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In the Matter of Impasse Between  
The Board of School Directors,  
Warren County School District  
and  
Warren County Education Association, PSEA

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### **REPORT OF THE FACT FINDER**

Pursuant to Act 88 of 1992, Commonwealth of Pennsylvania, PERA, and 34 Pa. Code, Section 96.61 et seq. and the rules, regulations and procedures of the PLRB, the undersigned was appointed as fact finder by the PLRB, on the 8th day of April, 2005, and proceeded as described below.

### **BACKGROUND**

For the purpose of familiarizing himself with the issues in dispute, understanding the positions of the parties, collecting and reviewing relevant information, informally dealing with both parties and preparing for the final report, the fact finder met jointly and separately with the parties on May 3, 4 and 12, 2005, in meeting rooms of the Warren County School District, Warren, Pennsylvania. In addition to data collection from both parties and hearings held as noted above, the fact finder gathered information from Warren County, state and local agencies and their publications.

## DISCUSSION

Based on the statements of the issues submitted to the Fact-finder in accordance with the above rules, it was determined that five (5) major issues, and several sub-issues, were at dispute between the parties. The major issues at impasse were, work year and work day provisions, wages and pay schedules, insurance coverage and co-payments, retirement insurance coverage, and supplemental salaries. Each party at the initial hearing on May 3, 2005 presented data on all issues along with verbal arguments and rationale.

It became evident from the initial hearing that the impasse was primarily focused on the issues of insurance coverages and wages.

Although the parties attempted to settle their dispute through an early bird agreement, the premium increases in medical insurance of approximately 18 per cent in 2004 and 24 per cent in 2005 caused the employer to seek some relief in insurance costs via increases in employee co-payments of premiums. Also, in consideration of future costs, the employer felt that it could offer only a small increase in wages. Although both parties worked toward settlement with the aid of a mediator, it was impossible to reach a settlement due to the parties' changed expectations on employer costs and employee benefits in the future.

The parties positions on wage increases over the four years of a proposed agreement are as follows. The Association provided data that requested and supported wage increases of 5.57%, 5.38%, 5.21% and 5.05%. The District presented data that offered and supported wage increases of 3% per year for the four years. The fact finder collected and reviewed data concerning both the employer's ability to pay and the comparability of current wage rates and current average wage increases in similar bargaining units.

In determining the financial condition of the District, a review of County tax assessment data revealed a tax base that is slightly increasing each year. Assessment data show a growth of approximately 3 million dollars per year from 2001 to 2004, which has produced an increase

of .8% per year in available funds. The employer also has not unduly raised taxes and has a record of tax rates that are approximately average for the region and the Commonwealth. In addition, through prudent fiscal management, the District has ended each of the past five years with more reserve than budgeted. The expenditures for the current year are well managed and the District should again achieve a substantial reserve. Therefore, the fact finder finds that the financial condition of the District is sound, with an increasing market value and average taxes. The proposed recommendations will not negatively affect the financial condition of the School District.

In analyzing comparable wage data, the following can be concluded. The average teacher salary in the District, which is based both on experience and educational attainment, is the lowest in the region. However, employees at different wage levels are treated differently. The scheduled maximum salaries are above average for the area, while the minimum scheduled salaries are the lowest in the area. In addition, the salary schedule contains two large incremental steps, usually called jump steps, with increments over \$2000 and \$5000. The majority of step intervals, from starting salaries up, are considerably smaller. While the fact finder recognizes that salary schedule improvements are desirable in every agreement, corrections of these problems are not always possible. However, in this case it is critical that this problem be addressed. Currently the District has difficulty attracting certain teacher candidates and has an unhealthy turnover rate. In fact, more than 30% of the current staff has less than 3 years teaching experience. Unless the schedule is improved, turnover of experienced staff may accelerate and the students of the District will not be well served. It was possible to increase salaries at the lower levels of the schedule and provide smaller increases at the maximums. The recommended salary schedules eliminate all jump steps and provide average annual wage increases that are comparable to settlements in the region and in newly settled agreements in the Commonwealth. The recommended salary schedules attached allow the employer to be competitive in hiring, (average starting salary by 2007-08,) and should

reduce turnover by the proposed schedule in 2007-08, which is average with the contiguous districts.

