

Fact Finding Report

Hannibal Central School District
and
Hannibal Education Association

August 11, 2015

APPEARANCES:

District: Randy J. Ray
Director of Personnel Relations
Cayuga-Onondaga BOCES

Association: Timothy A. Fay
Labor Relations Specialist
New York State United Teachers

Fact Finder: Clifford B. Donn

This dispute is between the Hannibal Central School District (the District) and the Hannibal Employees Association (the Association). The Association represents approximately fifty employees at the District. The large majority of these employees are teaching assistants and teacher aides.

The collective bargaining agreement between the parties expired on June 30, 2011. The parties began to negotiate a successor contract in August 2011 and engaged in periodic negotiation after that. Eventually when the parties were unable to reach agreement on a new contract, a mediator was appointed by the Public Employment Relations Board. The parties met with the mediator twice and still were unable to reach agreement. The Association requested that the Public Employment Relations Board appoint a fact finder and the undersigned was then assigned to the case on November 12, 2014.

The fact finder met with the parties on February 2, 2015, in an attempt to mediate the dispute. The District negotiating team was led by Randy J. Ray (Cayuga-Onondaga BOCES) and the Association bargaining team was led by Timothy A. Fay (New York State United Teachers). This attempted mediation ultimately resulted in a tentative agreement between the parties. However, that tentative agreement was rejected in a vote of the members of the Association which necessitated a fact finding report. The parties agreed to dispense with a fact finding hearing and to submit briefs on the outstanding issues. The briefs were submitted on July 10, 2015, and the record closed at that time.

The briefs submitted by the principal advocates were comprehensive and thoughtful. They provided useful background data and argument but naturally drew very different conclusions. It should be noted that the positions taken by the District in its fact finding brief were the same as those included in the tentative agreement which the Association members had rejected.

The report below does not address all of the unresolved issues. Rather it addresses the principal matters dividing the parties on which they agreed to file briefs.

BACKGROUND

The parties have profoundly different views about the relevant background facts surrounding the District and its employees. Those differences are reflected in their bargaining positions.

The District has noted that it is the poorest in Oswego County and the fifteenth poorest in New York State, based on combined wealth ratios, average property wealth per pupil and average income per pupil. It asserts that the employees in this bargaining unit are "compensated fairly" compared to employees in nearby districts and it notes that most school districts in similar communities have implemented three-tier prescription plans.

The Association, however, refers to the District as "proportionately the best financed in Oswego County." It claims that the relative poverty of the community is not highly relevant since 75% of the District budget comes from state aid, and only 22% comes from local school taxes. The Association supports this claim by reference to the financial reserves held by the District and the considerable growth in those reserves.

However, even the budget analysis performed by the experts at the New York State United Teachers (the Association's state affiliate) while more optimistic than the District itself, provides some basis for caution. The District has reasonable reserves but this reflects both some good fortune and careful stewardship of limited resources.

ISSUE - Salary

POSITIONS OF THE PARTIES

The District has proposed salary increases equal to those included in the tentative agreement. Those increases were as follows:

2011-2012	Wage freeze
2012-2013	1.75% increase
2013-2014	1.75% increase
2014-2015	2.2% increase

2015-2016	2.2% increase
2016-2017	2.2% increase

It asserts that these increases are appropriate given the relative poverty of the District and a comparison it has done of recent wage increases for these employees with the consumer price index. It also notes that every bargaining unit in the district accepted a wage freeze in either 2010-11 or in 2011-12. It claims, based on comparisons of pay with teaching assistants and teacher aides (the bulk of the bargaining unit) in neighboring districts, that the employees are fairly paid, slightly above the average hourly rate for such employees in those comparison districts and that the proposed increases are consistent with those agreed upon by other bargaining units in the District. The District also notes that the property tax cap of 2% limits its ability to pay more than it has already offered.

