

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LABOR RELATIONS BOARD**

**IN THE MATTER OF THE FACT FINDING BETWEEN**

**STROUDSBURG AREA SCHOOL  
DISTRICT**

**-AND-**

**CASE NO. ACT 88-16-22-E**

**STROUDSBURG AREA EDUCATION  
ASSOCIATION, PSEA/NEA**

**FACT FINDING REPORT AND RECOMMENDATIONS**

**APPOINTED:** August 16, 2016

**FACT FINDER:** John C. Alfano, Arbitrator & Mediator

**FOR THE EMPLOYER:** Jeffrey T. Sultanik, Esq.  
Fox Rothschild Obrien & Frankel  
10 Sentry Parkway, Suite 200  
P.O. Box 3001  
Blue Bell, PA 19422

**FOR THE UNION:** Matthew Gruenloh, UniServ Representative  
Pennsylvania State Education Association, NEA  
1188 Highway 315  
Wilkes-Barre, PA 18702

**PRELIMINARY STATEMENT**

The **UNDERSIGNED**, appointed by the Pennsylvania Labor Relations Board (“Board”), pursuant to Act 88 of 1992, conducted a fact finding on September 12, 2016 from 8:30 a.m. to 3:00 p.m. with the Stroudsburg Area School District (“District”) and the Stroudsburg Area Education Association (“Association”), at the District office at 123 Linden Street, Stroudsburg,

Pennsylvania. In addition to the advocates, the following people were in attendance (in alphabetical order):

1. John Balas, Association
2. Cindy Blake, District
3. Stephen Brodmerkel, Assistant Superintendent for Personnel & Personnel Services
4. Aaron Chapin, Association President
5. Merlyn Clarke, District
6. Cosmas Curry, Superintendent of Schools
7. Robert Glus, District Consultant (testified)
8. James Henniger-Voss, Association, PSEA Assist. Dir. Research (testified)
9. Kristie Intravaia, Association
10. Richard Pierce, District
11. Robert Schroch, District Consultant (testified)
12. Pete Sobrinski, Association
13. Michael Sokoloski, District Bus. Mgr. (testified)
14. Bruce Stewart, District
15. George Willoch, Association

### **BACKGROUND**

The Stroudsburg Area School District is located in the Pocono Mountains area of northeast Pennsylvania. The District provides education and educational services to students living in the Borough of Stroudsburg, the Borough of Delaware Water Gap, Hamilton Township and Stroud Township. The District population is currently approximately 5200 students. There are approximately 685 employees of which there are 25 administrative, 380 teachers and 280 support staff. There is a high school, a junior high school, a middle school, and four elementary schools.

The demographics of the District and the Pocono Mountain region have changed significantly over the last 20 years as populations have shifted from the larger urban areas of New York and Philadelphia. However, the District has seen a loss of students partially related to the recession as the population has migrated from the region back to the urban areas. Additionally, economic hardship has been caused by the decrease in real estate values caused by foreclosures and short sales of existing housing inventory caused by the recession and reductions in the Commonwealth's aid to schools and the failure of the Commonwealth to enact timely budgets. It appears that real estate values and tax collection rates may have stabilized since 2011. Also, there are challenges related to increasing costs of general services, and employee benefit costs, including health insurance and retirement. Districts are no longer able to defer retirement

payments as they have done in past budgets; they are required to make designated payments subject to harsh penalty when they are not paid or deferred. In addition, local budget funds of \$2,885,865 are required to pay charter school and cyber schools tuition, an increase of \$275,000 over the 2014-2015 school year, for 184 students. Finally, the District furloughed 9 teachers, demoted 13 to half time and lost an additional 26 through attrition due to budgetary reasons.

The expired Collective Bargaining Agreement (“Agreement”) was in effect from July 1, 2013 to June 30, 2015. The parties have been without a successor Agreement through the 2015-2016 and the current 2016-2017 school years, with the existing terms and conditions of employment having been established under the *status quo* principle. The parties engaged in mediation with mediator John Healey which failed to bring about a resolution before the District submitted the dispute to fact finding on August 11, 2016. On August 16, 2016, the Pennsylvania Labor Relations Board (“PLRB”) approved the request and appointed the Undersigned as the Fact Finder. The Report is due on or before September 26, 2016.

Following are the Open Issues:

1. Article IV – Salary
2. Article VII – Miscellaneous (Zipper Clause)
3. Article XI - Duration of Agreement
4. Schedule A – Grievance Procedure/Definitions
5. Schedule B/ Section 1 - Length of School Year – duties during first and last in-service day
6. Schedule B/ Section 2 - Department Chairperson Stipend
7. Schedule B/ Section 3 - Credit Compensation – Reimbursement for Conference Attendance
8. Schedule B/ Section 4 - Tuition Prepayment/Reimbursement – timeline for course approval and prepayment
9. Schedule B/ Section 5 - Extended Year and Salaries for guidance, and other specific professionals
10. Schedule B/ Section 6 - Extra Pay – wage for professional duties performed outside school hours
11. Schedule B/ Section 8 - Meetings Outside Regular School Hours– limitation of before/after school meetings
12. Schedule B/ Section 9 - Elementary School Monitors – relief breaks for teachers up to middle school
13. Schedule B/ Section 12 - IEP Meetings – scheduling
14. Schedule B/ Section 13 - Preparation Period – definition of length
15. Schedule B/ Section 14 - Professional Ratings – timing of post observation meeting
16. Schedule B.16 – Tuition Waiver
17. Schedule B/ Section 19 - Notification of Assignment – summer notification of changes
18. Schedule B/ Section 20 - Rates for Professional Services – mentoring, curriculum writing, etc.
19. Schedule B/ Section 21 - IEP Preparation – extra time during the work day to complete
20. Schedule B/ Section 22 - Duty Assignments – breakfast and lunch duties
21. Schedule C/ Section 6 - Association Days
22. Schedule D/Section 3 - Unused Personal Illness and Persona Days – compensation at retirement and yearly bonus
23. Schedule D/Section 4 & 5 - Bereavement Leave – Near Relative/Immediate Family number of days

24. Schedule D/Section 6 - Personal Leave – usage limitations
25. Schedule D/Section 7 - Family and Medical Leave Act – usage of illness days during FMLA leave
26. Schedule D/Section 12 - Thanksgiving Holiday – ½ day prior to holiday
27. Schedule D/Occupational Injury
28. Schedule D/Section 15 – Extended Sick Leave
29. Schedule D/Section 17 – Medical/Hospitalization Insurance
30. Schedule D/Section 18 - Dental Insurance – retiree coverage
31. Schedule D/Section 19 - Vision Insurance – retiree coverage
32. Schedule D/Section 23 - Jury Duty and Leaves for School Related Legal Procedures
33. Schedule D/Section 24 - Personnel File – notification of additions
34. Schedule D/Section 26 - Class Coverage – compensatory time
35. Schedule F - Athletic Trainers
36. Schedule G – Building and Long-Term Substitutes
37. New Pay for Extra Coaches and Advisors
38. New Online Courses, Cyber Schools
39. New Provision – Extracurricular/Extra Responsibility Pay
40. New Provision – Special Education Teachers’ Duty Assignments

The parties presented data, testimony and argument to support their positions on the issues. After considering those presentations, the Fact Finder submits the following analysis and recommendations:

#### **Issue No.1: Article IV – Salary**

##### **Position of the Association:**

The current 2014-2015 salary schedule will remain in effect over a five year period beginning with the 2015-2016 school year adjusted by a 3.75% increase for each year up to and including the 2019-2020 school year. By computing costs over the 2014-2015 base year for 403<sup>1</sup> employees with no turnover, the total payroll will increase by approximately \$6,074,000. Starting salary will increase from the current \$51,800 to \$65,333 while the career rate will increase from \$72,192 to \$85,725 over the same period. Annual increment costs are not significant because the staff is skewed toward the top of the scale, an anomaly caused by the reduction in staff by attrition, lay off and demotion, all of which affected the younger less senior staff. Lateral movement shall be unfrozen to permit employees who have earned additional credits to move to the level they qualify based upon the number of qualifying credits earned.

---

<sup>1</sup> The Association is using the 2014-2015 population, the last year of the previous contract, for statistical consistency and comparison.

### Position of the District

The District's proposals for wages will help get its budget in order during the term of the proposed three year Agreement. Since the 2015-2016 school has passed, the District is proposing that all wages will have been frozen for that time. For 2016-2017 year, employees will each receive one step or increment increase; those employees on the top of the scale during the entirety of the preceding school year will receive a one-time only \$750 bonus to be paid out at the last pay date of the school year. In addition, employees who have earned credits to qualify for lateral movement shall be eligible for one move to the next, adjoining column. For 2017-2018, employees will each receive one step or increment increase; those employees on the top of the scale during the entirety of the preceding school year will receive a one-time only \$800 bonus to be paid out at the last pay date of the school year. There will be no lateral movement during the term of the Agreement.

