
IN THE MATTER OF FACT FINDING BETWEEN:

**BARNARD ACADEMY OF SCHOOL DIRECTORS,
BRIDGEWATER ELEMENTARY BOARD OF SCHOOL DIRECTORS,
READING SCHOOL DISTRICT BOARD OF DIRECTORS
WINDSOR CENTRAL SUPERVISORY UNION BOARDS,
WOODSTOCK ELEMENTARY BOARD OF SCHOOL DIRECTORS, AND
WOODSTOCK UNION MIDDLE SCHOOL/HIGH SCHOOL BOARD OF DIRECTORS**

AND

**BARNARD ACADEMY OF EDUCATION ASSOCIATION,
BRIDGEWATER ELEMENTARY EDUCATION ASSOCIATION,
READING EDUCATION ASSOCIATION,
WINDSOR CENTRAL SUPERVISORY UNION EDUCATION ASSOCIATION,
WOODSTOCK ELEMENTARY EDUCATION ASSOCIATION, AND
WOODSTOCK UNION HIGH SCHOOL TEACHERS ORGANIZATION**

FACT FINDING REPORT

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Advocates: For the Barnard Academy Board of School Directors, Bridgewater Elementary Board of School Directors, Reading School District Board of Directors, Windsor Central Supervisory Union Boards, Woodstock Elementary Board of School Directors and Woodstock Union Middle School/High School Board of Directors

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Date of Recommendation: February 18, 2015

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INTRODUCTION

Background

The Barnard Academy Board of School Directors (Barnard Board), Bridgewater Elementary Board of School Directors (Bridgewater Board), Reading School District Board of Directors (Reading Board), Windsor Central Supervisory Union (WCSU Boards), Woodstock Elementary Board of School Directors (WES Board) and Woodstock Union Middle School/High School Board of Directors (WUHS Board) make up the Windsor Central Supervisory Union Boards (WCSU). The Boards of the WCSU are located in the Towns of Barnard, Bridgewater, Killington, Pomfret, Reading and Woodstock. The Towns are located in Windsor County which has New Hampshire to its

east, Orange County to its north, Rutland County to its west and Windham County to its south.

Woodstock is the largest town among the six with a population of 3000, an average income of \$34,920 and an unemployment rate of 2.0%¹. The Town has an elementary school (WES) with 171 students in kindergarten to sixth grade, 17.50 full time equivalents (FTE) teachers, 3 special educators and the average teacher salary is \$59,984. Woodstock also has a combined middle/high school (WUHS) for grades 7 through 12. The student population in both schools is 513, there are 54 FTE teachers, 6 special educators and the average teacher/special educator salary is \$59,966. All the towns in the WCSU send their students to the WUHS. Finally, Woodstock has a Windsor Central Supervisory Union building that houses the Superintendent, support services, technology and business administration. There are no students located there but there are 4.75 FTE special educators who have an average salary of \$57,284.

The Town of Barnard which is northwest of Woodstock has a population of 938 people, the average income is \$33,352 and an unemployment rate of 2.5%. The Town has one elementary school which covers pre-kindergarten to sixth grade and a student population of 52. There are 6.95 FTE teachers, .4 special educator and the average teachers/special educator salary is \$57,620. The Town of Bridgewater is Woodstock's neighbor to the west with a population of 932, an average income of \$28,136 and an unemployment rate of 3.5%. There is an elementary school there that has 5.96 FTE teachers, .6 special educator, 36 students in kindergarten through sixth grade and an average teacher/special educator salary of \$43, 363. Killington has a population of 804,

¹ All unemployment rates in this section are based on October 2014 unemployment rate not seasonally adjusted.(AX54)

an average income of \$23,756 and an unemployment rate of 7.6%. There is also one elementary school there that covers pre-kindergarten to sixth grade. The school has 76 students, 8.5 FTE teachers, 1 special educator and an average teacher/special educator salary of \$59,092.

The Town of Pomfret is north of Woodstock and has a population of 895, an average income of \$26,424 and an unemployment rate of 2.7%. Pomfret has an elementary school that has 63 students in kindergarten through sixth grade, 7.07 FTE teachers, no special educators and had an average teacher salary of \$63,494. The Town of Reading which is south of Woodstock has a population of 656, an average income of \$28,544 and an unemployment rate of 2.6%. The Town has one elementary school with 53 students in kindergarten through sixth grade, 5.5 FTE teachers, .75 special educator and the average teacher/special educator salary was \$49,090.

History of Collective Bargaining

Prior to July 1, 2011 the above named boards and teacher associations all had separate collective bargaining agreements, except for Reading and WES which had a joint agreement and Pomfret who did not have an agreement because they were not organized. The parties were interested in merging school districts pursuant to Vermont State Law but were unable to reach an accord. The parties attempted to mediate their disputes but were unable to reach a settlement at which point the parties decided to present their dispute to a fact finder in accordance with 21 V.S.A. § 1732. After receiving the Fact Finding report the Boards and Associations from Reading, WES, WUHS and the Special Educators located at the WCSU building agreed to merge into one collective bargaining agreement (Agreement) with a duration of July 1, 2011 to

June 30, 2014. This left Barnard, Bridgewater and Killington with separate Agreements and Pomfret with no Agreement because they were still not organized.

Prior to the expiration of the current merged Agreement, the parties met to negotiate a new Agreement and looked to merge Barnard and Bridgewater into the merged Agreement of Reading, WES, WUHS and the Special Educators located at the WCSU. The Town of Killington is no longer organized as is Pomfret, as such they were not included in the merged negotiations.² The parties negotiated, agreed to a number of issues but were unable to reach an Agreement. Impasse was declared in May 2014 and the parties mediated on September 29, 2014 with the assistance of Federal Mediation and Conciliation Service's Commissioner Cynthia J. Jeffries. A settlement was not reached and the parties agree to have their disputed issues be submitted to a Fact Finder.

Fact Finding Proceedings

Fact finding is a statutory mandated proceeding that is an extension of the collective bargaining process. It is not meant to replace direct negotiations between the parties because that is where disputes should be resolved. The parties mutually select a third party neutral (Fact Finder) to meet with them and the parties are given the opportunity to identify the issues in dispute and present evidence and arguments justifying their positions. Upon receiving the evidence, the Fact Finder evaluates the parties' proposals and positions and issues a report that contains non-binding, advisory recommendations to resolve the parties' disputes.

² This is the Fact Finder's understanding from the parties.

In accordance with Vermont State Statute Title 21: Labor: Chapter 22 -Vermont Municipal Labor Relations Act - section 1732(d) the Fact Finder, in reaching his/her conclusions and recommendations, shall give weight to the following factors:

- (1) The lawful authority of the municipal employer;
- (2) Stipulations of the parties;
- (3) The interest and welfare of the public and financial ability of the municipal employer to pay for increased costs of public services including the cost of labor;
- (4) Comparisons of the wages, hours and conditions of employment of the employees involved in the dispute with the wages, hours and conditions of employment of other employees performing similar services in public employment in comparable communities or in private employment in comparable communities;
- (5) The average consumer prices of goods and services commonly known as the cost of living;
- (6) The overall compensation presently received by the employees including direct wages, fringe benefits, and continuity conditions and stability of employment, and all other benefits received.

Once the parties receive the report, they have 10 days from delivery to resolve their dispute. If the dispute is not resolved, the report is made public.

I believe fact finding is a conservative process, therefore novel and untried solutions and/or a proposal that seeks a significant change from a mature agreement *rarely* make it into my fact finding recommendations. I believe it is always best that an Agreement is reached which reflects the “give and take” of negotiations. In the report, my intent is that the parties may accept my recommendations in total, which I believe are fair, reasonable and will resolve the parties’ disputes, or the parties can return to the negotiating table and use the recommendations to move towards reaching a resolution.

The report follows a format that individually identifies the outstanding issues by setting out the current contract language, if any, the parties’ proposals and positions, and concluding with a discussion of the issue and a recommendation. The report is

written with the intent that the recommendations are viewed as a whole and issues are dependent upon each other. All of the recommendations are summarized at the end of the Report.

Comparability Data

The Board used comparability data from several Supervisory Unions (SU) that they contend are appropriate to provide comparisons for salaries and benefits paid to teachers. The SUs were Hartford Supervisory District; Orange Windsor; Orange East; Two Rivers; Windsor Northwest and Windsor Southeast.

The Association used the Vermont-NEA Upper Valley Service Area and other SUs which include Addison Central SU specifically Middlebury Education Association (EA), META and ACEA; Addison Northwest SU - Addison Northwest TA; Burlington School EA; Caledonia Central SU – Barnet, Danville, Peacham and Walden; Chittenden Central SU – Essex Junction/Westford EA; Chittenden East SU – Green Mountain EA; Chittenden South SU – Chittenden South EA; Colchester School District – Colchester EA; Essex North EA – Cannan; Hannaford Career Center – Middlebury EA and PAHCC Unit; Hartford Supervisory District; Lamoille South SU – Morrison and Stowe; Orange East SU –Bradford, Newbury, OESU Early Childhood Program, Orange East EA, Oxbow/Riverbend and Thetford; Orange North SU – Orange North EA; Orange Southwest SU - Orange Southwest EA; Orange Windsor SU – Chelsea, OWSU, Royalton, Strafford, Sharon, Tunbridge and Waits River U36; Orleans Central SU – Orleans Central EA; RISD – Rivendell; Orleans Southwest SU – Craftsbury, Hardwick, Hazen, Lakeview, Orleans Southwest, Wolcott and Woodbury EAs; Rutland South SU – Tinmouth TA, Clarendon, Shrewsbury and Wallingford TAs; Rutland West SU – Ludlow

and Mount Holly; South Burlington School District – South Burlington EA; St. Johnsbury; Thetford Academy; Washington Northeast SU – Cabot and Twinfield EA; Washington South SU – Northfield and Roxbury; Windsor South SU – Hartland, SAU #70–Norwich, Weathersfield, West Windsor, Windsor, WSSU; Windsor Northwest SU – Windsor Northwest EA.

