

PUBLIC EMPLOYEE RELATIONS COMMISSION OF FLORIDA

IN THE MATTER OF IMPASSE BETWEEN

Manatee Education Association, Local 3821 \\
FEA, AFT NEA & AFL-CIO

And

Before Special Magistrate,

Robert B. Hoffman

PERC Case #SM 2011 091

Manatee County District School Board /

POST-HEARING BRIEF SUBMITTED ON BEHALF OF THE UNION

The Union, the Manatee Education Association, Local 3821, affiliated with FEA, AFT, NEA and AFL-CIO, respectfully submits this post-hearing brief pertaining to the eight (8) issues heard by Special Magistrate Robert B. Hoffman on December 7, 2011.

The Union has presented the issues pertaining to both the teachers bargaining unit and the paraprofessionals bargaining unit in the same order as they were presented by the Union in the binder provided during the hearing. The Union hereby requests that the Special Magistrate provide recommendations on each issue remaining in dispute following the hearing.

ISSUE # 1 – Virtual Educator Technology - Article V – Working Conditions (New Section)

Virtual Educators

Shall Virtual Educators be provided with computer hardware, software, peripherals, printers and internet access as all other classroom teachers paid for by the District?

Union Position

Virtual Educators (teachers) should receive the same terms and conditions for computer hardware, software, peripherals and internet access capabilities as all other bargaining unit members and should not be required to purchase computer equipment and internet access. Any

requirement that Virtual Educators purchase equipment and internet access would essentially be a reduction in pay for bargaining unit members assigned to these positions. The Virtual Educators have work hours and other conditions that vary from regular classroom teachers and these are best addressed through the collective bargaining agreement.

The District met with Union representatives in a June 2011 labor/management meeting to discuss a proposed Virtual Education program called eTech and provided a written proposal for the Union to review (Union Exhibit 1A). Computer equipment, internet access and other technology needs were originally expected to be provided by the District, not employees, as stated in the District plan (Union Exhibit 1A). Several of the conditions within the eTech document conflict with, or are not specifically addressed in the current collective bargaining provisions and current practices for teachers.

The Union proposed new language on July 27, 2011 for inclusion within the collective bargaining agreement addressing the issues affecting Virtual Educators as outlined by the District in the June meeting. Both current District teachers and newly hired teachers have been assigned to Virtual Educator positions at the beginning of the school year in August 2011.

Negotiating over the specific terms and conditions of employment is the appropriate direction when a new program is implemented that impacts bargaining unit employees. The Union's proposal addresses the specific issues outlined in June by the District and the Union's proposals are appropriate issues to be addressed in negotiations under Section 447.309(1), Florida Statutes.

It is reasonable to expect that the Virtual Educators shall be treated in the same manner as all other bargaining unit teachers within the District regarding access to computer technology and online access, particularly when the majority of their work will be conducted through the use

of technology. The Union contends that Virtual Educators should receive the technology and internet access to perform successfully as a District employee. Treating these employees differently from all other employees related to computer equipment and other technology needs is contrary to the District's original plan and an unfair burden on these employees. To require these employees to purchase computers, internet access and other technology would effectively reduce the salary of Virtual Educators due to the expense of purchasing and replacing this technology.

The District's notion that negotiations can wait until some future date is not supported in that these employees are in place and working now. To delay the implementation of this language provides for a number of opportunities for misunderstanding, misapplication and misinterpretation of the collective bargaining rights of these teachers and increase the potential for future grievances and other challenges.

For the reasons stated above, the Union believes that the proposed language is fair, reasonable and will assist in communicating the hours, terms and conditions for teachers and the District related to the assigned Virtual Educators. We respectfully request the Special Magistrate support the Union's position.

ISSUE # 2– Involuntary and Voluntary Transfers - Article IX – Transfers and Promotions,

Section 2 Involuntary Transfers

During the Special Magistrate hearing, the Union accepted the proposal of the District to retain the current language and therefore, the Union believes that this issue is no longer in dispute.