### Analysis and Opinion:

It's obvious that there has been much discussion with less successful negotiation as evidenced by the number of issues and the current positions of the parties. The District has financial concerns to overcome that should be of concern to the Association because the financial health of the District will determine employees' security. Job security should concern the Association, because any future layoffs and demotions, if substantial, may affect more experienced teachers since there are fewer employees on the lower seniority levels due to the last round of layoffs and demotions. The District has to consider that it got into its financial situation due to decisions made in part by former boards and administrators. It cannot expect the employees to bear more than its fair share of the burden for those decisions, especially those made in bargaining. The salary recommendations below must be considered in the context of all my recommendations, especially those for health insurance. All too often contract settlements are driven by health insurance delaying contract settlements. Delaying contracts to retain health insurance unchanged is expensive, because the price paid for *status quo* on health insurance are lost wage increases that over the term of employees' careers far exceed the health insurance benefits retained. This should be of concern to the Association because it is a senior staff whose wages should be moving upward to ensure their benefits are maximized during retirement.

At one point in the discussion, the District floated the idea of a two-tiered pay scale. Although a two-tiered wage scale may solve some of the financial concerns of the District going forward, two-tiered wage scales create problems in future negotiations especially as the second, lower tiered employees grow closer to or become the majority who will want to 'catch up'. I have only seen one two-tiered system that did not cause future labor negotiations problems in my more than 33 years as a mediator and fact finder. In that case, because the two tiers were initiated with a fairly young staff with little turnover, it was more than 25 years for the employer to derive a financial benefit and for the less senior employees to outnumber the former senior employee majority before the two tiers to become a bargaining problem. In the District, the problem may occur much sooner because the current employees are quite senior. Therefore, I cannot in good faith recommend a two tiered-wage system. However, as the District's current senior population moves into retirement, they will be replaced with younger less expensive employees causing the significant lowering of overall wage costs even with the current wage scale.

Lateral movement on the scale should begin in the 2016-2017 year. Later in this report I will make recommendations to modify the columns and how credits may be earned. The longer lateral movement remains frozen, the more difficult it will be for the parties to implement and/or modify them in future contracts. The recommendations for modification later when considered with the recommendations below should allow the parties to begin to restore lateral movement.

The Association is not persuasive arguing for a five year contract. Although a three year contract will have the parties back to bargaining within 12 to 15 months, a three year contract as proposed by the District is recommended because there are many remaining issues that may need to be addressed sooner. I am therefore proposing a three year contract effective on July 1, 2015 that will expire on June 30, 2018.

**Recommendation:**

The Fact Finder recommends the following:

**Wage Scale Adjustments (See Exhibit A, Salary Scales, page 46.)**

2015-2016: No change from the 2015-2016 scale

2016-2017: Effective January 1, 2017, 1.0% overall increase on current scale plus one incremental step for those not on top.

2017-2018: Effective July 1, 2017, 1.25% overall increase on the scale plus one incremental step for those not on top.

#### Lateral Movement

Effective January 1, 2017, employees who have earned additional credits for movement laterally shall move one column. The delay to January 1, 2017 will cost the District half of the annual amount for this year to help initiate the compensation going forward.

Effective July 1, 2017, employees who have earned additional credits for movement laterally shall move one column.

Movement for January 2017 and July 2017 shall be to columns currently in effect on the expired scale.

#### **Issue No. 2: Article VII – Miscellaneous (Zipper Clause)**

##### Position of the Association:

The zipper clause should be removed because there are practices that employees rely on that have not found their way into the Agreement that may be unilaterally changed by the District, leaving no recourse to the Association. This proposal in conjunction with the change in the grievance procedure will level the playing field when the District makes unilateral change on terms and conditions of employment relied upon by the Association.

##### Position of the District:

The District rejects any change to this long-standing contract provision that have given stability to the relationship between the parties. Without knowing the full implication of its removal, the District is unable to embrace the Association's proposal or any proposal that alters the balance provided by the current language. Zippers clauses are common to contracts including teacher contracts in near-by districts.

##### Analysis and Opinion:

The existence of the zipper clause does not give the District absolute freedom to alter or abolish extra-contractual terms and conditions of employment. Zipper clauses are intended to be a shield to prohibit ongoing or continual bargaining; it is not necessarily a free pass for the District to engage in unilateral change. The primary purpose of the clause is to end bargaining upon the execution of a contract. It does not provide the District with a complete and

unobstructed pass to change existing conditions of employment that have been relied upon by the parties but have not been memorialized by the contract.

**Recommendation:**

No change from the existing contract. The Association is adequately protected with recourse to protect it from unilateral change in extra-contractual terms and conditions of employment.

**Issue No. 3: Article XII - Duration of the Agreement**

**Position of the District:**

A three year contract will allow the District to analyze costs and what is affordable in an already tight budget and take remedial action sooner if needed. The shorter term will allow for greater accommodation of the unpredictable funding provided by the Commonwealth and the unpredictable volatile tax base. Shorter term contracts are more prevalent among teacher contracts in the region.

**Position of the Association:**

A five year contract will produce labor stability for the remaining 3.5 years. However, this is not an issue of utmost importance as the Association can live with a shorter term contract.

**Analysis and Opinion:**

A three year contract as the District proposes is the best alternative given the matters the parties may need to address even though the shorter contract will have the parties commencing bargaining for its successor in 2017. On balance, a three year contract makes the most sense at this time.

**Recommendation:**

The existing contract language shall be modified to reflect the following: The Agreement will become effective upon its execution for the period from July 1, 2015 and shall expire on June 30, 2019.



#### **Issue No. 4: Schedule A.1–Grievance Procedure: Definitions**

##### **Position of the Association:**

The definition of a grievance shall be modified to include violations of past practice as matters that may be brought forward through the grievance procedure. Upon the ratification of the current expired Agreement, the District unilaterally ended a mutual known and relied upon past practice. The District claimed the zipper gave it unilateral right to make the change, a claim it had never made before. Therefore, the Association wants either this change or the elimination of the zipper clause to protect it from similar acts in the future.

##### **Position of the District:**

The District strongly resists this proposal because it is unusual as it does not exist in the definition of a grievance in any teacher contract in the region. Even without this change, arbitrators rely on past practice often to find the meaning and intent of disputed contract language; advocates do the same to defend their positions.

##### **Discussion and Opinion:**

There are three types of past practices: extra-contractual practices relating to terms and conditions of employment not addressed or covered by the contract; practices that define existing contract language, and; practices used to implement and administer contract language. The first example, the ability to grieve extra-contractual practices not covered by the contract almost does not exist in modern private and public sector labor contracts because the parties want a period where they settle down to live with and test the new contract. The second, practices that help define existing contract language are used and accepted by arbitrators and advocates as necessary to resolving grievances. The third example, practices that exist to determine how existing contract language has been implemented are also used by arbitrators and accepted by advocates because not every procedural requirement to implement each article can or should be written into the contract. For example, how the District implements and administers sick leave relies in large part on how it has been administered and acknowledged over time. The second and third examples are not necessarily excluded from consideration of a grievance even when the definition of a grievance does not specifically include reference to ‘past practices’.

For these reasons, I do not recommend any change in the definition of a grievance.

**Recommendation:**

The Fact Finder recommends the current contract.

**Issue No. 5: Schedule B.1–Length of School Year****Position of the Association:**

The Association is proposing to add the last teacher day of each school year to be reserved for teachers to close down their classrooms for the summer recess. The proposal will save the District money for those occasions when teachers are notified before the last day that they will be changing classroom or building assignments.

**Position of the District:**

The District needs to have this day available as needed for in-service, professional development or to address such matters related to the close of the school term. Since there are few such days currently, further reducing them by this proposal will further limit much needed time.

**Discussion and Opinion:**

There are many mandatory changes occurring in teaching that the elimination of one that may be needed for in-service or administrative purposes will not serve the District and the teachers well. While I am familiar with the time it takes to pack up a classroom at the end of the year even when teachers are not changing classrooms and buildings, this is a matter that has gone on for years and will continue long after the current teachers leave. The Association has not demonstrated a need for changing the existing conditions at this time.

**Recommendation:**

The Fact Finder recommends no change from the existing contract language.

**Issue No. 6: Schedule B.2: Department Chairpersons (Stipend)****Position of the Association: (Refer to the matrix in Issue 18.)**

Currently the Agreement provides an annual stipend of \$2000. The Association is proposing to increase it by indexing at 4.5% of the BS+0 which will increase it to \$2090 currently and each year thereafter as the salary scale is adjusted. The proposal is necessary because the duties of the position have increased in both the amount of work and responsibility

due to the loss of administrative director positions. The proposal is a fair increase to reimburse them for the resulting increased work and responsibility even though the amount is far less than the pay the directors had been receiving. Finally, other districts in the region pay much more, ranging from \$2,618 to \$3,848.

Position of the District:

Although the District understands the value and importance of these positions, there are budget matters that must be addressed first in this contract.

Discussion and Opinion:

I don't recommend any change in the pay rate during this contract. My recommendations are an attempt to address matters that are common to all teachers. Whatever funds that I believe can be made available should be distributed among the largest number of employees. This is one of those proposals that may need to be addressed but not in this contract.

Recommendation:

The Fact Finder recommends no change from the current contract.

**Issue No.7: Schedule B. 3: Credit Compensation/Conference Reimbursement**

Position of the Association:

Credit Compensation (Lateral Movement): The implementation of the credit compensation is necessary to any agreement reached between the parties. The current freeze was intended to permit the District to deal with immediate budget challenges. It is now time to remove the freeze so that employees are adequately compensated for having obtained additional credits and degrees.

