

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD**

IN THE MATTER OF THE FACT FINDING BETWEEN

PERKIOMEN VALLEY EDUCATION ASSOCIATION, PSEA/NEA	:	
	:	
and	:	FACT FINDING REPORT
	:	CASE NO. ACT 88-10-47-E
	:	
PERKIOMEN VALLEY SCHOOL DISTRICT	:	

HEARING: December 10, 2010
Lansdale, PA

FACT FINDER: John M. Skonier, Esq.

FOR THE DISTRICT:

Jeffrey T. Sultanik, Esq.
District Labor Counsel

FOR THE ASSOCIATION:

Mr. Gregory J. Moll
UniServ Representative

Procedural History

Pursuant to Act 88 of 1992 (Act 88) and the Public Employee Relations Act, Act 195 of 1970 (PERA), notice was received by the Pennsylvania Labor Relations Board (PLRB) from the Bureau of Mediation that no agreement had been reached between the Perkiomen Valley Education Association, PSEA-NEA (hereinafter Association) and the Perkiomen Valley School District (hereinafter District). By letter dated November 16, 2010, the PLRB appointed the undersigned to act as a fact finder, vested with the authority set forth above. Subsequent to such notice, the parties were duly notified and a hearing was held on December 10, 2010, in Lansdale, Pennsylvania; at which time both parties were afforded a full opportunity to present testimony, examine and cross-examine witnesses, and introduce documentary evidence in support of their respective positions. The matter is now ready for issuance of the subject Report.

The Fact Finder would like to thank the parties for the professionalism they exhibited during this proceeding and on the clarity and intelligence with which they presented their positions. The documentation provided was both comprehensive and informative.

The instant impasse involves unresolved issues with various sub-issues. This Report contains "recommendations" for these issues which constitute the settlement proposal upon which the parties are now required to act, as directed by statute and PLRB regulations. Pursuant to statutory authority, this Report will be released to the public if not accepted. A vote to accept the Report does not constitute agreement with or endorsement of the rationales, but rather represents only an agreement to resolve the issues by adopting the recommendations. The parties are directed to review the Report and, within ten days of its issuance, notify the PLRB of their decision to accept or reject the recommendations.

RECOMMENDATIONS

Term

The District proposes a 2 year contract and the Association proposes a 4 year contract. Under the current economic conditions and in consideration of the fact that much of the first year has elapsed, a recommendation of a 3 year contract will be made.

Recommendation:

The term of this Agreement shall begin on September 1, 2010 and shall continue in full force and effect until August 31, 2013.

Wage

The record reveals that the relative wealth of the District is low within the county. It is 18th out of 21 school districts as measured by state aide ratios and the taxing effort of the District is high. Another indicator of a school district's wealth or lack thereof is revealed in the number of free and reduced lunches offered in the District. The percentage in the District is 10.21%, also high for the county.

The current economic climate and the fiscal constraints facing school districts today are unprecedented. The country is in the grips of a major recession and revenue sources are dwindling. Compounding this situation is the effect of Act 1 on the ability of a district to raise revenues and the decreased market values of real property, the primary source of tax revenues for a school district. In addition, districts are facing a looming crisis presented by the expanding costs of PSERS. While this is certainly not the fault of the Association or the District, it is the current situation in which we find ourselves.

These challenges require innovative approaches to bargaining. There must be a balancing between ever increasing health care costs and the limited economic resources available in the foreseeable future. In view of this, the salary schedules recommended must be seen in tandem with the health care recommendations as a part of a "package" that, hopefully, will lead to a contract.

The following schedule provides information on the salary recommendation with regard to the percentage increases for wages with increment, without increment and the average dollar increase for each year of the collective bargaining agreement.

<u>Year</u>	<u>Average % With Increment</u>	<u>Average % Without Increment</u>	<u>Average \$ Increase</u>
2010-2011	2.56	0	\$1,785.00
2011-2012	3.20	.82	\$2,288.00
2012-2013	3.35	1.20	\$2,473.00

Recommendation:

The recommendations for the salary schedules for the three years of this contract are set forth below:

Perkiomen Valley School District 2010-2011

To Top	Steps	B	B+12	B+24	M	M+12	M+24	M+36	M+48
15	1	42,673	43,702	44,727	46,429	48,008	49,589	51,167	52,751
14	2	44,176	45,201	46,308	48,602	50,536	52,116	53,697	55,294
13	3	45,677	46,782	47,889	50,773	53,065	54,645	56,226	57,837

12	4	47,178	48,362	49,469	52,946	55,594	57,174	58,755	60,383
11	5	48,679	49,943	51,051	55,118	58,121	59,703	61,283	62,925
10	6	50,180	51,522	52,631	57,292	60,651	62,233	63,812	65,470
9	7	51,683	53,103	54,211	59,465	63,180	64,761	66,341	68,016
8	8	53,177	54,684	55,790	61,638	65,708	67,288	68,869	70,558
7	9	54,684	56,265	57,369	63,813	68,237	69,817	71,398	73,107
6	10	56,187	57,846	58,953	65,985	70,767	72,347	73,927	75,651
5	11	57,688	59,426	60,533	68,158	73,295	74,873	76,457	78,194
4	12	59,189	61,007	62,111	70,333	75,823	77,402	78,983	80,741
3	13	60,690	62,587	63,693	72,505	78,352	79,933	81,513	83,282
2	14	62,192	64,168	65,274	74,676	80,881	82,461	84,043	85,826
1	15	63,693	65,748	66,854	76,852	83,411	84,991	86,570	88,372
Top	16	71,122	71,150	74,838	84,262	85,959	87,551	89,134	90,944

