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Deposit Central School District and Deposit Teachers Association

Abstract
In the Matter of Impasse Between The Deposit Central School District and The Deposit Teacher Association. PERB Case M2006-053. Sally C. Gillespie, Fact Finder.

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NEW YORK STATE PUBLIC EMPOYMENT RELATIONS BOARD

In the Matter of the Impasse Between The Deposit Central School District And The Deposit Teachers Association Case #M2006-053	Report and Recommendations of the Fact Finder

BACKGROUND

The Deposit Central School District and The Deposit Teachers Association, hereinafter referred to as the District and the Association, began negotiations in March of 2006 for a successor to the agreement that expired on June 30, 2006. In May, 2006, impasse was declared by the Association and a mediator was appointed by the New York State Public Employment Relations Board. After three mediation sessions, the District requested the appointment of a fact finder and the undersigned was appointed in July, 2007.

At a meeting with the Fact Finder, the parties agreed to submit written arguments and evidence in support of their respective positions on the issues mutually identified by the parties as the major impediments to any settlement. The District and the Association agreed that any remaining issues can be more easily resolved if there is agreement on the issues of Salary and Health Insurance. Therefore, this fact-finding report will report and recommend on:

1. Salary/ Wages
2. Health Insurance

POSITIONS OF THE PARTIES

THE ASSOCIATION

The Association proposed these changes to salary:

- A five and one half percent (5.5%) increase in each year of the successor agreement for all salaries on and off the salary schedule.
- An additional increase of one hundred (100) dollars in the first year of the successor agreement for the Masters column in the schedule.
- An increase in compensation for extra duties.
- An increase in the coaching salary schedule.

In support of these salary proposals, the Association pointed to the excellent results achieved by the students of the District on the myriad of state tests that they have taken. Superintendent Hauber has given the credit to teachers who have worked together well and used test data to see where improvements were needed.

The Association argued that the impasse on salary is caused by unwillingness on the part of the District, not by inability of the District, to pay the salary increases proposed by the Association, citing these facts:

- On March 31, 2007, the District was projected to receive a 13.21% increase in state aid from the previous year.
- The school budget was passed in May 2007, indicating community support.
- The District was able to fund the increased cost of adding a position of Dean of Students.
- Ten teachers recently retired and were replaced by teachers at a lower salary range.

Evidence was presented by the Association showing an approximately 4.1% salary increase in recent settlements for other Broome County school districts. Typically, the raises negotiated by the District and Association in the past have been comparable and competitive with these districts, according to the Association.

The starting salaries in the District lag behind those of other area districts and are of concern to the Association. The Association stated it is willing to discuss this as a distribution issue, as requested by the District, but not by sacrificing other teachers' salaries.

The Association proposed to increase stipends for extra duties by the same rate as the general salary increase. The District has created and staffed new extra duty positions, the compensation for which should be included in the contract, according to the Association. These positions include poetry recitation, elementary/middle school musical director, middle school honor society advisor, college credit course instructor, supervisor at athletic events, and AIS after school instructor.

The Association proposed increasing the coaches' salary indexes by five percent (5%) , adding an additional assistant high school track coach, and increasing the Athletic Director's stipend. A precise comparison of coaching salaries among districts is problematic. The Association explained that some school coaching schedules offer steps, some do not, the numbers of coaches and assistants vary widely in each district, and the Deposit teams compete in the MAC conference, which does not include the vast majority of the Broome County schools used in the previous salary comparisons.

Comparison data on the starting salary of the registered nurse is also problematic, according to the Association. However, the Association concluded that the nurses in Deposit are underpaid and should have an adjustment to their salary schedule.

The Association proposed the following changes to health insurance:

- Increase the individual health insurance employee contribution twenty-five dollars ($25) in each year of the successor agreement.
- Increase the dependent employee contribution seventy-five dollars ($75) in each year of the successor agreement.

The Association's arguments in support of its health insurance proposal included:

- The $25 and $75 increase in employee contribution represents an increase of 8.5% for individual coverage and an increase of 6.7% for dependent coverage in the first year. These increases reflect current trends in the cost of health insurance premiums.
- A table comparing area employee health insurance contribution rates demonstrates that the District's proposed 12.5% employee contribution would be higher than those of employees in the majority of the area districts.
- The Association has already agreed to significant increases in premiums in the now expired contract.
- At a May, 2007 meeting, a Health Insurance Consortium representative explained that the District's experience factor of less than 1.0 for the past three years indicated that next year's premium increase would be lower.