Conferences: Professional employees should be permitted to attend one (1) professional conference in their field of expertise per year, compensated at the value of one (1) ESU graduate credit so that they may receive up-to-date training in their field that may not be available in from formal traditional course work.

Position of the District:

Credit Compensation (Lateral Movement): The current credit compensation system is antiquated and not the standard in the surrounding districts, because Stroudsburg has the greatest number of compensable lanes. Column movement has increased from \$23,989 in 2009-2010 to

\$532,434 in the 2010-2011 contract year. The cost of restoring all credits earned and frozen from the 2011-2012 school year is over \$1,000,000. Due to budget restrictions and other economic drivers, the District cannot afford to implement them under the current contract provisions or according to the Association's proposal. The District is proposing to begin implementing column movement under the conditions that the number of columns be reduced and limit future reimbursement to credits earned toward a Master's Degree only.

Conferences: The District rejects this proposal because it is not necessary at this time. The District provides adequate opportunities to employees to obtain education and training through in-service and other similar program.

Discussion and Opinion:

Credit Compensation (Lateral Movement): Continuing education is necessary for any educational system to maintain relevance and provide up-to-date information regarding the latest changes. The current system may not be fulfilling those requirements because there are few if any standards on the credits that will be compensated. Earned advanced degrees may not always be as valuable as custom made program of study designed to meet specific needs of employees and the District. To further delay salary lane movement may be counter-productive to maintaining a highly trained teaching force in areas relevant to employees' and the District's needs. Finally, the continued freeze will continue to drive up the cost of implementation to the point that a resolution may not be attainable creating a long term loss to both parties.

The number of columns should be reduced to a reasonable number similar to other districts in the area for future credits earned, while retaining the current number on the scales to implement lateral movement under the conditions the employees earned the credits before the freeze. (See proposal below)

Conferences: The more important matter between the two presented under Schedule 3.B is to lift the freeze on credit compensation. I don't recommend addressing this proposal.

Therefore, I propose the following changes, taken from the current Agreement and the proposals of the parties along with my own recommendations, to replace the existing Schedule B.3. The recommendations strike a balance between the needs of the parties while providing

flexibility to develop programs of study to meet immediate and long term District needs while remaining relevant and cost effective.

**Recommendation:**

The current contract provision shall be replaced with the following:

Covered employees shall be entitled to additional compensation, as provided in the salary schedules, for additional semester credits successfully completed under the following conditions:

Credits approved and earned on or before January 1, 2017, under the conditions in effect at the time they were earned, but have not been compensated due to the freeze, will remain eligible to qualify employees for salary lane compensation for the lanes in existence under the expired Agreement, at the rate of one (1) lane movement per contract year on January 1, 2017 and July 1, 2017.

Credits earned after January 1, 2017, to the extent they are compensable, will be compensated at the BS+12, BS+24, earned MS, MS-36 and earned PhD levels; future compensable MS Equivalent will be paid at the MS salary lane for preapproved programs of study only. There shall be no advancement beyond the MS level for a MS Equivalent earned after August 31, 1994. All credits shall have been preapproved by the Superintendent or his/her designee to be eligible for any salary lane movement.

Course work submitted for salary advancement must be graduate level taken from a graduate school of education or liberal arts accredited by the regional Association, such as, the Middle States Accreditation Association of Colleges, and from legitimately accredited on-line sources. All programs of studies, individual courses, such as special interest courses, including preapproved Intermediate Unit continuing professional education courses up to twelve (12) credits, and preapproved programs of study, shall be pre-endorsed and approved by the Superintendent or his/her designee to be eligible for salary lane compensation.

Course work taken in an area of special need, as determined by the District, is acceptable. The Superintendent may waive the graduate credit requirement when an undergraduate course, in his/her opinion and discretion, more directly meets the needs of the District.

A grade of "B" (3.0 on a 4.0) scale) or greater must be obtained to receive credit for salary lane advancement from the course work taken.

**Issue No. 8: Schedule: B.4 - Tuition Prepayment/Reimbursement/Course Approval and Prepayment**

**Position of the District:**

The District is proposing to that only credits that have been preapproved may be reimbursed, limited to courses related to the employees' current assignment, limit the number to 6 credits per employee per year, and limit the total tuition available for the bargaining unit to \$80,000 per year. The estimated cost savings is \$30,000 per year.

**Position of the Association:**

The Association proposes no change to the current contract because the District as well as teachers benefit from the continued education of employees.

**Discussion and Opinion:**

Encouraging employees to continue their education is beneficial to the District because education is changing rapidly, more effective methods have been developed and the amount of information has been growing exponentially. The recommendations made for salary credit reimbursement in Issue No.6.A, above, will address cost containment that strikes a reasonable balance between the parties. Any additional changes to credit reimbursement may be counter-productive. I agree with the District that only preapproved credits should be eligible for reimbursement.

**Recommendation:**

I recommend adding language that specifies that only credits preapproved by the Superintendent or his/her designee shall be eligible for reimbursement.

**Issue No. 9: Schedule B.5: Extended Year and Salaries for Specific Professional Employees**

**Position of the Association:**

The Association is proposing to provide a scheduled minimum of five additional paid workdays in addition to the basic school year for reading specialists, speech therapists, educational consultants, nurses, librarians and special education teachers. The employees in this category currently may be required to work an extended school year on an as needed basis which may include their complete summer vacation. Although the District has not done this in the past,

the current contract does not protect them from that possibility except to provide them with the opportunity to refuse for “*bona fide* prior commitments.”

**Position of the District:**

The District rejects this proposal. The current contract, providing additional work on an as needed basis, is the most reasonable and efficient means to address the overtime needs of the District for these employees. Overtime is a management prerogative that the District needs to maintain control over, especially during difficult and challenging budget times.

**Discussion and Opinion:**

The Association’s proposal will require employees to work and be paid for five additional days whether or not their work is needed. The employees and the District both benefit when the District does not designate money and other resources potentially to pay for unneeded work. Therefore, I cannot recommend the Association’s proposal.

**Recommendation:**

I don’t recommend any change from the current contract.

**Issue No. 10: Schedule B.6 Extra Pay for Work Outside School Hours**

**Position of the Association:**

The Association is proposing that employees should receive adequate compensation for work performed beyond their assigned regular work day. Requirements and changes to how education is delivered, in addition to larger classes, testing, scoring and data entry have significantly increased the amount of time employees spend outside of their work day performing these duties and functions.

**Position of the District:**

The District rejects any change to the current contract because the Association’s proposal has unknown increased costs that may be beyond the District’s ability to commit given the other matters that must be addressed. The District recognizes that employees commit a large amount of their time outside work to meet the needs of the District and provide education to the students.

### Discussion and Opinion:

I recognize that the education profession has changed dramatically since I was a teacher for a short time many years ago. Expectations are much greater now than when many teachers currently in the bargaining unit began teaching. At some point all of the changes and the demands on employees will have to be reconciled, but this contract is not the time. The recommendations made in other parts of this report if accepted will require both parties to accept compromises that will go a long way toward addressing the most urgent needs of the parties. A recommendation regarding this proposal may go too far ensuring the rejection of this report.

### Recommendation:

I recommend no change from the current contract provision.

### **Issue No. 11: Schedule B.8 – Meetings Outside Regular School Hours**

#### Position of the Association:

The Association is proposing to reduce the number of after school meetings from one per week to one per month, eliminate the current provision that commits employees to five additional hours per year without pay that may be scheduled by the administration, including parent conferences and other school related activities referenced in paragraph 5 as compensable meetings, and add that employees may receive *per diem* compensation for meetings referenced in paragraph 5. The proposal is designed to ensure that meetings are called for important and necessary matters instead of the current practice of calling meetings because they can.

#### Position of the District:

The estimated cost of the Association's proposal is \$20,290 an excessive amount given the budget constraints that are currently in effect. The ability to schedule weekly staff meetings permits principals to meet with staff and direct professional development in smaller time blocks and discuss school administrative matters. The remaining proposal will eliminate or severely reduce staff coverage, and staff interaction and participation with students' families. The proposal is counter to the needs of the District at a cost that is beyond the District's ability to pay.



### Discussion and Opinion:

The Association is not persuasive arguing for these changes. The number of teacher meetings, the increase in the number of meetings and the complaints about them is common throughout the teaching profession.<sup>2</sup> These complaints are not unique to education because I have heard them as an employee and from municipal and other public and private sector employees. Meetings that are brief, preplanned with an agenda and that allow for interaction among the participants may reduce the number of complaints by making meetings more meaningful.

### **Recommendation:**

I don't recommend any change from the current contract.

### **Issue No. 12: Schedule B.9 – Elementary School Monitors**

#### Position of the Association:

The use of monitors and lunchroom monitors should be expanded from the elementary to the middle school. As building realignments continue, it is unknown where various grade levels will be located. If elementary grades are relocated to the middle school, those teachers should receive the same benefits provided by the monitors as their counterparts in the traditional elementary schools, because their schedules and demands on them remain the same. Therefore, the District should provide elementary classroom teachers whose assignment is in the middle school the same monitor assistance as when their classes were assigned to an elementary school. The demands remain the same although the location may be different.

#### Discussion and Opinion:

The Association's proposal is speculative at the moment. The current contract appears to provide adequate protection to teachers assigned to elementary level classes in all locations.

