

Thursday, July 9, 2015

Shikellamy School District Responds to McDade's Attacks

Sunbury— Thursday, July 9, 2015 — As the community knows from reading the local papers, the teachers' union's chief negotiator is making personal attacks on the School District's chief negotiator, Michael Levin, Esquire. The School District will not respond to such baseless attacks and wants the community to know that such attacks are dirty tricks by a professional union negotiator who wants to distract everyone's attention away from the real issues in negotiations. The real issues are not Mike Levin, the School District's chief negotiator, or Mark McDade, the union's chief. On the contrary, the issues involve reasonable wages, benefits and working conditions for its educators. The issues also involve what is reasonable for the taxpayers who pay for the wages, benefits and facilities in the School District. The School Board is doing its best to balance the interests of the students, the interests of the employees, the interests of the taxpayers, and the interests of the community at large. The union, in contrast, has no responsibilities to the taxpayers or to the community and has made its position known that it is not negotiating with the taxpayers. In an effort to provide information about the real issues in these negotiations, the School Board wants the community to be aware of the following information.

Initially, the School Board wants to make the community and the teachers aware that any criticism of the union is not a criticism of the fine and dedicated teachers who work with our children. Teaching is not an easy job and it seems that it is becoming more difficult as time advances. Parents have high expectations—deservedly so. The state and national governments are imposing additional requirements on teachers and districts. Standardized testing and

increased graduation requirements imposed by the state create more work for teachers and the District. Emails to teachers create work that did not exist 20 years ago. Technology creates new challenges. This is said to ensure that everyone knows that the School Board appreciates the hard work of its teachers and commends them for the fine work that they do. However, recognizing their work does not mean that we can ignore financial realities and the interests of the taxpayers and community in general. With this background in mind, let us discuss the issues in these negotiations.

1. **Status of Negotiations.** Last night, Wednesday, July 8, 2015, the School District and the union met for the 12th time since negotiations began in January, 2014. Until last night, the union has not changed its proposal in any regard. The School District, in contrast, has modified its proposals on a number of occasions. It appears that the School District is bargaining against itself. It also appears that the two sides are at impasse. The union has announced a strike date and the School District has now presented the union with its final and best offer—a copy of which is attached to this Press Release.
2. **Health Care Premium Increases.** Health care premiums have increased over 50% since the 2010-2011 school year. This is through no fault of the teachers or of the School District, but it is a financial reality that must be addressed in these negotiations.
3. **Employee Contributions to Health Care Costs Have Decreased.** For several years, employees have paid a portion of the premiums. However, the amount paid by the employees has decreased from approximately 14.25% of the premium costs to approximately 9.25% of premium costs. At the same time that the School District (and its taxpayers) are paying dramatically more in health care premiums, the teachers are paying a reduced percentage of the cost. The School District does not believe that this is fair or reasonable.

4. **Retirement Costs Dramatically Increasing.** Retirement contribution rates are dramatically increasing. The percentage of salary that the School District must pay into the system was 4.78% in the 2009-2010 school year; rose to 12.36% in the 2012-2013 school year; and rose to 16.93% in the 2013-2014 school year. For the 2015-2016 school year, the School District, and its taxpayers, must pay into the retirement system 25.94% of salary. Again, these added costs are not the fault of the teachers or of the School District—they are mandated costs that the legislature in Harrisburg and the PSERS retirement board has imposed. However, the teachers, and the other employees of the School District are the only ones that receive the benefit of this dramatic cost increase. Attached to this Press Release is a document prepared by PSERS explaining in detail how the expenses to School District have risen.
5. **Salary Scale.** Educators in the School District are paid according to a salary scale. Salary scales have a tendency of becoming degraded over time. For example, more and more employees are on the top step of the scale and they expect wage increases even though they have reached what is supposed to be the maximum salary. Second, anomalies referred to as “jump steps” become imbedded in salary scales over time. A “jump step” is a step that has an unreasonably large percentage increase associated with it for no legitimate reason. The existing salary scale in the Shikellamy School District has a “jump step” between steps 18 and 19. Employees on step 18 of the salary scale will get a 12.2% increase in one year. By any standard, a 12.2% increase in one year is unreasonable. However, the union is proposing that such high pay raises continue without change. The union will say that they will discuss fixing the jump step, but they have rejected every proposal made by the District to fix it and they have yet to offer a single proposal themselves that would fix it. Approximately thirty (30) teachers are scheduled to benefit from this tremendous “jump step” over the next four

(4) years if nothing changes. The School Board believes that such an increase is unreasonable when so many members of the community are struggling.