ISSUE # 3 – Salary Experience Step Advancement Article XII - Compensation and Insurance,

Section 6 (Experience Step Advancement for both Teachers and Paraprofessionals)

Shall teachers and paraprofessionals advance on the salary schedule effective the beginning of the fourth (4th) quarter of the 2011-12 school year based on experience at the beginning of 2011-12 school year and for each year as prescribed by the salary schedules?

Union's Position

The current structure of the salary schedules for teachers and paraprofessionals is based on advancement through the schedule based on experience and, although any cost of current employees moving through the schedule has been part of annual negotiations, the annual movement through the salary experience steps should be maintained and paid even if negotiations have not concluded prior to the beginning of the new school year. In light of the current economy, The Union seeks the implementation of the experience step advancement for teachers and paraprofessionals at the beginning of the fourth (4th) quarter of the current work year. Thirty-six (36) paraprofessionals and three hundred twenty-four (324) teachers are already at the highest step of the schedule and will not receive the salary step advancement. The salary amounts on each step of the schedule remain as they were in 2009-10 and 2010-11. The net effect of this proposal in conjunction with the proposed one day furlough for teachers is a reduction of \$136,000 compared to the status quo (Union Exhibit #4A-1).

The School Board acting as the Legislative Body imposed the current language supported by the District. The current structure of the teacher and paraprofessional salary schedules is based on several variables including; contract status, Annual Contract (AC) or Professional Services Contract (PSC); educational degree, Bachelors, Masters, Specialist or Doctorate degree; length of work year, ten (10) or eleven (11) month work year; and experience as a teacher, new to the profession through twenty-six years of experience with each year of experience counting toward

advancement on the salary schedule for teachers. The paraprofessional salary schedule variables include: job classification (three separate schedules), Teacher Aides, Teacher Assistants and Parent Liaisons; college credit or meeting the requirements to become Highly Qualified to move to a different level or lane within the schedule (PP2, PP3, PP4, etc.); and work experience, new to this work represented by step 0 through over 21 years of experience. (Teacher and paraprofessional CBA Appendix A)

Based on years of past work experience, within the Manatee County School District or comparable pre-employment work elsewhere, each employee is eligible to advance through the schedule to higher pay levels based on successful and continued employment from one year to the next. (Teacher CBA Article XII and Appendix A, paraprofessional CBA Article XI, Appendix A)

Newly hired employees without past experience are currently being paid at lowest pay level, step 0, on the schedule. Employees that have a year of successful experience in the District are currently being paid at the same level as employees without experience, at the lowest pay level, step 0, on the schedule.

In each prior negotiations between the parties, the cost of advancement on the schedule for experience has been reported as part of the negotiated economic package. Each year the District hires employees that are new to teaching or new to the world of work as a paraprofessional and have no past experience. In the event that negotiations continue beyond the beginning of the work year, as has occurred in this, and prior years, withholding the advancement on the salary schedule at the beginning of the work year will create additional issues within the system. Teachers and paraprofessionals that have worked the prior year would remain at the same level as newly hired employees without the year of experience creating an inequity in salary. For each