THE DISTRICT

The District proposed a salary increase of three percent (3%) in each year of a multiple year agreement.

In support of its proposal, the District argued that the Deposit Central School District is a financially poor district, when compared to other Broome County schools. Evidence was presented that the gross income per taxpayer and gross income per tax return are below the average found in other county schools. Due to the limited income of the District residents, the District stated that it must rely heavily on financial aid from the State. The District projected that the State aid, as a percentage of total expenditures is expected to drop in 2006-2007.

Two surveys comparing the salaries of teachers in Deposit with the salaries of teachers in area districts were presented by the District. According to the District, Deposit pays exceptionally superior wages to its more senior staff. The wages of less senior staff in Deposit are generally lower than those in the other districts in the surveys. The District argued that this is the result of past negotiated percentage increases that have provided large raises for those earning more, and lesser wage increases for those earning less. To correct this, the District proposed that any negotiated wage increase should be converted to an even dollar raise for each bargaining unit member.

A comparison of the Consumer Price Index changes with past average percentage increases in salary for Association members was submitted by the District, outlining past salary increases for the Association members above the average increases in the CPI.

The District proposed that wage adjustments for extra duty and coaching activities be remanded to a management/teacher committee for analysis and recommendations and that the issue of compensation for registered nurses be returned to the parties. Both need further discussion and analysis, according to the District.

The District proposed the following changes in health insurance:

- Current employees and future retirees should contribute 12.5% of the cost of health insurance premiums.
- Unit members would be required to work fifteen consecutive years for the District in order to be eligible for the health insurance benefit in retirement.
- The prescription drug rider should be changed from the current generic/non-generic cost to the employee of $0/$6 to a generic/ preferred brand name/non-preferred brand name cost of $5/$15/$30.

The District argued that it is time for the Association members and future retirees to pay their fair share toward their health care insurance premiums. If the Association is seeking an area average salary settlement, it should be willing to agree to an area average teacher health care insurance contribution, according to the District. Evidence presented in support of this argument included:

- A 2005-06 area health care insurance survey that was completed on April 20, 2006, shows that of the twelve Broome-Delaware-Tioga BOCES component schools the vast majority of teachers and retirees pay far more toward their health care insurance premiums than Deposit teachers.
- While retired Deposit teachers contributed nothing toward the insurance premiums, in the 2005-06 school year, Vestal retirees contributed $2,685 for individual coverage or $8,720 for family coverage.
- Although the health care insurance premium increase from the 2006-07 school year to the 2007-08 year was modest, increases since 2002 have been significant.
- The fixed dollar amount of the unit members' contribution to health insurance premiums causes the percentage contribution to diminish each year as the premiums escalate.
- A recent state-wide survey, conducted by the New York State School Boards' Association, shows that new teachers hired in 2006 contribute on average 12.3% toward the individual health insurance premiums and on average 13.9% toward the family health insurance premiums. In this same survey, most senior teachers contribute on average 10.9% toward individual premiums and 12.4% toward the family premiums.
- As part of a recent settlement, the teachers at Union-Endicott Central School District will contribute 12.5% towards their health care insurance premiums.

The District stated that the prescription drug rider for the teachers in Deposit is the most expensive prescription drug rider of all the Broome County school districts. By changing the prescription drug rider to the rider proposed by the District, the savings is expected to be about $54,000 annually, based upon active and retired teachers.

ANALYSIS OF THE FACT FINDER

The Association and the District have presented all proposals in terms of a multiple year contract. The last agreement between the parties was for three years' duration. Also, since the first year of any successor agreement (2006-2007) has passed, a three year agreement should be the basis of any settlement. The Fact Finder, therefore, will make recommendations on the issues of salary and health insurance to be incorporated in a contract between the parties to cover the 2006-2007, 2007-2008, and 2008-2009 years.

In the previous agreement, salary increases were expressed as percentage increases, while the amount of the employee's contribution to health insurance premiums was a flat dollar amount. The Association seeks to continue this method for salary increases and health insurance contributions. . Pointing to problems this has caused, the District proposed the conversion of any settlement on salary to a flat dollar amount for each teacher and the use of a percentage increase in employee contribution to health insurance premiums.