### **Recommendation:**

The Fact Finder recommends no change to the current language.

---

<sup>2</sup> My father who retired 30 years ago complained about meetings for the 38 years he taught.

### **Issue No. 13: Schedule B.12 – IEP Meetings**

#### **Position of the Association:**

The Association is proposing to require IEP meetings to occur during the regular school day. When the IEPs and administrative directed parent meetings are scheduled during designated preparation time, employees will be compensated for that time. The proposal will clarify the existing language.

#### **Position of the District:**

The District is proposing to continue the current contract language without change which already provides the ability to schedule to maximize staff time with students.

#### **Discussion and Opinion:**

I recognize that there can be many such meetings and that reasonable efforts should be made to minimize the number that encroaches on employees' personal time, classroom time and preparation time. There is no way to balance all those concerns with this proposal. The recommendations made in other parts of this report if accepted will require both parties to accept compromises that will go a long way toward addressing the most urgent needs of the parties. A recommendation regarding this proposal may ensure the rejection of this report.

#### **Recommendation:**

The Fact Finder recommends no change to the current language.

### **Issue No. 14: Schedule B.13 - Preparation Period**

#### **Position of the Association:**

The Association is proposing to modify the current contract to provide daily preparation time of "40 continuous minutes or the length of an instructional period, whichever is greater." Currently, the contract does not specify 40 continuous minutes at the elementary level where it is possible that the 40 minutes may be divided into three or more parts to total 40 minutes. For preparation time to be most productive and useful, it should be continuous.

#### **Position of the District:**

The District proposes to allow for flexibility for staff scheduling while providing the valuable time to employees. The current contract serves the parties' needs adequately.

**Discussion and Opinion:**

The traditional nature of elementary school schedules drives how preparation time is scheduled. Until and unless a different elementary school schedule is discovered and adopted, the current provision serves both parties' needs as well as can be expected.

**Recommendation:**

The Fact Finder recommends no change to the current language.

**Issue No. 15: Schedule B.14 – Professional Ratings**

**Position of the Association:**

The Association is proposing to add: "Post observation meetings must occur within 10 school days after the observation or not later than 10 school days before the end of the school term, whichever occurs first." Timely scheduling will provide maximum use and benefit of this meeting to identify and implement possible corrective actions in a timely manner. Delays enable poor performance to continue unabated if not addressed until the end of the school term, there is no time to take corrective action, action that is needed to improve employees' effectiveness. When employees' poor performance is not addressed in a timely and effective manner, students are shortchanged.

**Position of the District:**

The District is proposing to continue the current contract language because it allows for the speedy resolution of matters related to teacher ratings. Meetings currently must be taking place on a timely basis because there have not been any grievances or complaints to the contrary. There is no reason for the proposed change.

**Discussion and Opinion:**

While I recognize the Association's concern, it is in the District's best interest to have these conferences as soon as possible especially to address those employees who have been observed to have performance concerns. The most effective means to ensure meetings is for employees to insist on scheduling the conferences.

**Recommendation:**

I recommend no change to the existing contract.



#### **Issue No. 16: Schedule B.16 – Tuition Waiver**

##### **Position of the District:**

This contract provision is no longer valid because it was ended on or after December 4, 2013, and it is unlikely that it will be reactivated in the future.

##### **Position of the Association:**

The Association has not weighed in on this proposal.

##### **Discussion and Opinion:**

The provision should be continued because it is not clear from the record if those who have been permitted to attend before December 4, 2013 were able to continue after December 4, 2013. Therefore to the extent there are currently students grand parented into this benefit, the provision shall continue. If there are no longer any such students, the provision should be eliminated from the Agreement.

##### **Recommendation:**

The provision shall continue in the Agreement unchanged if there are bargaining unit members' children who had been grand parented after the benefit was discontinued on December 4, 2013. If there are no longer any students attending under this provision, the language should be deleted from the Agreement.

#### **Issue No. 17: Schedule B.19 – Notification of Assignment**

##### **Position of the Association:**

The Association is proposing to add language that requires notices to changes to building and room assignments made during the summer recess to continue until the teacher acknowledges receipt with copies to the Association. Teachers should be informed in a timely and effective manner so that they may prepare and plan lessons for the new assignment

##### **Position of the District:**

The mandatory obligation to notify the Association and continue notification until teachers respond is unusual and burdensome to the District. The current language is adequate.

### Discussion and Opinion:

There is no indication that the current provision does not work as intended to provide adequate notice when teaching assignments have been changed. Timely notice is necessary when new assignments are substantially different from teachers' current assignments. It is everyone's best interest to have teachers well-prepared when classes commence for the new school term. But it should not be the District's responsibility to continue notification until the notice is acknowledged. The current contract provision may be interpreted that no change in teachers' assignments may occur after the last work day of the preceding school year, which should be clarified. Additionally, notice to the Association is not necessary because assignments usually are not disciplinary matters of immediate concern to teachers' continued employment. If teachers have questions about their assignments that are not adequately answered by the District, they should know how to contact their Association representatives if they need advice or help.

### Recommendation:

I recommend that the following language should be added to the current contract language: Notices of assignment changes made during the summer recess shall be sent to the teachers' last known address.

### **Issue No. 18: Schedule B.20 – Rates for Professional Services**

#### Position of the Association:

The Association is proposing to increase pay for professional services by computing the rates as a percentage of the Bachelors Step1 so that future rates will increase at the same rate as regular salary. It's time to address these rates that have not changed or have increased minimally over the past decade, which are paid at a rate less than they currently are worth. Following is the matrix for the positions with the proposed rates.

<b><u>Item</u></b>	<b><u>Proposed rates as % of BS+0</u></b>
Department Chairpersons	4.5
Extra Pay	.085
Mentors	2
Full-Year Curriculum Re-Write	2.75
Full-Year Curriculum Revision	1.95

Psychologist Case Report (summer work)	1.5
Unused Sick Days at Retirement	.25
Bonus for Using No Sick Days (end of year)	.6
Building Subs	.4

**Position of the District:**

The Association's proposal is unusual for districts in the area, which provide negotiated stipends that are not tied to the salary scale. Although the cost of the proposal is not large, the District needs to control costs during this contract period to put its budget in order.

**Discussion and Opinion:**

Although the annual cost increase by this proposal is minimal, I do not recommend any change at this time. The expenditure of any new or redistributed money that may be available for salary and benefits should be distributed to all employees. During this time, increases to some employees, even when minimal, are at the expense of all. Whatever money is available should be designated toward proposals from which all employees will benefit.

**Recommendation:**

I don't recommend any change to the existing professional services pay rates.

**Issue No. 19: Schedule B.21 – IEP Preparation**

**Position of the Association:**

The Association is proposing to increase the number of days of released time from one-half (1/2) day to two (2) days during each marking period. The amount of data collection and paperwork for special education teachers has increased over the past several years. And the cuts in support staff make it more difficult for them to complete the paperwork in the current time allotted. The proposal will enable teachers to keep the paperwork in compliance and timely.

**Position of the District:**

The District resists the Association's proposal because it will result in further loss of direct teaching time with students. The current contract provides some relief to teachers although it is recognized that this work is tedious and time consuming.

**Discussion and Opinion:**

So much of what teachers do requires teachers' attention. Striking a balance between teacher and student contact and time away from students to do paperwork is difficult. Unless a better way is developed and adopted, the current contract provision should remain unchanged. I cannot recommend any change that will further reduce precious and necessary teacher student contact time that will give teachers relief.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 20: Schedule B.22 – Duty Assignments**

**Position of the Association:**

The Association is proposing language that will eliminate teachers from performing 'administrative tasks' that are traditionally principals' and assistant principals' work in addition to not requiring teachers to supervise cafeterias on temporary or emergency basis.

**Position of the District:**

The District resists the Association's proposal because the current contract permits scheduling for maximum efficiency. Furthermore, the District should be able to assign non instructional supervision tasks to teachers as needed on a temporary or emergency basis.

**Discussion and Opinion:**

The Association is not persuasive arguing for these changes. There are times when teachers' presence is more effective in controlling student behavior because of their specialized training and influence which other professional and nonprofessional employees may not have. The proposal to eliminate the use of teachers from performing some tasks on a temporary emergency basis is not advisable, absent other effective options.

**Recommendation:**

I recommend no change from the current contract language.



## **Issue No. 21: Schedule C.6 – Association Days**

### **Position of the Association:**

The Association is proposing to increase the number of Association days from a total of five (5) to ten (10) per year, provide the president with a half day released time and release the four (4) officers from duty periods to attend Association business. By providing more Association days, leadership will be able to attend workshops on such matters as teacher evaluation systems, proper use of social media by educators, and de-escalation techniques, all of which are valuable and provide education to our members that make them better, well-rounded educators. By providing the president with half-time release, the District will benefit by having SAEA leadership available to assist in preventing labor-management issues from occurring or escalating. It will also allow more time for SAEA leadership to meet with administration on a regular basis to discuss relevant matters throughout the school year.

The Association is concerned that although the District has a long-standing practice of allowing Association members the time they need to attend to training and other educational opportunities, it is concerned that the District may be moved to end this well-established past practice.