year that the experience step advancement is not implemented the inequities expand and the impact on future negotiations doubles. The design of the schedule is based on the notion of career earnings with an annual salary that increases as an employee remains successfully employed. If employees that have worked for many years with an expectation of some day attaining the top of the salary schedule, with the salary that comes with that experience step, are unable to advance to the top experience step, the price of not advancing is more than \$5800 for some and nearly \$7,800 for other PSC teachers. This would not only impact current salary but future income and the impact on employees' retirement income. This inequity and not advancing in pay after providing the expected service diminishes the morale of employees and creates confusion about the link between experience and pay. The other structural variables that drive the salary of employees are implemented as the events occur or as the year begins. When college credit or a degree is earned the employee's salary is impacted as the structure dictates. If the structural variables of the salary schedule are withheld until negotiations are complete, what incentive is there for the Board to complete negotiations? The Board always has the right to negotiate over a change in any variable related to the salary schedule. Although some may question the validity of connecting salary to experience, the Board has not provided an alternative to the current structure; it just does not want to implement the structure. Experience is one of several criteria in which the salary structure differentiates pay, and employees have relied upon that structure to provide guidance as they establish their long-term professional and financial plans. Abandoning this structure has consequences on labor relations, the negotiations climate and employee morale. In her April 2011 Special Magistrate Recommendations, Magistrate Marsha Murphy recommended the Union's position stating,

"I agree with the Association that the step salary structure should be implemented even if negotiations are ongoing. Failure to move employees to the next step while other issues

are being negotiated punishes the employee. The employee is not responsible for the negotiation process. Furthermore, this would reduce the District's incentive to come to an agreement before the school year begins. The unintended consequence of negotiating to impasse could actually be financially helpful to the District."(Union Exhibit SM 2011 006)

Based on the current position of the District as reported by the Superintendent in the hearing, it appears that the District has such a goal for this year's negotiations.

The average salary for teachers and for paraprofessionals has been reduced for each of the past four years, even when the experience step has been paid (Union Exhibit 4B-1). This year the District reports that the cost of experience step advancement as \$1.9 million. The District contends that it accounts for attrition, employees leaving the District at a higher rate of pay than those being hired, in the budget process, and that this savings has already been considered within the budget process. It appears that the District only considers the salary schedule structural impacts that it chooses and ignores others while claiming those items to be a burden on the budget. The structure can only cost the District if the employees, on average, gain experience, gain in number of degrees earned, become Highly Qualified or move from Annual Contract status to a Professional Services Contract. Reports provided by the Board during negotiations list the numbers, and cost of bargaining unit employees on each schedule, contract level, educational lane and experience step of the schedule. These reports demonstrate that the cost for all teachers decreased from the 2010-11 year to the 2011-12 year by more than ten million dollars (\$10,413,544) (Union Exhibit 4D-4) due to attrition. There are more teachers on the Annual Contract schedule, fewer teachers on the Professional Services Contract schedule and a reduction in the number of teachers overall. However, the Board has not budgeted for the experience step advancement structure. If the Board does not budget for the salary structure prior to the beginning of the school year, what is the likelihood of the advancement ever being negotiated prior to the work year? The Board can simply ignore the experience factor of the

schedule in its budgeting process, negotiate beyond the beginning of the year and then declare it has no funds available for experience advancement. In addition, as was the case in the 2008 negotiations, the Board has the authority to declare that there is a financial urgency and enter into expedited negotiations if an identified condition exists.

For the reasons stated above, the Union believes that the experience step advancement on the salary schedule when the work year begins is fair, reasonable and maintains the integrity of the salary schedule structure. Implementing the experience step advancement structure encourages prompt and focused negotiations. Withholding the advancement creates unintended consequences that add to the burden of negotiations, diminishes morale and requires inequities. We respectfully request the Special Magistrate support the Union's position.

ISSUE # 4 – Salary for Teachers and paraprofessionals Article XII – Compensation and Benefits, Section 1 (Teachers), Article XI– Compensation and Benefits (Paraprofessionals) and Appendix A (Salary Schedules)

What shall be the 2011-12 salary for teachers and paraprofessionals?

