

Commonwealth of Pennsylvania
Pennsylvania Labor Relations Board

IN THE MATTER OF FACT-FINDING

between

TYRONE AREA SCHOOL DISTRICT,

and

TYRONE AREA EDUCATION SUPPORT PROFESSIONALS
ASSOCIATION, PSEA/NEA

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Case No. ACT 88-15-42-W

REPORT AND RECOMMENDATIONS

FACT-FINDER: Thomas L. Hewitt
MEDIATOR: Michael Susko
FILED: October, 8, 2015
APPOINTMENT: October 20, 2015
HEARING: November 18, 2015
REPORT ISSUED: November 30, 2015
REPORTING DATE: December 10, 2015

DISTRICT:

Dave Davare Consultant (via telephone)
Cathy Harlow Superintendent
Cynthia Banas School Board Director
John E. Clark Business Manager

ASSOCIATION:

Michael Lehmier RFD, PSEA
Christine Rupnow PSEA Asst Dir-Research
Lyla Ammerman President, TAESP
Faith Everhart Vice President, TAESP

BACKGROUND

Tyrone School District is part of Appalachia Intermediate Unit and is located near the center of the State. The District covers part of the Counties of Blair, Centre and Huntingdon with the main contingency of students drawn from Blair County. It serves the municipalities of Birmingham and Tyrone, including Franklin, Snyder, Taylor, Tyrone (part) and Warriors Mark Townships.

Twenty two (22%) percent of the estimated population of 12,723 are under the age of eighteen (18) with approximately sixty-two (62%) percent between the ages of eighteen (18) and sixty-five (65). The District population is stable to declining. The number of pupils is declining due to the increase in charter schools, which causes the District to lose Seven Thousand Four Hundred Forty-five (\$7,445) Dollars for each regular student and Twelve Thousand Five Hundred Fifty-six (\$12,556) Dollars for each special needs student who attends a charter school. This loss of income to charter schools has become a very real economic problem for the District, as it requires a certain level of resources to finance school facilities and maintain a variety of school programs and activities.

The median income for individuals was \$22,531 and the median household income in the District was \$48,701 for the years 2006-2010, which was well below the average tax return for individuals and household incomes in the State of Pennsylvania. The combined taxes derived from the low income population and the taxes available based upon the assessed value of property tax provides a tax base that is well below the state average. In fact, the District receives approximately sixty-five percent (65%) aid ratio, or two-thirds of its budget, from the State.

Tax efforts by the District have been in line with reasonable expectations and the District has made the maximum increase permitted by Act 1. However, based upon their total finances, the District classifies as one of the poorer districts and struggles with their budget each year.

On the positive side, the District's academic program is rated as one of the highest in the state, for which they have received top awards. This is an attest to individual effort being worth more than money in providing a quality education and the District has the right to be proud of its academic accomplishments.

The one hundred thirteen (113) full-time and part-time non-professional employees are covered for collective bargaining purposes as certified by the Pennsylvania Labor Relations Board (PERA-R-08-12-W) on April 2, 2008. These non-professional employees include, but are not limited to, secretaries, clerical employees, maintenance employees, custodial employees and technical employees, whom are covered by a Labor Agreement between Tyrone Area Educational Support Professionals Association, PSEA/NEA and the Tyrone Area School District. This Labor Agreement became effective on July 1, 2012 and expired on June 30, 2015. By agreement the parties are still working under the terms and conditions of the expired Labor Agreement.

Following six (6) productive bargaining sessions, which resulted in the Tentative Agreements listed below, on August 24, 2015 a Memorandum of Understanding concerning the subcontracting of cafeteria workers was executed between the parties and is included as a part of the total resolution in this report (conditions not listed here). However, despite the parties' efforts, the parties reached an impasse on October 8, 2015, regarding the following two (2) issues:

- Article XII, Section B - Insurance/Medical Benefits; and,
- Article XIII, Section A - Wages and Salary Provisions.

As a result of this impasse, a request to the Pennsylvania Labor Relations Board, pursuant to Act 88 of 1992 (Act 88), and the Public Employees Relations Act (PERA) was submitted and Thomas L. Hewitt was appointed as Fact-Finder pursuant to the provisions of 34 Pa. Code § 95.62, et seq. In accordance with the Act both parties submitted timely written statements on issues in dispute.