### **Position of the District:**

The estimated cost of the proposal is \$51,224 for the president's released time. In addition, the remaining proposal will further reduce the amount of time the leadership will be out of their classrooms teaching their students. As a result of a recent lawsuit at the Allentown City School District, released time may not be compensable time for retirement purposes.

### **Discussion and Opinion:**

The Association is not persuasive arguing for change to this provision.

### **Recommendation:**

I recommend no change from the current contract language.

## **Issue No. 22: Schedule D.3 – Unused Personal Illness and Personal Leave Days**

### **Position of the Association: (Refer to the matrix in Issue No. 18.)**

The Association proposes to increase the pay for reimbursement for unused sick days from \$100 per day to .25% of the BS+0. In this manner the value of each day will increase with pay increases to price it closer to the actual value of each day in effect at the time of retirement. In addition, the Association is proposing increasing the amount of the bonus paid to employees who do not use personal and family illness days during any school year from a prorated \$225 to .6% of the BS+0. In this manner the value of each day will increase with pay increases and its price will be closer to the actual value of each day in effect at the time of payment.

### **Position of the District:**

The District rejects this proposal because the increased cost is estimated at \$32,673, a 25% increase. The District is not prepared to commit scarce funds to this matter.

### **Discussion and Opinion:**

The Association is not persuasive arguing for change to this provision because of other recommendations in this report for pay increases that touch all employees and will require significant compromises by both parties.

### **Recommendation:**

I recommend no change from the current contract language.

## **Issue No. 23: Schedule D.4, D.5 – Bereavement, Near Relative, Immediate Family**

### **Position of the Association:**

The Association is proposing to increase bereavement leave for a near relative from one (1) to two (2) days, and increase the leave for immediate family members from three (3) to five (5) days. The increase in the number of days is necessary because families no longer live in the same community, requiring employees time necessary to travel longer distances for these life events.

### **Position of the District:**

The District rejects this proposal because the Association has not demonstrated that the current provision has created a problem for employees.

Discussion and Opinion:

The Association is not persuasive arguing for change to this provision because there is no data to justify a recommendation to increase the number of days in either category. For three years beginning in the 2013–2014 school years, approximately 571 days have been used for bereavement, however, there is no data to indicate that the time allotted was not sufficient or employees needed but did not receive additional time.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 24: Schedule D.6 – Personal Leave**

Position of the Association:

The Association is proposing to reduce the number of restrictions on the use of personal days. Under the proposal, leave will be permitted at the beginning and end of each school term and the number of teachers who will be permitted increases from 5% to 10% of eligible employees on any specific day District-wide. Personal leave is intended to provide employees with time to attend to unexpected personal matters, and since those matters arise at any time, there should be fewer restrictions.

Position of the District:

The District rejects this proposal because it will exacerbate the problems related to the existing substitute teacher shortage. And many of the surrounding districts have the same or similar conditions placed on use of these days. The current contract adequately provides personal days to employees to attend to matters out of their control that periodically and unpredictability may arise during their work day.

Discussion and Opinion:

The Association is not persuasive arguing for change to this provision at this time.

**Recommendation:**

I recommend no change from the current contract language.

### **Issue No. 25: Schedule D.7 – Family and Medical Leave Act**

#### **Position of the Association:**

The Association is proposing to change the language that will cause the FMLA time taken to not run concurrently with available personal and family illness leave. By this change employees may choose to save paid leave by opting for unpaid FMLA leave time.

#### **Position of the District:**

The District rejects this proposal because it may increase the time employees may be out of work away from their teaching duties.

#### **Discussion and Opinion:**

The Association is not persuasive arguing for a change to this provision.

#### **Recommendation:**

I recommend no change from the current contract language.

### **Issue No. 26: Schedule D.12 – Thanksgiving Holiday**

#### **Position of the Association:**

The Association is proposing to add the following holidays: ½ day for employees on the last school day before winter recess. ½ day for employees on the Wednesday before spring recess. Since these are the two of the three major school year holiday breaks, there is low student attendance because families tend to take their children out of class to travel. The students who attend have a low attention span because of the impending holidays and the disruption caused by the absences.

#### **Position of the District:**

The District rejects this proposal because it will further limit the District's ability to develop school schedules as needed. Half days are not popular with parents.

#### **Discussion and Opinion:**

The proposal will not solve the age old school problem of either the physical or mental absences of students before major school breaks. Half days may encourage more absences merely because they are half days that, in my limited teaching experience, were wasted teaching days

especially at the high school and junior high school levels, unless employees consider them opportunities to be innovative.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 27: Schedule D.13 – Occupational Injury**

**Position of the District:**

The thrust of the proposal is to avoid the double dip of sick leave and workers' compensation. The proposal will eliminate the District's payment of the difference between workers' compensation and the employees' full pay. Instead, employees may take workers' compensation or use accumulated sick leave by endorsing the workers' compensation check to the District. Employees who use all of their sick leave by selecting the second option will receive their workers' compensation check only. With this change, the District's maximum liability is limited to the cost of accumulated sick leave.

**Position of the Association:**

The Association rejects the proposal in favor of the current contract.

**Discussion and Opinion:**

The District is not persuasive arguing for change to this provision because it has not demonstrated that the use of workers' compensation with this group of employees is significant to make the provision overly burdensome or too costly.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 28: Schedule D.15 – Extended Sick Leave**

**Position of the District:**

The District is proposing to delete the language that requires mutual agreement between District and teachers who have exceeded their accumulated sick leave before the District may make the necessary salary reductions or adjustments.

Position of the Association:

The Association rejects the proposal.

Discussion and Opinion:

The District is not persuasive arguing for this change because it did not demonstrate that the current language has not enabled the District to take the necessary steps to alter or cease paying employees who are absent without accumulated sick leave.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 29: Schedule D.17 – Medical/Hospitalization Insurance**

Position of the District:

Health insurance is projected to increase over the next three years by 15.5% without any changes for an annual average cost of \$428,000 or a total of \$3,589,000 over three years. Covered spouses who are not employees of the District may cost up to \$4,250,000 annually. It is estimated that approximately 65% of them at a cost of approximately \$2,761,000 are eligible for health insurance from their employers. Therefore the District is proposing a \$300 per month surcharge in addition the premium cost for those spouses eligible for their employer's insurance. If premium share paid by employees increases to 10% over the life of the Agreement, there will be additional annual savings of \$800,000 for a total three year savings of approximately \$7,150,000. The projected 3 year cost to the District of \$26,679,000 will be reduced to \$19,529,000, approximately a 27% savings while still retaining a relatively generous plan.

To obtain these savings, the District proposes to change the following benefit payments:

**Health Insurance**

<b>Benefit</b>	<b><u>PPO Current</u></b>		<b><u>District PPO Proposed</u></b>	
	<b><u>In network</u></b>	<b><u>Out of network</u></b>	<b><u>In network</u></b>	<b><u>Out of network</u></b>
Deductibles	none	\$200/\$400	\$500/\$1000	\$1000/\$2000
Coinsurance	0%	20%	10%	30%
Coinsur.OOP max.	n/a	\$2000/\$4000	\$750/\$1500	\$2000/\$4000
ER copay	\$35 waived if admitted		\$100 waived if admitted	
OV copay/Spec.PCP	\$5/\$5	20%	\$20/\$25	30%
Urgent Copay	\$5	20%	\$50	30%

## Prescription Drugs

	<b><u>PPO Current</u></b>		<b><u>District PPO Proposed</u></b>	
<b><u>Benefit</u></b>	<b><u>Retail</u></b>	<b><u>Mail Order</u></b>	<b><u>Retail</u></b>	<b><u>Mail Order</u></b>
Deductibles	n/a	n/a	n/a	n/a
Coinsurance/Copayments	\$5/\$10	\$10/\$20	20%	20%
Minimum/Maximums	n/a	n/a	\$10 min./\$50 max.	\$20 min./\$100 max.
Rx management	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization

### Position of the Association:

The Association recognizes that health insurance is expensive but the costs have increased at a greater rate than salary over the term of the last few Agreements. The District's proposal will reduce the rate of growth by shifting the costs to the employees while continuing to offer no increase in real wages. The Association proposed modifications to the plan also will shift costs to the employees but the shift will not outstrip salary increases at the unsustainable rate proposed by the District. The Association also proposes to continue the current premium share at 3% which will reduce real income even though the District has offered bonus payments instead of real salary increases. The Association rejects the so-call spousal surcharge because of the costs to the employees. The Association's proposal will reduce District cost by \$1,654,173, a total savings of 6.2% over three years.

Following are the Association's proposed changes:

## Health Insurance

	<b><u>PPO Current</u></b>		<b><u>Association PPO Proposed</u></b>	
<b><u>Benefit</u></b>	<b><u>In network</u></b>	<b><u>Out of network</u></b>	<b><u>In network</u></b>	<b><u>Out of network</u></b>
Deductibles	none	\$200/\$400	\$250/\$750	\$500/\$1000
Coinsurance	0%	20%	0%	20%
Coinsurance OOP max.	n/a	\$2000/\$4000	n/a	\$2000/\$4000
ER copay	\$35 waived if admitted		\$50 waived if admitted	
OV Copay/Specialist	\$5/\$5	20%	\$0/\$20	20%
Urgent Copay	\$5	20%	\$20	20%

## Prescription Drugs

	<b><u>PPO Current</u></b>		<b><u>Association PPO Proposed</u></b>	
<b><u>Benefit</u></b>	<b><u>Retail</u></b>	<b><u>Mail Order</u></b>	<b><u>Retail</u></b>	<b><u>Mail Order</u></b>
Deductibles	n/a	n/a	n/a	n/a
Coinsurance/Copayments	\$5/\$10	\$10/\$20	\$10/\$20/\$40	\$20/\$40/\$80
Minimum/Maximums	n/a	n/a	n/a	n/a.
Rx Management	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization	?	?