Union's Position

In light of the reduced funding through the FEFP from the state to the District, the Union is proposing that the salary amounts on the salary schedule remain the same (Union Exhibits 3A-1, 3A-3, 3A-4) and that teachers will be furloughed one (1) day during the 2011-12 contract year. The Union recommends February 20, 2012 as the date for the furlough day to be served. This is currently in the calendar as a paid holiday and therefore will not impact student instruction. In the event that the negotiations process is not completed by that date, The Union recommends that it be on a date mutually agreed to by the Union and MCSD. Paraprofessionals will receive only the step advancement at the beginning of the fourth quarter as proposed in the previous pages

(Union Exhibit 3A). One furlough day for teachers results in a reduction in cost of \$630,357. After the \$373,634 additional cost of the implementation of the fourth quarter step increase for teachers and the \$120,306 additional cost of the fourth quarter implementation of the experience step for paraprofessionals, the overall financial impact of this proposal is a reduction from the status quo of \$136,417 (Union Exhibit #4A-1). The impact on the average teacher of this proposal is a decrease of approximately one hundred dollars (-\$99.90) for the year. The impact of the experience step advancement proposal for paraprofessionals is an average step advancement of \$167.56 per eligible paraprofessional (Union Exhibits #3A-3&4).

The School Board, acting as the Legislative Body, imposed no salary increases for the 2010-11 year for teachers and paraprofessionals, but the salary experience step advancement was paid at the beginning of the 2010-11 year. The experience step advancement has not been implemented for the 2011-12 year.

Based on new legislation that became effective July 1, 2011, public school employees are required to contribute three percent (3%) of salary to the Florida Retirement System (FRS). This results in \$3,994,706 in bargaining unit employee pay that is not available for employees to spend in the community, effectively reducing employee take home pay (Union Exhibit #4D-2). On average a teacher's annual take home pay is reduced by about \$1,421 and the average paraprofessional take home pay is reduced by more than \$572 annually due to this FRS contribution.

In addition, the legislation reduced the District's contribution rate for FRS from 10.77 % of salaries for the 2010-11 year to the current rate of 4.9% of each employee's salary. The District is saving \$7,802,991 in contributions for bargaining unit employees for the 2011-12 year (Union Exhibit #4D-2).

The impact on each teacher from the District proposals is a reduction in spendable income of \$3,410 on average or a reduction of \$8,586,433 for all teachers. The annual spending power of paraprofessionals would be reduced by \$1,256 under the District's proposals or a reduction of \$782,275 for all paraprofessionals. The Union's proposal for paraprofessionals results in an annual impact of a reduction in spending power of more than a half a million dollars (\$510,642) or \$566 less in earnings per individual paraprofessional. The difference between the Union's salary proposal and the District's proposals is approximately \$3 million. In September, the School Board approved budget reductions of \$3 million more than Superintendent recommended in June as what would be required to balance the budget (Union Exhibit #4E). The Superintendent stated in the hearing that this additional \$3 million was needed to fund further Board contributions to the Health Insurance fund to reduce the deficit. The Union contends that there is no need at this time for an infusion into the health fund, the Union's proposed health premium increases sufficiently fund the plan and therefore, the excess is available to be used for employees. The Union further addressed the health fund needs in issue #6.

The impact of increased health insurance premiums for employees for the 2011-12 year can be devastating for the lowest paid employees, including paraprofessionals with an average annual salary of less than \$18,000. To reduce their salary any further would result in the loss of benefits for dependents and perhaps even employees themselves. The District has agreed to no reductions in salary for other low paid ten month District employees, bus operators and food service employees covered under another collective bargaining agreement.

Although one furlough day and the accompanying loss of pay, for teachers are undesirable, the Union recognizes the financial plight of the District. The Union contends that there are sufficient funds within the current budget to support this proposal without further cuts

in pay. With this proposal, this will be the fourth consecutive year with a reduction in the average teacher salary.

Even if the state did not pass through the \$7.8 million dollars in FRS contributions savings to the District, the Union identified more than \$4.8 million within the current budget that can be made available for employee salaries and benefits (Union Exhibit #4D-1). The District has chosen to make cuts in budgeted expenditures of \$3 million more than required to balance the budget (Union Exhibit #4E). Additionally, the District revealed in negotiations a number of errors within the budget document as well as areas that show revenues being under reported compared to prior years. The Union estimates that these budget issues equate to an additional \$1.8 million available within the budget (Union Exhibit #4F) that could be used to fund the Union proposals.