Generally, for comparability purposes I find that appropriate data is found within the County where the school districts resides and school districts in other Counties that comprise a rough recruitment area for teachers; data outside this recruitment area is too far away and become meaningless for comparability purposes. Therefore, for the recommendations within, I have determined the comparables to be the following:

Addison Central SU – Middlebury EA, META and ACEA; Hannaford Career Center – Middlebury EA and PAHCC Unit; Hartford Supervisory District; Orange East SU – Bradford, Newbury, OESU Early Childhood Program, Orange East EA, Oxbow/Riverbend and Thetford; Orange North SU – Orange North EA; Orange Southwest SU - Orange Southwest EA; Orange Windsor SU – Chelsea, OWSU, Royalton, Strafford, Sharon, Tunbridge and Waits River U36; Orleans Central SU – Orleans Central EA; RISD – Rivendell; Rutland South SU – Tinmouth TA, Clarendon, Shrewsbury and Wallingford TAs; Rutland West SU– Ludlow and Mount Holly; Thetford Academy; Washington Northeast SU – Twinfield EA only; Washington South SU – Northfield and Roxbury; Windsor Southeast SU – Hartland, SAU #70–Norwich, Weathersfield, West Windsor, Windsor, WSSU; Windsor Northwest SU – Windsor Northwest EA.

If the Boards or the Associations used comparable data beyond these areas I did not consider the data when making recommendations for the outstanding issues.

ISSUE #1
ARTICLE VIII
SALARIES AND OTHER COMPENSATION

Current Contract Language:

Merged WCSU:

8.1 The salaries of all persons covered by this Agreement are set forth in Appendices A and B which is attached hereto and made a part of.

Salary: For the 2011-2012 contract period eligible teachers received step increases. For the 2012-2013 school year a new money increase of 2.5%. For the 2013-2014 school year a 2.75% new money increase.

Barnard:

Article III, Section 3.1: Teachers will be paid according to the attached salary scheduled (Appendix A) according to credited experience and education.

* * *

Appendix A: The salaries for all teachers set forth below. It is understood that a teacher will advance only one step per year on the salary schedule.

Bridgewater:

Article III, Section 3.1: Teachers will be paid according to the attached salary scheduled (Appendix A) according to credited experience and education.

Appendix: Teachers in the Fiscal Year 2014 (FY 2014) did not receive a wage increase or a step increase.

Association Proposal:

WUHS Teachers 2014-2015:

Current 2013-2014 Base =	\$37,280
Year 1 2014-2015 New Money =	4.75%
Year 1 2014-2015 Base =	\$38,369

Vertical Index =	0.039
Horizontal Index =	0.041

Barnard, Bridgewater, Reading, WCSU, Woodstock Elementary:

Notes:

1. The intent of the Association is to place all teachers who work in the WCSU onto the WUHS salary schedule. The Association proposes 4.75% each in each year of the contract. We have used the WUHS Salary Schedule and Base that would result from a 4.75% (Base+ Steps) increase for WUMHS.

2. Teachers from each District school were given initial raises prior to placement on the WUHS Salary Schedule resulting in a roughly 4.75% New Money increase for each District School.
3. WES teachers currently off schedule were held off schedule and given the same raise as teachers at WES were given initially prior to placement on the Salary Schedule.
4. Although for discussion purposes only the first year is shown, the Association proposes 4.75% New Money per year for three years.
5. All salaries were rounded to the nearest whole dollar.

Proposal = Lift up and Set Down on WUMHS Salary Schedule at 4.75%
 School = Barnard, Bridgewater, Reading, WCSU, Woodstock Elementary
 Current Year = 2013-2014
 Year 1 = 2014-2015
 Year 2 = 2015-2016
 Year 3 = 2016-2017

Current Base = \$37,270
 Year 1 Base = \$38,369
 Vertical Index = 0.039
 Horizontal Index = 0.041

		2014-2015 New Money
Barnard Initial Raise for Salary Schedule Placement Purposes:	1.028497	4.75%
Bridgewater Initial Raise for Salary Schedule Placement Purposes:	1.005813	4.78%
Reading Initial Raise for Salary Schedule Placement Purposes:	1.022670	4.72%
WCSU Initial Raise for Salary Schedule Placement Purposes:	1.039900	5.03%
WES Initial Raise for Salary Schedule Placement Purposes:	1.036583	4.72%

WCSU Boards Proposal:

8.1:

a) Commencing July 1, 2014 and for the term of this agreement, the salaries of all persons covered by this agreement employed by Barnard, Bridgewater, Reading, WCSU and Woodstock Elementary shall be based on the schedule set forth in Appendix A which is attached hereto and made part of. The step and column placement of employees effective July 1, 2014 shall be based on Appendix B.

b) Commencing July 1, 2014 and continuing through June 30, 2017, the salaries of all persons covered by this Agreement employed by WUHS shall be based on the schedules set forth in Appendixes C, D and E which are attached and made a part thereof.

Board Salary Proposal Analysis:

Implementation of Proposed FY 2015 Salary Schedule for Barnard, Bridgewater, Reading, Woodstock Elementary and WCSU:

Woodstock Elementary Teachers:

1. Teachers eligible for step movement will advance 1 step. However, even though the step amount is \$1,195, teachers will only receive an increase of \$653 because of the reduction in the base salary (\$542) in the FY 2015 salary schedule. The percentage increase for each employee is shown on Appendix B of the Board Salary Proposal.
2. Teachers ineligible for step movement will receive a payment of \$1,195 which will provide an increase of \$653 as explained above. The percentage increase for each employee is shown on Appendix B of the Board Salary Proposal.

Barnard, Bridgewater, Reading and WCSU:

1. Each teacher's FY 2014 salary is increased by 1.5% to determine an "adjusted salary".
2. Each teacher is placed in the FY 2015 salary schedule in the appropriate column and at the salary level that is closest to but higher than the teacher's "adjusted salary". The percentage increase for each employee is shown on Appendix B of the Board Salary Proposal.

Cost of Board Proposal for Barnard, Bridgewater, Reading, Woodstock Elementary and WCSU:

Looking at the proposal for Barnard, Bridgewater, Reading, Woodstock Elementary and WCSU on a composit [sic] basis, the Boards' proposal involves the following costs and "new money":

FY 2014 actual composite salary cost:	\$2,400,970
FY 2015 proposed composite salary cost:	\$2,457,374
FY 2015 "new money" amount:	\$ 56,404
FY 2015 "new money" percentage:	2.35%

Using the current employee cohort (44.41 teachers) for FY 2016, the cost of providing every teacher step movement (or equivalent payment for those on the top step) is \$53,070. Payment of this amount represents 2.16% "new money" in FY 2016.

Using the current employee cohort (44.41 teachers) for FY 2017, the cost of providing every teacher step movement (or equivalent payment for those on the top step) is \$53,070. Payment of this amount represents 2.11% "new money" in FY 2017.

Cost of Board Proposal for Woodstock Union High School:

The “step” increment on the FY 2014-2016 salary schedule is \$1,454. In FY 2015, 52 teachers are eligible for step movement. This represents 1.7% “new money” over the FY 2014 salary expense.

Based on the current teacher cohort, in FY 2016, 46 teachers will be eligible for step movement. In addition the base will be increased by .33%. This represents 1.75% “new money” over the FY 2015 salary expense.

Based on the current teacher cohort, in FY 2017, 44 teachers will be eligible for step movement. In addition the base will be increased by .66%. This represents 2.0% “new money” over the FY 2016 salary expense.

Associations Position:

The Associations are seeking that all professional employees are placed on one salary schedule in the first year of the Agreement so the consolidation of the school districts will occur immediately and not be dealt with in subsequent Agreement(s) between the parties. A goal of the Associations was each school district would have the same “new money” increase of approximately 4.75%. The Associations contends that the consolidation must happen without a loss of salary to any employee as it relates to what the parties have negotiated in the past. Every gain that has been made in past Agreements resulted from the parties compromising and the loss of those gains is unacceptable. The Associations argued that the WCSU Boards’ have the ability to pay for their proposal based on a series of article and publications that covered United States and State of Vermont economic trends as well as economic statistics from counties in Vermont and Towns. A summary of relevant information follows.

First, the US economy is improving steadily since the recession. This was established by unemployment applications being at their lowest since 2007, the US was placed third in ranking for the world’s most competitive economies, gross domestic product grew at an annualized rate of 4.2% from April to June 2014 and durable goods increased 14.3% which was over an 11% increase from the previous period. As of May 2014, the millions of jobs lost in the labor market between 2008 and 2010 were recovered and the private sector had 53 consecutive months of job growth. Employees are more willing to quit their jobs knowing they will find new ones, the risk of being laid off has lessened and a tighter job market has prompted higher pay scales. US stocks rise as payrolls reach pre-recession peak and the housing market has improved although experts believe it should be stronger.

Second, a document released by J.P. Morgan Chase and Co. in 2013 reported the following:

- Vermont’s economy was continuing to recover at a moderate pace along with the national economy.

- Bankruptcy filings were low in Vermont which established that local business communities are in good health. In addition, Vermont's business community had recovered or replaced half the jobs lost in the recession.
- Vermont's low unemployment rate supported a steady recovery.
- Vermont's housing market had a slower recovery rate; however, values in homes were holding steady.

The publication Public Assets Institute found that as with national trends, the number of Vermont jobs had returned to pre-recession levels; however, the long-term unemployment rate was higher in 2013 than 2007. According to federal statistics the economic growth in Vermont was 12% which was higher than any other New England state, Vermont posted the second highest fastest income growth in the US and had the second lowest unemployment rate.

Third, a January 2012 "working draft" report titled An Evaluation of Vermont's Education Finance System concluded ". . . Vermont school funding system is working well and meeting the goals established in Acts 60 and 68".³ In addition, the funding plan is lessening the impact on homeowners because two-thirds of them get a tax break on their school property tax bills. In December 2014, a projected increase in education spending for FY 2015 have people calling for fiscal restraint. However, this same article speaks to the fact that overall spending on public education as a percentage of Vermont's gross domestic product has not increase over the last 20 years when compared to the cost of health care which increased from 10% to 20% in roughly the same time period. Furthermore, Vermonters spending on public education remains steady at 47%.

