
IN THE MATTER BETWEEN:

Fact-Finder: Joseph Licata

Ramapo-Indian Hills Board of Education

Public Employer

AND

Docket No. FF-2017-021

Ramapo-Indian Hills Education Association

Employee Organization...

BRIEF FILED ON BEHALF OF THE ASSOCIATION

Joe Tondi, NJEA UniServ Field Rep.

The Ramapo Indian Hills Education Association is comprised of teachers, secretaries, counselors, nurses, child study teams, therapists, custodians, maintenance persons and security aids totaling approximately 304 members. The Association and the Ramapo Board of Education (Board) began their negotiations for a successor collective bargaining agreement on February 4, 2016. Their contract subsequently expired on June 30, 2016.

The Ramapo Indian Hill school district is composed of two (2) high schools. One is located in the Borough of Franklin Lakes. The other is located in the Borough of Oakland. The Wyckoff Twp. is also a sending district.

The population of Oakland as of 2013 is 12,959 and is one of the wealthier towns in Bergen County (1-33). The population of Franklin Lakes is 10,759 and is one of the wealthier towns in Bergen County. (1-32). The population of Wyckoff Twp. is 16,928 and is one of the wealthier towns in Bergen County. (1-33).

The Ramapo Indian Hills School District (District) is a public school district and has a total student population of approximately 2,289 (2-7).

Bergen County has the fourth highest concentration of wealth in New Jersey. In September 2017, Bergen County's unemployment rate was the third lowest at 4.1% compared to the state average of 4.8% (1-42 & 1-44), thereby eliminating it as an adverse economic factor. Bergen County's 2010 median family income was \$100,310. Yet Franklin Lakes is 155,156, Oakland's is 114,973 and Wyckoff is 163,034. (1-56 & 1-57).

Not surprising, Bergen County also has the highest Real Cost of Living in the state across all four categories (1-49-52). Many RIHEA members live in Bergen County and are unable to escape the high cost of living since, under New Jersey law, all public school employees must live

in New Jersey. Only those members that lived outside of New Jersey prior to 2010 are grandfathered. As a consequence, RIHEA members are sequestered in Bergen County, which borders New York State on two sides, and held prisoner to this extremely high cost of living. In summary, the population of Oakland, Franklin Lakes and Wyckoff is largely made up of wealthy, highly educated professionals with multiple children per household.

The Ramapo Indian Hill's Board of Education has no financial problems or limitations that would prevent or impede the District from funding the RIHEA settlement. In fact, on the contrary, the municipal tax base is extremely healthy. When reviewing the Equalized Value Report for each town, the reports show taxes have risen slower compared to Bergen County and State averages over the last 10 years. In fact, when reviewing the district tax apportionment, it demonstrates that the school district budget has not driven up taxes. In fact over the past 10 years the portion of the tax levy going to the regional school district has dropped in each town (7-5-7).

The New Jersey Department of Education (DOE) identifies the Ramapo Indian Hills School District as a District Factor Group-I, the second highest of the eight ranking levels (2-11). The DOE prepares and publishes the New Jersey School Report Card, which is a comprehensive collection of all types of district, and school building-based data. The most current DOE Report Card is for 2015-16 and contains a narrative for the Ramapo Indian Hill's School District (2-14). This narrative espouses the outstanding quality of the educational programs, facilities, and resources, along with the dedicated commitment of the staff and community. This district is continually ranked as one of the top on both state and national levels for school and individual student/staff achievements. Students consistently score extremely well on state and national tests and above state and district factor groups. A dedicated professional faculty and administration offer all students an opportunity to succeed. The Ramapo Indian Hill's Regional High Schools

enjoy a national reputation of excellence because of a strong partnership with the community, the professionalism of the staff, and a common commitment to exceed the high expectations put before them. According to the Best New Jersey High Schools in America 2017: U.S. News and World Report, Ramapo Indian High Schools ranked thirty one (31) out of eighty five (85) New Jersey School districts on a national level. Ramapo Indian Hills was also ranked forty ninth (49) out of 100 districts for having the Best Teachers. (2-24-34)

Faculty members are deeply committed to their profession and to the students they serve. They work tirelessly to bring the academic disciplines together to create authentic learning situations for the children, and as lifelong learners themselves these professionals share their love of learning and enthusiasm for education on a daily basis.

When it comes to the Total Spending per pupil, Ramapo Indian Hill's School District educated its students in 2014-15 for only \$22,988 per pupil (7-30). Reviewing the Classroom Salaries and Benefits clearly shows a decrease in the percent of budgetary cost per pupil from 49.2% in 2014-15 down to 48.8% in 2016-17. Simply put, the Ramapo Indian Hill's Education Association contract and salaries are not increasing the cost to educate children in the school district.