Furthermore, no other comparable district has a higher Administrator Expenditure per unweighted student population (UFTE) than Manatee (Union Exhibit #4G). It is significant to note that no other district has proposed or implemented a pay reduction for employees (Union Exhibit #4H). This will be the second time in four years that the District proposes to cut employee salary. The Union proposals will not change the status of employees related to comparable employee salaries in other districts. However, the District proposal will drop average teacher salaries to a level below several additional comparable districts (Union Exhibit #4C-1) making it even more difficult to attract and retain employees. These District proposed cuts are coming when the District has not changed rank in terms of per student funding according to the District data (District Exhibit 1-85 -1-99).

For the reasons stated above, the Union believes that the one furlough day for teachers and no increase other than the 4th quarter experience step advancement for teachers and

paraprofessionals is fair, reasonable and can be accomplished within available funds of the current budget. We respectfully request the Special Magistrate support the Union's position.

ISSUE # 5 – Team Leader Supplement Article XII – Compensation and Benefits, Section 2 and Appendix B (Elementary Team Leaders)

Shall Appendix B of the teachers' collective bargaining agreement define the number of Elementary Team Leaders that are eligible for the contractual Team Leader Supplement?

Union's Position

The Union has proposed a definition for the Elementary Team Leader Supplement in a similar way to secondary department chairs based on the history of elementary school requests to waive the number of team leader supplements allocated to the elementary schools. This would define who would be eligible for the Team Leader supplement at elementary schools and would eliminate the need for waiver requests related to this issue. There is no proposal to change the amount of the Team Leader supplement of \$1,165 for each Team Leader. Based on the 11 waivers submitted in the current year, the Union estimates that the impact of this proposal to be approximately \$28,000.

The allocation of Elementary Team Leaders for some schools is inadequate to allow for one Team Leader per grade level. These schools, like Abel, Freedom, Oneco, Witt and others are allocated four (4) or five (5) Team Leaders but have students in at least six (6) grade levels, K, 1, 2, 3, 4 and 5th grade. Which grade level should be left off the team? The Union proposal recognizes the allocation problem identified by the schools through the waiver process and proposes a solution. The District proposes to perpetuate the problem. The real impact is on the individuals that serve as a team leader. Within each school that successfully submits a waiver, the Team Leaders divide the total number of allocated supplements paid at the contractual

amount of \$1165 by the number requested in the waiver documents. This reduces the Team Leader supplement to a lower amount (\$970 for a school that is allocated five supplements but has seven teachers serving on the Team). The Union proposed language is similar in nature to language that already exists for middle and high school team leaders and department chairs.

For the reasons stated above, the Union believes that the language defining the allocation of Team Leaders in Elementary Schools is a fair and appropriate method of identifying Team Leaders. We respectfully request the Special Magistrate support the Union's position.

ISSUE # 6 – Health Insurance Plan and Premiums - Article XII – Compensation and Insurance, Section 5 (Health Insurance for both Teachers and Paraprofessionals)

What shall be the Self-Insured Health Insurance Plan benefits and premiums for the 2012 plan year effective January 1, 2012?

Union's Position

The Union proposes to increase the Employee share and the Board share of Health Insurance premiums based on the recommendation of the contractual joint Health Insurance Committee's recommendations of August 30, 2011 effective at the beginning of the plan year, January 1, 2012.

The Self-Insured Health Plan has had a reported deficit for the 2006-07, 2007-08, 2008-09, and 2009-10 fiscal years. These reports were generated on a fiscal year basis rather than a plan year basis. The deficit was based on costs that exceed revenues plus actuarial reserve calculations for a minimum of sixty days of claims fund reserves and Incurred But Not Yet Reported reserve for claims services that have been performed, but not yet paid by the plan, sometimes referred to as claims lapse reserve.