Fourth, one of the impacts on salaries and school funding is teachers' pension. Prior to 2010 this was a very big issue which has since been resolved with a plan developed by the Legislature, the Treasurer and VT-NEA. The plan saved the State about \$15 million in the first year. Fifth, the results of paying teachers reasonable salaries and continuing to do so has had a positive impacted on the education of students. Statewide education assessment testing for writing and math of students in 4th grade show that Vermont was in 6th place overall when compared to other states and in 2nd place for science and reading. Assessment tests for 8th graders show in reading and science Vermont students were tied for 5th place and for writing and math Vermont was in second place. In the Best Educated index, Vermont students were in first place. In addition, Vermont has a graduation rate of 91.4% which is 12.8% above the national median.

Sixth, looking at County and Towns economic trends, Windsor County's per capita income in 2011 was \$44, 894 which was \$3,300 above the State's per capita income. Yet, the average annual wage was \$2,300 below the State's average annual wage. In 2012, Windsor had the second lowest unemployment rate at 4.5% out of the 14 Counties and was .5% below the State wide average. Windsor had the 3rd highest

³ An Evaluation of Vermont's Education Finance System, Lawrence O. Picus and Associates, LLC, January 2012 (working draft), p. ii.

personal income tax amount along with room & meals tax amount and the 2nd highest property transfer tax amount of the 14 Counties. Finally, the unemployment rates in October 2014 of the five towns in the WCSU were all below Windsor County rate of 4.5% in 2012.

Beyond the economic trends and statistics, the Associations looked at comparable salaries to support their proposal to increase the FY 2014 WUHS salary schedule by 4.75% and then place the professionals on the WUHS salary schedule so that every Educator receives a 4.75% increase. Recently, Twinfield settled a two year Agreement with salary increases of 3.3% and 3.5%. School districts in Orange East SU and Orange Southwest SU settled a three year contract with average wage increases of 3.45%, 3.0% and 3.0% and 3.5%, 3.8% and 3.85% respectively. Hannaford Career Center in the Middlebury area settled a three year contract for 3.6%, 3.7% and 3.8%, while Rutland South SU settled two Agreements for one year with Tinmouth TA and the merged school districts of Clarendon, Shrewsbury and Wallingford for 3.4%. Orange North SU - ONEA settled a three year contract for 3.75%, 3.8% and 3.85% and Orange East SU - Orange East EA and Thetford ES settled two Agreements for three years for 3.79%, 3.22% and 2.57%. Addison Central SU – Middlebury EA, META, and ACEA settled a three year contract for 3.6%, 3.6% and 3.75%. Finally, Washington South SU settled a three agreement at 3.95%, 4.39% and 3.91%.

Also, looking at the 2013-2014 minimum salaries of the Towns in WCSU finds that professional staff at WCSU BA minimum was 26th out of 136 comparable school districts, WES was 41th, WUHS was 57th, Bridgewater was 95th, Reading was 114th and Barnard was 135th. Reviewing the 2013-2014 maximum salaries WUHS was 21st out of 144, WCSU was 75th, Barnard was 76th, WES was 85th, Bridgewater was 135th and Reading was 143rd.⁴ The Association argued it is very important where employees end up on the maximum salaries for retirement purposes. Currently an employee receives 50% of their last three years of employment. If the average number is \$70,000 then they receive \$35,000 per year. If the number is \$60,000 then they receive \$30,000. The difference between the average salaries is \$5,000 so a teacher could be losing that much money per year for as many years as they live.

In addition, the Association contends that the Boards' position of having the salary schedule index based on a dollar figure as oppose to a percentage is unsupported by the comparables. In 2010, school districts with dollar increment salary schedules were rare in Vermont and in 2015 there are substantially less school districts with dollar indexes. Based on this information, it is clear that the majority of school districts have percentage indexes and that trend continues to date. The Association is proposing everyone move to the WUHS schedule because the index is based on a percentage so if the base is increased then teachers at the top step or off step who do not get a step will still receive a cost of living (COLA) wage increase. If the Boards' proposal was implemented then maximum salaries would be negatively impact along

⁴ The rankings for minimum and maximum salaries used here are not what the Associations reported in AX56-57 but are based on the comparables that I determined were appropriate. Please see Introduction Section above.

with teachers' pensions. Furthermore, of the six school districts in the future merged Supervisory Union, three of them have dollar increments and three do not. By forcing Barnard professional staff and the Special Educators at the WCSU on to WES' dollar index schedule the employees' base and maximum salaries would be significantly reduced. Therefore, the Associations cannot agree to the Boards' proposal because it would decrease the potential earnings of employees. The proposal also places many people off schedule which would impact the Boards being able to attract future employees since the maximum salaries are not properly reflected.

The Association argued that the WCSU Boards reliance on containing costs based on excess threshold spending was not discussed prior to the fact finding hearing. In any event, the Association believes the Boards' placement of exceeding the threshold only on the backs of the teachers is improper and contends there are other ways to reduce costs in the districts so employees can receive proper wage increases. The Association cannot accept the Boards' salary proposal for WUHS when employees off step receive no increase in the first year when there has been a cost of living increase of 1.4% during that same timeframe. Also WUHS off step receive little or no increase in the second (.33%) and third (.66%) years of the Agreement. These increase do not reflect wage increases received by comparable school districts. Also by decreasing the WES base in year 1 of the Agreement employees do not receive the full \$1,195 step increase but only receive \$653. This means that if the contract is ratified that a teacher's salary will be going down which makes it hard to motivate teachers to approve the Agreement.

WCSU Boards Position:

The Boards' ultimate goal for the Supervisory Union is to have all the separate school districts bargaining collectively under one Agreement with a uniform set of terms and conditions of employment. During the last round of negotiations there were six agreements for 7 organized school districts and now there are four agreements for 7 school districts. The Boards are attempting to merge the remaining separate school districts into one Agreement.⁵ Prior to the fact finding hearing, the Boards and the Associations had reached tentative agreements on many issues and produced a tentative merged Agreement. Many of the terms and conditions of employment have been unified but there are areas, i.e. work year, workday, etc., that the tentative merged Agreement reflects individual school districts current practices. The parties have agreed that keeping these terms and conditions separate makes sense for now because by keeping them separate the parties have been able to move towards one consolidated Agreement.

One of the parties' major disputes has been consolidating the six salary schedules into one schedule. Although the Boards' ultimate goal is to have one salary schedule for all professional staff, the Board argued that goal cannot be accomplished in this Agreement. One, the minimum and maximum salaries for each of the school

⁵ This excludes the Towns of Killington and Pomfret who are not organized.

districts are different, two, each Boards' salary schedules have indexes based on a dollar or a percentage value, and three, the schedules do not have the same number of steps or education columns.

The final reason the Board cannot agree to one salary schedule is because the overall cost is prohibitive and individual school districts would surpass their "excess spending thresholds". The Boards explained that the State of Vermont has implemented by statute a per pupil spending threshold that is adjusted annually. The school district is expected to be below the spending threshold. If a school district exceeds the spending threshold it is then subject to a penalty tax of 40% of the amount the school district went over. Therefore, the School district, has to raise taxes to cover the money they went over plus the 40% penalty tax. For example, if a school district exceeds the spending threshold by \$1,000 they would have to raise taxes to cover the \$1,000 and the \$400 penalty tax for a total of \$1,400 per pupil.

For FY 2015, the State determined the per pupil spending threshold is \$16,166. Barnard is spending \$14,498.96 per pupil so it is below the spending threshold and do not have to pay a penalty tax. On the other hand, Pomfret is spending \$16,499.63 per pupil therefore, they are spending \$334 (rounding up) over the spending threshold. As a result, Pomfret has to raise taxes to pay the \$334 and a 40% penalty tax of \$133.60 or \$467.60 per pupil for a grand total of \$24,984. Currently, Bridgewater is spending \$15,551.50 per pupil which is only \$614.50 below the threshold. Reading is spending \$.01 under the threshold, WES is spending \$2170.05 below the threshold and WUHS is spending only \$36.15 under the threshold. Clearly, the majority of the school districts are very close to spending above the threshold and larger increases in salary and health insurance benefits will exceed the threshold and the school districts would be obligated to pay the penalty tax. If this happened at the WUHS, all the school districts would be impacted because the cost would be spread among all the school districts.

Based on the above, the Boards' goal for this Agreement is to have two salary schedules instead of six. The first schedule will be created from the current WES salary schedule. The elementary professional staff from Barnard, Bridgewater and the Special Educators will be moved to this schedule so they will all be paid from the same salary schedule. To deal with the differences in the salary schedules, the current WES salary schedule's base and maximum salaries will be reduced by approximately \$500, the schedule will continue to be based on a dollar index of \$1,195 and the number of steps and education columns will remain the same.

The second schedule will be the current salary schedule for the WUHS professional staff. The Boards notes that the merging of the elementary school schedules provides "new money" increase to Barnard at 3.01%, Bridgewater at 3.42%, Reading at 3.25% and WCSU Special Educators at 2.61% but only provides 1.5% new money to WES. The Board maintains that their salary proposal for WES should be looked at in conjunction with their insurance proposal which essentially eliminates the WES current premium cost share of 14% for employees. As a result, WES employees will have the same health insurance as the other school districts and

paying the same amount for it. Ultimately this puts more money back into the pockets of WES employees.

The Boards maintains that their proposal merging the elementary school and the Special Educators onto the WES salary schedules can financially work despite the significant “new money” increases that the Towns of Reading, Barnard and Bridgewater will be taking on. The Boards in those towns believe they can manage the increase and still not exceed the per pupil spending threshold. With regard to the high school proposal, the Boards argued their salary proposal in conjunction with their health insurance proposal is proper so that the WUHS Board can stay within the \$16,166 salary threshold. The Boards notes that WUHS step increases (\$1454) provide a significant wage increase by themselves; however, when the Boards combine step increases with small base increases in the second and third years of the Agreement their wage proposal is reasonable. If the WUHS employees received higher salary increases then the threshold will be exceeded. Also the Boards consider their proposal as a step towards having only one salary schedule. If the WUHS base is increased significantly now then the disparity between the two schedules gets wider and consolidating the two schedules into one becomes more difficult.