In reviewing Ramapo Indian Hill's Administration Salaries and Benefits for 2014-15, it was ranked 33rd highest out of 46 within their operative type and now it has increased to 39 out of 46 for 2016-17. Districts in its group (NOTE: 1 is lowest and 103 is highest cost) It's outrageously clear that the Board has plenty of money to provide large raises to its Administrators. I know that the RIHEA members and taxpayers would be outraged to learn that Mr. Ceurvels, Business Administrator, makes \$202,676, which is more than the Superintendent of schools, Beverly

Mackay, at \$181,109. Yet, this Board refuses to find the revenue to compensate its essential workforce that educates and cares for the students of Ramapo Indian Hills. Once again, in light of these facts, we hope you recognize the bogus claims by the Board of its inability to honor the RIHEA contract proposal request.

School employees do not have the luxury of portability: carrying their tenure, seniority, or years of service and corresponding salary to another school district. Those guarantees are lost under New Jersey law and Boards of Education take advantage of this limitation. Of course, each employee has the right to become a free agent on the open market, but then the continuity of instruction, quality of education, and cohesiveness of the school community would diminish in Ramapo Indian Hills School District. These are powerful facts that should undermine any ‘inability to pay’ argument the Board may claim.

The Ramapo Indian Hills School District is financially able to pay the RIHEA settlement request for teachers of increment movement plus \$500 at the top of the guide for each of the three (3) years, 2016 – 2019, support staff 2.95% for each of the three years of the agreement and modification of Chapter 78 health insurance contribution levels to be capped at 22% beginning year two of the agreement. The District claims it’s unable to pay the RIHEA salary demands due to the limitations of New Jersey State Cap Law are completely false. It is true that the Cap Law limits a School District’s ability to budget more than 2% for the tax levy increase. However, there are many costs and exemptions that fall outside this 2% limit. In addition, the most notable exemption is the cost of employee health insurance premium increases as well as pension costs, increase in student enrollment, and some special education costs. This Board did not budget to Cap during any school year going back to 2011-12. Under the law, a Board is permitted to use that amount of money in any budget for the following three years, which thereafter expires in the

fourth year. This Board's failure to budget to Cap during these years legally permitted them the ability to add \$1,678,673 or 3.49% of the 2016-17 tax levy to the 2016-17 budget. But that opportunity expired. The RIHEA began negotiations in the fall of 2014 and filed for mediation in the spring of 2015 and even with the contract expiring on June 30, 2015 this Board repeatedly made false claims to the RIHEA negotiations team and the public that the law prohibited a budget of more than 2%. However, instead of utilizing the \$1,678,673, which is 7.6% (1%=\$220,981) of the RIHEA base salaries, this Board neglectfully missed the opportunity to put forward a 2014-15 budget that would have provided more money to settle the RIHEA contract for the following years (7-27). In addition, this Board refused to budget to Cap again in the 2015-16 budget which now provides them the opportunity to add \$150,989 to the budgets of any of the next three years. In 2016-17, that rose to \$282,955 and in 2017-18 it rose to \$382,955. It is evident that this Board wants to continue this shameful charade that it has no money due to the Cap law, however, the membership and public will soon learn that this is simply not true.

There is no way this District can hide the money which is available to settle the RIHEA contract. One area that demonstrates the available money for this settlement is in the Unrestricted Miscellaneous Revenues section of the budget (7-29). In the 2014-15 budget the District budgeted \$130,000 in revenue yet they actually collected \$687,760 in revenue. In 2015-2016 the District only budgeted \$139,775 yet it took in \$478,239 in actual revenue (7-29). This is clear proof of the Board's calculated strategy during these negotiations to under budget revenue so on paper the Board can claim there is no money. Of course in their shortsighted attempt, they failed to foresee that we would uncover their duplicitous actions by analyzing the following year's actual budgeted expenditures/revenues. Further, the Unanticipated Surplus document proves that the District has on hand an average of \$621,859 in unanticipated surplus each year to spend

as evidenced on the ten-year historic view (7-40). When one looks at the RIHEA summary sheet, Revenue Available for Settlement 2015-16 Budget, it's clear there is \$1,073,971 which is 4.86% of the RIHEA base salaries available to settle this contract (7-41). The RIHEA is only asking for increment plus \$500 at the top of the guides and Support Staff 2.95% each year of 2016-2019. Yet, this Board could nearly fund the full settlement by only using money from the base year budget 2015-2016.