The cost of health insurance has been a difficult issue between employers and employees for several years now. While employees in many industries pay a high share of health insurance costs, in school districts that is not usually the case. Reviewing the current data from the teacher bargaining units in the area, one finds that there is a co-payment of insurance premiums by employees in the majority of the districts. While the co-payments vary widely by employer, most districts require only a small co-payment of \$5 to \$20 per month. Only two districts currently require a significant co-payment for health care. One contiguous district and Warren have the highest co-payments of 7% and 5% respectively. In light of the current health insurance carrier's premium, and the district's fiscal health, these recommendations allow employees to maintain their contribution levels for a year, but increase some deductibles through a PPO Plan. The contribution formula agreed to in the prior agreement will be used for contribution rates in the future. In addition, it is recommended that an Internal Revenue System, Section 125 Plan be established, which should benefit both parties.

Another issue in dispute was the retiree health benefit. While employees wanted to protect a valuable retirement benefit, the employer wished to provide a benefit that was similar to that provided to current employees. These recommendations provide a continuation of the benefit with increased employer flexibility.

Although this is a difficult time for both parties, mainly brought on by health insurance premium costs, the sides must understand the potential for disruption if conflict is allowed to continue and grow. Conflict can only injure the relationships and destroy the educational climate. Therefore, while the fact finder understands that each party has not reached its expected goals, some goal achievement is attained in the recommendations and there may be improved conditions for the next bargaining. The recommendations do not reward either party but seeks an equitable level of salary and benefits. It is hoped that these recommendations

will allow the parties to maintain the positive relationships and the positive school climate so important in the education of children.

### **RECOMMENDATIONS**

#### **1. Term/Tentative Agreements**

It is recommended that the parties enter into a four year agreement from July 1, 2004 until June 30, 2008. Salaries shall be retroactive to July 1, 2004 and all other changes in the new Agreement shall be effective on July 1, 2005. It is recommended that the tentative agreements reached prior to the fact finding be included in the new agreement. (TA's through 4/14/05 document, 9 pages.)

#### **2. Work Year, Work Day**

The following changes are recommended.

Section 2.04 The normal work year for employees shall be a total of one hundred eighty-six (186) days. One hundred eighty (180) shall be teaching days each year. The remaining days shall be used at the discretion of the District except that there shall be one-half professional day the first day of the school term. Teachers also may buyout an in-service day with the prior approval of the Human Resource Office. The employer, in its discretion, will determine appropriate activities that may be used in lieu of that in-service day. If possible, in compliance with minimum instructional hours requirements, the last student day of each school year shall be only one-half day for students. The remainder of that day shall be a teacher workday.

Section 2.05 The total regular workday for teachers shall not exceed seven (7) hours, twenty (20) minutes. Included in this time are lunch periods, instructional periods and duty free periods. Teachers shall be expected to attend, without additional compensation, such after school functions as they have customarily attended in the past, which shall include a monthly faculty meeting, scheduled one week in advance, open house, and organized parent-teacher group meetings.

#### **3. Involuntary Transfers**

Section 3.08 D, 4. It is recommended that the following sentence be added to the present language of the CBA. " Positions in non-affected buildings shall be posted."

#### 4. Association Leaves and Absences

Section 4.06. It is recommended that the following Section be added to the present language of the CBA. " Section 4.06 F, Notice of all Association leaves and absences must be made in writing to the Human Resource Office. The written notice must be submitted at least two weeks in advance of the leave or absence, with the exception of Section 4.06 C, which will require a 24 hour notice.

#### 5. Salary Schedule

It is recommended that Section 6.01 B be changed as follows. " All teachers shall be placed on the salary schedule for the 2004-05 school year at one level above the schedule level attained in the 2003-04 school year. Teachers shall progress one level each year of this Agreement. Since the salary schedule levels are not equal to years of experience, the District administration shall determine the years of experience of new employees and place them at the appropriate salary level. In general, only public school teaching experience shall be used. "

#### 6. Insurance Coverage

The following changes are recommended.