The Boards disagree with the Associations’ argument that employees will not ratify the Agreement given that previous wage and benefits are changed or reduced. The Boards maintains that with their consolidation proposal no employee loses money and everyone receives an increase. In addition, the Associations’ argument that employees will not ratify the Agreement because something they bargained before no longer exists is unfounded. When parties begin bargaining for a new Agreements all terms and conditions of employment are up for renegotiations and when the parties settle the Agreement that is the moment when everyone knows what they have.

Discussion:

The merging of the six school districts is advantageous for the students, teachers, Administrators, Associations and Boards and it is apparent that the Associations and the Boards have worked extremely hard to finalize the merger. Working through all the unique issues in each district is a cumbersome task and the parties should be proud of what they have accomplished. The parties may think what they worked through was tough but unfortunately the hardest part is where the parties are now. Everything is pretty much agreed to but there are three big issues keeping the parties from completing the consolidation. Both sides have put forth numerous facts,

figures and arguments to support why their proposals should be recommended. Now it is my turn to sort through all the material and decide what is the best way to go from here? My reference to “best way” does not mean one parties’ proposal is better than the other parties’ proposal. The “best way” comes from the evidence and what needs to be done to complete the merger and the Agreement. So with that as a jumping off point I make the following observations and findings.

First, given that there are major differences in the six salary schedules which impacts the overall cost of a salary proposal, I find that the Boards’ proposal to have two salary schedules in this Agreement combined with the goal of having one salary schedule in the future is more reasonable then the Associations proposal of implementing one schedule immediately. Second, based on the evidence I find that the Boards have the ability to pay *reasonable*, wage increases. I emphasize the word *reasonable* because I do not find that the Associations’ wage proposal of 4.75%-5.03% in FY 2015, 4.75% in FY 2016 and 4.75% in FY 2017 is reasonable.

Associations Exhibit 41 shows that the 2014 half year Consumer Price Index was 1.6; yet the Association proposed a new money increase that is three times higher. When I looked at the Upper Valley Teacher Comparables Percent of new money for FY 2015, I found the highest new money figure was Thetford at 3.79% and the average percentage of those school districts reporting was 2.92%. In FY 2016, the highest new money was Thetford again at 3.22% and the average was 3%. In FY 2017, the highest new money was Bradford at 3% and the average was 2.9%. Reviewing the Upper Valley comparables with other eligible school district comparables the average wage increase for FY 2015 to FY 2017 was 3.5%, 3.5% and 3.39% respectively whereby the

Associations proposal was 1.25%, 1.25% and 1.36% higher than the comparables.

Based on the above, the comparables do not support a 4.75% wage increases in FY 2015, FY 2016 and FY 2017.

Third, although I have some concerns with the Boards' salary proposal I find over all the proposal is more reasonable than the Associations' and I am recommending that the Association accepts it with one change that is discussed below. Initially, I was concerned that every employee in Year 1 received at least a cost of living increase; yet teachers who are off step on the WUHS schedule were excluded. My concern stemmed from the fact that the Boards were proposing that off step employees on the merged schedule would receive an increase. However, any concerns I had were eliminated when the parties agreed this was the practice for the WES and WUHS salary schedules and the Associations pointed out it is because of these off step employees that the Associations tries to bargain COLA increases in addition to steps.

Fourth, I find the Boards' proposal is unreasonable when they decided that the Special Educators would be placed on the merged schedule as opposed to WUHS schedule. Currently, the majority of the Special Educators (13.35 FTE/16 Educators)⁶ are on the WUHS or the WCSU salary schedules so moving them to the merged schedule has a negative impact. Although the minimum and maximums of WES and WCSU are more comparable, the WUHS and WCSU steps are indexed and there is only a \$20 difference in the dollar value of the step between WUHS and WCSU as

⁶ Peg Boylan, Yvonne Droese, Tom Emery, Jane Hoisington, Janice Winslow, Stephen Stuntz, Roseanne Kramer, Catherine Malo, Nancy LaBella, Elizabeth Walker, Kyle Jansky, Donna Williamson, Lori Poludin, and Kate Kardashian. Also Nancy Murphy who works at WES current salary is \$71,028 is closer to WUHS top salary and is \$4,133 above the WES top salary. Anne Koop who works at Barnard is over the top of the WES salary schedule.

opposed to a \$239 difference between WCSU and WES. Based on the above, I find that the Special Educators should be placed on the WUHS schedule and not the merged schedule. Implementation of this change will impact cost but there is less of a financial impact on individual employees. In addition, it would almost eliminate the Associations' concern that Special Educators would be placed on a salary schedule where the maximum salary is lower than what they had envisioned but did not own.

Fifth, even though the comparables support that salary schedules should be based on percentages as opposed to flat dollars I find that Boards' proposal is justified because the merged schedule is derived from the WES salary schedule which has been a flat dollar index for a long period of time and a flat dollar index keeps costs down.

Sixth, I recognize the Boards' concerns about exceeding the threshold spending caps but I agree with the Associations that just because teachers receive a wage increase they should not bear the complete burden of surpassing the thresholds given that there are other ways for Boards to control student costs.

Seventh, in Issue #2 - Insurance coverage, I expect much to the disappointment of the Boards I did not recommend their health care cost savings in the second year of the Agreement for two reasons. One, I believe the Boards lost sight of the importance in completing the merger and tried to accomplish too much in one Agreement. Two, I know the Associations are not going to agree to anything that results in losing the VEHI Dual Option "grandfathered" status or causes them to enroll in the Exchange. In addition, I find that the Association has also lost sight of the importance of completing the merger by thinking they could use this opportunity to attain unreasonable and unjustified wage increases without increasing employee health care premium costs.

Based on the above, I find that the parties must take this opportunity complete the merger and move forward. If this is not done then the parties will not reach an Agreement.

Finally, in Issue #4 – Duration, I have recommended that the third year Agreement be eliminated. This was done to reduce the overall cost of the Agreement, it gives the parties' time to figure out whether WUHS will continue as a large employer or become a small employer and it allows the parties to start negotiating earlier over increasing employee premium health care cost and the possibility of creating one salary schedule for the entire WCSU.

Recommendation:

I recommend that the Association withdraws their salary proposal and accepts the Boards' salary proposal for Year 1/FY2015 and Year 2/FY2016 of the Agreement which includes the change and all costs associated with it that all Special Educators will be placed on the WUHS salary schedule and not the merged salary schedule.

ISSUE #2
ARTICLE XIV
INSURANCE COVERAGES

Current Contract Language:

Merged WCSU:

14.7:

- a) Individual teachers may select coverage under either BC/BS VEHI Dual Option Plan or the BC/BS VEHI JY-B Plan, both with the managed Health Parity Rider. Effective the 2013-2014 school year the Board, may also offer the VEHI Comprehensive Option \$1,000 Deductible health insurance plan for a single, two-person or family.
- b) For Woodstock Elementary School employees, regardless of the plan selected by the teacher, the Board's contribution shall be 86% of the premium cost of the VEHI Dual Option Plan.

* * *

- e) Effective 2013-2014 for Reading Elementary School, WUHS employees, and the WCSU employees the contribution shall be 96% of the Dual Option plan. Employees choosing the BC/BS VEHI JY-B Plan will pay the difference over the cost of the Dual Option Plan.
- f) Effective 2013-2014 the Employer, if it chooses, may offer the VEHI Comprehensive Option \$1,000 Deductible health insurance plan for a single, two-person or family. If the Board offers such plan, the Employer will pay 100% of the coverage of such plan. In addition, for those employees who elect such coverage The Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. The Board will fully fund the deductible (per terms of the policy) and the co-insurance (per terms of the policy). The Board will also reimburse the employee for \$20 doctor visit co-pays. Requests for reimbursement shall be in conformity with the health plan procedure.

Barnard:

Article XI – Insurance, Section 11.1:

The Board shall contribute 100% of the premium cost for the VEHI Comprehensive \$1,000 Deductible health insurance plan.

The Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by Future Planning Associates.

The Board will fully fund the deductible \$1,000.00 for Single and \$2,000.00 for 2-Person and Family) and the co-insurance (\$500.00 Single and \$1,000.00 for 2 Person and Family) for a maximum of \$1,500.00 for Single and \$3,000.00 for 2 Person and Family.

The Board will also reimburse the employee for the \$20.00 doctor visit co-pays. Such reimbursement will be made once annually, as of December 31.

* * *

Bridgewater:

Article XI – Insurance, Section 11.1:

Bridgewater's current contract language mirrors Barnard's language above so it will not be repeated here.

WCSU Board Proposal:

14.7:

- a) Individual teachers employed by the Woodstock Union High School may select coverage under either BC/BS VEHI Dual Option or the BC/BS VEHI JY-B Plan, both with the managed Health Parity Rider. Effective the 2013-2014 school year the Board, may also offer the VEHI Comprehensive Option \$1,200 Deductible health insurance plan.

Effective 2014-2015 WUHS will pay 94% of the Dual Option plan premium.

Effective 2015-2016 WUHS will pay 92% of the Dual Option plan premium.
Effective 2016-2017 WUHS will pay 90% of the Dual Option plan premium.

During the term of this agreement, WUHS [Board] will pay 100% of the Comp \$1,200 plan premium. In addition, for those employees who elect such coverage The Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. The Board will fully fund the deductible (per terms of the policy) and the co-insurance (per terms of the policy). The Board will also reimburse the employee for doctor visit co-pays. Requests for reimbursement shall be in conformity with the health plan procedure. WUHS employees choosing BC/BS VEHI JY-B Plan will pay the difference over the cost of the Dual Option Plan.

If on or after July 1, 2015 VEHI ceases to market, for any reason, health insurance plans to school districts or WUHS is no longer permitted under law to offer VEHI plans, the Board will provide WUHS employees the health insurance benefit described in subsection (g) below.