Both parties agree that the salaries at the entry and lower levels of the teacher salary schedule are generally below the average of those in other area districts. The teachers with fifteen to twenty-five years experience receive salaries well above the average received by teachers of similar experience in other area school districts. The parties termed this as a "distribution" problem. The District suggested that a flat dollar salary increase would help to alleviate this disparity. The Association agrees that the lower level salaries need adjustment, but not at the expense of the salaries of other teachers.

The continuation of a salary increase as a percentage for all teachers will certainly exaggerate this disparity. The salary increase recommended below involves the parties determining an average teacher salary. The recommended percentage increase would be applied to this average. The resulting dollar amount would be applied as the salary increase for all teachers. The distribution problem identified by both parties will not intensify as it would with a straight percentage increase to all salaries over three years..

Surveys on recent salary settlements in area districts were presented by both parties. All comparisons presented into evidence show that the average salary increase for 2006-2007 was 4.36%, while the average increase of 2007-2008 was 4.39%.

The ability of the District to pay for reasonable salary increases is addressed with widely differing arguments by the parties. While the gross income per taxpayer is lower in Deposit than that in other area districts, the teacher salary increases in the past have been comparable with those in areas districts.

An opinion shared by both parties was highlighted by this Association assertion:

> "The fact that any acceptable health insurance settlement is closely tied to the salary settlement is no surprise to anyone at the table."

The parties, and the Fact Finder, recognize the need to consider the connection of these issues in any settlement.

At present, the members of this unit pay flat dollar amounts toward the health insurance premiums for individual or family coverage. These payments translate to a 5.4% employee contribution to individual coverage and a 8.3% contribution to family coverage. The evidence presented on employee contributions to health insurance premiums in other districts makes comparisons difficult, due to widely varying benefits and differing use of percentages and flat dollar amounts. However, the calculated percentage amounts of employee contribution in the District are somewhat lower than those in other area districts.

The Association reported that the experience factor may lead to lower health insurance costs for the next year. The District reported that the increase from 2006-2007 to 2007-2008 was modest, compared to previous increases in health insurance costs. An employee contribution expressed as a percentage is recommended.

Retired teachers in this District make no contribution to their health insurance premiums. Few other area districts offer this to their retirees. The District did not propose to change this benefit for teachers who have already retired. It seeks to have future retirees pay the same amount toward the health insurance premiums as the active teachers. Additionally, the District proposed that retirees have at least fifteen years of service in the district to be eligible for health insurance benefits.

There was insufficient evidence presented by the parties to enable the Fact Finder to consider and recommend on: the Masters degree payment, the nurse salary schedule and the coaching stipends.

Compensation for extra duties has been increased in past contracts with the same percentage as the salary increase. I recommend continuing this method of increase.

RECOMMENDATIONS

The contract between the Association and the District will cover the three year period from July 1. 2006 to June 30, 2009.

Salary

- **For the 2006-2007: Each teacher shall receive a salary increase in the dollar amount computed by applying a 4.4% increase to the average teacher salary.**
- **For the 2007-2008: Each teacher shall receive a salary increase in the dollar amount computed by applying a 4.4% increase to the average teacher salary.**
- **For the 2008-2009: Each teacher shall receive a salary increase in the dollar amount computed by applying a 4.4% increase to the average teacher salary.**
- **The stipends for extra duty positions will increase by 4.4%.**

HEALTH INSURANCE

- **For 2006-2007: The employee will contribute 5.4% of the cost of the individual health insurance premium or 8.3% of the cost of the health insurance premium for dependent coverage.**
- **For 2007-2008: The employee will contribute 5.4% of the cost of the individual health insurance premium or 8.3% of the cost of the health insurance premium for dependent coverage.**
- **For 2008-2009: The employee will contribute 5.4% of the cost of the individual health insurance premium or 8.3% of the cost of the health insurance premium for dependent coverage.**

- **A teacher, who retires after the effective date of this contract, shall receive the same health insurance coverage, at the same contributory rate, as an active full-time employee.**

November 13, 2007

Sally C. Gillespie
Fact Finder