

Union: District has money to pay teachers

13 Dec 2011 — Bucks County Courier Times

By Christian Menno

Staff writer

To compare and contrast both sides in the ongoing Neshaminy labor talks, check out their competing websites:

School board: www.Neshaminy.org.

Teachers union: www.NFTcommunity.com.

The Neshaminy School District has the resources and the ability - including the authority to raise taxes for the first time in two years - to reach a fair deal with teachers and finally end the nearly 4-year-long contract dispute, according to union officials.

This was one of the main messages in a 40-slide Power Point presentation delivered to members of Neshaminy's Parent-Teacher Organization and district booster clubs who were invited to a meeting arranged by the Neshaminy Federation of Teachers last week.

At that meeting, union President Louise Boyd told the crowd she was "not there to sway their opinions, but to present verifiable facts to allow them to draw their own conclusions," an NFT spokesperson said Monday.

The entire presentation, which is titled "Facts you should hear," can be viewed on the union's website at NFTcommunity.com.

In it, union officials outline the NFT's latest contract offer - a six-year pact that would cover the period from July 1, 2008, when the last deal expired, through June 2014.

While board members have repeatedly described the offer as lacking any real "net savings" to the district, the union, in its presentation, said, "The compensation items all represent decreases from our previous positions, signaling to experienced negotiators that we are looking for a response."

The latest union offer has teachers seeking 80 percent of the pay increases they lost when salaries were frozen after the last contract expired. That's down from the full 100 percent they had sought previously. Teachers' salaries have been frozen since 2008.

Retirement benefit demands have also been amended, with eligibility for benefits increased from 10 years to 15 years of Neshaminy service. A retirement payout for 20 years of service would come to \$20,000, plus \$1,000 for each additional year of service to a maximum of \$25,000, according to the offer. Benefits would be limited to retirees and their spouses - not dependents, who were covered in the last deal.

The payout is in addition to what retired teachers receive from the state in the form of pensions.

The union's presentation also states that teachers - who've been receiving free health insurance under the terms of the previous deal - have agreed to an adjusted health care plan and prescription coverage "that will save the district 12 percent, transferring the cost to participants and their families."

While the presentation states that the union has offered to pay 8 percent of the district's premium costs, it doesn't mention that the number would be a fixed rate based on the district's 2011-2012 costs. District officials contend that, with the union's proposed contract running to 2014 and insurance costs expected to rise, the 8 percent isn't high enough.

"The proposal saves \$1.5 million in plan changes and adds an additional million in premium share," the union states in its presentation. "Retirees paying the increase will add to the savings."

But school board President Ritchie Webb said Monday that most of the NFT concessions are "for things they've never had." He said they're basically adjustments to items found in previous contract proposals from the union.

"That is not my idea of a true concession," Webb said, adding that he recently reviewed the union's Web presentation.

The union also states that Neshaminy's fund balance has been growing, even though "the numbers are interpreted differently by some, as time goes on and new information is obtained."

Webb said the district will likely have trouble meeting the increased contribution rates required by the Public School Employees' Retirement System. The district's 8.65-percent contribution rate for this year will rise to 12.36 percent for 2012-2013, Webb said. He added that projections from the state indicate it will increase to 16.75 percent in 2013-2014 and to 21.25 percent the following school year.

"While I'm happy the fund has not taken as big a hit as it has in the past, the fact is it still has a lot of financial problems," he said, adding that the most recent report from PSERS shows a loss of 3.62 percent for the quarter.

The NFT's Web presentation gives reasons why a pension spike may not come to pass. It claims the district's projections are high and inaccurate and that the state announced that PSERS recently reported a positive earning of 20.37 percent for the fiscal year ending June 30, 2011, adding \$9.2 billion to the fund.

The presentation goes on to explain the union's contention that the district has the money to settle the contract dispute through what it called the creative use of revenue funds and by possibly raising taxes - a move the school board has avoided over the last two years.

Webb said the board could vote to raise taxes "to the tune of about \$1.9 million" as allowed under Act 1, "but that would be for the whole district, with a budget of about \$160 million, not just to help settle a teachers contract.

"The economy is still struggling and many people in the district are struggling and the last thing they need is a tax hike," he added.

The union says there are other ways to reach a contact settlement, including paying for some wage increases with "savings from employee payments for and changes to health and (the prescription plan)." The union also says savings can be obtained when high-salary teachers retire and are replaced by younger teachers who make less money.

"Savings from other concessions on retirement and retiree contributions" (will also help) close the funding gap, the union states.

"With salary cost increases of \$5.3 million and savings on insurance of \$5.3 million, it seems like an agreement is not too far away if the board negotiates rather than dig in," the presentation states.

The school board recently delivered its own presentation examining the contract impasse, stating that the district cannot afford to meet the union's demands.

"Union: District has money to pay teachers" Bucks County Courier Times 13 Dec 2011: A3