- b) For FY 2014-2015, Woodstock Elementary School employees may select coverage under either BC/BS VEHI Dual Option Plan or BC/BS VEHI JY-B Plan. The Board will pay 86% of the premium cost of the VEHI Dual Option Plan. WES employees choosing the BC/BS VEHI JY-B Plan will pay the difference over the cost of the Dual Option plan.
- c) Effective 2014-2015 for Reading Elementary School and WCSU employees the Boards' contribution shall be 95% of the Dual Option plan premium. Employees choosing the BC/BS VEHI JY-B Plan will pay the difference over the cost of the Dual Option plan.
- d) For FY 2014-2015, Bridgewater [Board] will pay 100% of the VEHI Comp \$1200 plan premium. In addition, the Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. The Board will fully fund the medical deductible (per terms of the policy) and medical co-insurance (per terms of the policy). The Board will also reimburse the employee for \$20 doctor visit co-pays. Request for reimbursement shall be in conformity with the health plan procedure.
- e) For FY 2014-2015, Barnard [Board] will pay 100% of the BC/BS regular platinum plan premium available through the Vermont Health Benefit Exchange. In addition the Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. The Board will fully fund the medical deductible (per terms of the policy) and medical co-insurance (per terms of the policy). The Board will also reimburse the employee for doctor visit co-pays. Request for reimbursement shall be in conformity with the health plan procedure.
- f) Effective July 30, 2015, Bridgewater, Reading, Woodstock Elementary and WCSU will no longer offer employees VEHI-provided health insurance plans.
- g) For FY 2015-2016 and 2016- 2017, Barnard, Bridgewater, Reading, Woodstock Elementary and WCSU will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. The Board will reimburse employees enrolled in a BC/BS regular health insurance plan available through the Vermont Health Benefit Exchange for eligible health insurance and medical costs (premium, deductible, co-pay and co-insurance) in the following amounts:

For Barnard, Bridgewater, Reading and WCSU:

Single Person Plan:	\$ 7,500
Two-Person Plan:	\$ 15,000
Parent/Child(ren) Plan:	\$ 14,600
Family Plan:	\$ 21,100

For Woodstock Elementary:

Single Person Plan:	\$ 7,100
Two-Person Plan:	\$ 14,200
Parent/Child(ren) Plan:	\$ 13,700
Family Plan:	\$ 20,000

* * *

Association Proposal:

14.7:

- a) Individual teachers may select coverage under either BC/BS VEHI Dual Option or the BC/BS VEHI JY-B Plan, both with the managed Health Parity Rider.

Effective the 2013-2014 school year the Board, may also offer the VEHI Comprehensive Option \$1,200 Deductible health insurance plan for a single, two-person or family. If the Board offers such plan, the Employer will pay 100% of the coverage of such plan. In addition, for those employees who elect such coverage The Board will establish a Health Reimbursement Arrangement for each eligible employee to be administered by a third party administrator. (For Bridgewater: Future Planning Associates) The Board will fully fund the deductible (per terms of the policy) and the co-insurance (per terms of the policy). **Bridgewater: The Board will fully fund the deductible \$1200.00 for Single and \$2400.00 for 2-Person and Family) and the co-insurance (\$600.00 Single and \$1200.00 for 2-Person and Family) for a maximum of \$1,600.00 for Single and \$3,600.00 for 2-Person and Family.** The Board will also reimburse the employee doctor visit co-pays. Requests for reimbursement shall be in conformity with the health plan procedures. **For Bridgewater such reimbursements will be made once annually, as of December 31.**

- b) For Woodstock Elementary School employees - Status Quo
* * *
- e) For Reading Elementary School, WUHS employees and the WCSU employees - Status Quo
- f) Barnard Academy Health Insurance

Barnard School District will provide group health insurance benefits through Vermont Health Connect as follows:

Effective July 1, 2014, the Barnard School District will provide employees and their dependents, including dependents and eligible children of civil unions and domestic partnerships, with employer-sponsored, single, two-person or family insurance coverage sold by Blue Cross Blue Shield of Vermont. The Barnard School District will pay the full premium cost of any group coverage elected under the Standard "Metal" Plans marketed by BCBSVT. Additionally, the Barnard School District will reimburse employees annually for out-of-pocket medical deductibles, co-insurance and co-pay charges equal to the annual medical out-of-pocket maximum for the Standard Platinum Plan offered by BCBSVT. Said reimbursements will be handled through a Health Reimbursement Arrangement (HRA) established by the Barnard School District in consultation with the Union. The Barnard School District will pay the expenses of setting up and managing the HRA through a third party administrator.

* * *

WCSU Boards Position:

The Affordable Care Act (ACA) and Vermont's implementation of the Act established an objective basis to compare health insurance benefits that small employers provide their employees. The laws required all small employers, i.e. employers with fewer than 50 employees, to provide insurance through the Vermont Health Benefit Exchange (Exchange) called Vermont Health Connect (VHC) on July 1, 2014. Currently, all the school districts are considered small employers except for the WUHS which is designated as a large employer because it employs over 100 employees. However, WUHS status may change on July 1, 2016, when the definition of small employers changes and allows school districts who employ 100 or less employees to be considered small employers and gain access to VHC.

Under ACA and Vermont Law small employers are allowed to continue with the health insurance plan(s) they were offering employees in March 2010 provided the plan(s) retain "grandfathered" status. If a small or large employer wants to retain "grandfathered" status it cannot raise employee cost sharing more than 5% from what the employee was paying in March 2010. Over the last contract period, the parties agreed to one, remain with their "grandfathered" plan of Vermont Education Health Initiative (VEHI) dual option plan and two, increase the employee cost-sharing by 4% over the life of the Agreement in all the school districts except for WES where employees are currently paying 14% of the premium cost. The parties in Bridgewater also agreed to keep their "grandfathered" VEHI \$1200 Comp plan and kept the employee cost share at 0%. In Barnard, they inadvertently agreed to change their "grandfathered" plan to VEHI \$1000 Comp effective July 1, 2013 and lost their "grandfathered" status. As a result, they were required to move into the Exchange and chose the VHC Blue Cross/ Blue Shield Platinum Plan. The Barnard Board agree to cover 100% of the premium costs and established a Health Reimbursement Arrangement (HRA) to reimburse employees for their annual medical out-of-pocket maximum for the Platinum plan.

The Boards' goal for health insurance in this Agreement is to one, standardize the health insurance benefits that are provided to the six school districts, two, increase employee cost sharing to begin eliminating the disparity between WES and the other elementary schools, WCSU and the WUHS and three, to have employees share the burden of the 2010 to 2015 VEHI premium increases of 28.5% as well as future increases. To do this the Boards are proposing that in Year 1 that the WUHS employee premium contribution increase by two percent each year. In addition, the WUHS Board will pay 100% of the VEHI \$1,200 Comp plan and establish a HRA. Employees on the BC/BS VEHI JY-B plan will continue to pay the difference over the cost of the VEHI Dual Option Plan.

WES Employees have the option of selecting coverage between the BC/BS VEHI Dual Option Plan at 14% employee co-pay or selecting the BC/BS VEHI JY- B Plan and continuing to pay the difference between the Dual Option Plan. In the Reading School District and the WCSU, employees' cost share will increase by 1% for a total of 5%. The Bridgewater Board will pay 100% of the VEHI Comp \$1200 plan premium and establish a HRA to fully fund medical deductible, co-insurance and reimburse employees for \$20 doctor's visit co-pays. The Barnard Board will pay 100% of the VHC BC/BS regular Platinum plan and establish a HRA to fully fund the medical deductible, co-insurance and reimburse employees for doctor's visit co-pays.

On June 30, 2015, the Board is proposing that WCSU and all the school districts, except WUHS, will no longer have VEHI-provided health insurance plans. On July 1, 2015, all the elementary schools and the WCSU Special Educators will move to one of the "metal" plans offered by VHC BC/BS. The Boards contends this must be done so the Boards are not precluded from increasing employee cost sharing despite what premium increases come from VEHI in FY 2016 and 2017. The Board believes as a result of the "grandfathering" rule the premium limitation increase is being used by the Associations to prevent any across the table discussion of alternatives to the current health care plans. The Board maintains that the current employee contribution of 4% is unreasonable and unacceptable going forward.

In the second and third years of the Agreement, the Boards in Barnard, Bridgewater, Reading and WCSU will reimburse employees the full premium for the VHC Platinum through an HRA. The WES Board will also reimburse employees for the majority of the premium for the VHC Platinum through an HRA. From the Boards' perspective this must happen because otherwise they will not know what they are paying for health care costs in FY 2016 and 2017. In addition, the VHC "metal" plans are comparable to other small employers across the State. Although a lot of school districts have not moved to the Exchange, according to information received by BC/BS in FY 2014 over 170 Vermont cities and towns public sector employees have moved over to the Exchange. For example, the Town of Woodstock recently enrolled their employees in VHC.

With regard to WUHS, employee cost share would increase 2% each year for three years resulting in a 90%/10% employer/employee cost share. As a result, the

WUHS will lose their “grandfathered” status for the VEHI Dual Option plan. Although the Board understands the Association wants to retain their “grandfathered” status, the Board needs to increase the employees’ contribution to the premium to meet their insurance goal mentioned above which is supported by the comparables. The Board also understands that the Association wants to stay in VEHI and has learned that the Association can stay if they move to the #1200 Comp plan. This plan is not “grandfathered” but VEHI upgraded the plan benefits to meet all ACA requirements at no additional cost. In addition, there is no requirement that the WUHS Board who is providing “non-grandfathered” plan purchase insurance from VHC in 2017.

The Board in their exhibits E, 16 and 17 make a comparison between the VEHI Dual Option and the VHC Platinum Plans to establish that moving to VHC is an appropriate proposal.