This Board accumulated enormous savings during the term of the prior three-year contract and did not even pay out the negotiated 8% salary increase for three years to the RIHEA. In the 2012-2013 school year, the average RIHEA teacher salary was \$68,245 (3-153). By calculating the prior RIHEA negotiated settlement rates for the years 2013-14 thru 2015-16, the average teacher salary should have increased to \$73,851 (3-153). However, the average teacher salary according to the current base year scattergram is only \$70,515; or -\$3,336 (-4.52%) less than was projected (3-153). The board expected to pay out a total of 8% over 3 years of the contract (or 8.21 compounded). In reality they spent 2.54%, \$860,765 less than they agreed in prior rounds of negotiations. Currently, Bergen County School Districts average settlement rate is 2.93% each year with an upward trend noted in the NJEA Trend Setter Bergen County settlements (6-28). Additionally, the specific Bergen County teacher and support staff settlements numbers can be found on pages 6-13 thru 6-15. These demonstrate that settlements in Bergen County are rising significantly. The RIHEA is requesting all base salaries be increased for teachers; increment plus \$500 at the top of the guide and 2.95% for Support Staff for each of the three years.

As you well know, P.L.2011 Ch.78 legally mandates that all public employees pay part of their health insurance premium. As legally required, the RIHEA membership completed the full year of premium contributions at Tier 4 levels and now is paying a second year of Tier 4 contributions

due to these protracted negotiations. The law permits public employees to negotiate a reduction to their health insurance contributions after completing one year at Tier 4. An example of this is the Bergen County School District of Park Ridge, where the Park Ridge EA successfully negotiated with their Board a reduction for its member's health insurance contributions, rolling them back to Chapter 78 Tier 3 levels (Park Ridge EA MOA). The RIHEA contract expired on June 30, 2016 and this Board has for the second year collected RIHEA members Tier 4 contributions. RIHEA members are currently paying medical insurance premium contributions \$942,426.49, as summarized from the boards Health Benefit's scattergram (8-1). The law is structured so that when the premium increases, so does the dollar amount that an employee has to contribute. As a result, due to the premium increases since 2015-16 this Board was unilaterally able to take additional money out of RIHEA members' paychecks while we have been trying to settle this contract. Further, the tier structure of the law dictates that, as an employee's salary increases, the employee pays a greater percent of his/her health insurance premium. Once there is a settlement, with retroactivity back to July 1, 2016, employees will be required to pay even greater amounts towards their health insurance because the third variable will be at work: an increase in salary legally dictates your movement up the scale, triggering a greater contribution. As of the Fact Finding hearing, there were a total of 70 local associations in New Jersey who have made modifications to Chapter 78 contribution levels as seen in the Special Trend Setter that was submitted in addition to the Association's exhibits. As of the writing of this brief, that number has increased to 96 associations. The RIHEA will not accept any contract settlement unless it contains a modification or roll back of Chapter 78. The RIHEA will not allow its members to take home less money in their paychecks as is projected out over

the next four years. For all of these reasons, the RIHEA has dedicated its efforts to finding alternative models to the Chapter 78 premium contribution structure.

Having been stuck for the past two years at Tier 4 of Chapter 78 has paralyzed RIHEA members: they now lack the ability to keep pace with the rising cost of living. Our proposal continues to offer the Board of Education a significant and fair amount of money in premium sharing. We will continue to give the Board of Education a revenue stream of untold dollars for health insurance now and in the future.

The RIHEA has presented a creative, comprehensive, and fair proposal. Our proposal helps the Association reach its goal of putting a percentage of money back into the pockets of all its members and the chance to see their net income increase, instead of decreasing like it has for the last five and a half years, and it would continue to do so if no change is made.

The RIHEA proposes a cap reduction of 22% premium contribution.

We have provided you with Bergen County school districts comparisons and the police and fire department contracts from the sending districts that were available for your review in sections 5 and 6 of the RIHEA binder.

There can be no doubt this Board has the money to fund the RIHEA settlement request as previously indicated. The members of the Ramapo Indian Hills Education Association are well-trained and skilled at their jobs and as a result, provide an outstanding education to District students. They deserve the salary and benefits we have requested in our proposals. The members of the RIHEA deliver top services to the taxpayers and nothing is cheap in Bergen County, the most expensive county in the state, where RIHEA members work and where many live.

In closing, the Association, having acted in good faith throughout the negotiations process, finds that the Board's actions and deceit throughout this process has turned negotiations into a facade: pretending to offer shared goals and approaches with the Association, while having no intention of following through on the RIHEA concepts. The Board's hearing presentation and comments demonstrate that adequate compensation or a reduction in health benefits is not a priority or necessity for this Board. A review of Association document Revenue Available for Settlement (exhibit 7-41) compiles the real monies available to settle this contract and there can be absolutely no dispute this Board has more than enough money. We are here due to the Board's failure to provide adequate and fair compensation to the RIHEA in the form of a salary increase and a reduction in health insurance premium contributions.

Based on all of the aforementioned data and rationale, we respectfully ask that you award the Association's position and write a report that provides the protections and economic improvements owed to the members of the Ramapo Indian Hills Education Association.

Very truly yours:

Joseph Tondi

NJEA UniServ Field Rep.