A full and complete Fact-Finding hearing was held at the District's Administrative Offices in Tyrone, Pennsylvania on November 18, 2015. Both parties were afforded the opportunity to present statements, argument, exhibits, evidence and witnesses, and were given the opportunity to cross-examine witnesses and question representatives.

In addition to the well-prepared and comprehensive verbal and material presentations by the parties, the Fact-Finder considered the following (much of which was included in the parties' presentations):

- General Fund Balance;
- Capital Reserve Fund;
- Total revenue;
- Tax efforts (necessary increases in real estate tax as permitted by Act 1);
- State subsidies;
- PSERS increase; even though the majority is returned by the state, there was a substantial increase in the District's contribution;
- Insurance and medical benefit cost increases;
- Stagnant population;
- Financial consequences of charter schools;
- Cafeteria change;
- Tentative Agreements;
- Comparisons with other contiguous Districts and with their bargaining units;
- The lawful authority of the District;
- Such other factors not confined to those listed above which are normally or traditionally taken into consideration in the determinations of issues agreed upon in dispute settlement procedures in the public service or in private employment; and
- Any other factors required by law.

Article XII, Section B - Insurance/Medical Benefits,:

FINDING:

The insurance and medical provisions of the current labor agreement shall be modified as follows:

Choice of either:

1. 750/1500 Deductible plan with co-pays; or:
2. Highly-qualified plan with a health savings account payout of \$837 individual and \$1,675 multi in 2015-2016; \$753 individual and \$1,507 multi in 2016-2017; and \$667 individual and \$1,340 multi in 2017-2018.

RATIONALE:

Taken into consideration:

- The total economic conditions of the District are close to distressed and the modifications will save money by combining the plan with others in the Blair County Schools' healthcare consortium;
- The limited money available as the result of Act 1 restrictions on tax increases;
- The magnitude of the wage increases granted;
- The escalating cost of medical insurance and the need to gain assistance from employee consumers to assist in the control of usage;
- The plan allows the employee flexibility in the use of an apportionment of funds by establishing a health savings account in their individual names;
- There just does not seem to be another way of controlling the spiraling cost of healthcare that affects all; absent the financial resources to address this problem, there is no real choice;
- Move towards the future IRS qualified plan requirements;
- All facts and conditions contained in the Background above.

Article XIII, Section A - Wages and Salary Provisions:

FINDING:

Since all wage scales have been eliminated by the parties, there are no wage schedules to present with this Finding.

Based upon the individual employee's current (2014-2015) rate, wages shall be increased as follows:

2015-2016	2016-2017	2017-2018
35¢/hour	25¢/hour	25¢/hour

RATIONALE:

- The increase for 2015-2016 is a little over three (3%) percent, while the standard increase is two and one-half (2.5%) percent. The additional increase is to offset any increased cost that may result from the insurance modifications;
- The increases for years 2016-2017 and 2017-2018 are slightly better than average wage projections and projected budget increases for those years;
- All three years individually and in total will place a severe strain on the District's budget;
- Increases are in excess of increases granted in similar financially-positioned districts;
- All facts and conditions contained in the Background above are taken into consideration.

TENTATIVE AGREEMENTS

Article II:	Term:	Three (3) Years
Article IX:	Section B:	Cafeteria Subcontracting
Article IX:	Section G:	Clearances
Article XI:	Section A:	Sick Leave for Part-Time Employees
Article XII:	Section C:	Opt-Out Payment Moved to June
Article XII:	Section E:	Life Insurance increased to \$20,000
Article XIII:	Wages:	Established Starting Wages
Article XIII:	Section A:	Direct Deposit for New Employees
Article XIV:	Section J:	Academic Increment Payment

RESOLUTION OF ISSUES

With the incorporation of the modification and changes contained in this report into the 2014-2015 Collective Bargaining Agreement, it becomes a complete Labor Agreement for years 2015 through 2018. This includes the Memorandum concerning the cafeteria workers and the nine (9) Tentative Agreements aforementioned.

Retroactivity of wages to the beginning of new 2015-2016 contract year was not presented to the Fact-Finder or included in the Tentative Agreements. To preclude any dispute on this issue, and for clarification purposes, with the acceptance of this report the wage rate increases shall be retroactive to the beginning of the contract school year.

Issued at Latrobe, Pennsylvania on this 30th day of November in the year of our Lord Two Thousand Fifteen.

Thomas L. Hewitt
Thomas L. Hewitt, Fact-Finder