The Board did not meet the requirements of FS 112.08 in 2007, 2008, 2009 and 2010. The Board did not submit a report to the State Office of Insurance Regulations as required by law between 2007 and 2011. The Board has received audit criticisms from the Florida Auditor General for failure to submit the required reports since 2006 and for having a plan deficit since 2007. During 2006-07 negotiations, Health Insurance premiums were not an issue and neither plan changes nor premium increases were proposed by the Board. During the 2007-2008 negotiations, premiums were increased for employees by five percent (5%) and \$1,055,275 was set aside for an increase in the Board Share. For the 2009 plan year, the Board imposed, without negotiations, modifications to the Self-insured Health Insurance Plans offered to employees. The modifications included the Blue Options plan and the addition of the third optional plan, an HMO, and established premiums for the three plan designs. The Board Share did not change, but employees would pay higher premiums to remain on the higher level Blue Choice PPO plan. In negotiations for the 2009-10 year, Health Insurance premiums were not an issue for negotiations and the premiums remained the same for the 2010 plan year.

Since the imposed changes, employees have migrated away from the Blue Choice plan to the Blue Options plan and the Blue Care HMO plan based on the lower employee premiums for the plans.

Currently, two percent (2%) of paraprofessionals have opted for the Blue Choice plan, sixty-seven (67%) in the Blue Options plan and thirty-one percent (31%) participate in the Blue Care HMO. Four percent (4%) of teachers have opted for the Blue Choice plan, seventy-six percent (76%) are enrolled in the Blue Options PPO plan and twenty percent (20%) participate in the Blue Care HMO.

The Union's proposal will yield health premiums sufficient to fully fund the plan and provide sufficient funds to continue to reduce the fund deficit. This is demonstrated on the materials provided by the actuary (Union Exhibit #6A). This actuarial document does not include the \$3 million that the Superintendent has reported to be set aside within the budget to further pay down the deficit. This exhibit demonstrates that this additional \$3 million is unnecessary for the 2012 plan year. The overall difference between the Union proposal and the District's proposal in total premiums for bargaining unit members in all plans is \$200,000 for the fiscal year (Union Exhibit #6B). This is less than \$10 per month per bargaining unit member. The Board is suggesting that employees pay a larger share of the Health Insurance fund costs and therefore, a disproportionate share of the cost of reducing the deficit based on the past structure of premiums. The Union proposal maintains the structure of premiums and, therefore, the proportionate share of the overall cost for health benefits remains as the current structure. Since a portion of the proposed increased premiums will be used to reduce the deficit as well as pay for plan year expenses, shifting a larger percentage of premiums to the employees also shifts the burden of reducing the deficit to the employees over time. The Health Insurance Committee has already begun the process to explore alternative plans and carriers through a formal Request for Proposals for implementation in the 2013 plan year. The Committee has studied up to date plan data, alternative plan designs and alternative premium structures over several months prior to making its recommendation. The District is basing its proposal on the Mercer Study conducted more than a year ago using plan data that is nearly two years old.

The claims data does not suggest that the Blue Options and the Blue Care HMO plan premiums should be nearly the same. In fact, the data suggests that premiums should be the highest in the Blue Choice plan and higher for the Blue Options PPO than the Blue Care HMO

plan. The Board's proposal ignores this data. The Board's proposal is based on a consultant, Mercer, hired to review the plans using specific parameters provided by the Superintendent. Those parameters did not include the dollars expended by employees as co-pays, coinsurance or deductibles and did not include differences among plan claims discounts. The parameters did require Mercer to include a shift in the share of premiums and used data skewed by the drastic migration of employees from the Blue Choice PPO plan to the Blue Options PPO plan and Blue Care HMO plan as part of the transition from two health plans to three imposed in 2009. It is significant to note that a larger proportion of lower paid employees, including paraprofessionals, have migrated to the lower employee cost Blue Care HMO plan. Only twelve (12) current paraprofessionals are enrolled in the Blue Choice plan. The Board proposed increase in the employee share of premiums in the Blue Care HMO results in having the highest percentage and dollar increases to the lowest paid employees, those that can least afford the increase. The Health Insurance Committee reviewed the health plan designs available from BCBS, the Third Party Administrator.