NOTE: All full time bargaining unit employees who were on Step 16 for all of the 2009-2010 school year will receive a longevity payment of eight hundred fifty dollars (\$850.00), less legally required withholdings, payable by the second pay period of the 2011 calendar year. This longevity payment will not be included in the employee's base salary for future increases.

Perkiomen Valley School District 2011-2012

To Top	Steps	B	B+12	B+24	M	M+12	M+24	M+36	M+48
15	1	43,258	44,287	45,312	47,014	48,593	50,174	51,752	53,336
14	2	44,761	45,786	46,893	49,187	51,121	52,701	54,282	55,879
13	3	46,262	47,367	48,474	51,358	53,650	55,230	56,811	58,422
12	4	47,763	48,947	50,054	53,531	56,179	57,759	59,340	60,968
11	5	49,264	50,528	51,636	55,703	58,706	60,288	61,868	63,510
10	6	50,765	52,107	53,216	57,877	61,236	62,818	64,397	66,055
9	7	52,268	53,688	54,796	60,050	63,765	65,346	66,926	68,601
8	8	53,762	55,269	56,375	62,223	66,293	67,873	69,454	71,143
7	9	55,269	56,850	57,954	64,398	68,822	70,402	71,983	73,692
6	10	56,772	58,431	59,538	66,570	71,352	72,932	74,512	76,236
5	11	58,273	60,011	61,118	68,743	73,880	75,458	77,042	78,779
4	12	59,774	61,592	62,696	70,918	76,408	77,987	79,568	81,326
3	13	61,275	63,172	64,278	73,090	78,937	80,518	82,098	83,867
2	14	62,777	64,753	65,859	75,261	81,466	83,046	84,628	86,411
1	15	64,278	66,333	67,439	77,437	83,996	85,576	87,155	88,957
Top	16	71,707	71,735	75,423	84,847	86,544	88,136	89,719	91,529

Perkiomen Valley School District 2012-2013

To Top	Steps	B	B+12	B+24	M	M+12	M+24	M+36	M+48
15	1	44,143	45,172	46,197	47,899	49,478	51,059	52,637	54,221
14	2	45,646	46,671	47,778	50,072	52,006	53,586	55,167	56,764
13	3	47,147	48,252	49,359	52,243	54,535	56,115	57,696	59,307

12	4	48,648	49,832	50,939	54,416	57,064	58,644	60,225	61,853
11	5	50,149	51,413	52,521	56,588	59,591	61,173	62,753	64,395
10	6	51,650	52,992	54,101	58,762	62,121	63,703	65,282	66,940
9	7	53,153	54,573	55,681	60,935	64,650	66,231	67,811	69,486
8	8	54,647	56,154	57,260	63,108	67,178	68,758	70,339	72,028
7	9	56,154	57,735	58,839	65,283	69,707	71,287	72,868	74,577
6	10	57,657	59,316	60,423	67,455	72,237	73,817	75,397	77,121
5	11	59,158	60,896	62,003	69,628	74,765	76,343	77,927	79,664
4	12	60,659	62,477	63,581	71,803	77,293	78,872	80,453	82,211
3	13	62,160	64,057	65,163	73,975	79,822	81,403	82,983	84,752
2	14	63,662	65,638	66,744	76,146	82,351	83,931	85,513	87,296
1	15	65,163	67,218	68,324	78,322	84,881	86,461	88,040	89,842
Top	16	72,592	72,620	76,308	85,732	87,429	89,021	90,604	92,414

Health Care

The current contract language regarding the health care plans offered by the District is as follows:

ARTICLE III. - HEALTH BENEFITS

1. Plans Offered by the District

a. The Board agrees to contract with:

1. Independence Blue Cross and Pennsylvania Blue Shield to provide indemnity coverage at least equivalent to that which was in effect in the 1994-95 school year with major medical coverage providing for a Two Hundred Fifty Dollar (\$250.00) deductible (two per family) and a Blue Shield One Hundred Dollar (\$100.00) surgical deductible (two per family).

2. Independence Blue Cross to provide the Personal Choice 5 program, or at least its equivalent with a Ten Dollar (\$10.00) generic and a Twenty Dollar (\$20.00) name brand prescription co-payment.

3. Keystone HMO coverage under the Keystone 10 option (\$10 primary physician office co-payment) with prescription drug coverage with a Ten Dollar (\$10.00) generic and a Twenty Dollar (\$20.00) name brand co-payment or at least its equivalent.

4. Independence Blue Cross Personal Choice 215 or at least its equivalent with a Ten Dollar (\$10.00) generic and a Twenty Dollar (\$20.00) name brand prescription co-payment.

