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## Chester Union Free School District and Chester Teachers' Association Chester Union Free School District and Chester Teachers' Association

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## Chester Union Free School District and Chester Teachers' Association Chester Union Free School District and Chester Teachers' Association

### Abstract

In the Matter of the Fact-finding - between - THE CHESTER UNION FREE SCHOOL DISTRICT and THE CHESTER TEACHERS' ASSOCIATION. Case No. M 2006-114. Susan T. Mackenzie, Fact-finder

### Keywords

chester, teachers association, M2006-114, mackenzie



## BACKGROUND

The Chester Teachers' Association ("CTA" or "Association") and the Chester Union Free School District ("District" or "Chester") have been in a collective bargaining relationship for more than 30 years. The CTA currently represents approximately 88 members, including 79 teachers, two guidance counselors, one social worker, two psychologists, two speech/language therapists and two nurses. The parties' prior collective bargaining agreement expired on June 30, 2006 and the parties engaged in bargaining for a successor agreement between January 2006 and April 11, 2006. On April 11, 2006, the parties' bargaining teams reached a tentative agreement on new contract provisions for a three-year term (Joint Exhibit 2), presented by the CTA negotiating team to its membership on May 4, 2006. In voting on May 9 and 10, 2006, the CTA membership rejected the tentative agreement. Thereafter, the District made a second proposal that added a fourth year to the contract term, with an additional four percent (4%) salary increase. The CTA membership also rejected the second tentative agreement on June 15, 2006.

On July 26, 2006 the parties mutually declared impasse and requested the appointment of a PERB mediator. On October 17, 2006 a mediation session was held. On January 8, 2007, the parties requested fact-finding and PERB appointed the undersigned as the Fact-finder. A fact-finding hearing was held on March 1, 2007. The parties also made posthearing submissions, received by the Fact-finder on or before March 29, 2007.

The parties agreed that primary issues in dispute involve the employee and retiree contribution to the cost of health insurance premiums. Both parties asked the Fact-finder to view these issues in the context of an overall, proposed four-year agreement, with a 4% salary increase in Year 4, effective July 1, 2009. The parties also agreed that the signature version of the next Memorandum Agreement to be proposed for ratification will leave unchanged the provisions of Article V (A)(6)(b) of the 2003-2006 Agreement.

## I. ACTIVE UNIT MEMBER HEALTH INSURANCE CONTRIBUTION

Current practice: Under the parties' 2003-2006 agreement, bargaining unit members contribute fixed sums of \$150 annually for individual coverage and \$300 annually for family coverage.

District Proposal: Effective July 1, 2006: unit members contribute five percent (5%) toward the monthly premiums for individual or family health insurance coverage; effective July 1, 2007: unit members will contribute six percent (6%) toward the monthly individual and family premium costs; effective July 1, 2008: unit members will contribute seven percent (7%) toward the monthly individual and family premium costs; effective July 1, 2009: unit members will contribute seven percent (7%) toward the monthly individual and family premium costs.

Association Proposal: Maintain the fixed dollar amount but raise that dollar amount proportionately to the increase in the cost to the District of health insurance premiums (projected by the CTA at approximately 3% for the 2006-2007 school year, approximately 2.9% for the 2007-2008 school year and less than 7% for the 2008-2009 school year).

## II. RETIREE HEALTH INSURANCE CONTRIBUTION

Current Practice: The District contributes fifty percent (50%) of the cost for individual coverage and thirty-five percent (35%) of the cost for family coverage for unit members who began working after July 1, 1979 and have worked in the District for at least 10 years.

District Proposal: Increase the District's contribution for family coverage to forty percent (40%) during the third year following retirement, forty-five percent (45%) during the fourth year following retirement and fifty percent (50%) during the fifth year following retirement.

Association Proposal:

Family Coverage:      employees with 10 years of service, District pays 40% of premium.  
                                  employees with 15 years of service, District pays 50% of premium.  
                                  employees with 20 years of service, District pays 60% of premium.