The Association proposes salary increases of 3.5% for each year of the agreement except for 2011-12 for which it proposes a wage freeze. So it proposes 3.5% increases for each of the five school years beginning with 2012-13 and finishing with 2016-17.

In addition, the Association has proposed a longevity system in which \$200 is added to the member's annual base wage at the end of 5, 10, 15, 20 and 25 years. It estimates this will cost about \$18,000 the first year but only about \$2000 each year after that.

The Association asserts that its members are the worst compensated in the county (at least with regard to the teaching assistants who are the majority of the unit). The Association also claims that the only District in the county paying teaching assistants close to the same level as Hannibal was the Oswego BOCES and they provide significant longevity payments, a benefit which Hannibal does not provide at all. Indeed the Association cites evidence that most of the districts in Oswego County provide longevity payments.

The Association acknowledges that at least in the early years of the new contract, 3.5% increases would exceed those paid by other districts. However, it believes the increases to be justified by the low wages the District currently pays.

The Association rejects the argument that it should accept small wage increases because other units of support staff in the District did. It asserts its members were already paid less than other staff and were paying more for their health insurance.

The Association again references the District's growing reserves. It asserts that the District could afford to pay what is proposes without increasing the tax levy but simply by allowing reserves to grow more slowly than they have been growing.

DISCUSSION

When not just salary but longevity payments that many other districts offer are taken into account, it is clear that the members of this bargaining unit are relatively low paid. Association data on this are more comprehensive and less selective on this topic than the data provided by the District and thus are more convincing. However, the fact that some are paid below average is not only not surprising, it is a mathematical certainty. Some will be paid below average and indeed some group will always be the lowest. These facts do not in and of themselves compel correction. In addition, current pay reflects decisions in the past to which the Association was party as well as the District.

Additionally, the salary increases incorporated in the tentative agreement are consistent with the increases granted to other groups of employees by the District. It is unlikely that the District will be willing to go beyond that level. Accordingly, the salary increases incorporated in the tentative agreement are appropriate.

RECOMMENDATION

The following percentage changes should be made, retroactively for past years, for all salary moneys:

2011-2012	Wage freeze
2012-2013	1.75% increase
2013-2014	1.75% increase

2014-2015	2.2% increase
2015-2016	2.2% increase
2016-2017	2.2% increase

ISSUE – Health Insurance

POSITIONS OF THE PARTIES

Again the District has proposed changes in health insurance that are the same as those included in the tentative agreement. That would have changed the two-tier prescription drug plan to a three-tier plan based on \$5/\$10/\$25 tiers.

The health insurance premiums would also change so that the District would pay 88% of the individual plan premium and 83% of the family plan premium. The current rates are 90% individual and 75% family.

The District claims that the savings it would gain from the three-tier prescription plan would be mostly used to fund the new family premium rates and increases in dental and vision coverage that it has offered.

The District justifies its health insurance proposals on several grounds. One is that most of the savings it would realize would be used to subsidize other parts of the health benefits package. Also it compares the health benefits it offers to those offered by neighboring districts as well as to those it offers to its employees in other bargaining unit. It also asserts that the three-tier plan will increase the incentive employees have to use cheaper but equally effective generic drugs.

The Association proposes that its members pay 12% of both the individual and family premiums. It also proposes that the dental and vision programs that were included in the tentative agreement be adopted.

It notes that the Association worked with the District some years ago to move from a stand-alone health insurance program to become part of a consortium. This cost the members considerably in benefits but saves the District a considerable amount of money. The Association believes its members should receive credit for that.

It notes that its proposal is consistent with what teachers negotiated in their most recent agreement. The Association also states that its members have long paid higher premiums for health insurance than other units in the District. It particularly notes that this inequity is more serious because its members are relatively low paid. It provides evidence that no school employees in the county pay as high a percentage of their health insurance premiums as the members of this Association do and its acceptance of the three tier pharmaceutical plan will cost its members additional money.