6. **Proposed Solutions to Correct Salary Scale.** To correct these two problems—i.e., teachers on the maximum step and the jump step—the School Board is proposing the following solutions:

- a. Add additional steps to the salary scale so that those at the top know what they will be receiving in wage increases; and
- b. Add additional steps to the salary scale between steps 18 and 19 to eliminate the “jump step” and to allow for more reasonable pay raises.

7. **Columns in the Salary Scale.** In addition to the problems caused by having a top step and by the “jump step,” another problem with the salary scale is the unreasonable number of “columns” in the salary scale. Under the salary scale, a teacher can get a pay raise simply by taking 5 graduate courses of three credits each. For example, simply going to school and obtaining 15 graduate credits (the School District pays most or all of the tuition cost), the educator can get an \$800 per year raise. By getting 30 graduate credits, the employee can increase his or her salary by \$1,500. The School Board believes that such a system is unreasonable and is proposing to reduce the number of columns in the salary scale.

8. **False Public Comments by the Union.** The teachers’ union is using funny math. In an article in The Daily Item on June 15, 2015, it was reported that a union leader “says the 10.4 percent raise over five years being sought by her fellow Shikellamy School District teachers is ‘fair and modest’ and that she is baffled why [school] directors haven’t approved the proposal.” Simply stated, the union has never offered a “10.4 percent raise over five years.” Until last night, the only offer that the union made was an offer for approximately 19%, or

twice what the union is claiming as reported in the newspaper. Last night, the Union offer to reduce its salary demand to approximately 18.5% over five years. The reason for its false statement is because they do not want to count the salary increases that are built into the salary scale when discussing how much they are seeking. The union wants both the salary scale raises reflected in the salary scale and an additional 9.5% on top of the salary scale raise. An approximately 18.5% increase over five years is unreasonable.

9. **False Statements about Columns.** Another erroneous fact from the union that has been reported in the same June 15, 2015, article in the Daily Item is the statement by a union leader that the “district wants to do away with ‘column movement,’ which would allow teachers to receive a salary increase if they were to receive their master’s degree . . .” That is false. The District never proposed eliminating the master’s column. What the District is proposing is that just because of teachers gets an additional 15 credits, it does not result in an automatic pay raise. The taxpayers who pay the teachers do not get pay raises simply by getting 15 graduate credits—why should teachers?

10. **The Hypnotical Teacher.** It might be beneficial for the public to see how the proposal being made by the school district works in terms of the wage increases to a hypothetical teacher. Assume that a teacher is on step 13 for the 2014-2015 school year of the salary scale, on the Bachelors column and that the teachers receives a Master’s degree, moving the Master’s column, in the 2017-2018 school year. Under the School District proposal, that teacher’s salary will increase as follows:

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|------------|---------|----------|----------------|
| Step 13, B | 2014-15 | \$58,300 | |
| Step 14, B | 2015-16 | \$59,300 | 1.71% increase |
| Step 15, M | 2016-17 | \$62,800 | 5.90% increase |

Step 16, M 2017-18 \$64,800 3.18% increase

In the next 3 years under the School District's proposal, the hypothetical teacher will be receiving a 10.79% wage increase under the School District's proposal.

11. The Union's Proposal.

- a. **Erroneous Dates.** We are also attaching a copy of the Union's proposal that was distributed last night. First, the School Board does not appreciate the erroneous statements that the Union places on its documents that it submits during negotiations. For example, the document states that it was "resubmitted" on June 3, 2015. It was not. The first time that the document was given was on July 8, 2015.
- b. **Lack of Movement.** The Union has not made any alterations or changes to their proposal to date. A comparison of the document attached which was given to the District last evening, on July 8, 2015, to the original proposal made by the union, shows no movement and no change in any regard. Although the union went to the trouble of preparing and distributing this document, the document does not reflect what was verbally stated during the negotiation session on July 8. The Union said that it was modifying the document in two ways. First, it said that it would increase health care payments by its employees by \$50 per year. That is less than \$1.00 a week. Second, it said that its salary proposals would be reduced by one-quarter of one percent ($\frac{1}{4}$ %) in the fourth and fifth years of the contract. After 18 months of negotiations, this is the first movement that the union has made and the movement is like no movement at all.
- c. **Work Less; Get Paid More.** In essence, the Union wants to work less and be paid more and wants to add unnecessary costs and expenses to the contract. The Union is demanding that its teachers work less in the following ways:

- i. **“Self-Directed” Days and Times.** First year teachers work 186 days and all other teachers work 185 days per year. Students attend school 180 days. The additional days are used by the School District for professional development and training. The Union is proposing to reduce the work year by 1 ½ days. The Union knows that it would look bad if it says that it want to work less, so the Union uses a slick euphemism—they want to convert 1 ½ days to “self-directed” days. That means that they can do whatever they want to do, even if it is nothing.
- ii. **Paid Time Off to Care for Sick Family Members.** The Union is demanding that the School District pay teachers who take off work to care for a sick family member.
- iii. **Bereavement Leave.** The School Law provides for a generous paid bereavement leave for teachers. However, the Union wants even more.
- iv. **Civic Duty Leave.** In addition to the exceptionally generous benefit and leave package that the teachers already have, the Union wants paid time off for some undefined “civic duty” time. Under the Union’s proposal, if a teacher sues someone and goes to court to testify in the case, the School District has to pay their salary.
- v. **Personal Days.** Teachers can take up to three days off every year with full pay for what are referred to as “personal days.” The Union is demanding that this benefit be increased to allow teachers to take four days off every year with pay.

- vi. **Less Work.** In summary, the teachers are demanding to work less with so-called “self-directed” time, sick leave to care for sick family members, increased bereavement leave time, additional personal days and a new category of leave—civic duty leave. Not only are these demands excessive when one considers that the normal work year is only 185 days in length and when one recognizes that there is already a generous leave package, but it is not good for education. Continuity of education is important and teacher absences negatively impacts students. The School Board cannot support teachers being absent from school more or taking less professional development. Regular attendance and professional development is important. The Union is demanding to reduce both.
- vii. **Financial Value of Less Work.** In teacher negotiations, whenever a school district asks a teachers’ union to increase the number of days in the work year, the Union is quick to demand that salaries be increased proportionately. If we take into consideration only the 1 ½ “self directed” days and the additional personal day off, disregarding for this analysis the family sick leave, the increased bereavement leave and the new civic duty time off, the union is demanding at least 2 ½ days off for each and every teacher. That equals 1.35% reduction in work. The Union is not offering to reduce wages by 1.35% in recognition of its reduced work. If we add that 1.35% as a wage increase to the roughly 3 ½% to 4% wage increase being demanded each year by the Union, then the union is actually asking for more than 5% increases.

As stated above, the union is also asking to increase costs to the School District. It is seeking to increase District costs in the following ways:

- i. **Hiring More Aides.** The union is proposing hiring more people to assist teachers. Because the Union wants to employ euphemisms to mislead, rather than emphasizing that it is demanding the hiring of additional aides, it calls its proposal “Inclusive Classrooms.”
- ii. **More Health Insurance Benefits.** The Union is demanding that dental insurance, vision insurance and contact lens benefits be increased, all at added cost to the School District and its taxpayers.
- iii. **Increased Retirement Benefits.** Even though teachers have one of the richest retirement benefits in the nation, they are demanding that they get even more. The union is demanding, for example, a sick leave buy-back that had been limited to \$2,000, be unlimited. Even more outrageous is the demand that the School District should pay health care for all “retirees” until the retiree is eligible for Medicare.
- iv. **Unfunded Mandates and Regulatory Requirements.** The Union is demanding that the School District subject itself to unfunded mandates at great cost and expense. For example, School Districts are not subject to OSHA for many good reasons. The Union, however, is demanding for no legitimate reason that the School District voluntarily subject itself to OSHA at great cost and expense and to allow arbitrators to determine when and if the School District is violating those rules that do not even apply to School District.

- v. **Salary Increase “Euphemism.”** As stated above, the Union is expert in the use of euphemism. One of the euphemisms it uses is how it describes its salary proposals. The Union does not want to admit that movement through the salary scale is a wage increase. Instead, the Union only wants to speak in terms of wages increases that are over and above the wages increases built into the salary scale. So, in the union’s proposal, it says “2% on-scale raise annually.” It then falsely reports, as stated above, that it is only asking for 10% over five years. That is false. Employees get salary increases as they move through the salary scale. In the 2017-08 school year, for example, moving through the salary scale gives the teacher across the bargaining unit a 2% salary increase. If 2% is added to that, as was being demanded by the union, that is a 4% salary increase, not a 2% salary increase.

The School District’s final and best offer was submitted after attempting to negotiate an agreement that both sides could agree upon. We are at impasse and cannot agree to the reduced work schedule and the excessive wage and benefit demands being made.