The Board will make available to employees a Preferred Provider Organization Plan as attached in Appendix B for health insurance.

Effective July 1, 2004, employees will contribute, through payroll deduction, the following toward the cost of monthly premiums:

Individual Rate	\$18.22
Parent/Child Rate	\$41.96
Parent/Children Rate	\$43.92
Husband/Wife Rate	\$50.10
Family Rate	\$52.06

If the premium for the health insurance benefit provided by this Section shall increase on or after July 1, 2006, the increase shall be shared in the following proportion: the District shall pay the first 15% of such increase. Any amount of increase in excess of 15% shall be shared equally by the District and the covered employee. The employee's contribution toward the cost of coverage shall be handled by payroll deduction.

It is recommended that the District establish an IRS, Section 125 account, which allows participants to pay qualifying medical expenses on a pretax basis. The plan should be established on July 1, 2005 or as soon thereafter as possible.

7. Compensation and Salaries

It is recommended that salaries be increased in accordance with the attached salary schedules for the four years of the agreement, (Appendix A). Salaries for the year 2004-05 will be retroactive to July 1, 2004.

8. Supplemental Salaries

It is recommended that the employer increase all supplemental salaries as follows. 2% for the 2005-06 school year, 2% for the 2006-07 year and 2% for the 2007-08 year.

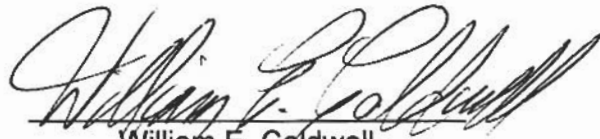
9. Medical Insurance Beyond Retirement

It is recommended that all retirees that retire on or after July 1, 2005, will have health insurance benefits available to retirees the same as provided to active employees, as modified from time to time. The District will continue to make payments toward the cost of health insurance of retirees until they attain age 65 at the contribution rates in effect for such employees at the time of their retirement. It is recommended that retirees who have retired previous to this report be provided options to keep their present health care coverage or to change to the PPO Blue plan as described in Appendix B. These options will be determined by a meet and discuss process between the parties.

10. Other Issues It is recommended that all other issues at impasse be dropped.

Respectfully submitted

May 18, 2005  
date

  
William E. Caldwell

# WAKREN COUNTY SCHOOL DISTRICT

## Overview of Proposed PPOBlue Medical Program

Proposed PPOBlue Program (Plan F)		
BENEFIT	In-Network Care	Out-of-Network Care <sup>1</sup>
Deductible (calendar year) Individual/Family	\$100/\$200	\$500/\$1,000
Co-insurance (The Plan Pays:)	100%*	70%*
Annual Out of Pocket Maximum - (Individual/Family)	Not Applicable	\$2,500/\$5,000 (including deductibles)
Lifetime Maximum per Person *	<del>\$2,500,000</del> (including out-of-network)	\$300,000
Dependent/Student Eligibility	Dependents to age 19/Full-Time Students to age 25	
Physician and Specialist Office Visits	100% after \$10 copay per visit	70%* Limit: 15 visits/year
Routine Physical Exams (Pediatric or Adult)	100% after \$10 copay per visit	Not Covered
Routine Gynecological Exams, including a PAP Smear	100% after \$10 copay per visit	70% (Deductibles & Maximums do not apply)
Non-Routine OB/GYN problems, procedures, or tests	100% after \$10 copay per visit	70%*
Maternity Care	100%*	70%*
Childhood Immunizations	100% (Deductibles & Maximums do not apply)	70%
Mammogram (Routine, age 40+)	100%*	70%*
Inpatient Hospital Services	100%*	70%* Limit: 90 inpatient days/calendar year
Medical / Surgical Services	100%*	70%*
Diagnostic/Lab Tests/X-rays	100%*	70%*
Emergency Room Services <sup>2</sup>	100% after \$35 copay per visit (waived if admitted)	
Ambulance (Ground and Air)	100%*	
Chemotherapy	100%*	70%*
Dialysis and Radiation Therapy	100%*	70%*
Occupational and Speech Therapy	100%*	
Physical Therapy	100%* after applicable copay(s)	70%*

\* UNLIMITED

\* Member is required to first meet the deductible before the indicated co-insurance applies.

