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# Northport-East Northport Union Free School District and United Public Service Employees Union (UPSEU)

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# Northport-East Northport Union Free School District and United Public Service Employees Union (UPSEU)

## **Abstract**

In the matter of the fact-finding between the Northport-East Northport Union Free School District, employer, and the United Public Service Employees Union (UPSEU), union. PERB case no. M2014-056. Before: Thomas J. Linden, fact finder.

## **Keywords**

New York State, PERB, fact finding

**STATE OF NEW YORK  
PUBLIC EMPLOYMENT RELATIONS BOARD**

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**IN THE MATTER OF FACT FINDING BETWEEN  
NORTHPORT-EAST NORTHPORT UNION FREE SCHOOL  
DISTRICT**

**-And**

**PERB Case No M2014-056**

**UNITED PUBLIC SERVICE EMPLOYEES UNION**

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**REPRESENTATIVES**

**A. For the Employer**

Christopher Venator, Esq. Ingerman Smith L.L.P.  
Rosemarie Coletti, Assistant Superintendent, Human Resources  
Lou Curra, Interim Assistant Superintendent, Human Resources

**B. For the Union**

Kevin Boyle, President, United Public Service Employees Union  
Amanda Barker  
Wanda Sarro  
Maureen Callaghen  
Susan Shelton  
Christl Olsen

## **PRELIMINARY STATEMENT**

Fact finding is, by its nature, an extension of the collective bargaining process and comes about only after the parties, for whatever reason, have been unsuccessful in the negotiation and mediation process. It is part of the statutorily mandated process of alternate dispute resolution found in the Taylor Law. The sole reason for the existence of any of these extensions of the process is to bring the parties to an agreement. Often, in the short term, the parties to the process lose sight of the long term perspective, the big picture. It is the fact finder's responsibility to help the parties overcome this shortsightedness and to help the parties pay a visit to the other side's perspective, even if they don't fully agree with it. It is obvious that the parties to this agreement had ambitious goals; it is now time to take stock of what can reasonably be attained in bargaining.

## **BACKGROUND**

The Northport-East Northport Union Free School District (hereinafter, "District") and the United Public Service Employees Union (hereinafter "Union") are parties to a collective bargaining agreement

(hereinafter, the “CBA” or “Agreement”) covering the period July 1, 2011 to June 30, 2013, which, notwithstanding its expiration, remains in full force and effect pursuant to Section 209-a(1)(e) of the Taylor Law. In an effort to negotiate a successor agreement, the parties participated in five bargaining sessions, the last of which was held on April 29, 2014. After these negotiations failed to generate a new agreement, the Union filed a Declaration of Impasse with the Public Employment Relations Board (hereinafter, “PERB”) on May 12, 2014. Shortly thereafter, PERB appointed Ms. Carol Hoffman as mediator who subsequently conducted four mediation sessions. Despite these efforts, no agreement was reached by letter of March 13, 2015 the Union requested the case move to fact finding, and on April 9, 2015 the undersigned was appointed. During email exchanges between the fact finder and the parties, it was decided that one mediation session would be held by the fact finder prior to briefs being filed. This meeting was held on July 2, 2015. The issues were narrowed at this meeting, but no agreement was reached on the two main sticking points. At this point the fact finder requested briefs be filed by Monday, August 3, 2015, and at that point, the record was closed.

## THE ISSUES

- Health Insurance Contribution Rate
- Salary

### Health Insurance Contribution Rate: Initial Fact Finder Discussion

During our mediation session of July 2, 2015, it became clear to the fact finder that increasing the health insurance contribution rate was key to the settlement of these negotiations. The District, in its brief, states that this “remains a significant issue that needs to be addressed if the parties are going to eventually reach an agreement.” The District is correct in referencing concerns about what might be construed as a late addition to what was on the bargaining table for discussion. However, the fact finder is convinced that the relative positions on this item, on both sides, needs to shift. In an effort to reach an agreement, I am not drawing a line in the sand concerning this item, but am instead recommending that the parties agree to **extend the CBA to June 30, 2018,** one year longer than has been discussed. This will have the additional effect of putting the expiration date of this CBA in line with the expiration date of the recently negotiated teacher

agreement. With that being said, it is now possible to make a recommendation on health insurance contribution rate.

#### District Position on Health Insurance Contribution Rate

Members of the bargaining unit currently contribute 16% toward the cost of health insurance. The percentage rate of contribution is the same for individual and family coverage. Declination payments and retiree rates were never brought up before the fact finder. The District's initial proposal in bargaining was to increase employee contribution rates from 16% to 18% (District Exhibit "I").

The District notes in its brief that health insurance premiums over the past twelve years have risen an average of 7% per year. The District posits that there is no relief in sight for this ever increasing financial burden.