Individual Coverage: employees with 10 years of service, District pays 50% of premium.

employees with 15 years of service, District pays 60% of premium.

employees with 20 years of service, District pays 70% of premium.

Alternatively, the CTA proposes that retiree contribution levels be lowered in accordance with “prevailing standards in the Orange County community.”

### FINDINGS OF FACT

It is appropriate to view proposed changes in employee and retiree contribution levels in the context of the proposed salary increases. There is no dispute that at present, Chester ranks at the low end of actual salary amounts among districts in Orange County. In this context, however, the District’s proposed salary percentage increases in all four years of the proposed four-year contract term in Chester are, overall, higher than actual percentage increases in all four years of contract terms in other Orange County districts, with limited exceptions (e.g., the same percentage in Tuxedo for the 2006-07 school year). While in actual dollar amounts Chester still ranks at the low end of Orange County districts, the proposed salary increases represent a significant step at decreasing these salary amount disparities.

With regard to the cost to current unit members by changing from a flat dollar amount to a percentage for contribution to health insurance premiums, there is no question that such a change, characterized by the CTA as “onerous” and a “striking give-back,” introduces an element of uncertainty. But such a change is consistent with the growing trend in area districts to convert to a percentage, or shared cost, basis now used for Chester retirees as well as in other districts (e.g., Valley Central, Newburgh, and Tuxedo) at either lower or comparable percentage increase during the four-year contract term. Additionally, in other area districts still using a dollar amount, those amounts are significantly higher than either the current or the CTA proposed dollar amounts. Area district contribution levels in contract terms through 2008-

09 are in the range of \$350-\$511 for individual coverage and \$700-\$1,111 for family coverage. In addition, the “actual” dollars represented by the CTA proposal, at least in the first year of the contract term as estimated by the CTA (\$354 for individual and \$765 for family), are at the low end of dollar amounts paid in districts cited by the parties.

With regard to retiree coverage, the parties agree that the current provision for teachers who began working prior to July 1, 1979 and have worked in the District for at least 10 years should continue to be eligible for 100% coverage by the District. The parties also are in agreement that, as in the past, retirees should contribute on some percentage basis to the cost to the District for both individual and family health insurance coverage. The District’s proposal also reflects recognition that increasing health care costs may have a more adverse effect on long-term retirees on fixed incomes. In the Orange County districts cited by the parties, employer contributions to the cost of retiree health insurance premiums range from 50%-100% for individual coverage and 30%-100% for family coverage, and some are tied to years of service.

## RECOMMENDATIONS

Based on the foregoing, the Fact-finder recommends as follows:

- Adoption of the terms set forth in the April 11, 2006 Memorandum of Agreement, with the exception of the following:

1. The addition of a fourth year in the contract term, with a four percent (4%) salary increase effective July 1, 2009.
2. As agreed by the parties, the signature version of the next Memorandum Agreement to be proposed for ratification will leave unchanged the provisions of Article V (A)(6)(b) of the 2003-2006 Agreement.
3. For active unit members, effective July 1, 2006: unit members contribute five percent (5%) toward the monthly individual and family health insurance premium cost; effective July 1, 2007: unit members will contribute six percent (6%) toward the monthly individual and family premium costs; effective July 1, 2008: unit members will contribute seven percent (7%) toward the monthly individual and family premium costs; effective July 1, 2009: unit members will contribute seven percent (7%) toward the monthly individual and family premium costs.
4. For retirees, increase the District's contribution for family health insurance premiums to forty percent (40%) during the third year following retirement, forty-five percent (45%) during the fourth year following retirement and fifty percent (50%) effective with the fifth year following retirement.

The Fact-finder considers the foregoing recommendations a just and equitable resolution of the parties' dispute and recommends their adoption by the parties.

Respectfully Submitted,



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Susan T. Mackenzie  
Fact-finder

Date: April 18, 2007