DISCUSSION

It is clear that the members of this bargaining unit have been treated less favorably in terms of health insurance than both other employees of this District and similar employees in other districts. In addition, the District has requested and the Association agreed in the tentative agreement, to a three-tier drug plan that will cost the employees more in terms of what they pay for pharmaceuticals.

The District has also proposed some reduction in the share of the premium for family benefits that employees would pay. However by changing the way the family premium is charged (as a percentage of the full premium rather than as a percentage of the additional premium beyond that for individual insurance) the benefit to employees who need family insurance is small. It would also still leave the employees in a much inferior position on health insurance to other employees in the District.

Accordingly, some additional improvement in health insurance is justified. Such improvement is not terribly costly and can be phased in.

RECOMMENDATION

The dental plan, vision plan, and three tier drug plan included in the tentative agreement should be adopted.

In addition, for the 2015-2016 year, the employees should pay 11% of the individual premium and 15% of the family premium (calculated as

proposed by the employer). For the 2016-17 year, the employees should pay 12% of the individual premium and 12% of the family premium.

ISSUE – Staff Development Days

POSITIONS OF THE PARTIES

The District has proposed giving some members of the Association two staff development days during the school year. This would result in two additional days of pay for teaching assistants (the majority of members of the unit are teaching assistants).

It notes that this would increase the annual pay of those who receive it by over 1% and for the unit as a whole would cost the District an increase of .75%. The District argues that the fact finder should consider this increase in pay for the majority of the unit in making his recommendations with regard to other economic issues.

The Association interprets the history of this benefit differently. However, it proposes that all members of the unit should receive the additional professional development days.

It claims all members of the unit would benefit by receiving professional development activities. It also says that the students would benefit from more extensive professional development for all of its members.

DISCUSSION

There is much to be said for the Association's proposal to provide staff development for all of its members, rather than just for teaching assistants. However, for such staff development days to be productive, the District would have to plan well in advance for development activities appropriate and useful to teacher aides, monitors and secretaries. This will take considerable time and thought and it is probably not practical to implement now.

RECOMMENDATION

Increase the staff development days as proposed by the District and incorporated in the tentative agreement.

OTHER ISSUES

The Association has proposed that its members' wages be annualized. However, the District did not address that issue in its brief and the undersigned is reluctant to make a recommendation without hearing from both sides. Similarly the Association has proposed a change in the way job openings are posted but again the District did not address this issue in its brief so no recommendation is made on that issue here. The parties may choose to negotiate these issues when they resume recommendations.

The Association has addressed issues of sick days and professional dress in its brief. However, it has done so with the purpose of accepting District proposals in those areas. The parties should incorporate those proposals, as well as others that were in the tentative agreement, in its next collective bargaining agreement.

CONCLUSIONS

Clearly the members of the bargaining unit feel that they have fared quite poorly in terms of both pay and benefits compared both to similar employees in nearby districts and to other groups in the Hannibal district. The data the Association produced are convincing in that regard.

On the other hand, the District is a relatively poor one, the recent accumulation of reserves notwithstanding. So it is not appropriate to expect the District to be able to meet all of the reasonable expectations of the employees in the very near future.

Accordingly the recommendations above need to be considered as a package. While there would be some logic to increase salaries faster than recommended here, it is not practical to do that and to make significant changes in health insurance that benefit the employees. Since the pay

increases the District proposes are consistent with those it has offered its other employees, the undersigned has decided to focus on health insurance and to recommend bringing these employees in line with other employees in the District and similar employees in similar nearby districts.

It is clear that the recommendations made above will not be entirely satisfactory to either party. However, it is unlikely that any acceptable settlement at this point would satisfy either party entirely. These recommendations provide the basis for a reasonable settlement which both parties should be able to abide and I urge both to consider them in the spirit of open-mindedness and accommodation.

Date August 11, 2015 Signed Clifford B. Donn

Clifford B. Donn
Fact Finder