# WARREN COUNTY SCHOOL DISTRICT

## Overview of Proposed PPOBlue Medical Program

Proposed PPOBlue Program (Plan 1)		
BENEFIT	In-Network Care	Out-of-Network Care
Mental Health - Inpatient	100%*	70%*
Mental Health - Outpatient	100% after \$20 copayment per visit Limit: 45 visits/calendar year	50%* Limit: 15 visits/calendar year
Substance Abuse - Inpatient Detoxification	100%* Limit: 7 days/admission; 4 admissions/lifetime	70%*
Substance Abuse - Inpatient Rehabilitation	100%* Limit: 30 days/calendar year; 90 days/lifetime	70%*
Substance Abuse - Outpatient	100% after \$20 copayment per visit Limit: 60 visits/calendar year; 120 visits/lifetime	50%*
Spinal Manipulation	100%* after applicable copay(s) Limit: 25 visits/calendar year	70%*
Home Health Care	100%* Limit: 100 visits/calendar year	
Skilled Nursing Facility	100%* Limit: 100 days/calendar year	
Private Duty Nursing	100%* Limit: \$20,000/calendar year	
Durable Medical Equipment	100%*	
Prescription Drug - Retail	\$5 Generic / \$15 Brand Copays Up to 31 day supply Closed Formulary PremierGold III Pharmacy Network Hard Mandatory Generic Provision applies <sup>3</sup>	
Prescription Drug - Mail Order	\$10 Generic / \$30 Brand Copays Up to 90 day supply Hard Mandatory Generic Provision applies <sup>3</sup>	

<sup>1</sup> Precertification may be required for services rendered by Out-of-Network Providers.

<sup>2</sup> Emergency service is any health care service provided to a member after the sudden onset of a medical condition that manifests itself by acute symptoms of sufficient severity or severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in:  
a) placing the health of the member, or, with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy; b) serious impairment to bodily functions; or c) serious dysfunction of any bodily organ or part.

<sup>3</sup> Under the Mandatory Generic Provision, the member is responsible for the payment differential when a generic drug is available and the patient or physician specifies a brand name drug. The member payment is the price difference between

**NOTE:** This plan is only provided as a benefit to members of the district. All services must be medically necessary and appropriate, as determined by Highland Blue Cross Blue Shield, for benefits to apply.

\* Member is required to first meet the deductible before the indicated co-insurance applies.

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In the Matter of Impasse Between  
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Warren County Education Association, PSEA

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#### **AMENDED REPORT OF THE FACT FINDER**

Pursuant to Act 88 of 1992, Commonwealth of Pennsylvania, PERA, and 34 Pa. Code, Section 96.61 et seq. and the rules, regulations and procedures of the PLRB, the undersigned was appointed as fact finder by the PLRB, on the 8th day of April, 2005, and now files this Amendment to the Report of Recommendations issued on May 18, 2005. The only Sections of the Report of May 18<sup>th</sup> that are modified by this Amendment are Section 5 and Section 7, including the appended salary schedules. This amendment is necessary because the salary schedules originally submitted did not reflect the intended level of increases sought by the fact-finder. My intentions were to increase salaries each year, at a rate above the average increases in the region in order to improve the comparability of salaries. Both parties understood that one of the goals of this fact-finding was to improve the salaries of teachers so the District would be more competitive in hiring and retaining employees. However, following several computer simulations of salaries over an 8 day period, an error in the computations resulted in salary increases above the level intended. I wish to apologize to the parties for this mistake and take full responsibility for the error. The amended schedules provide above average increases but cannot repair all of the problems of the current schedule.