### Discussion and Opinion:

The parties have not had a contract for over year since the expiration of the Agreement, in large part because they have not been able to navigate through health insurance changes. As contracts are delayed, employees enjoy the benefit of the existing plan while salary remains stagnant and health insurance increases at 5% or more per year. Both parties lose because stagnant salaries and the loss of potential increases are the price employees pay for the *status quo* health insurance. Those losses compound each year they are lost or delayed. For employees at the upper end of the scale nearing retirement, those losses translate into retirement pay being less than it could have been for the twenty years or more they are estimated to be drawing benefits. For the District, it may realize a net savings overall while overpaying for health insurance. It is more cost effective to shift health insurance dollars, which grow at a much greater rate than inflation, to wages that have been growing much slower over last eight years. For both parties there is a better use of that money spent unnecessarily for over-priced and often not needed coverage.

Another problem with health insurance is that employees generally are over insured because the benefits are set at an artificially high level to provide maximum benefit whether employees use the plan or not. Moreover, this plan design philosophy does not consider age and employees' collective health where younger employees generally are over insured. Employees can get a more cost effective plan by designing one that does not bankrupt them when they are ill, but doesn't overcharge them when they are healthy. Most people are healthy much more often than they are ill. And with a moderate amount of financial planning, all employees can set aside a modest amount of money to cover out of pocket expenses when they use the plan. In other words we tend to insure for the worst case when in reality most employees are rarely if ever in that situation.

The working spouse restriction proposed by the District is not common in contracts in the area. Of the 12 districts referenced in the District's data, only two have conditions on spousal insurance coverage. I don't recommend this proposal in any form at this time. Considering my



recommendations for changes to health insurance and other recommendations on other issues, spousal restricts may cause the report to be rejected.

Employee premium share is one of those proposals that may be counterproductive. As employees' premium share increases, there is a point where they become high enough to encourage employees to use the plan to get their money's worth. I don't believe that a modest increase to the current 3% will cause higher use, however. Therefore, I am proposing that the share increase to 5% effective on July 1, 2017 capped at \$85 per pay. The \$85 cap keeps the mathematical relationship between the cap and the percentage of premium that exists in the current contract. At 3%, the \$50 cap is valued at approximately \$17 per percentage point; at the addition of 2% costs \$34 that when added to the current \$50 becomes an \$85 cap. The cap should be continued due to the modest proposed salary increases and the changes in the plan's structure which will increase out of pocket costs to employees.

My recommendations will reduce the total annual premium cost immediately by \$1,119,556, to \$7,394,080 and reduce the three projected increase by \$3,616,855. The three year District cost will be reduced from a projected \$26,679,233 to \$23,170,903. The three year employee premium cost will be reduced from a projected \$825,131 to \$716,606. In all projected cost increases, I am using the assumption that annual premium increases 6.7% for 2016-2017, 7.5% for 2017-2018 and 7.5% for 2018-2019.

These changes along with my recommendations for salary increases will strike a fair and reasonable balance between health insurance that remains a generous plan for employees and savings for the District. Employees may pay more when they use the plan but they will benefit for the remainder of their careers with higher salary that will translate into potentially higher retirement benefits for as long as they receive retirement benefits.

**Recommendation:**

**Health Insurance Plan and Prescription Drug Changes**

I recommend the following changes to the health insurance plan currently in effect, modified to reflect the proposed changes indicated in the following matrix and an increase to the employee premium share.

## Health Insurance

	<b>PPO Current</b>		<b>PPO Proposed</b>	
<b>Benefit</b>	<b>In network</b>	<b>Out of network</b>	<b>In network</b>	<b>Out of network</b>
Deductibles	none	\$200/\$400	\$250/\$750	\$500/\$1500
Coinsurance	0%	20%	20%	40%
Coinsurance, OOP max.	n/a	\$2000/\$4000	\$750/\$1500	\$2000/\$4000
ER copay	\$35 waived if admitted		\$75 waived if admitted	
OV Copay/Specialist	\$5/\$5	20%	\$20/\$30	20%
Urgent Care Copay	\$5	20%	\$35	20%

	<b>PPO Current</b>		<b>PPO Proposed</b>	
<b>Benefit</b>	<b>Retail</b>	<b>Mail Order</b>	<b>Retail</b>	<b>Mail Order</b>
Deductibles	n/a	n/a	n/a	n/a
Coinsurance/Copayments	\$5/\$10	\$10/\$20	\$20%	\$20%
Minimum/Maximums	n/a	n/a	\$15/\$100	\$30/\$200.
Rx Management	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization	Mandatory Generic (Hard) Step Therapy, Prior Authorization

### Employee Premium Share

Effective July 1, 2017, the employees' share of the premium should be increased from 3%, capped at \$50 per pay to 5%, capped at \$85.

### Spousal Eligibility

I don't recommend any change to spouses' ability to obtain health insurance from the District.

### **Issue No. 30: Schedule D.18 – Dental Insurance**

#### Position of the Association:

The Association proposes adding retirees to the District's dental plan. Retirees were covered by the plan by long-standing practice until the 2013-2015 Agreement was executed, at which time the District unilaterally ceased to provide it. The zipper clause prohibited the Association from bargaining to re-instate it during the term of the Agreement. This was an unfair loss to retirees who earned the benefit while active employees and relied on it in retirement.

#### Position of the District:

The District rejects the proposal because this is not a common provision in the region. Only three districts, Bethlehem, Easton and Nazareth, provide some form of retiree dental insurance.

Discussion and Opinion:

The Association is not persuasive arguing for this change for two reasons. First, I am unable to estimate the cost of this proposal as there is not enough information in the record. Second, given the difficulty that the parties have had attempting to come to an agreement on major and other peripheral issues, a recommendation to add this change to my other recommendations may ensure the demise of the report.

**Recommendation:**

I don't recommend any change to Dental insurance.

**Issue No. 31: Schedule D.19 - Vision Insurance**

Position of the Association:

The Association proposes adding retirees to the vision District's plan. Similar to the dental insurance, retirees were covered by the plan by long-standing practice until the 2013-2015 Agreement was executed, at which time the District unilaterally ceased it. The zipper clause prohibited the Association from bargaining to re-instate dental insurance during the term of the Agreement. This was an unfair loss to retirees who earned the benefit while active employees and relied on it I retirement.

Position of the District:

The District rejects the proposal because this is not a common provision in the region. Only Nazareth provides some form of retiree vision insurance.

Discussion and Opinion:

As with the proposed changes to the dental insurance, the Association is not persuasive arguing for this change for two reasons. First, I am unable to estimate the cost of this proposal as there is not enough information in the record. Second, given the difficulty that the parties have had attempting to come to an agreement on major and other peripheral issues, a recommendation to add this proposal to my recommendations may ensure the demise of the report.

**Issue No. 32: Schedule D.23 – Jury Duty****Position of the Association:**

The Association's proposes to remove the restrictions from the existing provision. The changes will provide per diem pay to employees who appear as witnesses for the District when they are required to attend court when school is not in session and on holidays with the addition of a travel allowance. The current contract appears to require teachers who are subpoenaed as witnesses to take personal days or unpaid leave.

**Position of the District:**

The District rejects this proposal because it appears to require the District to pay employees who are witnesses against the District in personal lawsuits; unfair labor practices charges and grievances merely upon the presentation of a subpoena.

**Discussion and Opinion:**

The Association is not persuasive arguing for changes to this provision because it too broad and vague. The current contract provides employees with full pay and benefits when they are subpoenaed for jury duty in both Commonwealth and Federal Courts. Employees appearing in court on behalf of the District on matters related to their work should be paid as part of their employment duties and requirements. I am not convinced any change is needed at this time.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 33: Schedule D.25 – Personnel Files****Position of the Association:**

The Association's proposes to require the District to notify employees within ten (10) days when derogatory information is placed in their files, and provide ten (10) days for them to attach a written response.

**Position of the District:**

The District rejects this unnecessary proposal because employees are provided a copy of anything that may be placed in their personnel files. The current language allows for a rebuttal or statement to be attached to materials in the file.

Discussion and Opinion:

The Association is not persuasive arguing for changes to this provision because the current contract provides notice albeit without time limits and the opportunity to respond, also without time limits.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 34: Schedule D.26 – Class Coverage**

Position of the Association:

The Association proposes to permit teachers who cover classes for other employees to have the option to receive payment as compensatory time off instead of pay. The District will save money when teachers opt for the time off instead.

Position of the District:

The District rejects this proposal because the current contract language allows for stable monitoring of coverage while the proposal will require more administrative bookkeeping.

Discussion and Opinion:

The Association is not persuasive arguing for this change. Compensatory time when taken may require class coverage from the pool thereby not saving the District money with a concurrent loss of the employees' productivity. Unique to education is that teachers only have a limited number of days they may effectively teach. Once those days pass they cannot be made up. Paying teachers is the most productive manner to compensate employees for providing a needed service to the District so as not to generate lost class time.

