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Great Neck Public School District and Supervisors and Administrators of the Great Neck Educational Staff (SAGES)

Thomas J. Linden

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Keywords
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Comments
In the matter of the fact-finding between the Great Neck Public School District, employer, and the Supervisors and Administrators of the Great Neck Educational Staff (SAGES), union. PERB case no. M2017-126. Before: Thomas J. Linden, fact finder.

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STATE OF NEW YORK

PUBLIC EMPLOYMENT RELATIONS BOARD

PERB CASE NO M2017-126

IN THE MATTER OF FACT FINDING BETWEEN

GREAT NECK PUBLIC SCHOOL DISTRICT

-And

SUPERVISORS AND ADMINISTRATORS OF THE GREAT NECK EDUCATIONAL STAFF (SAGES)

-Before **Thomas J. Linden, Fact Finder**

REPRESENTATIVES

A. For the Employer

Florence Frazier Esq., Frazier and Feldman LLP, Counsel, Board of Education

Abigail Hoglund-Shen., Esq., Frazier and Feldman, LLP

Dr. Teresa Prendergast, District Superintendent

John T. Powell, Assistant Superintendent for Business and Finance

Jennifer F. Kirby, Director of Human Resources

B. For the Association

Michael Starvaggi, Esq., SAGES Counsel

Sharon Applebaum, President, SAGES, Assistant High School Principal

Alison Brennan, Vice President, SAGES, Director of Special Education

Marc Epstein, Vice President, SAGES, Director of Technology

Ron Gimondo, Elementary School Principal

John Duggan, Assistant High School Principal

PRELIMINARY STATEMENT

The Taylor Law provides for fact finding as part of the statutorily mandated process of alternate dispute resolution. It is, by its nature, an extension of the collective bargaining process and comes into play only after the parties, for whatever reason, have been unsuccessful in the negotiation and mediation process. The sole reason for the existence of any of these extensions of the process is to bring the parties to an agreement. It is the fact finder's responsibility to help the parties pay a visit to the other side's perspective, even if they do not fully agree with it. It is obvious that the parties to the agreement in question had ambitious goals; it is now time to take stock of what can reasonably be attained in bargaining.

DISTRICT AND BARGAINING UNIT PROFILE

The Great Neck Public School District (hereinafter, "District"), according to its website, "encompasses Great Neck, North New Hyde Park, and a portion of Manhasset Hills. It is home to some 40,000 people on the suburban North Shore of Long Island, in Nassau County, New York." There are more than 6500 students and 700 teachers in the District. In this bargaining Unit there are 35 members represented by the Supervisors and Administrators of the Great Neck Educational

Staff (hereinafter, “SAGES” or “Association”) exclusive bargaining agent for certified supervisors and administrators in the District. The overall 2018-19 payroll of the unit is $5,483,316 out of a total overall budget of $229,845,026. Great Neck South and North High Schools are ranked 29th and 38th in New York State, by U.S. News and World Report. They are also ranked within or close to the top 1% in the Country.

BARGAINING HISTORY

The District and SAGES, are parties to a collective bargaining agreement (hereinafter, the “CBA” or “Agreement”) covering the period between July 1, 2012 to June 30, 2017 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 seven negotiating sessions between January 26, 2017, approximately 5 months prior to the expiration of the CBA, and June 14, 2017. After these negotiations failed to generate a new agreement, the District, on October 17, 2017, filed a Declaration of Impasse with the Public Employment Relations Board, (hereinafter, “PERB”). Mr. Daniel McCray, Esq., a PERB panel mediator, was appointed, subsequently holding three mediation sessions in January and February of 2018. Despite mediator McCray’s efforts, no agreement was reached. The parties subsequently met three more times on their own without reaching agreement and then sought the assistance of a PERB appointed fact finder. By letter dated December 3, 2018, Thomas Linden was appointed fact finder who held a fact finding hearing on the matter on March 13, 2019 at the District office. Both parties were given the opportunity to present their case via briefs, data and narrative at the hearing. At the conclusion of the hearing the file was closed. During the hearing the parties comported themselves in a highly professional manner in an effort to educate the fact finder in all facets of this dispute.

THE ISSUES

Initially, the fact finder found there were too many issues with which to deal in the Declaration of Impasse and identified the first five issues below as the core issues of the dispute. The parties were then asked if they each would like to submit three more items to be looked at and recommended on by the fact finder. The final list is as follows with the three Association and three District additions so noted.

