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East Islip School District and United Public Service Employees Union

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Abstract

East Islip School District -and- United Public Service Employees Union. Fact-Finding Report (M2005-198). Michael R. Lanzarone, Fact Finder.

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East Islip School District
-and-
United Public Service Employees Union

Fact-Finding Report (M2005-198)

The collective bargaining agreement between the East Islip School District (hereafter "the District") and the United Public Service Employees Union (hereafter "the Union") expired in June 2005. The parties have discussed various approaches in order to reach a settlement.. One involved a four year agreement in which all issues would be negotiated and settled. The second involved a two year agreement in which salary and very little else would be agreed upon. The second approach recognized that it might be easier to settle some of the non-salary issues (health insurance contributions by employees probably being the most significant) after other negotiations (primarily those involving teachers) were completed. The collective bargaining agreements for both the teachers and clerical employees expire in June of this year. Clearly, the District has its eye on these other negotiations and the effect that the settlement (whatever it is) in this negotiation would have on its bargaining position with those other units. On the other hand, the employees in this negotiation are unwilling to make the concessions which the District demands be part of a longer agreement. My recommendation is that the parties sign a three year agreement. I make such a recommendation – and set it out at the start of this report – because I believe agreement on the length of the collective bargaining contract will enable the parties to enjoy the benefits of a settlement and at the same time postpone the resolution of the thornier issues to a time (after the conclusion of other negotiations) when resolution will be easier to achieve.

My recommendations with respect to other issues follow.

Salary and Other Monetary Compensation

The union proposes a 3.8% salary increase (plus steps for employees on the schedule) in each

year of the agreement. It notes that salary increases in the District trail those in other school districts of the Town of Islip. Further, it points out that, in contrast to its members, the salaries of other groups of district employees rank quite high in both the town and the county. On the other hand, the District notes that past salary increases have more than kept pace with inflation and that the district has limited ability to pay. The district suggests salary increases of 1.5% in the first two years of the agreement and 2.5% in each year thereafter and stresses various factors to show the district's inability to pay. These include the status of the overall national and state economy and the significant property tax burden within the school district. It may be unnecessary to point out that employees within this unit are also affected by these factors, including the rising property tax burden – particularly since a significant number live within the district..

I recommend a three percent increase in the base salary of the Custodial Salary Schedule (see page 21 of the 2002-04 collective bargaining agreement) in each of the first two years of the agreement and a 3.25 percent increase in the third year. Entry level salaries and salaries on the various steps would continue to be computed pursuant to the provision effective July 14, 2003. Employees on the salary schedule would also receive the step increase. I recommend the same percentage increases in wage differentials. The union has provided data with respect to salary agreements of school districts throughout the town and county. In no case was the percentage raise under three percent. In most of those cases it was higher and typically (but not always) was in addition to whatever the step increase would be. Within the Town of Islip, the average salary increase for school districts is just under 3.5% annually in addition to the step increase in the salary schedule. I should note that most of the employees (approximately 70%) in this bargaining unit are sufficiently senior so that they are "off" the salary schedule and do not receive a step increase.

The salary increase I recommend should allow unit employees to make some progress with

respect to the cost of living, but it is clearly less than the average increases in other school districts within the Town. Given the size and salary structure of this unit, it should have little effect on taxes within the District. Moreover, given the relative position of this group of employees with respect to other employees in the district (other units are among the highest paid in the county, whereas this unit is not), it should not serve as a precedent for salary increases in other units.

I recommend no change in either longevity payments or the merit differential.

Health Insurance

At the present time, all employees pay ten percent of the health insurance premium and some employees (new hires appointed after July 1,2003) pay fourteen percent of the premium. The District has proposed that the health insurance contribution be increased retroactively in such a way that as of June 2010 all employees would be paying fifteen percent of the premium as well as an additional $750 for individual coverage and $1,000 for family coverage as of July 1 of this year. The effect of such a proposal is that in 2006-07 the District's net cost for some coverage would actually decrease (see District Exhibit ten).

There is no question that the cost of health insurance has increased dramatically in recent years. The statistics set out by the District (see District exhibit ten) establish that fact. But it is also true that as the premiums increase the cost to the employee (who pays a percentage) also increases. Thus, an employee hired before July 2003 who was paying $413 per year for individual coverage is now paying $625 and under the District proposal would be paying $1375 or more as of July 1, 2007, even assuming that the overall premiums remained the same.. The costs for employees with family coverage would also rise substantially.

Rising health insurance costs create an increasing burden both for the District and for employees. Even with the employee percentage contributions, the District may face substantial increases in the cost of health insurance in future years. I conclude that the employees should bear an additional portion of that increase. Thus, I recommend that in 2007-08 (the final year of

this three year agreement), the employees, in addition to whatever contributions are currently required, pay twenty percent of any remaining net increase to the District but in no case more than an additional $15 per month for individual coverage and $20 per month for family coverage This change should also apply to retirees in 2007-08. I further recommend that this increase sunset at the end of this agreement.

Having concluded that the increase in District health insurance costs should be limited, I also recommend no change in the percentage that the District pays to employees who waive health insurance benefits. The district has concluded that an increase in the percentage would not increase the numbers of employees who waive benefits, and I have not seen sufficient evidence to call that determination into question.

Union Benefit Plan

The union proposes that the District make additional contributions to the union benefit plan. Essentially, this demand relies on the same escalating costs for medical care cited by the district. The District resists the demand – much as the union has resisted demands that its members pay additional dollars for the insurance provided by the District. There is also the unresolved issue of district demands for information and union resistance to at least some of those demands. On balance, I do not believe that the union has made the case for additional contributions although I recognize that district contributions for the benefit plans of other units are higher. I recommend no change.

Accumulation of Sick Days

Overtime and Sunday Work

I agree with the District that the Union has not made a sufficient showing to support its proposal

for the accumulation of additional sick days or additional compensation for overtime and Sunday work. I recommend no change in these provisions of the agreement.

Employment of Custodial Aides

Under the present agreement, the District may employ as many as ten custodial aides. There are, however, constraints on their deployment. The District proposes that these constraints be removed and that it be permitted to employ additional aides. The union contends that this is unnecessary because the District has not hired the custodial aides authorized under the present agreement. Of course, this may in part be due to the constraints contained in the agreement. I recommend that these constraints be deleted.

It is unclear whether the District would in fact employ more than ten custodial aides if the constraints limiting their deployment were removed. The District notes that its financial condition would adversely affect its ability to do so. Given that and given the union's opposition to this proposal, I recommend a limited increase of five (for a total of 15) in the number of aides the District may employ.

Emergency Call In

This proposal by the District generated far more heat than light during the fact-finding hearing. The facts are in dispute and there are far more questions than answers. Is there a real problem? How extensive is it? Would the problem be lessened if the District were to pay more for emergency call-ins? Are there other solutions or is the problem more imagined than real? Clearly, this is an issue about which both parties have strong opinions. It is perhaps the fault of this fact-finder that a more rational discussion did not occur. I decline to make a

recommendation with respect to this issue because I believe that no recommendation (including a recommendation for no change in the agreement) I make would advance the process. I do recommend that the parties make one more attempt to reach agreement on this issue; and if that is not successful, I suggest that they engage in interest arbitration on this issue with the understanding that whatever change (if any) is mandated would sunset at the end of the agreement.

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Michael R. Lanzarone

Fact Finder

February 23,2007