**Recommendation:**

I recommend no change from the current contract language.

**Issue No. 35: Schedule F – Athletic Trainers**

Position of the District:

The District proposes to subcontract this work to an outside vendor. The proposal made by St. Luke's University Health Network will provide the same services at a five years savings of

\$721,109 or \$144,222 per year on average. Unless similar savings can be realized from having the District's employees continue to provide this service, the proposal cannot be ignored. The District is satisfied that St. Luke's can provide these services at an acceptable level after having been provided its service on temporary basis before.

Position of the Association:

The Association rejects this proposal because it objects to subcontracting out bargaining unit work as a matter of policy. Furthermore, the District is better served when any provider of services is a District employee who the District has supervisory control. Subcontracted employees answer to St. Luke's or the vendor of choice, not to any employee of the District. For these reasons, the Association objects to and rejects the District's proposal.

Discussion and Opinion:

The primary purpose and duties of the bargaining unit are to provide academic training to students. Nonacademic school activities enrich the learning environment and tend to make better, more successful students. Athletics help create excitement and spirit among students that the education society and society in general believe helps improve academic outcomes. When the cost of providing those nonacademic stimulators far exceeds the cost if provided from another source, thereby, unnecessarily taking needed funds from academic functions, the District makes a persuasive case for contracting that work with an outside vendor. According to the St. Luke's proposal, it appears that the market value of athletic trainers is far less than the cost required by the Agreement. And since the District has been satisfied with temporary athletic trainer services that had been provided by St. Luke's earlier, it appears to be a *bona fide* proposal. On the other hand, had this not been a legitimate proposal or had it been a proposal to contract out primary bargaining unit work, I would have rejected it and recommended no change. The value of the savings is substantial enough to fund some of the recommendations herein, recommendations that affect all bargaining unit employees.

Recommendation:

I recommend that the District may contract the athletic trainer work to an outside vendor in accordance with the following proposal.

## **Schedule F – Athletic Trainers**

Retain Sections A & B.1, 2, 3, 4 & 5.

Add Section C. The District may contract with an outside vendor to provide the services currently provided by bargaining unit athletic trainers. The athletic trainers provided by the vendor will not be bargaining unit members and will not be subject to the terms and conditions of the Agreement and Schedule F.

## **Issue No. 36: Schedule G – Building Substitutes**

### **Position of the District:**

The District may save over \$20,000 annually per substitute by contracting with an outside agency to provide substitutes. This is a substantial savings to hire substitutes to cover for absent bargaining unit employees. Other districts in the region have similar provisions for long term substitutes.

### **Position of the Association: (Refer to the matrix on Issue No. 18.)**

The Association rejects the proposal because it objects to any subcontracting of bargaining unit work. Instead it proposes to continue to represent these positions and calculate their pay at .4% of the BS+0.

### **Discussion and Opinion:**

The District is persuasive arguing that long term and building substitutes may be hired from an outside agency to fill temporary vacancies caused by the absence of bargaining unit employees. Although the Association resists the proposal because it results in the subcontracting of bargaining unit work to an outside employer, this group of employees, except for the demoted teachers working in those positions, does not share a significant community of interest with the other members of the bargaining unit. Moreover, this proposal will not result in subcontracting where employees who are performing exactly the same work are working side-by-side with subcontracted employees on permanent basis receiving lower pay and fewer benefits than bargaining unit employees, a situation that I would not have recommended. Instead the substitutes work on a temporary basis replacing absent employees. Substitute work is substantially different from bargaining unit work, enough so that they share little with the bargaining unit. Finally, according to the District, the outside agency will save an estimated

\$20,000 per substitute teacher per year. The savings from this change will help fund the recommendations made herein.

**Recommendation:**

I recommend the following additions to Schedule G:

**Schedule G – Building Substitutes**

Sections A through I shall remain unchanged from the Agreement.

Add: J. Effective January 1, 2017, the District may contract with an outside agency to hire building and long-term substitute teachers to fill temporarily vacant bargaining unit positions for the temporary absence of permanent bargaining unit members. Those employees will not be bargaining unit members.

Add: K. Effective January 1, 2017, the terms of Sections A through I shall no longer be in effect except as they may apply to former demoted bargaining unit employees currently in those positions who shall remain District employees covered by the terms of the Agreement as provided by Schedule G. Those teachers will forfeit their claims under Schedule G if they resign from District employment or remain District employees in another bargaining unit position or another position not in the bargaining unit.

**Issue No. 37: New Provision – Extracurricular/Extra Responsibility Pay**

**Position of the Association:**

All coaches and activity advisors shall receive the same percentage increase as the salary increases of all employees covered in the Agreement. In this manner, as the salary scale is increased by X%, the pay for these positions will increase by the same percentage. The proposal will increase pay for these positions which are and have been underpaid in comparison to the same positions in districts in the region.

**Position of the District:**

The District rejects this proposal. The annual cost of these positions is \$596,983. Every percentage point of increase will cost approximately \$5,970. While this does not appear to be a large sum of money, it is money that will have to come from other areas of an already tight budget.

**Discussion and Opinion:**

The Association is not persuasive arguing for these modest increases. Given that salary money it already tight, any money diverted to these positions will reduce its availability



elsewhere. Although these positions have value, they are peripheral to the primary academic purpose of the bargaining unit. In tight times, it is fairer to spend money where it will affect the most number of people.

**Recommendation:**

I recommend no change.

**Issue No. 38: (New Section) Online Courses/Cyber School**

**Position of the District:**

The District's cost for charter and cyber schools has increased substantially from the 2009-2010 to the 2015-2016 school years. During that time the number of students has increased from 134 to 184. The cost of supporting these schools is deducted directly from the District budget's bottom line. In the 2009-2010 school year, 134 students cost the District \$1,566,691. The cost jumped up to \$2,885,865 in 2015-2016. The District's proposal is intended to lure those current students back to the District while encouraging students who may select charter and cyber schools to select the District's program. If the trend continues without intervention from the District, the numbers will increase and further continue take more money from the budget.

**Position of the Association:**

The Association rejects this proposal because it does not protect bargaining unit members from the loss of jobs caused by the District's getting into the cyber school and online educational delivery services. During negotiations, the District rejected the Association proposals intended to protect traditional classroom education and bargaining unit jobs.

**Discussion and Opinion:**

The Association and District need to agree to a proposal to compete for cyber school and online students. It is obvious from the trend in this District and throughout the Commonwealth, these schools are here, they are your competition, politicians encourage them and they are appealing to a certain, growing segment of society. Until and unless these schools are funded in another manner, the parties need to compete.

The numbers clearly demonstrate growth in the number of students and cost to the District. The average per pupil cost for 184 students in the 2015-2016 school year is \$15,585 up from \$11,692 in 2009-2010. In fact, during 2013-2014, the average cost jumped to \$17,356 per

student, an outlier that could become the norm. At the \$15,585 rate, approximately six new students opting for these schools equals one teacher based on a salary cost of \$75,000. The Association's job security relies in part by offering District provided alternatives to keep these students in the District and retain the tuition. The District can provide this service in a more cost effective manner.

**Recommendation:**

I recommend the following Schedule H to be added to the Agreement:

**Schedule H: Online Learning**

**I. Terms for Implementation**

- A. The District will not openly solicit students to participate in the online-learning program of Edgenuity or a similar entity to students in the District unless: (1) the students are currently homeschooled students; (2) the students are in a non-public, parochial, or independent school; (3) the students are currently attending a cyber school; (4) the students are attending a charter school; (5) the parents/guardians or students approach the District to withdraw from either their homeschooling, charter school, cyber school, parochial, independent, or non-public school program; or (6) any traditional District students who state that they are leaving to participate in a cyber school or charter school.
- B. The District may use the online-learning program as an alternative for students that will be expelled or are expelled or are suspended by the District.
- C. The District may use the online-learning program for a student who is out of the District's regular program as the result of medical reasons after the District and the Association agree that the District is unable to find a qualified Bargaining Unit Member to actually participate in homebound instruction.
- D. During the term of the Agreement, the District will not expand its online program with Edgenuity or similar entity, beyond the limitations set forth in Schedule H without the approval of the Association.

**II. Preservation of Bargaining Unit Position**

The District and the Association agree that no Bargaining Unit positions will be reduced or eliminated as a result of the District's implementation of the online learning program. The online-learning program will initially be staffed by Edgenuity, or other cyber-education entity as outlined above, with the intent to transition to courses being taught by Stroudsburg Area School District by teachers who are members of the Association's bargaining unit on or before the beginning of the 2018-2019 school year, the initial target date. Further, the District and the

Association agree that as the District transitions to hybrid-learning programs, they will be staffed by Stroudsburg Area School District teachers who are members of the Association's bargaining unit. The Association and District will meet at least twice annually to discuss and/or reevaluate the transition timeline.

### III. Terms after Transition is Established

The District shall offer bargaining unit members instructor positions in the online learning program.

