

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD

IN THE MATTER OF THE FACT-FINDING BETWEEN THE

WHEATLAND-CHILI FEDERATION OF TEACHERS
PARAPROFESSIONALS AND SCHOOL RELATED PERSONNEL UNIT

AND

WHEATLAND-CHILI CENTRAL SCHOOL DISTRICT

PERB CASE NO.: M2007-141

FACT FINDER: MARGERY GOOTNICK

APPEARANCES:

For the District:

Linda Van Coske
Labor Relations Administrator
Monroe 2 – Orleans BOCES

For the Union:

Nanette Rogers
Labor Relations Specialist
New York State United Teachers

I. NEGOTIATIONS

The Collective Bargaining Agreement between the Wheatland-Chili Federation of Teachers Paraprofessional and School Related Personnel Unit and the Wheatland-Chili Central School District expired on June 30, 2007. Negotiations for a successor agreement began on March 26, 2007 when proposals were exchanged. After five negotiation sessions, the parties were unable to resolve their differences. They mutually declared impasse. After three mediation sessions were held with Mediator Charles Leonard on January 17, 2008, the parties notified PERB that they were unable to reach an agreement through mediation. On February 20, 2008, I was appointed by PERB as the Fact Finder.

After two mediation sessions with me, the parties were unable to reach an agreement. This fact-finding report is based on briefs. No formal fact-finding hearing was held.

II. DESCRIPTION OF DISTRICT AND COMMUNITY

The Wheatland-Chili Central School District is located South of Rochester in the Village of Scottsville. It includes part of the Towns of

Wheatland-Chili, Brighton and Caledonia and is located partly in Monroe County and partly in Livingston County. The District population is approximately 5,132. The student population of K-12 is approximately 733 for the 2008-2009 school year. The population has declined slightly since the 2004-2005 school year.

The District's 2008-2009 budget is \$16,524,699.00, approximately \$20,000 less than the 2007-2008 school year budget. This reflects the slightly declining enrollment. There are approximately 44 unit members. The full value property tax rate is 24.112623. The District is the smallest of 19 school Districts in Monroe County.

III. TENTATIVE AGREEMENTS

Changes in the following issues were tentatively agreed on prior to submission of fact-finding briefs.

Article 1 Recognition; Article III Unit Rights; Article V Personnel Files; Article VI Performance Evaluations; Article VII Discipline; Article VIII Grievance Procedure; Article IX Leaves; Article IX Insurance

and Retirement: Health Insurance Buy-out and Retirement; Article XII Emergency Closings; Article XIV Workers Compensation; Article XV Savings Clause; Article XVI Vacancies; Article XVII In-Service Education; Article XVIII Summer Work; Article XIX Job Descriptions; Article XX Temporary Transfer; Article XXI Compensatory Time; Article XXII Confidentiality of Personnel Discussions; Article XXIII Substitute Coordination; Article XXIV Duration.

IV. OUTSTANDING ISSUES

The two outstanding issues are:

1. Health Insurance
2. Salary

V. CURRENT HEALTH INSURANCE LANGUAGE

Article XI Subsection A of the expired agreement (2004-2007) provides that the District will pay 95% of Blue Point 2 Select in the 2006-2007 School Year.

VI. PROPOSALS FOR SUCCESSOR AGREEMENT HEALTH INSURANCE

Several proposals have been made during the course of negotiations.

The current District and Federation proposals for health insurance are:

ARTICLE IX - DISTRICT PROPOSAL: FOR SUCCESSOR AGREEMENT HEALTH INSURANCE

Modification of the existing language of Article IX to tier Health Insurance to reduce the employer contribution percentage for Blue Point 2 Select from 95% to 90% for unit members hired after September 30, 2008 (or the date of signing).

VII. FEDERATION PROPOSAL FOR SUCCESSOR AGREEMENT HEALTH INSURANCE

ARTICLE IX – INSURANCE AND RETIREMENT

Comprehensive Health Insurance Plan

1. Coverage

- a. Blue Point 2 Select will be offered to all full year and school year employees.