Personal Choice 215 or its equivalent, along with the prescription benefit is the "Core Health Plan" in the current contract.

The District seeks to make changes to this provision to reduce and or slow the increasing costs of health care benefits.

The Association seeks to keep the benefit as is.

Recommendation:

If possible, during the current 2010-2011 plan year, the District shall schedule a limited open enrollment that will take place as soon as practicable following the ratification of the Collective Bargaining Agreement, where

Bargaining Unit Members who did NOT waive coverage for the 2010-2011 plan year may voluntarily move into the Personal Choice 215 plan at a 10 percent employee contribution rate to obtain the inherent savings derived by the lower cost of this plan or move from the Personal Choice 215 plan (Core Plan) to either the Personal Choice 320 plan with a 10 percent employee contribution rate or the Personal Choice 520/80/50 plan with a 5 percent employee contribution rate. Following this open enrollment, the Independence Blue Cross and Pennsylvania Blue Shield indemnity coverage, the Independence Blue Cross Personal Choice 5 and the Keystone HMO coverage shall be eliminated from the list of health benefits options. At this limited open enrollment, the District shall provide for a representative from Elite Brokerage to speak to non-waiving Bargaining Unit Members regarding their "overpayment" for health care benefits received under the current plan structure, as explained in the fact finding hearing in this matter. Any plan elections will be made for the balance of the 2010-2011 plan year. A new open enrollment will be scheduled contemporaneous with the beginning of the 2011-2012 plan year.

For the 2011-2012 plan year, the health care plans shall be offered as follows:

The Personal Choice 215 plan shall be the core health plan and the employee contribution shall be increased to 13 percent.

The Personal Choice 320 plan shall continue to be offered with a 10 percent employee contribution rate.

The Personal Choice 520/80/50 plan shall continue to be offered with a 5 percent contribution rate. (This plan shall be mandatory for all new hires with less than ten years of teaching experience during the first three years of employment with the District).

Effective as of the commencement of the 2011-2012 plan year, the waiver bonus for all Bargaining Unit Employees shall be permanently eliminated.

For the 2012-2013 plan year, the health care plans shall be changed as follows:

The Personal Choice 215 plan shall remain the core health plan and the employee contribution shall be increased to 15 percent.

The Personal Choice 320 plan shall be offered with a 12 percent employee contribution rate.

The Personal Choice 520/80/50 plan shall be offered with an 8.5 percent employee contribution rate. (This plan shall be mandatory for all new hires with less than ten years of teaching experience during the first three years of employment with the District).

Prescription Coverage

The District seeks to increase the amount that bargaining unit members pay under the prescription plan and the Association seeks no change.

Recommendation:

For the 2010-2011 plan year, prescription coverage shall remain as is.

For the 2011-2012 plan year, prescription coverage shall be as follows:

The prescription drug plan shall have a \$10.00/\$20.00/\$35.00 prescription copayment plan.

For the 2012-2013 plan year, prescription coverage shall be as follows:

The prescription drug plan shall have a \$15.00/\$25.00/\$40.00 prescription copayment plan.

Course Credit Reimbursement

The District seeks to decrease the amount of monies paid out for tuition reimbursement and the Association seeks to increase this amount.

The comparables presented at the hearing reveal that the District pays considerably more than other school districts within the county for tuition reimbursement.

Recommendation:

Effective for all course credit reimbursements requested on or after the ratification of this Collective Bargaining Agreement and for all programs of study that were not preapproved by the District prior to Contract ratification, the course credit reimbursement of the Contract shall be amended to provide those Bargaining Unit Members who have yet to attain a masters degree with up to \$2,000.00 per employee, per school year for tuition reimbursement. Those Bargaining Unit Members who already have attained a masters degree shall be provided up to \$1,000.00 per employee, per school year for tuition reimbursement.

Cocurricular Salary

Both the District and the Association seek changes to the titles, points, and potential modifications (either increases or decreases) to the point and/or dollar values in the contract to be effective for all cocurricular activities. The parties could not agree on these changes, therefore, the following recommendation is made.

Recommendation:

Effective as soon as practicable following ratification of the Collective Bargaining Agreement, the District and the Association shall create an ad hoc joint labor/management committee consisting of four District representatives and four Association representatives who will convene and make recommendations for modifying the titles, points, and potential modifications (either increases or decreases) to the point and/or dollar values in the Collective Bargaining Agreement to be effective for all cocurricular activities following July 1, 2011. The recommendations of this ad hoc committee will be presented to both the Board of School Directors of the District and the Association membership for approval. In the event these recommendations are not approved by both parties, the existing cocurricular salaries and language in the Contract shall continue to remain in full force and effect for the balance of the Contract term.

Aside from editorial changes regarding the updating of relevant dates and corresponding contractual language that may have been mutually agreed to by the parties, all provisions of the contract and all issues in dispute for which no recommendation for change has been made in the subject Report should remain as is.

Having conducted a Fact Finding hearing pursuant to Act 88 and Act 195, having taken testimony under oath, and having considered the evidence to better understand the respective positions of the parties, I respectfully submit this Report.

John M. Skonier
Fact Finder

Date: December 27, 2010