

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

In the Matter of Impasse Between the

SENECA HIGHLANDS INTERMEDIATE UNIT 9,	:	REPORT
"Public Employer,"	:	AND
-and-	:	RECOMMENDATIONS
	:	
SENECA HIGHLANDS CAREER & TECHNICAL	:	Before
CENTER EDUCATION ASSOCIATION,	:	Robert C. Gifford, Esq.
"Association."	:	Fact Finder

Case No. ACT 88-16-7-W

Appearances:

For the Employer:

Anifa Danielson
Assistant to the Executive Director

For the Association:

Terra Begolly, UniServ Representative
Pennsylvania State Education Association

Pursuant to Act 88 of 1992 ["Act 88"] and the Public Employee Relations Act ["PERA"], I was appointed by the Pennsylvania Labor Relations Board ["PLRB" or "Board"] on February 16, 2016, as the Fact Finder in the impasse between Seneca Highlands Intermediate Unit 9 [the "IU" or "CTC"] and the Seneca Highlands Career & Technical Center Education Association [the "Association"], a unit comprised of nine (9) professional employees. The parties commenced negotiations for a successor agreement in January 2014. They met on their own and then with the assistance of two (2) mediators. A number of issues remain unresolved. On February 4, 2016, the Association requested fact finding.

On March 8, 2016, a hearing was held in Port Allegany, Pennsylvania at which time the parties were afforded the opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions on the remaining, unresolved issues.

The CTC describes itself as follows:

The Seneca Highlands Intermediate Unit 9 (IU9) is an educational service agency that serves 14 school districts in Cameron, Elk, McKean and Potter Counties in Pennsylvania. The IU9 is a link between the school districts and the Pennsylvania Department of Education. The IU9 is funded by federal, state and district contributions. In addition, the Seneca Highlands IU9 serves as the operating agent for the Seneca Highlands Career and Technical Center (SHCTC) located in Port Allegany. The SHCTC serves students from 9 sending districts and 1 district that has been sending students since 2013-2014 and will be added officially in 2016-17.

The SHCTC sending districts include:

- Austin Area School District
- Cameron County School District
- Coudersport Area School District
- Galeton Area School District
- *Kane Area School District
- Northern Potter School District
- Oswayo Valley School District
- Otto-Eldred School District
- Port Allegany School District
- Smethport Area School District

*Kane Area School District began sending students to the school in 2013-14. They will become an official sending district to the school beginning in 2016-17.

The CTC indicates that it “does not have taxing authority and is funded by the sending districts.”

ISSUES

Based upon the statement of issues the parties submitted to the fact-finder at the hearing, there are four (4) issues at impasse, some of which may have sub-issues: term of agreement, salary/salary schedule/retroactivity, insurance benefits, and payment for credits. Although each issue may be discussed separately or with similar issues as a package, the impact of the issues in their entirety was given careful consideration.

DISCUSSION AND RECOMMENDATIONS

I have thoroughly analyzed all of the evidence the parties presented at the hearing, including the supporting rationale for each issue. The recommendations below are amply supported by the record evidence, they will provide a level of stability through the 2016-2017 school year, and, when taken together, represent a reasonable compromise to the parties' competing interests. The major distinction between the parties' respective positions is the issue of retroactivity.

The parties are familiar with the outstanding issues. ***To the extent an issue is not specifically addressed or incorporated by reference herein I recommend the status quo.***

The parties' issues are primarily monetary in nature. Each party presented an analysis of the CTC's finances and ability to pay. The evidence shows that the CTC is facing the same issues that are being encountered by many other school districts around the Commonwealth (i.e. increased pension and health insurance costs). The CTC's sending districts must also contend with flat/decreased state subsidies and the Act 1 Index. Besides those issues, the CTC has encountered declining enrollment over the past ten (10) years. It also anticipates using the majority of its reserve funds towards building an addition for its welding program. The Association acknowledges that the CTC has budgetary considerations, but it emphasizes that its monetary proposals represent a small share of the CTC's budget and will have a minimal impact on the sending district. [See Association Tab 7, p. 8]. The Association points out that the CTC's actual ending fund balance for 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 represents the following percentages of total expenditures respectively: 38.7%, 49.2%, 56.7%, 51.6%, 58.8%, and 38.3%.

The parties presented comparisons of the salary and health benefits packages received by professional units within the IU. When viewed in their totality, I conclude that these benefits fit within the range of the comparison group and, therefore, adjustments that significantly deviate from those provided within the comparison group are not required.

Tentative Agreements

The parties reached tentative agreements concerning Article VII – Openings and Vacancies, and Article VIII – Paid Leaves of Absence. The tentative agreements shall be incorporated into this report by reference herein.

Term of Agreement

The parties' Agreement expired on June 30, 2014. Each party proposes a term of three (3) years – July 1, 2014 through June 30, 2017, but they disagree over retroactivity of salary.