2. District Contribution

For unit members hired prior to (date of signing), the District shall pay 95% of the Blue Point 2 Select Plan for all full year and school year employees. The District shall pay premium costs accordingly for all employees. The District shall pay premium costs accordingly for all part-time employees on a pro-rated basis. For any other plan chosen, the District will contribute up to the amount of the Blue Point 2 Select Plan.

For unit members hired after (date of signing) the District shall pay 90% for the Blue Point 2 Select Plan or, as an employee option, 100% of the Blue Point 2 Value Plan for all full year and school year employees. The District shall pay premium costs accordingly for all employees. The District shall pay premium costs accordingly for all part-time employees on a pro-rated basis. For any other plan chosen, the District will contribute up to the amount of the Blue Point 2 Select plan.

3. Flexible Benefits

The District will establish a flexible benefit program, at the discretion of and funded by the unit member for allowable expenses and provided by the plan and approved by the IRS.

For unit members hired prior to (date of signing), the District will contribute each year to each unit member's plan as follows:

| | |
|---------------------|-------|
| Family and 2 person | \$300 |
| Single | \$250 |

For unit members hired after (date of signing), the District will contribute each year to each unit member's plan as follows:

| | |
|---------------------|-------|
| Family and 2 person | \$600 |
| Single | \$375 |

For unit members hired after (date of signing) and who participate in the Blue Point 2 Value Plan, the District will contribute each year to each unit member's plan as follows:

| | |
|---------------------|--------|
| Family and 2 Person | \$1200 |
|---------------------|--------|

Single

\$500

For unit members who choose to participate in the flexible benefit plan, it will be the unit member's sole responsibility for obtaining, submitting all completed forms on an ongoing basis but not later than June 15th. The unit member acknowledges that the District will follow the provisions of the plan that specify that late forms will not be accepted and that unclaimed funds at the end of the plan year are forfeited.

**VIII. DISTRICT'S RATIONALE FOR SUCCESSOR AGREEMENT:
HEALTH INSURANCE**

- Tiering will permit the District to grandfather current unit members at their current level of benefits. It will accomplish cost containment with newly hired employees.
- New hires would know their coverage and make their employment decisions with full understanding of their level of coverage.
- Health Care costs are the fastest growing expense for the District. The double digit increases, rising cost of health care and health insurance and the current economic situation

together with the increased unemployment rate justifies the necessity for tiering and justifies the District position.

- The District's proposal comports with the ranges in comparable units.
- The decrease in the District's student population did not result in a significant decrease in costs.
- The District must consider its duty to be fiscally responsible to the taxpayers.
- The Federation's final proposal prior to fact-finding (September 26, 2008) accepted the concept of tiering, although the Federation has previously opposed tiering.

IX. FEDERATION RATIONALE FOR SUCCESSOR AGREEMENT: HEALTH INSURANCE

- During bargaining for the 2004-2007 collective bargaining agreement, the Federation agreed to the District's proposal to offer 95% District contribution to Blue Point 2 Select for all unit members. The cost savings were shared by the Federation which received in a 125 plan, 100% of savings for the first year, 50% of the second year savings and 50% of the third year savings.
- In costing out the District's health care proposal, the Federation estimated health insurance premiums for every year after 2009 and applied a 10% premium increase. The Federation also added one additional year past the proposed contract expiration.
- The Federation analyzed the total unit impact of the increased employee premiums compared with the additional Flexible Benefit Program District contributions. The Federation claims that with the additional 5% employee contribution in Blue Point

2 Select in 2008-09, the total additional premium to the unit would have been \$18, 241.74 and it would be \$19,315.42 in the 2009-2010 School Year.

- The Federation claims that the net total the unit would have incurred in additional health insurance costs in 2008-2009 would have been \$3,951.74 and would be \$6,737.42 in 2009-2010, even with the additional funds the District would place in the unit member's Flexible Benefit Program.
- The Federation is unable to accept the sunset clause in the District's final proposal which would provide that on June 30, 2010 all unit members would return to the original plan contributions provided in the 2004-2007 Collective Bargaining Agreement. In the third year of the agreement the unit would no longer share in the District's cost savings. At that time, the Federation would be liable for the full \$21,246.96 in additional premium which would deteriorate potential new money to be bargained in a successor agreement. The increase in health

insurance costs would more than triple from the 2009-2010 school year.

