

NEW YORK STATE PUBLIC EMPLOYMENT RELATIONS BOARD

In the Matter of the Fact-Finding between
The Brockport Central School District,
Employer,
-and-
The Brockport Teachers' Association,
Union.

REPORT
AND
RECOMMENDATION

PERB CASE NO.
M2009-99

Before: MICHAEL S. LEWANDOWSKI, Independent Fact Finder

Appearances:

For the District: Karlee S. Bolaños, Esq.
Harris Beach PLLC, Of Counsel

For the Union: Phillip V. Holgado
Labor Relations Specialist

The Brockport Central School District ("District") and the Brockport Teachers' Association ("Union", "Association"), a union that represents all teachers, long-term substitutes, school psychologists, nurses, guidance counselors and librarians, engaged in collective negotiations for a successor agreement to the collective bargaining agreement that expired on June 30, 2009. The negotiation efforts made by the parties were unsuccessful and the bargaining is at impasse. After failing to reach agreement, the parties petitioned the New York State Public Employment Relations Board ("PERB") to appoint a mediator to assist them in the resolution of their dispute. Mediation efforts failed to provide an Agreement. I was then designated Fact Finder.

In accordance with the preceding designation, the parties agreed to meet on December 9, 2010 to set in place a process to go through the instant fact-finding. At the aforementioned meeting, a date was set for data to be exchanged and presented to me for consideration. As part of the agreed-to process, the parties provided written narratives and data in support of their respective positions as to how the dispute should be resolved in negotiations. It should be understood that this report and recommendation does not address all of the issues open in the parties' negotiations but it does contain, as I understand the position of the parties, a prioritized address of the two most important issues, which if resolved, could lead to a new agreement between the parties. The issues that are not addressed here are still considered open. What I attempt here is to analyze the data and provide information that may lead to a resolution of this dispute, a most difficult task considering the fiscal environment in which these negotiations occur.

ISSUES

Before providing my recommendations on how the parties should address the issues agreed to be considered in this recommendation, I would be remiss if I did not acknowledge the overall environment of these negotiations as well as all other

public and private sector negotiations in New York State and indeed the country.

No one can deny that the country continues to suffer in the worst financial climate since "the great depression." New York suffers as much as, if not more, than other states during this severe recession. The economic condition of the State is completely relevant to these negotiations and thus this report, because the economy affects the ability of the District to pay for salaries and benefits. The data shows that this district as is the case in other school districts, is dependent upon the receipt of State aid. We have already seen the loss of revenues and there can be no doubt that "the other shoe is about to drop" in that the budget proposed by the Governor for the upcoming fiscal year will contain severe cuts in aid to localities including local school districts. This situation cannot be ignored and its impact is fully behind the recommendations I make here.

It would be futile for me to recommend increases that cannot be paid for by the District. It would be reckless for me to recommend increases that would result in the District having to seek tax increases at a time when there is now a proposal to limit property tax increases to 2% per year, but even if that proposal fails, this is not the time to approach taxpayers with increases in taxes recognizing that these same people are struggling with the effects of the recession, including

reductions in their wages and hours, and many are themselves unemployed.

I do not need to recite here the specific condition of the State's fiscal house nor the specifics of unemployment and job loss, but I do need to cite the overview picture to show recognition that there cannot be business as usual in the settlement of public sector disputes and this has been the case in the settlement of private sector disputes.

Considering the above, the following constitutes my findings and recommendations on the issues addressed.

WAGES:

The Association proposes a four percent (4%) per year (new money) increase in base wages in each year of an agreement running from 2009 to the school year ending in 2013.

The District proposes payment of the steps in the current salary schedule and providing teachers who are off step \$2,500 for the 2009-2010 school year. The same payments would be made in the 2010-2011 school year but the District proposes an additional one-time payment of \$750 for all "returning unit

members" payable following the ratification of a new collective bargaining agreement. For the 2011-2012 school year, the salary payments would be as detailed above for the 2010-2011 school year with the \$750 cash bonus payable the first pay period following September 1, 2011. Finally, the District proposes that at the end of the contract term, employees on the step schedule at Steps 1-17 shall receive one-half of the increases set forth in the current salary schedule.

Discussion and Analysis:

As shown above, the District faces extreme financial conditions that have already resulted in layoffs. Even if I were to accept the Association's position that Brockport teachers lag behind other teachers in comparable districts, the logic of comparability falls apart when there is no ability to pay.

The data provided to me in this fact-finding shows that without another penny in wage increases, the District has already paid out a 2.47% increase in wages for the unit overall and 3.29% for those members of the unit who have received step increases. This already-paid wage increase comes close to the average wage increase paid to all New York public sector workers in 2010 (2.8%). That figure falls to 2.6% for contracts covering 2011. Brockport is a low income, rural school district, which further aggravates the ability to pay issue. 30% of the students in this district receive free or reduced lunch rates. The District's student population is in decline, dropping 725 students over the

past ten years. There simply is not a tax base to support large increases in benefits and wages in this economy.

The data also shows that the District saw its state aid decrease \$5.4 million or 15.6% in the 2010-2011 school year budget. The District's budget is 51% dependent on school aid yet it cannot reasonably expect to see the lost aid recovered because the trend is in the opposite direction with the Governor proposing even more draconian cuts. The larger the cuts, the more Brockport CSD (which has already staff on layoff) will have to find ways to come up with money to operate. This is not even to mention the rising costs associated with providing retirement payments (ERS Retirement costs have risen from \$732,723 in the 2007-2008 school year to \$1,650,000 in the 2011-2012 school year) and health insurance premiums.

The data shows to me that the District cannot afford the large increases proposed by the Association and that it can barely afford the increases it proposes.

Based on the above, I recommend the parties agree to adopt the District's wage proposal.

Health Insurance:

The Association proposes no changes in current health insurance benefits or premium cost sharing.

The District proposes adopting Blue Point 2 Value as the base plan effective July 1, 2010. The District further proposes reducing its contribution towards premium for this plan from 100% to 95% effective January 1, 2011 and to 90% towards premium effective July 1, 2011.

Discussion and Analysis:

Each and every dispute over the settlement of a collective bargaining agreement I encounter remains unsettled because of an inability to agree on wages and the cost of health insurance. This is so not only because of the economic factors I referred to above but because of a combination of the reduced ability of employers to pay and the skyrocketing cost of health insurance. These factors exist here. The data provided shows the burden of providing health insurance to its employees increased from \$7,596,583 in the 2007-2008 school year to \$10,406,272 for the 2011-2012 school year. An employer the size of the District cannot continue to shoulder these cost increases especially when they are accompanied by increases in retirement costs that are as significant as is the case here (see prior data). Retirement costs more than doubled in the same period of time.

Based on my review of the data and considering that members of this unit presently have no required contribution and considering I have recommended the District's wage package be accepted, I recommend that this dispute be settled by the parties

agreeing that effective July 1, 2011 eligible unit members contribute 5% of premium towards the premium of the new base plan (Blue Point2 Value) and continue contributions at the 5% rate for the term of the new agreement.

I make no further recommendations.

Respectfully submitted, February 15 , 2011

A handwritten signature in black ink, appearing to read "Michael S. Lewandowski", written over a horizontal line.

MICHAEL S. LEWANDOWSKI
FACT FINDER