- Duration of the CBA
- New Steps for New Hires
- Salary
- Longevity
- Health Insurance Contribution Rate
- Merit Pay (Association)
- Sick Leave (Association)
- Retirement Incentive/Sick day payout (Association)
- Retirement Date (District)
- Banked Vacation Days (District)
- Compensatory Days (District)

DURATION OF THE CBA

<u>Fact Finder Discussion/ Recommendation on Duration of the CBA</u>

The current CBA commenced on July 1, 2012 and expired on June 30, 2017. We are now almost two years past the expiration date and at the fact finding juncture of the dispute resolution process. The parties have not agreed on duration but, during the fact finding hearing, did seem flexible, depending, of course, on the parameters of the final agreement.

One of the responsibilities of a fact finder or mediator is to look at the overall picture, including past and recent bargaining history. The current protracted dispute has proceeded despite various in depth excursions and iterations of bargaining, in addition to the efforts of PERB panel mediator Mr. McCray.

It is the fact finder's belief that having an agreement that will expire after four years, in 2021, will leave the parties little breathing room to develop some "history" under the new CBA. Working together under an expired agreement is awkward at best. With additional duration, the parties will avoid what might seem like perpetual bargaining. It is with these factors in mind that **the fact finder recommends a seven year agreement, beginning July 1, 2017 and expiring on June 30, 2024.**

NEW STEPS FOR NEW HIRES

District Position on New Steps for New Hires

The District contends that it needs more flexibility in hiring new employees. It argues, and submits data purporting to prove, that Great Neck administrators are among the highest paid in Nassau County. The hiring of new administrators since 2012 has resulted in salary increases ranging from $28,972 to $62,584 when moving into Great Neck positions. The District avers that moving from another district to Great Neck as an administrator, has provided for each new hire a virtual windfall of increased salary. It argues further that, in some instances, individuals accept lower level positions in Great Neck and still receive significant salary increases.

The District goes on to list seven administrators hired from other districts, who received from 15 to 44 per cent higher salaries in Great Neck than they received in their former districts where they served in identical or similar positions.

In its brief the District states that “it should come as no surprise that the District’s main goal in its negotiations with the SAGES unit was-and is- to modify its current salary schedule.” It is the District’s position that the current salary schedule is significantly higher than necessary (emphasis added) to enable the District to attract highly qualified administrative talent to the Great Neck School District. The District has proposed to add ten additional steps to the existing salary schedule. These steps would, in effect, create ten pre-steps underneath the current salary schedule minimums. For example, currently, a High School Principal would have to be hired at $203,581, a Middle School Principal at $194,790, and an Elementary School Principal at $189,371. Adding ten equal pre-steps under these figures, each step being worth roughly 1%, the new starting salaries would be, $183,181, $175,290 and $172,271. (District Exhibit #2) These new, lower salaries, would provide the Superintendent with some needed flexibility to offer what is still a very competitive salary based on such factors as experience, particular expertise and the needs of the District. The District offers that these proposed new steps are comparable to starting salaries for similar administrative positions in other "highly regarded" school districts in Nassau County.

The District believes it important to point out that these new steps only apply to new hires and not to any current SAGE unit members. Of course, the step numbers might change, but members will progress through the schedule as before with all increments and negotiated percentage increases paid. The new salary schedules will be unified simply with more salary steps at the beginning. Unit members, because of the new, blended schedule, would still move toward the top of the respective salary schedule but would just take longer for new hires to reach.

The District points to other highly regarded districts in Nassau County and argues that a new schedule will put it more in line with salaries in other districts.

<u>Association Position on New Steps for New Hires</u>

The District and Association agree that at the core of this dispute is the District's proposal to add ten new steps below Step 1, to the salary schedule. The Association argues that there is no need to do this and that salary differences between districts have always existed and are "part of what separates Great Neck from other districts in attracting high quality leaders to fill vacancies." This is not only unreasonable but unprecedented. The Association notes there was also no urgency for the District to reach agreement last spring, notwithstanding the fact that vacancies totaling one third of the unit were being filled at the time.

The Association also contends that the comparisons made by the District of the starting salaries of new hires with their previous salaries are flawed for two reasons. First, many of the "outlier" examples in the data come from school districts the District would never compare itself to in terms of academics, finances, or prestige. Second, the comparisons inflate the gap in salaries of new hires from their previous districts by using previous year salaries rather than what the salaries would have been in the same school year of hire. The District claims this is misleading and inaccurate.