- Even with the additional money proposed by the District for the Flexible Benefit Program, the District would realize substantial savings.
- An analysis of the District budget by the NYSUT Research and Education Services in December, 2008, established that even without any health insurance concessions, the District has the ability to pay the increased cost of health insurance for the term of the new agreement. The District ended the 2007-2008 school year with an unreserved fund balance of \$832,500. The Agency claims that the District is expected to end the current school year with an operating surplus of about \$440,000 and an unreserved fund balance of \$1,100,000.

X. RECOMMENDATION: HEALTH INSURANCE

There is no question that rising health care and health insurance premiums are a serious and continuing problem. Despite some Federation claims to the contrary, I find that current and future increases will seriously impact the District's budget and also the budgets of individual unit employees.

I understand that the recommendation in this report on health insurance will not satisfy either party, however I expect that it will act as a basis for some acceptable alternative.

The fact-finding report for the Bus Drivers, Custodian and Cafeteria Worker's unit was issued by Fact Finder Steve LaLonde. It was included as an exhibit by the Federation in its brief. It recommended that Blue Point 2 Value become the base plan and that the District pay 100% of the cost of the plan for the first year. The District rejected the report. I find, however, that it could act as a basis for the serious compromises that are required by both the Federation and the District in this dispute.

As a basis for settlement, I recommend essentially the same provisions for health insurance that Fact Finder LaLonde recommended in his report for the Wheatland Chili Bus Drivers, Custodians and Cafeteria Workers Unit. I recommend that the parties add the Blue Point 2 Value Health Care Plan to their existing options for health care programs. The District will contribute 100% of the premium costs of the Blue Point 2 Value Plan. The Blue Point 2 Value plan premium contribution will become the base amount that will be contributed by the District to the other health insurance plans. The cost containment savings shall be shared by the District and the Federation in the following manner;

| <u>School Year</u> | <u>% of Savings Applied to 125 Plans</u> |
|--------------------------------|--|
| 2008-2009 (or date of signing) | 100 % |
| 2009-2010 (second year) | 75% |
| 2010-2011 (third year) | 50 % |
| Thereafter | 25% (With no sunset) |

Because the parties have not concluded a successor agreement in time to implement Blue Point 2 Value and too late for individuals to opt into the plan for the 2008-2009 school year, then the current health plan options and

contribution rates will continue and the above proposal as well as the figures in my report will be rolled over to begin in the 2009-2010 school year.

XI. SALARY

During my attempts to resolve the health insurance issues in the successor agreement, short of a fact-finding report, it was apparent to me that salary issues were not the more difficult of the two unresolved issues in this case.

I am convinced that the major issue, which has so far prevented the parties from concluding an agreement, is the Health Insurance issue. I am also convinced that once that issue is resolved, the parties will be able to come to an agreement on the salary and related issues, based on health insurance contributions and an average pay raise. I find that a salary agreement is dependent on the cost of health insurance.

There is a strong connect and interrelationship between the two issues in concluding negotiations. That is a legitimate concern and requires understanding and flexibility.

It is my best judgement that a recommendation on salary in this report could be seriously counterproductive to settling the health insurance issue.

It is also my best judgement that any discussion or recommendation by me in this area would make it more difficult for the parties to agree on salary and related matters.

Therefore, I will not make a recommendation on the salary dispute in this report. I will direct the Parties to make every possible effort to settle the health insurance issue. I am confident that the issues are so fiscally interrelated that any recommendation I make on salary at this point could interfere with health insurance negotiations.

Date:

Margery F. Gootnick
Fact Finder

State of New York
County of Monroe

I, Margery Gootnick, do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed this instrument, which is my award.

(Date)

(Signature of Arbitrator)