- A. Teachers selected to teach in the online learning program shall receive appropriate training in related technology.
- B. All required training will be paid by the District.
- C. All curriculum, teacher training, and equipment for the online learning program shall be provided by the District.
- D. A teacher shall not be assigned more than six (6) online classes per day and any single online class shall not exceed thirty-five (35) students in such class.
- E. If possible, all courses shall be offered during the regular school day/school year. If the online learning program is scheduled beyond the regular school day/school year, teachers shall be compensated at the hourly rate set forth in Schedule B, Section 6, Extra Pay.

### IV. Disputes

The District and the Association agree that any disputes or disagreements regarding the interpretation or intention of Schedule H shall be subject to the Agreement's Grievance Procedure.

### V. Miscellaneous Provisions

- A. The Association and the District shall periodically meet to discuss the number of students who may be receiving online educational services from the District, including online services for dual enrollment and/or credit recovery. In the event that there are 50 or more students who will be receiving services in this fashion, the District agrees to meet and discuss with the Association about job security for Bargaining Unit Members, it being understood that there is no intent of the District to reduce staffing levels in the District as the result of the implementation of any online offering. Nothing in this language shall mitigate or obviate any requirements for job security contained in the Agreement and Schedule H.

### **Issue No. 39: New Provision – Extracurricular/Extra Responsibility Pay**

#### **Position of the Association: (Refer to the matrix in Issue 18.)**

All coaches and activity advisors shall receive the same percentage increase as the salary increases of all employees covered in the Agreement. In this manner, as the salary scale is increased by X%, the pay for these positions will increase by the same percentage amount. These positions are underpaid in comparison to the same positions in districts in the region. The proposal will go a long way toward improving pay rates.

#### **Position of the District:**

The District rejects this proposal. The annual cost of these positions is \$596,983. Every percentage point of increase will cost approximately \$5,970. While this does not appear to very much money, it is money that will have to come from other areas of an already tight budget.

#### **Discussion and Opinion:**

The Association is not persuasive arguing for these modest increases. Given that money is already tight, any diverted to these positions will reduce its availability elsewhere, including the salary scale which affects all employees. Finally, although these positions have value, they are peripheral to the primary academic purpose of the bargaining unit. In tight times, it is fairer to spend money where it will affect the most number of employees.

#### **Recommendation:**

I recommend no change.

### **Issue No. 40: New Provision – Special Education Teachers' Duty Assignments**

#### **Position of the Association:**

The Association is proposing that special education teachers and other employees who provide special services to students will not be given assignments during their 'duty periods' to enable them to complete paperwork and attend meetings related to their caseload. Their work requires them to attend IEPs, write IEP reports and complete other large amounts of paperwork that is unique to their assignments. They should have this time to complete reports and attend meetings, whose frequency continues to increase annually.

Position of the District:

The District rejects this proposal because it estimates that it would have to hire three additional special education teachers, at a cost of over \$200,000 plus benefits. The District's limited financial resources cannot be stretched to implement this proposal.

Discussion and Opinion:

The Association is not persuasive arguing for this change. I recognize that special education is unique because of the required number mandatory meetings, paperwork and IEPs, but this is not an opportune time to deal with this matter. Given the difficulty that the parties have experienced attempting to bargain this contract, I am concerned that this issue if addressed as the Association proposes will make this report unacceptable.

Recommendation:

I recommend no change.

Summary

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

**Please note that you are directed to notify the PLRB of your decision to accept or reject the recommendations herein within ten (10) days of the date of the issuance of this Report.**

September 26, 2016



John C. Alfano, Arbitrator  
1622 Birch Street  
Scranton, Pennsylvania 18505  
SASD/saea2016

# Exhibit A

## Salary Scales 2015-2016

Step	BS	BS+6	BS+12	BS+18	BS+24	BS+30	MS	MS+6	MS+12	MS+18	MS+24	MS+30	MS+36	MS+42	MS+48	MS+54	MS+60	PhD
1	51800	52457	53114	53771	56428	57085	63692	64699	65706	66713	68064	69571	71078	72585	74092	75599	77599	79599
2	52300	52957	53614	54271	56928	57585	64192	65199	66206	67213	68564	70071	71578	73085	74592	76099	78099	80099
3	52800	53457	54114	54771	57428	58085	64692	65699	66706	67713	69064	70571	72078	73585	75092	76599	78599	80599
4	53300	53957	54614	55271	57928	58585	65192	66199	67206	68213	69564	71071	72578	74085	75592	77099	79099	81099
5	53800	54457	55114	55771	58428	59085	65692	66699	67706	68713	70064	71571	73078	74585	76092	77599	79599	81599
6	54300	54957	55614	56271	58928	59585	66192	67199	68206	69213	70564	72071	73578	75085	76592	78099	80099	82099
7	55300	55957	56614	57271	59928	60585	67192	68199	69206	70213	71564	73071	74578	76085	77592	79099	81099	83099
8	56300	56957	57614	58271	60928	61585	68192	69199	70206	71213	72564	74071	75578	77085	78592	80099	82099	84099
9	57300	57957	58614	59271	61928	62585	69192	70199	71206	72213	73564	75071	76578	78085	79592	81099	83099	85099
10	58300	58957	59614	60271	62928	63585	70192	71199	72206	73213	74564	76071	77578	79085	80592	82099	84099	86099
11	59300	59957	60614	61271	63928	64585	71192	72199	73206	74213	75564	77071	78578	80085	81592	83099	85099	87099
12	60300	60957	61614	62271	64928	65585	72192	73199	74206	75213	76564	78071	79578	81085	82592	84099	86099	88099

## 2016-2017 Effective 1/1/2017

Step	BS	BS+6	BS+12	BS+18	BS+24	BS+30	MS	MS+6	MS+12	MS+18	MS+24	MS+30	MS+36	MS+42	MS+48	MS+54	MS+60	PhD
1	52117	52774	53431	54088	56745	57402	64009	65016	66023	67030	68381	69888	71395	72902	74409	75916	77916	79916
2	52617	53274	53931	54588	57245	57902	64509	65516	66523	67530	68881	70388	71895	73402	74909	76416	78416	80416
3	53117	53774	54431	55088	57745	58402	65009	66016	67023	68030	69381	70888	72395	73902	75409	76916	78916	80916
4	53617	54274	54931	55588	58245	58902	65509	66516	67523	68530	69881	71388	72895	74402	75909	77416	79416	81416
5	54117	54774	55431	56088	58745	59402	66009	67016	68023	69030	70381	71888	73395	74902	76409	77916	79916	81916
6	54617	55274	55931	56588	59245	59902	66509	67516	68523	69530	70881	72388	73895	75402	76909	78416	80416	82416
7	55617	56274	56931	57588	60245	60902	67509	68516	69523	70530	71881	73388	74895	76402	77909	79416	81416	83416
8	56617	57274	57931	58588	61245	61902	68509	69516	70523	71530	72881	74388	75895	77402	78909	80416	82416	84416
9	57617	58274	58931	59588	62245	62902	69509	70516	71523	72530	73881	75388	76895	78402	79909	81416	83416	85416
10	58617	59274	59931	60588	63245	63902	70509	71516	72523	73530	74881	76388	77895	79402	80909	82416	84416	86416
11	59617	60274	60931	61588	64245	64902	71509	72516	73523	74530	75881	77388	78895	80402	81909	83416	85416	87416
12	60617	61274	61931	62588	65245	65902	72509	73516	74523	75530	76881	78388	79895	81402	82909	84416	86416	88416

## 2017-2018 Effective 7/1/2017

Step	BS	BS+6	BS+12	BS+18	BS+24	BS+30	MS	MS+6	MS+12	MS+18	MS+24	MS+30	MS+36	MS+42	MS+48	MS+54	MS+60	PhD
1	52668	53325	53982	54639	57296	57953	64560	65567	66574	67581	68932	70439	71946	73453	74960	76467	78467	80467
2	53168	53825	54482	55139	57796	58453	65060	66067	67074	68081	69432	70939	72446	73953	75460	76967	78967	80967
3	53668	54325	54982	55639	58296	58953	65560	66567	67574	68581	69932	71439	72946	74453	75960	77467	79467	81467
4	54168	54825	55482	56139	58796	59453	66060	67067	68074	69081	70432	71939	73446	74953	76460	77967	79967	81967
5	54668	55325	55982	56639	59296	59953	66560	67567	68574	69581	70932	72439	73946	75453	76960	78467	80467	82467
6	55168	55825	56482	57139	59796	60453	67060	68067	69074	70081	71432	72939	74446	75953	77460	78967	80967	82967
7	56168	56825	57482	58139	60796	61453	68060	69067	70074	71081	72432	73939	75446	76953	78460	79967	81967	83967
8	57168	57825	58482	59139	61796	62453	69060	70067	71074	72081	73432	74939	76446	77953	79460	80967	82967	84967
9	58168	58825	59482	60139	62796	63453	70060	71067	72074	73081	74432	75939	77446	78953	80460	81967	83967	85967
10	59168	59825	60482	61139	63796	64453	71060	72067	73074	74081	75432	76939	78446	79953	81460	82967	84967	86967
11	60168	60825	61482	62139	64796	65453	72060	73067	74074	75081	76432	77939	79446	80953	82460	83967	85967	87967
12	61168	61825	62482	63139	65796	66453	73060	74067	75074	76081	77432	78939	80446	81953	83460	84967	86967	88967

Note: Shaded columns are discontinued for credits earned on or after January 1, 2017.