The Committee's data review led to the determination to increase the deductible and out of pocket maximum for the Blue Choice plan based on the ration of claims to premiums in excess of 150%. This change was recommended along with a premium increase for employees. The Board's proposal decreases premiums for the Blue Choice plan while increasing employee premiums for the Blue Care HMO plan to a level near or above the Blue Options PPO. The Union expects that the Board's proposal will create an unnecessary and disruptive migration away from the Blue Care HMO plan for the remainder of this year with a likely additional migration away from the Blue Options plan. The Board's proposal will have a negative impact on the claims to premium ratio in the Blue Choice plan and will further impact the out of pocket

expenses of employees. The Superintendent's consultant has opined that the Blue Care HMO design has better benefits than the Options PPO plan, but the BCBS claims data for 2009 and 2010 does not justify that opinion. Blue Care HMO average claims per member per month for 2010 are twenty-two percent (22%) less than the Blue Options PPO average claims per member per month. The disruption created by this premium driven migration is unnecessary and unwarranted.

For the reasons stated above, the Union believes that the Union proposal to accept the Health Insurance Committee recommendations for Health Insurance Plan design modifications and premium increases is sufficient to fund the current plan year expenses and continue to reduce the fund deficit. We respectfully request the Special Magistrate support the Union's position.

ISSUE # 7 – Life Insurance Article XII – Compensation and Insurance, Section 6 (Life Insurance for both Teachers and Paraprofessionals)

What shall be the collective bargaining language related to the changes in life insurance coverage effective April 1, 2012?

Union Position

The Union accepted the District's proposed reduction in life insurance benefits from two times salary to one time salary life insurance benefits effective April 1, 2012 and the Districts proposed language submitted during the Special Magistrate Hearing. Therefore, the Union believes that this issue is no longer in dispute and no impasse exists.

ISSUE # 8 – Terminal Pay - Article XIII – Terminal Pay (for both Teachers and Paras)

What shall be the Terminal Pay benefits for eligible employees that have unused accumulated sick leave upon retirement?

Union's Position

The Union seeks to return the Terminal Pay benefits for payment upon retirement for unused accumulated sick leave to the language prior to the imposition of June 7, 2011. The imposed language is complicated, difficult for employees to track and significantly reduces the benefit of retaining sick leave days. The impact of the imposed language is that accumulated days will have half the value of prior years earned but unused days upon retirement. In addition, all earned and unused days after July 1, 2011 are to be paid based on the salary of the day earned rather than the salary at retirement.

For the 2009-10 year, 135 teachers received Terminal Pay totaling \$1,485,326. The average teacher receiving Terminal Pay in 2009-10 had 28.1 years of service and received Terminal Pay for 35 days for an average Terminal Pay amount of \$11,167.87 upon retirement. This means that these teachers accumulated a scant 1.25 days for each year of service in the Florida Retirement System. For the 2009-10 year, 17 paraprofessionals received Terminal Pay totaling \$58,787. The average paraprofessional receiving Terminal Pay in 2009-10 had 25.24 years of service and received Terminal Pay for 31 days for an average Terminal Pay amount of \$3,458 upon retirement. This means that these paraprofessionals accumulated 1.22 days for each year of service in the Florida Retirement System. (Union Exhibit #8A)

All comparable districts have a reported liability for accumulated unused sick leave pay in amounts comparable to Manatee County's based on the number of employees within the District (Union Exhibit #8B). All comparable districts have Terminal Pay language similar to the current language of the Manatee County teacher and paraprofessional agreements. (Union Exhibits #8C)