The Association posits that the ability of the District to attract candidates at salaries below Step 1 is not as simple as they purport. Weighty mitigation is provided by the fact that retiree health insurance contribution rate for Great Neck retirees is the highest it can possibly be by law and is, in reality, much less advantageous as a benefit as that of local counterparts. The Association contends, therefore, that total compensation, inclusive of the financial impact of retiring from Great Neck versus comparable districts, "must be considered in the conversation concerning the Association's salary schedule."

The Association asks that the architecture of the salary schedule remain untouched.

Fact Finder Discussion of New Steps for New Hires.

Much time and effort was given to this issue, both at the hearing and in the respective briefs submitted by the parties. This type of proposal is an extremely touchy one, to say the least. At the hearing the District flatly refused to entertain any thought whatsoever concerning adding another step to the top of the salary schedule and the Association refused the District's request to add ten steps below starting salaries.

It is interesting to note, however, that the Association, in speaking about what transpired during mediator McCray's tenure, noted in its brief (p.4) that he identified a "likely midpoint between the proposals where he “believed a fair and reasonable agreement existed.” The Association admits to entertaining the concept recommended by Mr. McCray, but claims that the District did not. Unfortunately, we do not have a clear picture of what this “likely midpoint” was.

Throughout this whole process, including being questioned about it during the hearing by the fact finder, the District never cited its inability to pay for various financial proposals and packages submitted by the Association. A tremendous amount of convincing evidence and data was submitted by the District in support of the claim that they simply should not have to pay substantially above market when hiring new employees from outside. It makes prudent sense to pay above market to attract the finest employees available. This is essentially a business decision: pay above market but not too far above market and maintain the status quo as far as academic prowess and financial soundness while staying within the top echelon of highly regarded districts in Nassau County.

The District believes, in essence, that the salary schedules have grown to the point that the brakes must be applied. They propose to do this through the installation of pre steps below the minimum starting salaries which will not affect current unit members but will provide the needed deceleration of the salary schedules for the future. The evidence presented by the District clearly shows that most roads lead into the Great Neck administrators positions and few, if any, lead out. Not many administrators leave the District for better paying, similarly situated positions in other districts, even the highly regarded ones.

If the Association were to agree to this with the concomitant quid pro quo of some healthy prospective salary increases for current unit members, we would have a win-win situation. Unions in general consider the diminution of benefits for the “unborn” (people not hired yet) through a tiering system, anathema. An example is in the area of health insurance contribution rate wherein there are negotiated provisions that require new hires to pay a higher percentage towards health premiums than current employees. This sets up a tiered system that is only fully mitigated after many years have passed as unit members age out. The optics of this type of tiering are often considered by unions as a sell-out of the new hires (who are also union members).

This is not what would be happening here, however, as new employees would progress up the “blended” salary schedule the same way as in the past. Current employees would not suffer because they would still receive all increments and would earn the same in lifetime earnings. It’s true that employees hired under a new schedule would take longer to reach the same lifetime earnings and that’s a big tradeoff.

Adding new steps beneath the current salary schedule is a big ask of the Association. They would have to be given something which makes this worthwhile

The fact finder recommends five new steps be installed below the first step in all salary schedules (currently 10,11, and 12 steps) The amounts of starting salaries will be as listed in District Exhibit 2. For instance, under High School Principal, first step rate in the new schedule would be as listed under (New) 06. $193,381. This would be carried across all schedules. **All percentage increases, as agreed to for the new CBA, would be added to all steps in the schedule.**

COMPENSATION PACKAGE INCLUDING, SALARY/LONGEVITY/MERIT PAY/DOCTORAL STIPEND

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District Position on Compensation Package

The District believes that "as a starting point, it must be noted that SAGES' base salaries are among the highest in Nassau County" and that base salary represents only part of the compensation package. There is a longevity payment which two thirds of the unit members receive as follows:

10 year longevity ($1,750):2 unit members

12 year longevity ($2,800): 6 unit members

15 year longevity ($3,750): 4 unit members

18 year longevity ($4,500): 10 unit members

The District believes that these longevity payments are excessive both in amount and in number of benchmark years and has proposed to eliminate the 10 and 12 year longevity, thus aligning it closer to other similar districts in Nassau County. The District believes its current longevity scheme is "fiscally irresponsible and an unnecessary burden on District taxpayers."