Recommendation

Given the parties' mutual preference for a three (3) year contract, I recommend a term of three (3) years effective from July 1, 2014 through June 30, 2017. Retroactivity will be discussed on an issue-by-issue basis.

Salary/Salary Schedule/Retroactivity

The Current Provision

The salary schedule for base year 2013-2014 was as follows:

2013-2014 (Base Year)

Steps	V	B	M
1	38223	39743	41263
2	39439	40959	42479
3	40655	42175	43695
4	41871	43391	44911
5	43087	44607	46127
6	44303	45823	47343
7	45519	47039	48559
8	46735	48255	49775
9	47951	49471	50991
10	49167	50687	52207
11	50383	51903	53423
12	51599	53119	54639
13	52815	54335	55855
14	54031	55551	57071
15	55247	56767	58287
16	56463	57983	59503
17	57679	59199	60719
18	58895	60415	61935
19	60111	61631	63151
20	61327	62847	64367

Step 20 with off scale stipend 61556 63076 64596

The "V" column represents Category 1 – Intern/Vocational I. The "B" column represents Category 2 – Vocational II/Instructional I or II/Degree. The "M" column represents Category 3 – Master's Degree/Master's Equivalency. The parties agree that for the purposes of comparison that the "B" and "M" columns can be compared to the Bachelor's and Master's columns that are traditionally included in the salary schedules for professional bargaining units in other school districts. Currently, none of the bargaining unit members are in the "M" column.

The parties stipulated to the salary matrix for base year 2013-2014 that is attached hereto. They also stipulated that the on-scale schedule cost for 2013-2014 was \$482,023.

The CTC's Proposal

The CTC proposes the following:

2014-2015: Freeze

2015-2016: Step + \$250 / top step total of \$500 / average 2.54%

2016-2017: Step + \$250 / top step total of \$500 / average 2.47%.

The CTC supports its position as follows: (1) it does not seek to increase the employee contribution towards health insurance for the duration of the contract and, therefore, retroactivity should not be provided; (2) although this bargaining unit has one of the lowest average salaries in the IU, the average years of service (with the CTC and total) are also among the lowest; (3) unlike the sending districts whose teachers enter employment with a Bachelor's degree, "very few teachers at the SHCTC begin their career with a college degree or any pre-service teaching experience".

The Association's Proposal

The Association opposes the District's proposal. The Association proposes the following:

- 2014-2015: Step + \$250 / top step total of \$500
- 2015-2016: Step + \$250 / top step total of \$500
- 2016-2017: Step + \$250 / top step total of \$500

The Association provides comparisons of salaries and health insurance contribution levels. The Association indicates that its proposal is reasonable when compared to the districts within the surrounding areas or across the state. The Association emphasizes that bargaining unit members "are extremely cooperative to a fault, innovative, and willing to work hard to provide a quality education to the students of the Seneca Highlands communities." With respect to retroactivity, the Association opposes the CTC's proposal. The Association points out that all of the professional bargaining units within the sending districts received retroactivity in their most recent contracts.

Recommendation

The evidence supports providing retroactive pay as part of my recommendation because without its inclusion this bargaining unit will begin to fall behind the other professional bargaining units in the IU. I note that bargaining unit members will continue to contribute towards their medical insurance in the amount of five percent (5%) of premium. As such, the dollar amounts they will contribute each year will continue to climb as the cost of insurance increases.

I recommend the following increases that are within a reasonable range of the increases received by other professional units in the IU and will not significantly alter the bargaining unit's relative ranking:

- 2014-2015: Step + \$150 / top step total of \$400 (full retroactivity)
- 2015-2016: Step + \$250 / top step total of \$500 (full retroactivity)
- 2016-2017: Step + \$250 / top step total of \$500

The recommended average annual increase over three (3) years is approximately 2.29% (2.32% with Step 20 off scale stipend). The recommended salary guides and step advancement chart are attached hereto.

Dental Insurance (Schedule B)

The Current Provision

Schedule B – Insurance Benefits

2. During the term of this Agreement, the Board will contribute ninety-three percent (93%) of the monthly premium toward individual or family coverage for each employee who is a subscriber to the benefits provided under United Concordia Dental Insurance group plans 260049004 and 260051000.

The CTC's Proposal

The CTC proposes to reduce its obligation to 90%:

2. During the term of this Agreement, the Board will contribute ninety percent (90%) of the monthly premium toward individual or family coverage for each employee who is a subscriber to the benefits provided under United Concordia Dental Insurance group plans 260049004 and 260051000. This plan includes the basic rider, inlays, onlays, and crowns: 50% to the plan maximum of \$1,000.

The Association's Response

The Association is not opposed to the CTC's proposal as long as bargaining unit members receive full retroactive pay.

