$192.00) per day.**

Article XV. GENERAL PROVISIONS

A. Department Chairpersons

Each Department Chairperson shall be paid for the full school term as follows:

September 1, 2012 - \$2,245.73 / plus \$35.00 per teacher

The compensation shall increase each year from the previous year by the same percentage as agreed to in salary.

JOB DESCRIPTION DEPARTMENT CHAIRPERSON

Coordinate alignment within department of current course offerings.

Facilitate the creation and updating of scope and sequence with standards.

Help facilitate support for department members in the development of curriculum and instruction.

Facilitate selection of instructional materials and textbooks within the current curriculum writing plan.

Provide additional support for new teachers within their department, not to replace or supplant the mentor position.

Provide additional support for new teachers within their department, as to school/district processes and procedures, not to replace or supplant the mentor position.

Chair regularly scheduled department meetings, with Minutes and Agenda forwarded to building Principal and Superintendent.

Represent department's interest at Department Chair meetings and in helping to set agendas for collaboration.

Serve as a communication liaison between department and administration.

Arrange for department members to serve on interview panels for new hires.

Maintain financial records for department, including monitoring its budget, when information is provided by district or site administrator.

Coordinate placement of student teachers within department, in coordination with administration.

D. Public Relations

The Public Relations Chairperson shall be paid:

September 1, 2012 - \$2,103.84

The compensation shall increase each year from the previous year by the same percentage as agreed to in salary.

E. Mentor (Induction)

Bargaining unit members who serve as mentor teachers in the teacher induction program shall be compensated as follows:

September 1, 2012 - \$1,053.12

The compensation shall increase each year from the previous year by the same percentage as agreed to in salary.

Mentor selection shall be from a list of those who apply based on the following when possible:

Elementary

- 1. Same Building as mentee**
- 2. Same grade level as mentee**
- 3. Same certification as mentee**

High School

- 1. Same building as mentee**
- 2. Same discipline as mentee**

F. DIRECT DEPOSIT

All payroll amounts for the bargaining unit members shall be made by direct deposit into a designated account provided by the bargaining unit member to the district's business office. Whenever a pay date coincides with a holiday, the bargaining unit member's account will be credited the business day prior to that holiday. A bargaining unit member shall have the right to not participate in direct deposit by providing written notice of such to the district's business office.

Article XVI. CURRICULUM

Any curriculum revision program called for by the Superintendent which shall be conducted after regular working hours shall be compensated at the rate of **twenty-eight (\$28.00) dollars** per hour during the term of this contract.

Article XVIII. PREPARATION PERIOD

Each professional employee shall have five (5) unassigned preparation periods weekly. Every effort shall be made for one (1) such period daily. Preparation periods shall be scheduled by the building **principal and/or Superintendent** during the school day.

EXHIBIT "B" EXTRACURRICULAR ACTIVITIES

The compensation shall increase each year from the previous year by the same percentage as agreed to in salary.

Article XXI. CENTRALIZED RECORD KEEPING

Teachers are not responsible for maintaining attendance registers. Teachers' who are assigned a homeroom period will be responsible for completing an absentee list on a daily basis.

The board shall investigate and, if possible, implement an alternative method of recording grades on report cards at the secondary level.

Article XXXVI. TUITION REIMBURSEMENT

A. Employees shall be reimbursed for tuition costs incurred for Doctoral Program, Master's Program, English as a Second Language Certification, Reading Specialist Certification, and or Principal Certification as follows (costs shall not include books, fees, technology, licenses, transportation or supplies) :

A grade of "A" - 80% of tuition

A grade of "B" - 65% of tuition

A grade lower than "B" – 50% of tuition

There will be no reimbursement for tuition costs if any class is retaken by the applicant.

B. Employees shall be reimbursed for tuition costs incurred for post baccalaureate study as follows (costs shall not include books, fees, technology, licenses, transportation or supplies) :

A grade of "A" - 65% of tuition

A grade of "B" - 40% of tuition

C. Payment of reimbursements will be made within ninety (90) days of completion of the course after employee's submission to the Business Office of the following:

- 1. Copy of completed Pre-Approval for Tuition Reimbursement Form.**
- 2. The college or university issued grade reports.**
- 3. Proof of payment. (Proof of payment may be an account statement or document from the college or university indicating student name, tuition amount paid, course, term, etc.) Credit card receipts or bills and cancelled checks without a matching bill or invoice will not be accepted as proof of payment.**

If an "incomplete" is granted as a grade, the student has an additional six (6) months to acquire the grade only if an extension is requested before expiration. Supporting documentation must be provided from the college or university at the time of the extension request.

D. Employee shall make application to the Superintendent for course work for which tuition reimbursement is to be requested prior to registration at the college or university where the course will be taken. The employee shall notify the District that the course taken is for college credit and will indicate the cost per credit. Such notice shall also state whether the course is in the employee's area of certification or whether in the field of education. A copy of the application is attached hereto as Exhibit "A".

E. Post baccalaureate college credits taken in the employee's area of certification or in the field of education, up to twelve (12) credits per contract year, will be reimbursed. Any class/college credit which is a repeat class will not be reimbursed by the District.

F. Coursework outside the employee's area of certification and not in the field of education will only be reimbursed with approval by the Superintendent.

G. All courses/credits to be used for reimbursement must be taken on site or **On-Line at an officially accredited college or university recognized by the Department of Education, or any satellite center established by the college/university. No credits earned through correspondence study, travel study and/or media produced courses will be acceptable unless approved by the Superintendent, at his discretion.**

H. Intermediate Unit (IU) course/credits shall be recognized, however the IU courses/credits will require the approval of the Superintendent. In the event that the Superintendent does not approve an IU course/credits, the reason(s) for denial shall be provided in writing to the requestor within a reasonable time.

I. A maximum of six (6) in-service credits per year may be used for movement or placement on the salary schedule.

J. Any Employee who has received benefits under this section and who voluntarily leaves the District's employment without one (1) year's active service following the end of the course or courses shall be liable to repay all tuition benefits received for that course or courses taken in the preceding twelve (12) months.

K. Any Masters or Doctoral program must be from the Federal List of Accredited Institutions. It is understood that the list does change from time to time and the list shall be established on an individual basis as the date when application for reimbursement is filed with the Superintendent. These are the Post Secondary Educational Institutions and Programs Accredited by Accrediting Agencies and State Approval Agencies Recognized by the U.S. Secretary of Education.

BEREAVEMENT LEAVE FORM

This form should be completed by the employee who uses bereavement leave. Please provide the completed form to the building principal upon return to work.

Employee's Name: _____

Date(s) of Leave: _____

Name of Deceased: _____

Employee relationship to decedent: _____

Employee's Signature

Date

Summary

I want to thank the parties for their complete presentations that enabled me to arrive at my recommendations. I believe these recommendations strike a balance between needs of the District to manage and pay for the services it provides, while remaining competitive, with a salary and benefit package that provides employees with economic stability and recognizes the value of their service.

August 31, 2015



John C. Alfano, Arbitrator
1622 Birch Street
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