**AMENDED RECOMMENDATIONS**

## 5. Salary Schedule

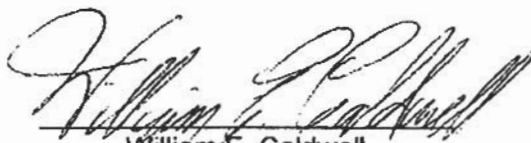
It is recommended that Section 6.01 B be changed as follows. " All teachers shall be placed on the salary schedule for the 2004-05 school year at the same level attained in the 2003-04 school year. Teachers shall progress one level in each of the remaining three years of this Agreement. Since the salary schedule levels are not equal to years of experience, the District administration shall determine the years of experience of new employees and place them at the appropriate salary level. In general, only public school teaching experience shall be used. "

## 7. Compensation and Salaries

It is recommended that salaries be increased in accordance with the attached salary schedules for the four years of the agreement, (Appendix A). Salaries for the year 2004-05 will be retroactive to July 1, 2004 and no employee will increase a level in the 2004-05 year.

Respectfully submitted

May 31, 2005  
date

  
William E. Caldwell

**Warren County School District  
2004-2005**

**No Step Movement**

<b>Level</b>	<b>Steps</b>	<b>Bachelor</b>	<b>Masters</b>	<b>Doctorate</b>
1	17	34,174	35,174	37,205
2	16	34,316	35,457	37,545
3	15	34,578	35,893	37,981
4	14	35,004	36,360	38,448
5	13	35,719	37,115	39,203
6	12	36,587	38,087	40,184
7	11	37,454	38,932	41,031
8	10	38,608	40,193	42,270
9	9	39,761	41,324	43,452
10	8	40,915	42,454	44,457
11	7	42,440	44,084	46,088
12	6	43,587	45,268	47,271
13	5	45,435	47,169	49,173
14	4	47,289	49,059	51,062
15	3	48,606	50,410	52,413
16	2	50,280	52,132	54,135
17	1	52,247	54,150	56,154
18	Top	56,994	58,105	60,723

<b>Warren County School District</b> <b>2005-2006</b>
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Level	Steps	Bachelor	Masters	Doctorate
1	17	35,880	36,880	39,328
2	16	35,996	37,127	39,608
3	15	36,181	37,462	39,942
4	14	36,460	37,814	40,294
5	13	37,174	38,602	41,082
6	12	37,202	38,719	40,988
7	11	38,040	39,561	41,832
8	10	39,257	40,887	43,139
9	9	40,472	42,107	44,402
10	8	41,689	43,327	45,520
11	7	43,206	44,952	47,145
12	6	44,417	46,214	48,407
13	5	46,195	48,058	50,252
14	4	47,978	49,893	52,085
15	3	49,327	51,291	53,484
16	2	50,964	52,990	55,183
17	1	52,838	54,928	57,122
18	Top	57,263	59,105	61,425

<b>Warren County School District</b> <b>2006-2007</b>
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Level	Steps	Bachelor	Masters	Doctorate
1	17	37,108	38,108	40,856
2	16	37,206	38,330	41,092
3	15	37,335	38,591	41,354
4	14	37,507	38,861	41,623
5	13	38,221	39,673	42,435
6	12	38,485	40,037	42,665
7	11	39,262	40,874	43,503
8	10	40,610	42,334	44,954
9	9	41,956	43,741	46,382
10	8	43,303	45,148	47,737
11	7	44,803	46,760	49,349
12	6	46,147	48,188	50,778
13	5	47,780	49,913	52,502
14	4	49,415	51,632	54,221
15	3	50,830	53,129	55,718
16	2	52,391	54,780	57,369
17	1	54,073	56,552	59,141
18	Top	57,823	60,205	62,887

<b>Warren County School District</b> <b>2007-2008</b>
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Level	Steps	Bachelor	Masters	Doctorate
1	17	38,140	39,140	42,140
2	16	38,222	39,340	42,340
3	15	38,305	39,540	42,540
4	14	38,387	39,740	42,740
5	13	39,102	40,572	43,572
6	12	39,816	41,404	44,404
7	11	40,530	42,236	45,236
8	10	42,013	43,836	46,836
9	9	43,495	45,436	48,436
10	8	44,978	47,036	50,036
11	7	46,460	48,636	51,636
12	6	47,942	50,236	53,236
13	5	49,425	51,836	54,836
14	4	50,907	53,436	56,436
15	3	52,389	55,036	58,036
16	2	53,872	56,636	59,636
17	1	55,354	58,236	61,236
18	Top	58,405	61,405	64,405