

## Summary of Fact Finding

The South Butler County School District and the South Butler County Education Association (“Association”) have been bargaining the terms and conditions of a new collective bargaining agreement since January 2014. When the prior collective bargaining agreement expired on June 30, 2014, the parties agreed to operate under and abide by the terms and conditions of the expired collective bargaining agreement, until such times as a new collective bargaining agreement is approved by the parties. As such, the teachers continue to receive the salaries and benefits contained within the expired collective bargaining agreement.

In August, the Association asked the Pennsylvania Labor Relations Board to appoint a Neutral Fact Finder and to direct the parties to participate in the Fact Finding process as outlined in the Public School Code. Pursuant to the Association’s request, the Pennsylvania Labor Relations Board appointed Mr. Marc Winters to serve as the Neutral Fact Finder. After meeting with and hearing detailed presentations from the Association and the School District, Fact Finder Winters issued his Fact Finding Report on September 28, 2015. The Report addresses all of the outstanding issues between the parties.

This evening, the Board approved the Fact Finding Report. If the Report is approved by the Association, the Report will be converted into a new five (5) year Collective Bargaining Agreement between the parties.

In his Report, the Fact Finder recommended that the parties agree to the following:

1. Term: The Fact Finder recommended that the term of the Agreement be July 1, 2014 through June 30, 2019 (a 5 year Collective Bargaining Agreement).

2. Wages: The Fact Finder recommended average wage increases as follows:

Effective July 1, 2014	1.2% increase, accomplished with one-half (1/2) step movement only.
Effective July 1, 2015	2.8% increase, accomplished with one full step movement and \$1200 on top step (Step 20).
Effective July 1, 2016	4% increase.
Effective July 1, 2017	4% increase.
Effective July 1, 2018	4% increase.

NOTE: The Fact Finder’s wage recommendations equates to an average percentage increase of 3.2% per year for each year of the 5-year CBA. The average salary increases per year are: \$678 in 2014-2015 (retroactive pay increase); \$1,670 in 2015-2016 (current school year); \$2,416 in 2016-2017; \$2,513 in 2017-2018; and, \$2,613 in 2018-2019. The attached chart shows the annual salary increases per teacher based on each Step of the salary schedule, including the cumulative salary increases over the 5-year CBA.

3. Health Care Coverage:

2014-2015 school year	Status Quo (Highmark Plan)
2015-2016 school year	Status Quo (Highmark Plan)
Effective July 1, 2016	Highmark Consumer Driven Plan as follows:

- The Plan benefits would be consistent with the benefits provided under the existing Highmark PPO Plan with the exception of the Prescription drug component which will include a mandatory Hard Generic.

- The District will provide each employee with a Health Reimbursement Arrangement (HRA) account and the ability to establish a Flexible Spending Account (FSA).
- Until the employee reaches his or her in-network deductible, there would be a 50/50 cost split with the District responsible for 50% of the cost and the employee responsible for 50% of the cost.
- After the employee reaches his or her in-network deductible, 100% of the in-network costs are covered under the Plan. No office co-pays, no prescription co-pays, etc.
- The maximum in-network out-of-pocket costs to the employees in the 2016-2017 school year will be \$1,000 for individual coverage and \$2,000 for all other coverage levels; and, in 2017-2018 school year would be \$1,100 for individual coverage and \$2,200 for all other coverage levels.
- The District will be responsible for the difference between the employee's maximum in-network out-of-pocket costs and the applicable in-network deductible. For example, if the in-network deductible is \$2,000/\$4,000 and the employees' maximum in-network out-of-pocket costs are \$1,000/\$2,000, the District will be responsible for \$1,000/\$2,000 of the costs until the in-network deductible is reached by the employee. The District will meet its obligation via the employee's HRA account.

NOTE: The District shared four health care goals with the teachers throughout the negotiations. The goals were: 1) to maintain the high quality of care available to the employees and their families. The Fact Finder's recommendation maintains the benefit levels available under the current Highmark Plan; 2) to maintain the Highmark network of hospitals and physicians. The Fact Finder's recommendation keeps the Highmark network of hospitals and physicians; 3) to minimize the District's future health care increases. The Fact Finder's recommendation will reduce the District's health care costs by \$550,000 in the third year of the CBA and slow the growth of future increases; and, 4) to gain control over the health insurance costs, data and plan design. The Fact Finder's recommendation enables the District to positively impact the growth of future health care increases without increasing the cost to the employees or reducing the level of benefits.

Compared to the teachers' health care proposal, the Fact Finder's recommendation would result in the average teacher paying \$6.00 per month more in out-of-pocket health care expenses. The average out-of-pocket expense under the Highmark PPO Health Care Plan proposed by the teachers is \$116.00; and, the average out-of-pocket expense under the Highmark Consumer Driven Health Care Plan recommended by the Fact Finder is \$122.00.

4. Employee Premium Contributions:

2014-2015 school year	Status Quo (Ind. \$40, Employee/Child/Spouse \$45, Family \$50)
2015-2016 school year	Status Quo (Ind. \$40, Employee/Child/Spouse \$45, Family \$50)
2016-2017 school year	Individual \$50 and Family \$60
2017-2018 school year	Individual \$60 and Family \$70
2018-2019 school year	Individual \$70 and Family \$80

5. Early Retirement Incentive:

2017-2018 school year	The years of health care change from eight (8) and twelve (12) years to seven (7) and ten (10) years.
2018-2019 school year	The years of health care change to six (6) and eight (8) years.

NOTE: Currently, eligible teachers with ten (10) years of service at South Butler and twenty (20) years of service within the PSERS are eligible for either eight (8) years of retiree and spouse health care and dental

insurance coverage; or, twelve (12) years of individual health care and dental insurance coverage, upon retirement from the School District.

6. Supplemental Wages:

Section - Mentor Teachers; Section 13 - After School Assigned Co-Curricular Duties and Intramural Activities; Section 64 - Department Chairperson and Elementary Grade Level Facilitator; Section 67 - Compensation for After School Instructional Duties; Section 71 - Co curricular Salaries; Section 72 - Department Chairpersons' and Grade Level Facilitators' Salaries; Appendix A -After School Assigned Co-curricular Duties; Appendix E -After School Instructional Duties; and, Appendix F - Co-Curricular Salaries.

2014-2015 school year	Status Quo (no increase)
2015-2016 school year	Status Quo (no increase)
2016-2017 school year	3.0% increase
2017-2018 school year	3.0% increase
2018-2019 school year	3.0% increase

NOTE: A copies of the above-referenced Sections is attached.

7. School Day:

All Act 80 and in-service days shall consist of seven (7) hours and thirty (30) minutes, excluding thirty (30) minutes for lunch.

NOTE: Currently, Act 80 and in-service days are limited to five (5) hours, excluding a one hour lunch break.

8. Tuition Reimbursement:

- Reimbursement based upon the composite rate charge by the University of Pittsburgh and Pennsylvania State System of Higher Education Universities.
- Pay back schedule when employment is terminated with three (3) years of reimbursement will be: 1st year – 100%; 2nd year – 75%; and, 3rd year – 50%.

NOTE: The District spends on average approximately \$120,000 per year on tuition reimbursement; the credit hours are reimbursed at the University of Pittsburgh per credit hour rate; and, the pay back schedule is 1<sup>st</sup> Year - 75%, 2<sup>nd</sup> Year - 50% and 3<sup>rd</sup> Year - 25%.

9. Involuntary Transfers: The District will first seek volunteers prior to making an involuntary transfer.