- VHC “Metal” plans offer the same or more expansive benefit coverage as the VEHI Plans.
- VHC plans provide the essential medical benefits required under the ACA.
- VHC plans cover habilitative services, which are services that help overcome long-term disabilities. VEHI does not provide these services.
- VHC plans must provide all 50 preventive services recommended by the US Preventive Service Task Force with no deductibles, co-insurance or co-pays and cost associated.
- Employees and dependents in BCBSVT will have the same access to the same provider network in Vermont, nationally and internationally as VEHI subscribers. Some VHC plans may require prior approval for out-of-network services and prior authorization for paying for these services at in-network costs.
- The VHC premium costs for calendar year 2015 will be lower than VEHI’s three popular plans in FY 2015.
- VHC offers an additional plan option for Parents and a child or children which VEHI does not provide.
- VHC Platinum medical deductibles at \$150/\$300 are higher than VEHI Dual Option VHP Plan of \$0 as long as the member stays in-network or secures authorization for out-of-network care. VHC medical deductibles are lower than 300 Comp.
- VHC and VEHI office visit co-pays are comparable.
- VHC medical out-of-pocket at \$1,250 for single and \$2,500 for 2 person, parent/child(ren) and family are higher than Dual Option VHP at \$0 but VEHI has unlimited co-pays and \$300 Comp at \$600 for single and \$1,200 for 2- person and family.
- VHC Platinum and Dual Option Plan prescription co-payments for generic are the same at \$5 but VHC is \$20 higher for preferred. For non-preferred prescriptions VHC charges 50% of the cost if the drug is over \$90 where the VEHI plans are \$45. Deductibles are the same at \$0. There is a significant difference in maximum out-of-pocket given that for VEHI Dual Option Plans the maximum is \$600/ \$1,200 and VHC is \$1,250/\$2,500; however, both Rx maximum are in addition to medical out-of-pocket limits.
- VHC allows premium cost to be shared with more than one employer.

The Board acknowledges that employees will incur additional deductible, co-pay and co-insurance costs with the VHC plans; however, the Board contends that besides WES, the employer/employee cost share for the previous VEHI Dual Option Plan of 4% was significantly lower than comparable school districts (20% or 15%) and this problem must be addressed. In addition, looking specifically at WES they currently have a 14% cost share which relates to a guarantees payment of \$1,121 for a single plan, \$2,204 for a 2-person plan and \$2,955 for a family plan without ever going to the doctor. With the VHC Platinum plan their premium is fully funded and although the medical out-of-pocket is higher for single and 2 person it is not substantially more than what they are required to pay under VEHI Dual Option. Furthermore, under VEHI they have to pay that amount but with VHC they only have to pay up to that amount if they go to the doctor all the time. In summary, the premium cost is cheaper with VHC, the medical coverage is more expansive, and while there is some exposure of out-of-pocket expenses that does not exist under VEHI plans, the premium contribution of 14% or higher is likely going to exceed what you are paying out of pocket if an employee access medical services.

Associations Position:

The Associations are proposing to protect the current health insurance plans and the “grandfathered” status of the plans in each school district, excluding Barnard who inadvertently lost their grandfathered status on June 20, 2014. The Association is opposed to the Boards’ health care proposal for several reasons. One, the Boards’ VHC flat dollar premium figures which are based on the January 1, 2015 VHC premium amounts for single, two person, parent/child(ren) and family would only cover the premium expenses of the VHC plans and would not cover deductibles, co-insurance and co-payments. Currently, the Barnard Board fully funds the premium cost of the health care plan in addition to fully funding deductibles, co-insurance and reimbursing employees for the \$20 co-pay for doctor’s visits. The Boards’ proposal falls substantially short of that unless employees select a VHC “metal” plan other than the Platinum plan. However, if an employee decides to select a VHC Gold plan so that the their premium costs would be covered then s/he opens themselves up to medical maximum out-of-pocket figures that are more than three times the Platinum plan.

Two, the Boards’ flat dollar premium figures do not increase from one year to the next. Last year, VEHI premiums increased by 4.5% and VHC premium increased 7.7%. The Boards’ proposal does not take into account annual premium increases so in addition to employees paying out-of-pocket expenses they will also be funding any premium increase. So when the Boards’ states they will cover all the premiums of the Platinum plan that may be true in Year 1 but beyond that is unknown. This will force employees to move from a Platinum Plan to another “metal” Plan so they do not bear the burden of the increased premium costs. Three, the Associations agrees that under the current VEHI plans employees are responsible for paying doctor visit co-pays which can be expensive; however, they do not agree that co-payments will come close to the guaranteed VHC medical out-of-pocket maximums of \$1,250 and \$2,500. Therefore, the Associations do not find that the current costs of the VEHI plans to VHC are problematic.

Four, the Boards did not discuss the prescription drug maximum prescription out-of-pocket which are also \$1,250 and \$2,500 and are in addition to the medical out-of-pocket deductible. The Association argued these two out-of-pocket maximums make the VHC metal plans cost prohibitive for employees. Five, the Association understands that in Reading, WUHS and WCSU that the Boards have the ability to increase employee's co-payments by 1% and WES by 5% without losing "grandfathered" status. However, the Association cautions the Boards and the Fact Finder that some school districts, i.e. Bradbury and Newbury, lost their "grandfathered" status even though the Agreement said they were paying a lesser percentage given that the employees were actually be charged more.

Six, the Association maintains that based on the comparables that no school districts, barring a few that inadvertently lost their "grandfathered" status, moved out of VEHI and enrolled into VHC. Finally, the Association argued that one of the reasons that the school districts in WCSU have lower employee health care cost shares as compared to other supervisory unions is because the Boards are unwilling to pay significant wage increases to acquire higher employee contributions.

Discussion:

As an unintended result of Vermont's implementation of the Affordable Care Act, the parties are at cross roads agreeing on health care insurance. There are two problems keeping the parties apart, first, is the Associations' desire to keep VEHI Dual Option coverage and retain the plans' "grandfathered" status, and second, is the Boards need to increase and equalize employees' premium cost share so the Boards do not bear the entire burden of paying for the majority of premium cost and their annual increases. Based on the evidence received, both parties feel strongly about their positions; however, it is important that the parties get passed this point so that the merger is completed and an Agreement is reached.

For the following reasons cited below, I do not see the Associations agreeing to make a change. One, Barnard inadvertently went into Exchange and has been there for less than one year. This is not a sufficient amount of time to determine if the Exchange is the best way to go. Two, although the Barnard Board agree to fully fund the premium,

deductibles, co-insurance and doctor's visits through an HRA in FY 2014, the Boards in FY 2016 and 2017 are only proposing to fully fund the premium cost for the Barnard, Bridgewater, Reading and WCSU school district. The WES Board had not even agreed to fully fund the premium cost for WES employees. This leaves the majority of employees vulnerable to high deductibles for both medical and prescriptions that become worse if they chose a non-Platinum VHC BC/BS plan. Three, the flat dollar premium figures will not cover future premium increases in FY 2017 and beyond. Four, although comparable school districts have bargained to enroll into the Exchange; not one comparable district has agreed to do so therefore, the trend is to stay with VEHI plans continues. Finally, the "new money" increases to merge the salary schedules are substantially below the comparables for the same period of time and the increases do not take into consideration the Boards' major change to health insurance.

I acknowledge that the Boards are frustrated by the Associations' position; however, I find that the Board tried to accomplish too much, i.e. merging six separate agreements, merging six salary schedules into two salary schedule and making a major change in health insurance, with insufficient financial resources in this round of bargaining. The parties have work hard merging the six agreements into one and the Boards must focus and put their resources into completing the merger. Based on the above, I find that the Board must adjust their health care proposal in the following manner to break the stalemate so the merger can proceed. The health care changes in Year 1/FY 2015 shall remain as the Boards proposed except that the health care premium increase for WUHS will be one percent (1%) instead of two percent (2%) so that WUHS does not lose their "grandfathered" status. In Year 2/FY2016, I recommend

that the health care remain at status quo; however, given that the Associations will not be enrolling into the Exchange and increasing employee premium cost for health insurance in Year 2, I recommend that the parties agree to a two year Agreement and not a three Agreement. I recommend the duration of the Agreement to be July 1, 2014 to June 30, 2016. At this time, the parties will know whether WUHS will fall under the small employer definition and have access to VHC. The WCSU merger will be completed and include a merged salary schedule and the WUHS salary schedule and the parties can begin negotiations earlier and focus on ways to increase employee health care premiums.

Recommendation:

I recommend that the Associations accepts the Boards health care proposal for Year1/FY15 except that the WUHS 2% premium increase slated to go into effect on July 1, 2014 be reduced to a 1% increase.

I recommend that the Board withdraws their health care proposal for Year 2/FY 2016 and Year 3/FY 2017.

I recommend that Boards' health care proposal for Year1/FY 2015 remain the same in Year2/FY 2016.

I recommend that the parties agree to a two year Agreement as opposed to a three year Agreement. I recommend the duration of the Agreement be July 1, 2014 to June 30, 2016.

ISSUE #3
ARTICLE XVI
REDUCTION IN FORCE

Current Contract Language:

For reductions in force during the 2013-2014 year the following provisions shall be utilized:

16.1 The Board shall have the sole authority and discretion for determining if and when the assignment of a teacher or teachers should be reduced or eliminated.

16.2 When a reduction in force becomes necessary, the following rules will apply:

- a) The Board will inform the Association of the reasons for the reduction and will consult with the Association before the reduction in force or hours takes place.
- b) In the event a reduction in force becomes necessary, volunteers from among the teachers in the affected positions will be accepted.
- c) In the event that a teacher assignment(s) is reduced or eliminated, determination of which teacher(s) shall be laid off shall be based upon seniority within the categories noted herein with the least senior teacher being the first to be reduced.

Seniority shall be defined as a teacher's most recent period of continuous employment with the District. Seniority shall continue to accrue while a teacher is on a paid leave of absence. Seniority shall not accrue while a teacher is on unpaid leave of absence, however, such unpaid leave of absence shall not constitute a break of employment for purposes of seniority. Part-time teachers shall accrue seniority on a pro rata basis.