Currently, nine SAGES unit members receive a $2,000 doctoral stipend. In addition, all SAGES members have received the performance-based merit pay award each year since at least 2012. This negotiated amount, $2,000 prior, then $3,000 since 2014, is deposited in the unit members 403 (b) account as a non-elective employer contribution. The District thus points out that base salary numbers are misleading as most unit members receive much more in their compensation package than just salary schedule amounts.

The District provided extensive comparisons with other similar districts: Jericho, Herricks, Locust Valley and Syosset (all have salary schedules), as well as East Williston, Manhasset and Roslyn (no salary schedules). The District contends that it is clear that "the present SAGES salary schedule places the current Great Neck administrators above, or close to, the base salaries for administrators in seven other highly regarded school districts in Nassau County. In most cases, SAGES salaries are significantly higher than those of their confreres in other districts. It is likely that the salary schedule is a reason why it is rare for a SAGES unit member to leave Great Neck for reasons other than retirement.

The District has offered the following salary increase package (assuming agreement on 10 pre steps) to the Association: 2017-18: Increment only; 2018-19:1%, plus Increment; 2019-20: 1%, plus Increment and 2020-21: 1% , plus Increment.

The District has also rejected any proposal to increase doctoral stipends or merit pay.

Association Position on Compensation Package

The Association contends that it has made significant concessions over the past few years, including consolidation of four titles, something which saves the District money indefinitely. The Association also offers that during the last CBA, unit members agreed to pay 5% more in health insurance contribution which, in effect, reduced the new salary increases of the past several years. A few other examples were given which the Association claimed saved the District money.

The Association argues that all “of these concessions have inured to the financial benefit of the District.” It believes that the current economics of the District point to an economic environment of financial strength.

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The Association has proposed increases to each of the four benchmark longevity increases as follows:10 year, $400 increase; 12 year, $500 increase; 15th year, $600 increase; and 18th year, $700 increase.

The Association has offered the following proposal for salary increases. 2017-18: 2% plus Increment; 2018-19: 2% plus Increment; 2019-20: 2.5% plus Increment and 2020-21: 2.5% plus Increment. According to Association testimony at the hearing, this would add up to an average yearly increase of only 2.695%.

The Association is also proposing an increase in doctoral stipends and merit pay awards of $1,000 each.

Fact Finder Discussion on Compensation Package

Great Neck Public School District is one of the "highly regarded" districts on Long Island for good reason. A perusal of The U.S. News and World Report ratings verify this, as well as a recent Newsday report showing Great Neck was number three on Long Island in SAT scores in 2016. The District and its administrators are rightly proud of this and would, no doubt, like to keep it this way. The fact finder will try to fashion a compensation package that both parties can embrace.

The District has shown through its comparables that the SAGES unit members are indeed highly paid compared to almost all other Long Island school administrators. Conversely, the Association believes that unit members deserve more than a 1% salary increase each year due partly to the evidence it presented with respect to savings to the District they have provided, e.g. consolidation of titles and also CPI figures which agree with their position.

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The fact finder recommends the following salary increases:

2017-18	**0%**	**+Increment**
2018-19	**1%**	**+Increment (Retroactive)**
2019-20	**1.5%**	**+Increment**
2020-21	**1.5%**	**+Increment**
2021-22	**1.5%**	**+Increment**
2022-23	**2.0%**	**+Increment**
2023-24	**2, 0%**	**+Increment**

The fact finder does not believe there is enough justification to increase longevity increments, doctoral stipends or merit increases.

Just as an aside, it seems the "merit" increase is a little too automatic and universal. The parties might consider quietly folding it into some other type of payment.

HEALTH INSURANCE CONTRIBUTION RATE

<u>Fact Finder Discussion of Health Insurance Contribution Rate</u>

The fact finder believes the parties have come to an agreement on this item. **The contribution rate will remain at 80%/20% until the next CBA is negotiated.** Both parties will, of course, pay whatever respective premium increases are levied but this will be a benefit to the Association as it will give seven years of relative stability to the cost sharing of health insurance premiums.

REMAINING ISSUES

The fact finder makes no further recommendations and all other remaining issues will be remanded back to the bargaining table for resolution. These issues include: Sick leave; Retirement Incentive/Sick day payout; Retirement date; banked vacation days, compensatory days.

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 and embraced by both parties and that they form the basis for the new CBA.

March 23, 2019

Thomas J. Linden, Fact Finder

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