The Board's representatives originally raised the Terminal Pay issue as a desire to reduce the long term liability of the District. However, the proposal's real impact is reducing an

employee benefit designed to assist newly retired employees to transition into their new economic reality. Upon retirement, even a thirty year employee will see the income cut in half along with an increase in expenses like paying both the employee and Board share of Health Insurance costs. The average terminal pay of \$11,167 for a teacher or \$3,458 for a paraprofessional merely eases the financial burdens within the first year of retirement. If this was a systemic issue related to long term unfunded liabilities would this issue be arising only in Manatee County when all other districts report similar financial data? (Union Exhibit #8B-1)

The Board imposed prospective change takes effect at the end of the current fiscal year that began July, 1, 2011. It has little or no impact on the current budget and the added process to verify that the employee is receiving the correct amount of terminal pay in the future is expected to cost more than any savings that may occur over time. The question on employees' minds is how much will be expended to create the proposed system and put in place the infrastructure to track each employee's accumulation of each day of sick leave, use of each day of sick leave, the accounting and reporting of days accumulated and used through the end of each year, the accounting and reporting of days earned, days used and the rate of pay for each day/ for each year of employment/ for each employee until retirement? The track record of the payroll department is full of errors related to computing summer pay and the beginning of the year leave process.

In her recommendation regarding Terminal Pay, just a few short months ago, Special Magistrate Marsha Murphy wrote,

“The parties have had a long standing and bargained for agreement that accrued sick leave be paid upon retirement. The parties have come to impasse over whether the present practice of paying 100% of accrued sick leave after 25 years of service should be changed so that the District only pays a maximum of 50% of accrued sick leave at retirement. The Association's evidence about comparable School Districts was most persuasive. The Association's comparables showed that the counties of Clay, Escambia, Lake, Marion,

Osceola, and St. Lucie pay 100% of accrued sick leave after years of service. Pinellas County pays 100% of accrued sick leave after 30 years of service and 90 % after 25 years service. Even the District's own evidence demonstrated that surrounding counties had more generous terminal pay plans that the one proposed by the District.

For the reasons stated above the Special Magistrate recommends that the parties retain the present language of Article 16 XIII of the CBA.” (Union Exhibit SM 2011 006)

For the reasons stated above, the Union believes that the terminal pay process that was in place for many years prior to the imposed changes was fair, reasonable and provided a benefit that assists retiring employees in the economic transition into retirement. We respectfully request the Special Magistrate support the Union's position.

Conclusion

The Union is well aware that these are difficult economic times and that school District employees are better off than some individuals within the community in terms of salary and benefits. The Union's proposals have been crafted with the current conditions in mind. The bargaining unit employees are sensitive to the community concerns, but they too are part of the community and have household expenses that continue to rise and many have families to support. However, for the school District, as the largest employer in the county, to further reduce take home pay for employees while the cost of living continues to increase will neither help the employees nor allow for employees to positively impact the financial climate of the community. Unfortunately, if many of the Board's proposals are implemented, it will have a negative effect on the community and a negative impact on the ability of the District to recruit and retain valued employees. The Union appreciates the Special Magistrate's time, focus and attention in assisting the parties in attempts to resolve the current impasse.

Respectfully submitted,

Bruce D. Proud
Business Agent
MANATEE EDUCATION ASSOCIATION
1523 6th Avenue, West G-1
Bradenton, FL 34205
(941)747-5091
Fax (941)746-9355
Bruce.proud1@floridaea.org

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this document has been furnished by facsimile and electronic mail to Mr. Scot Martin and Dr. Timothy McGonegal at (941)708-8686 and martins@manateeschools.net and mcgonegt@manateeschools.net as representatives for the Petitioner, the Manatee County School District on this 9th day of January, 2012.

Bruce D. Proud