- d) On or before November 1st of each school year, the District will provide a seniority list to employees and the Association. Either individual employees or the Association may file a grievance concerning the seniority list within the time limits noted in the grievance procedure of this Agreement. Failure to grieve the list will constitute acceptance of the list.
- e) For purposes of lay-off, seniority shall be applied within the following categories:
 - A. Pre-kindergarten Grade 6 classroom teachers.
 - B. Pre-kindergarten Grade 6 general special Education/Title 1 teachers.
 - C. Each special education teacher assigned to an individual student and specialty teacher as noted herein shall constitute his/her job category.
 - D. Specialty teachers shall mean all non-classroom teachers. (e.g. library, art, music, physical education and computer lab)
 - E. For the purposes of seniority and reduction in force, any teacher who is assigned or voluntarily accepts an alternative positions as a teacher, in a different category, will retain their position of seniority and continue to accrue seniority, within their original category.
 - F. Grades 7-12, Special Educators (by licensure).
 - G. Grades 7-12, Specialty Assignments (by licensure or assignment), e.g., art, music, physical education, guidance, nurse, supplemental services, technology, etc.)
 - H. Grades 7-12, Subject Assignment Teachers, (by licensure e.g., language arts, math, science, etc.)

16.3 Any teacher who is to be laid off shall be notified of the effective date of such layoff within fifteen (15) calendar days of the passage of the District budget.

* * *

Barnard**Article V – Reduction In Work Force/Layoffs/Recall**

5.1 Specific criteria for reduction in work force, layoffs and recalls that are particular to this Agreement are set forth in Appendix B attached herein.

5.2 Within the area of licensure where a reduction in force is to take effect, teachers shall be laid off in reverse order of seniority. For purposes of this Article, seniority will be computed from the beginning of a teacher's most recent period of continuous employment in the negotiating unit, and will begin to accrue as of the date the contract, commencing that period of employment, was signed by him/her. Part-time teachers will accrue seniority on a pro rata basis. Seniority will continue to accrue during all paid leaves of absences. Seniority will not be broken by unpaid leaves of absences, employment by the Board in a position outside the negotiating unit, or by layoff, but such time will not be counted in computing seniority. When seniority is equal, date of birth will be the tiebreaker, with the individual with the earlier date of birth remaining.

5.3 A reduction in force may take place in the event of a loss of operating funds, a decrease in enrollment requiring a decrease in staff, the return of a teacher from sabbatical leave, a reorganization of the District, a closing of the school, a loss of facilities or changes in program, curriculum, or approval standards. The Board agrees to notify the Association as early as possible of a reduction in force following town meeting, but not later than April 15.

5.4 Teachers shall retain right to recall for a period of two (2) years from the effective date of the layoff which is September 1, provided he/she shall notify the Administration in writing by March 15th of that school year of their interest to be recalled. Notice of recall will be given by certified or registered mail, return receipt, to the last address given to the Administration by the teacher. A copy of the notice of recall will be given to the Association. If a teacher fails to respond in ten (10) days after receipt of the above notice of recall, he/she will be deemed to have refused the position offer and waived recall rights under this agreement.

5.5 Teachers who are to be laid off pursuant to Article 5.1 shall be notified no later than ten (10) days after approval of a final budget by the voters of the District.

* * *

Appendix B – Rights, Obligations and Workforce Reductions**A. Notification to the Teacher**

Layoff of a teacher shall be made only after a meeting between the teacher involved and the Superintendent as soon as practicable, and in no event later than March 15, at which time the teacher will be notified, in writing, of the reason(s) therefore. The teacher may, at his /her option, have a representative of the Association present at such meeting. This representative, if at all possible, shall be the same person throughout the procedure.

B. Staff Reduction

* * *

2. A teacher who is notified that he/she is to be laid off, will have the right to displace the least senior teacher whose work he/she is certified to perform; provided, however, that he/she has evidence of the certification on file with the

office of the Superintendent within ten (10) school days of receipt of notice of lay-off. Written notice of intent to exercise this right must be given to the Superintendent, with a copy to the Association, within ten (10) days after he/she received such notification, the Superintendent will notify the least senior teacher that he/she is to be displaced. A teacher who displaces another teacher will not suffer a loss of salary or benefits.

* * *

Bridgewater

Article V – Reduction In Force/Layoffs/Recalls

Bridgewater's current contract language mirrors Barnard's language above so it will not be repeated here.

Associations Proposal:

State quo on current contract language.

WCSU Proposal:

16.1 The Board shall have the sole authority and discretion for determining if and when the assignment of a teacher or teachers should be reduced.

16.2 When a reduction in force of non- special education teachers becomes necessary, the following rules will apply:

- a) The Board will inform the Association of the reasons for the reduction and will consult with the Association before the reduction in force or hours takes place.
- b) In the event a reduction in force becomes necessary, volunteers from among the teachers in the affected positions will be accepted.
- c) In the event that a teacher assignment(s) is reduced or eliminated, determination of which teacher(s) shall be laid off shall be based upon seniority within the categories noted herein with the least senior teacher being the first to be reduced.

Seniority shall be defined as a teacher's most recent period of continuous employment with the District. Seniority shall continue to accrue while a teacher is on a paid leave of absence. Seniority shall not accrue while a teacher is on unpaid leave of absence, however, such unpaid leave of absence shall not constitute a break of employment for purposes of seniority. Part-time teachers shall accrue seniority on a pro rata basis.

- d) On or before November 1st of each school year, the District will provide a seniority list to employees and the Association. Either individual employees or the Association may file a grievance concerning the seniority list within the time limits noted in the grievance procedure of this Agreement. Failure to grieve the list will constitute acceptance of the list.

- e) For purposes of lay-off, seniority shall be applied within the following categories:
- A. Pre-kindergarten Grade 6 classroom teachers.
 - B. Title 1 teachers.
 - C. Specialty teachers shall mean all non-classroom teachers. (e.g. library, art, music, physical education and computer lab)
 - D. For the purposes of seniority and reduction in force, any teacher who is assigned or voluntarily accepts an alternative positions as a teacher, in a different category, will retain their position of seniority and continue to accrue seniority, within their original category.
 - E. Grades 7-12, Specialty Assignments (by licensure or assignment), e.g., art, music, physical education, guidance, nurse, supplemental services, technology, etc.)
 - F. Grades 7-12, Subject Assignment Teachers, (by licensure e.g., language arts, math, science, etc.)

16.3

- a) On June 30, 2015, those special education teachers who are then employed by member districts of WCSU shall end their employment with their then-employing district and commence employment with the Supervisory Union.
- b) Should a reduction in special education teachers become necessary on or after July 1, 2015, the following rules shall apply:
- A) The Board will inform the Association of the reasons for the reduction and will consult with the Association before the reduction in force or hours takes place.
 - B) In the event a reduction in force becomes necessary, volunteers from among the special education teachers in the affected positions will be accepted.
 - C) The criteria for determining the special education teacher(s) to be eliminated shall include, but not limited to, licensure, specialized training and/or experience, seniority and established working relationship(s) with student(s)/parent(s).
 - D) Seniority shall be defined as a special education teacher's most recent period of continuous employment with the Supervisory Union or, in the case of a retained special educator, the most recent period of continuous employment with the teacher's employing district on June 30, 2015 as extendd [sic] by the teacher's continuous employment with the Supervisory Union. Seniority shall continue to accrue while a teacher is on a paid leave of absence. Seniority shall not accrue while a teacher is on an unpaid leave of absence, however, such unpaid leave of absence shall not constitute a break in employment for purposes of seniority. Part-time teachers shall accrue seniority on a pro rata basis.

16.3 4 Any teacher who is to be laid off shall be notified of the effective date of such layoff within fifteen (15) calendar days of the passage of the District budget.

* * *

16.6 Any special educator employed by one of the following named districts on June 30, 2015, shall be entitled to the listed benefits until otherwise agreed:

- a)

Associations Position:

Vermont State Law requires that all Special Educators who have been employed by individual school districts across Vermont be brought under the employment umbrella of the Supervisory Union. Currently, there are Special Educators disbursed among the six school districts and the WCSU. Based on the law, these individuals have to leave their employers and physically move into the WCSU building. The problem is that the majority of the Special Educators are paid and receive benefits according to the school district that they are employed by. So as the parties are looking to consolidate school districts; they are also looking to consolidate Special Educators.

The Associations are proposing in Article XVII -Duration that the Special Educators transitioning would maintain their current level of benefits, e.g. health care, seniority, accumulation of sick leave, etc. In addition, if there needs to be a reduction in force the Associations propose that the current language in the merged Agreement be used to decide who would be laid off and what their recall rights would be. The Boards' reduction in force proposal separates the Special Educators from the current language and adds other factors in addition to seniority to be used when deciding which Special Educator will be laid off. The Associations' exhibit #78 lists what the comparables in the Upper Valley have for reduction in force language and the majority of them have seniority based reduction within category or endorsement area. Based on the comparables, the Association sees no reason to change the current language.

The Association maintains that Special Educators are not any different than any other Educator that teaches Science, Math or Language Arts therefore, there should not be separate criteria for laying off Special Educators. The Association sees from the comparables that every other Supervisory Union in the Upper Valley have managed to deal with situation like this and do it well. The Associations has concerns with language that states, ". . . including but not limited to" because although the Board has identified specific issues they then have the ability to come up with other criteria to suit the reason why they do not want a Special Educator laid off over another Special Educator. In addition, the proposed language leaves Special Educators with no job protection no matter how long the Educator has worked in the School District. The Association also has concerns on how the Special Educators are placed on the Boards' proposed new salary schedule. Specifically, they looked at Stephen Stuntz who is a full time Educator working at the high school. Mr. Stuntz currently makes \$56,405 and the top end of the WUHS schedule is \$74,001. The Board proposes that he moves to the new salary schedule making \$57,988 and the top end of that schedule is \$66,353. Based on this, Mr. Stuntz retirement potential of \$37,000 has been reduced to \$33,177. The Association acknowledges that Agreements are renegotiated periodically and all terms and conditions are up for discussion, including maximum salaries. However, when a teacher sees the top end of their salary schedule set at \$74,001 they do not expect that the maximum salary is going to go down by over \$7,000. Furthermore, when something like this does occur, it certainly doesn't motivate the teacher to ratify the Agreement.

WCSU Boards Position:

The Boards are proposing that the Special Educators transition language appear in Article XVI – Reduction In Force as a new section 16.3. The WCSU has determined that only one Special Educator who is physically located at the Supervisory Union will be eliminated. The remaining Special Educators will all be transition from the school district where they work to the Supervisory Union building. For salary purposes, the current Special Educators' salaries will be increased by 1.5% and then placed on the new merged salary schedule on the step and education column that reflects either the same salary on an increase. Some of the Special Educators are currently being paid more than the top step of the column on the new schedule so the Boards propose they would still receive the 1.5% and be off step.