Recommendation

Given the salary increases and retroactivity recommended above, I recommend the CTC's proposal notwithstanding the fact that the recommended salary increases do not rise to the percentages proposed by the Association. The additional three percent (3%) of employee contribution shall be retroactive to July 1, 2014.

Payment for Credits (Schedule C)

The CTC's Proposal

Schedule C – Payment for Credits

If the employee leaves the employment of the CTC within one (1) year of the completion of a course(s), for any reason except death, disability, dismissal, transfer of entities, retirement, or furlough, the employee shall reimburse the CTC for the amount of the payment(s). The last day of the completed course will serve as the anniversary of the one (1) year commitment.

The Association's Response

The Association is not opposed to the CTC's proposal as long as bargaining unit members receive full retroactive pay.

Recommendation

I recommend the CTC's proposal, but it shall not apply to employees (if any) who left the CTC's employ prior to the date of this Recommendation.

SUMMARY

The parties have been bargaining for a new contract for over two (2) years. They have effectively narrowed their issues, and it is now time for them to end their impasse. I am confident that the recommendations above represent a reasonable, acceptable compromise to the outstanding issues. I direct the parties' attention to my cover letter which outlines their responsibilities to notify the PLRB of their acceptance or rejection of this Recommendation.

Dated:
March 28, 2016
State College, Pennsylvania

Robert C. Gifford

2013-2014 (Base Year)

Steps	V	B	M
1	38223	39743	41263
2	39439	40959	42479
3	40655	42175	43695
4	41871	43391	44911
5	43087	44607	46127
6	44303	45823	47343
7	45519	47039	48559
8	46735	48255	49775
9	47951	49471	50991
10	49167	50687	52207
11	50383	51903	53423
12	51599	53119	54639
13	52815	54335	55855
14	54031	55551	57071
15	55247	56767	58287
16	56463	57983	59503
17	57679	59199	60719
18	58895	60415	61935
19	60111	61631	63151
20	61327	62847	64367

2014-2015

Steps	V	B	M
1	38373	39893	41413
2	39589	41109	42629
3	40805	42325	43845
4	42021	43541	45061
5	43237	44757	46277
6	44453	45973	47493
7	45669	47189	48709
8	46885	48405	49925
9	48101	49621	51141
10	49317	50837	52357
11	50533	52053	53573
12	51749	53269	54789
13	52965	54485	56005
14	54181	55701	57221
15	55397	56917	58437
16	56613	58133	59653
17	57829	59349	60869
18	59045	60565	62085
19	60261	61781	63301
20	61477	62997	64517

2015-2016

Steps	V	B	M
1	38623	40143	41663
2	39839	41359	42879
3	41055	42575	44095
4	42271	43791	45311
5	43487	45007	46527
6	44703	46223	47743
7	45919	47439	48959
8	47135	48655	50175
9	48351	49871	51391
10	49567	51087	52607
11	50783	52303	53823
12	51999	53519	55039
13	53215	54735	56255
14	54431	55951	57471
15	55647	57167	58687
16	56863	58383	59903
17	58079	59599	61119
18	59295	60815	62335
19	60511	62031	63551
20	61727	63247	64767

2016-2017

Steps	V	B	M
1	38873	40393	41913
2	40089	41609	43129
3	41305	42825	44345
4	42521	44041	45561
5	43737	45257	46777
6	44953	46473	47993
7	46169	47689	49209
8	47385	48905	50425
9	48601	50121	51641
10	49817	51337	52857
11	51033	52553	54073
12	52249	53769	55289
13	53465	54985	56505
14	54681	56201	57721
15	55897	57417	58937
16	57113	58633	60153
17	58329	59849	61369
18	59545	61065	62585
19	60761	62281	63801
20	61977	63497	65017

Base Year Matrix 2013-2014

Step Advancement

Steps	V	B	M	TOTAL	2013-2014 (Base Year) Steps	2014-2015	2015-2016	2016-2017
1	0	0	0	0				
2	0	0	0	0				
3	0	0	0	0				
4	0	0	0	0				1
5	1	0	0	1			1	2
6	0	0	0	0		1	2	3
7	0	0	0	0	1	2	3	4
8	0	0	0	0	2	3	4	5
9	1	0	0	1	3	4	5	6
10	1	0	0	1	4	5	6	7
11	0	1	0	1	5	6	7	8
12	0	0	0	0	6	7	8	9
13	0	1	0	1	7	8	9	10
14	0	1	0	1	8	9	10	11
15	0	1	0	1	9	10	11	12
16	0	0	0	0	10	11	12	13
17	0	0	0	0	11	12	13	14
18	0	1	0	1	12	13	14	15
19	0	0	0	0	13	14	15	16
20	0	1	0	1	14	15	16	17
	3	6	0	9	15	16	17	18
					16	17	18	19
					17	18	19	20
					18	19	20	20
					19	20	20	20
					20	20	20	20