#### Union Position on Health Insurance Contribution Rate

The Union believes that "the district is prohibited from raising a health coverage increase, as same was not included in the open issues for fact finding."

## Fact Finder Further Discussion and Recommendation on Health Insurance Contribution Rate.

The vexing conclusion we must reach, if we examine health care costs going back many years, is that they have *never* trended downward. In fact, health care costs and premium costs have increased dramatically in the recent past. These increases have far exceeded previous projections and actuarial assumptions, and employee contribution rates have also been trending upward. Contribution rates have increased across all public sector bargaining units (including police units previously immune to such increases), and financial pressure on employers has resulted in a substantial cost shifting to employees who are now participating more and more in the form of incremental percentage increases.

It is with these background reality checks in mind that the fact finder recommends that **on July 1, 2017 the employee contribution rate increase to 17%**. This increase will place this unit's contribution rate closer to the teacher rate of 21% and ahead of the other bargaining units (albeit temporarily).

## District Position on Salary

In a labor intensive climate such as a school district, it is easy to understand that during bargaining, economic issues are the key demarcation points between the parties. The District points to many things which it believes prevent it from acceding to the proposals as presented by the Union. The main sticking point is, of course, the state property tax cap which for them is calculated for 2015/16 at 1.8%. Based on the current rate of inflation, the District argues that the projected tax cap for 2016/17 will also be less than 2%. That potential has a significant impact on the District's ability to provide employees with contractual increases that exceed the tax cap.

In addition, the District notes that state aid reductions, coupled with health insurance premium rate increases and the deceleration of restricted reserve amounts, does not lend itself to anything but a modest pay increase for the next few years.

The District's initial position on salary was simply that any salary increase be "within the tax cap." Over the course of negotiations and into mediation, the District was more specific and indicated they would agree to *slightly* more than a 2% increase each year. This gradually morphed into amounts approaching 2.75 % per year. This offer was contingent on the

Union's willingness to increase its health insurance contribution rate by 1%. This was the tipping point. The District argued very strongly that it was not in a position to agree to any salary percentage increases unless the Union agreed to an increase in health insurance contribution.

### Union Position on Salary

The Union believes that the central dispute in the negotiations from the onset has been the lack of a salary schedule. The Union's position at the conclusion of our mediation session was very close to a 2.75% per year salary increase. At that point, however, the union was not willing to increase the health insurance contribution rate by 1%. This was the main point of contention that prompted the parties to leave mediation after our session and continue into fact finding.

An examination of the CBA reveals that there is, in fact something called a salary schedule therein, it only provides levels and percentage increases as opposed to increments. In addition, the Union argues that there is a disparity between this unit and other units in surrounding districts, and that in comparisons with the wages of these other units as reported by Eastern and Western Suffolk BOCES reports, this unit falls far behind. As to

the unit's salaries when compared to their clerical counterparts, the unit salaries are also far behind.

The Union also points to dramatic reductions in staff resulting in significant payroll deductions. The Union notes also that in the next three years a projected 6-8 unit members will be retiring and that replacements will be hired at significantly lower levels of salary.

The Union posits very strongly that due to these factors its position on salary should be accepted in its entirety by the fact finder.

#### Fact Finder Discussion of Salary and Recommendation

It is the fact finder's hope that the recommendations in this section of the report will be an important factor in bringing the parties to an agreement. After having read all the considerable data presented, both in the briefs, exhibits, recollection and notes taken at the mediation session, the fact finder comes to the conclusion that a recommendation can be made that recognizes economic realities. Not surprisingly, the parties, using relatively similar sources of data, have come to very different conclusion concerning a proper salary package.

The fact finder believes that the totality of circumstances supports a modest pay increase in each year of the new agreement. The first two years

have passed and salary increases will be **retroactive to July 1, 2015**.

Because there is no salary schedule, and consequently no increments, the following is the recommendation on salary:

<b>2013-2014</b>	<b>2.65 %</b>
<b>2014-2015</b>	<b>2.65 %</b>
<b>2015-2016</b>	<b>2.85 %</b>
<b>2016-2017</b>	<b>2.85 %</b>
<b>2017-2018</b>	<b>2.85 %</b>

This recommendation is close to the amounts discussed at the mediation session of July 2. In addition, the question whether or not any portion of the above increases is assigned to an increase in levels, is remanded back to the parties for further discussion/negotiation.

#### Concluding Statement

The fact finder hopes this report provides a roadmap to settlement. It is also hoped that the recommendations set forth herein be adopted in their entirety by both parties and that they form the basis for the new CBA. The parties may not see these recommendations as a perfect resolution to this impasse; however, they do represent a reasonable solution to resolving these

negotiations. The parties are encouraged to adopt them as written and to do so as soon as possible.

August 19, 2015

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Thomas J. Linden, Fact Finder