It is the Boards' intent that all Special Educators would continue to receive the same benefits they have received prior to the transition to the Supervisory Union exclusive of health care insurance. With regard to health insurance, the Boards propose in Year 1 that all Special Educators remain on their current health care plans. As such, if they are employed by the Barnard, Bridgewater or WES Boards they would experience no change in health insurance. If they work for Reading, WUHS or WCSU then a change would occur as discussed above in Issue #2. In Year 2 of the Agreement they would all move on to one of the VHC BC/BS "metal" plans.

With regard to reduction in force language, the Board argued when a teacher is hired they are certified to work with a wide range of students, i.e. kindergarten through 8th grade. The Boards have an expectation that even though the teacher may like to work with 1st and 2nd graders they can work with 7th and 8th graders. The Boards argued that Special Educators are different because they are usually hired to work with a specific population and there is no expectation that they can address every particular type of learning disability. Based on this, the Board contends there is a compelling reason to recognize the differences between laying off a Special Educator and regular Educators.

First, Special Educators deal with a variety of disability as listed in School Board Exhibit #13. Second, Special Educators' can concentrate in certain areas where certification or licensure requirements are not needed; however, the Educators may have a degree in or taken specific courses in specialized areas. The District does not want to be in the position of laying off a Special Educator who works with a specific population because s/he is the least senior employee. If this occurs the District has to temporarily underserve that population and incur costs to replace that individual which could take years. Economically it does not make sense and the District fails to meet the need of the specialized population. Third, an important component of having a successful program with a student is when a Special Educators over time develops a working relationship with student(s) and parent(s). Based on the above, the Board is proposing that seniority be taken into account with other criteria, i.e. licensure, specialized training and/or experience or the existence of an established working

relationship with a student/parent, when determining which Special Educators will be laid off.

Discussion:

First, the transition of Special Educators into the Supervisory Union is a major change and I believe deserves to be a separate article under the contract as it is in the Windsor Southeast Supervisor Union Agreement. By creating a separate article, all the pertinent information about the transition are in one place. I leave it to the parties to identify what numbered Article it should be but recommend that it be titled Transition of Special Educator Employment. Second, the Association's proposal which states ". . . or other Teacher, Teacher" should not be included in the new Article because the transition is solely for Special Educators. If other teachers are transferred to the WCSU at a later point in time then the parties can negotiate language about that transition.

Third, I find the Boards' arguments that Special Educators should be treated differently than regular teachers when the Boards determine a reduction in force is needed are well reasoned based on the functions of Special Educators. Nonetheless, I am not compelled to change the reduction in force criterion of seniority based layoffs to one that moves seniority as the third criterion out of a total of four criteria. As mentioned in the Introduction Section of this Report under Fact Finding Process, I believe that Fact Finding is an extension of collective bargaining and is a conservative process. Given that, *novel and untried proposals that seek a significant change in a mature agreement rarely make it into my fact finding recommendations.* The Boards' proposal is a significant change that should not be given in a fact finding report, even if the recommendations are not binding on the parties. In addition, the Boards' proposal is not supported by the Upper Valley comparables when all but one, Thetford Academy,

uses seniority as the criterion in conjunction with categories or endorsement area for teachers including Special Educators.

Recommendation:

I recommend both parties withdraw their proposals.

I recommend that the parties accept a new Article titled “Transition of Special Educators Employment and the Article will read as follows:

ARTICLE ??
TRANSITION OF SPECIAL EDUCATOR EMPLOYMENT

00.1 On June 30, 2015, those special education teachers who are then employed by member districts of Windsor Central Supervisory Union shall end their employment with their then-employing district and commence employment with the WCSU.

00.2 On July 1, 2015 the WCSU Boards will become the employer of all Special Educators. The affected Special Educators will be recognized as members of the WCEA Bargaining Unit and retain seniority and/or other benefits, excluding salaries and health insurance, to which he/she was entitled at the time of the change of the employer. The Boards, the Associations and the affected Special Educators will meet to determine the retained benefits. These benefits will be retained until such time that the parties bargain changes to said benefits.

00.3 The affected Special Educators will receive salary and health care benefits in accordance with Article VIII – Salaries and Other Compensation and Article XIV- Insurance Coverage.

00.4 If at the time of transition a reduction in force is contemplated by the WCSU Boards, the language in Article XVI – Reduction In Force will be used, however the group to be considered will be the current Supervisory Union and the transitioning teachers.

00.5 After July 1, 2015, all new hires will be covered by the terms and conditions of the existing Agreement between the WCSU Boards and the Associations as is current practice.

00.6 Should the Windsor Central Supervisory Union cease to be the employer, the Special Educators will be recognized as members of the bargaining unit for their original school.

ISSUE # 4
ARTICLE XVII
DURATION

Current Contract Language:

Merged WCSU:

17.1_ The provisions of this Agreement will be effective as of July 1, 2011, and will continue and remain in full force and effect until June 30, 2014. Said Agreement will automatically be renewed and will continue in full force and effect for additional periods of one (1) year unless either the Board or the Association gives written notice to the other no later than November 1, 2013 in accordance with the provisions outlined in Article V.

Barnard:

Article XII – Duration

12.1 The provisions of this Agreement shall be effective as of July 1, 2013 and will continue in force and effect until June 30, 2014. Said Agreement will automatically be renewed and will continue in full force and effect for an additional period of one (1) year(s) unless the provisions of Article II of this Agreement are invoked.

Bridgewater

Article XII – Duration

Bridgewater's current contract language mirror Barnard's language above so it will not be repeated here.

WCSU Boards Proposal:

The Boards are proposing a three (3) year agreement commencing July 1, 2014 and ending June 30, 2017.

Associations Proposal:

The Associations are proposing a three (3) year agreement commencing on July 1, 2014 and ending June 30, 2017.

In addition, the Associations are proposing to add the following section regarding the Special Educators transition to the WCSU:

17.3 Should the Windsor Central Supervisory Union become the employer of any special education or other Teacher, the Teacher(s) so affected will be recognized as members of the WCEA Bargaining Unit, retain all salary, seniority and or benefits to which he/she was entitled at the time of the change of the employer. This includes benefits (such as severance) for which the employee would become eligible had the employer not been changed. These WCSU Teachers will remain on the salary schedule covering the teachers in their original town of

employment until such time as a merged salary schedule for all teachers in the WCSU is bargained. If at the time of transition a reduction in force is contemplated by the Board, the reduction in force language for the WCSU in this agreement will be used, however the group to be considered will be the current Supervisory Union and the transitioning teachers.

Should the Windsor Central Supervisory Union cease to be the employer, the Teacher(s) will be recognized as members of the bargaining unit for their original school.

WCSU Boards Position:

Please review the Boards position in Issue #3 above.

Associations Position:

Please review the Associations position in Issue #3 above.

Discussion:

With regard to Special Educators and the reduction in force language please refer to discussion and recommendations sections in Issue #3.

Based on my recommendations on Issues #1 and #2 above, I recommend that the parties agree to a two year Agreement with a duration of July 1, 2014 to June 30, 2016.

Recommendation:

I recommend that the Agreement be two years in duration from July 1, 2014 to June 30, 2016.

SUMMARY OF RECOMMENDATIONS

Issue #1: Article VIII – Salaries and Other Compensation, Section One

I recommend that the Association withdraws their salary proposal and accepts the Boards' salary proposal for Year 1/FY2015 and Year 2/FY2016 of the Agreement which includes the change and all costs associated with it that all Special Educators will be placed on the WUHS salary schedule and not the merged salary schedule.

Issue #2: Article XIV – Insurance Coverages, Section Seven

I recommend that the Associations accepts the Boards health care proposal for Year1/FY15 except that the WUHS 2% premium increase slated to go into effect on July 1, 2014 be reduced to a 1% increase.

I recommend that the Board withdraws their health care proposal for Year 2/FY 2016 and Year 3/FY 2017.

I recommend that Boards' health care proposal for Year1/FY 2015 remain the same in Year2/FY 2016.

I recommend that the parties agree to a two year Agreement as opposed to a three year Agreement. I recommend the duration of the Agreement be July 1, 2014 to June 30, 2016.

Issue #3: Article XVI – Reduction In Force

I recommend both parties withdraw their proposals.

I recommend that the parties accept a new Article titled "Transition of Special Educators Employment and the Article will read as follows:

ARTICLE ??

TRANSITION OF SPECIAL EDUCATOR EMPLOYMENT

00.1 On June 30, 2015, those special education teachers who are then employed by member districts of Windsor Central Supervisory Union shall end their employment with their then-employing district and commence employment with the WCSU.

00.2 On July 1, 2015 the WCSU Boards will become the employer of all Special Educators. The affected Special Educators will be recognized as members of the WCEA Bargaining Unit and retain seniority and/or other benefits, excluding

salaries and health insurance, to which he/she was entitled at the time of the change of the employer. The Boards, the Associations and the affected Special Educators will meet to determine the retained benefits. These benefits will be retained until such time that the parties bargain changes to said benefits.

00.3 The affected Special Educators will receive salary and health care benefits in accordance with Article VIII – Salaries and Other Compensation and Article XIV- Insurance Coverage.

00.4 If at the time of transition a reduction in force is contemplated by the WCSU Boards, the language in Article XVI – Reduction In Force will be used, however the group to be considered will be the current Supervisory Union and the transitioning teachers.

00.5 After July 1, 2015, all new hires will be covered by the terms and conditions of the existing Agreement between the WCSU Boards and the Associations as is current practice.

00.6 Should the Windsor Central Supervisory Union cease to be the employer, the Special Educators will be recognized as members of the bargaining unit for their original school.

Issue #4: Article XVII – Duration

I recommend that the Agreement be two years in duration from July 1, 2014 to June 30, 2016.



Bonnie J. McSpirtt, Arbitrator

February 18, 2015

Date