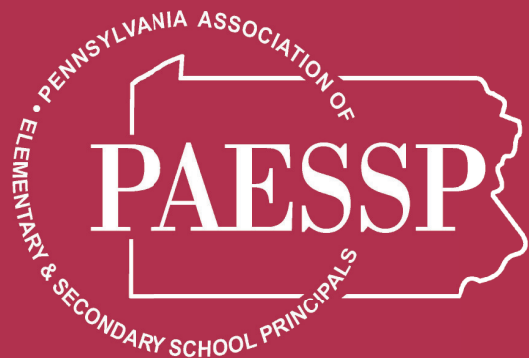


# ACT 93: THE PROCESS & THE PLAN

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PAESSP Executive Director  
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# Foreword

We are delighted to provide PAESSP members with this document that represents a direct response to our members' needs. Many of the calls we receive seek advice on Act 93 agreements: What should we include? How do we get started with the process? What samples can you provide of other Act 93 agreements? In addition to salary, what other benefits should we seek? What happens when the board refuses to meet with us?

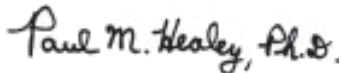
All of these are very legitimate questions and need to be dealt with when constructing Act 93 agreements. Over the past year, we have collected and reviewed approximately 125 Act 93 agreements that have served as the basis for this body of work. Our goal was to develop an Act 93 template or boilerplate that Act 93 teams could use to revise and/or formulate Act 93 agreements. This PAESSP template has been designed to be customized by the user so it fits your unique setting. It includes language options, salary and benefit options and some additional sections that should be considered by teams when developing Act 93 agreements.

The document begins with a review of the Act 93 law and the rights afforded to administrators under the law. The next section provides tips on how to work with your employer (the school board) during the process of either revising or seeking a new Act 93 agreement. The remaining section is the Act 93 template that includes an explanation of each section. The template has been posted on our website for members only and is saved as a Word document so users can easily copy, edit and paste sections into their own Act 93 agreements.

We hope the Act 93 template will serve as a basis for providing valuable information to our members and will lead to more equitable salary and benefits for school leaders across the Commonwealth. We also hope you find the template to be a useful resource in the development of your Act 93 agreement. Please remember that PAESSP is available to consult with you about Act 93 and to offer suggestions for your plan.

*As always, we are just a phone call or email away!*

Your Partners in Education,



Paul M. Healey, Ph.D.  
PAESSP Executive Director



Joseph H. Clapper, D.Ed.  
PAESSP Assistant Executive Director

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# Act 93

It has been at least 30 years since Act 93 was signed into law on June 28, 1984. The purpose of this legislation was to provide a means for resolving administrator compensation matters by working within a management team philosophy.

## **A. Basic Elements of the Law**

There are three basic rights outlined in the law:

1. The right for administrators to meet and discuss in good faith with the board of school directors if a majority of the administrators so request.
2. The right to a written compensation plan as board policy whether or not it is requested. The plan must be good for no less than one year and contain, at the minimum, a description of the compensation plan, the salaries or the salary schedule and a list of fringe benefits.
3. Continuation of the right to a grievance process with the assistance of the Department of Education as provided for in the 1947 Anti-Strike Act.

The first two aspects of the law should be common sense practices and be a part of any school district's plan whereby there is ongoing communication between the management team and the board. The grievance process, as stipulated in item 3, is available when an impasse occurs and cannot be resolved by the parties.

## **B. Uniqueness of the Law**

The law is unique in the following ways:

1. The legislation deals exclusively with administrator rights. Act 93 is written exclusively for administrators and outlines procedures quite different from those offered to teachers and other public employees under the Pennsylvania Public Employee Relations Act of 1970 (Act 195).
2. The legislation outlines a meet and discuss program designed to promote, not confront, the team philosophy of management. In states with negotiating rights, the process is called collective bargaining, assumes an adversarial relationship and works through traditional labor mechanisms for resolving grievances. Act 93, however, outlines a meet and discuss process, assumes a team relationship and works through the educational system to resolve grievances.
3. The legislation is supported by all the major state associations representing basic education. Act 93 was not opposed in its final form by any of the major basic education associations, including the Pennsylvania School Boards Association, and all of the associations have worked hard to see that the legislation is successfully implemented.

As most school leaders understand, Act 93 is vastly different from collective bargaining agreements in a number of ways. First, Act 93 Agreements are not contracts identical to teacher contracts. Second, collective bargaining is conducted in negotiated sessions between the school board and the teachers' union. Act 93 does not have the same scope of authority or influence because the law only requires meet and discuss sessions and may not offer the opportunity to negotiate salary or benefits. Finally, there are specific processes in place when collective bargaining fails but there are only general guidelines to follow when Act 93 agreements are not constructed or implemented.

In an effort to determine the effectiveness of Act 93 some 30 years later, PAESSP conducted a survey of its members in 2013 in order to collect their thoughts. The survey revealed the following major points:

- 54% of the respondents indicated they meet with their board once per year while another 30% reported they never meet with the board.

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- Meetings are best characterized by this survey's response, "School boards typically feel the pressure to meet and negotiate with the teacher's union because they have the numbers, but with the Act 93 administrative committee, the board usually feels they only have the obligation to meet and listen. Most usually falls on deaf ears."
  - The satisfaction rate of the meet and discuss process has dramatically dropped over the years. In 1989, survey participants reported a satisfaction rate of 55% as compared to the satisfaction rate in 2013 which is at 28%.
  - When asked if the Act 93 process assisted in obtaining compensation packages that take into account the extra hours, days, etc. which are reflected in salary and keep the administrator above where they would reside on the teachers' salary schedule, 58% reported the process did not help in this regard.

These results clearly demonstrate that there is a need to return to the fundamental tenet of Act 93 which is to establish a management team philosophy within the school district whereby school leaders are valued for their work and are treated fairly for their vital responsibilities as school leaders.

# Getting Started: The Process

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## Identify the Team:

There should be much consideration given to those administrators who will serve on the Act 93 meet and discuss team. In most districts, it is essential to identify a core group of administrators to serve as the spokespersons of the Act 93 group. This group must be representative of all levels of the administrative team. In very small districts, all Act 93 members may potentially serve on an Act 93 team. In all cases, however, it is recommended that one individual be designated as the chair of the group and assigned as the spokesperson with the Board, as well as communicating with all Act 93 members about the progress of the agreement.

## Getting Started:

It is crucial to initiate the Act 93 meet and discuss process well in advance of the agreement expiration date. Do not wait until a month before the Act 93 agreement expires or until the board requests a meeting. Advanced planning allows for the team to complete a thorough review of the current plan and perform its due diligence in comparing current plans with the surrounding market. We recommend the following components be completed by the Act 93 group during this time period:

- Initial meeting with Act 93 members (at least six months prior to expiration of current agreement) with the purpose of assigning all members to review the current plan and noting their “Must Haves” or “Non-Negotiables” and their important Needs/Wishes. We suggest that members be given a specific time period (e.g. two weeks) to submit their list to the chair or designee.
- The compiled list is then sent back to members and they are asked to prioritize the “Must Haves” and the Needs/Wishes, see **Figure 1** (page 4).
- A second meeting with Act 93 members is held to examine the results of the priority listings and to compare and contrast their lists with components of the PAESSP Act 93 template. Members should begin to identify specific components from their current plan and the PAESSP template information they would like to be incorporated into the new agreement.
- Homework phase involves comparing and contrasting salaries of Act 93 members with the salaries of like positions in the surrounding area. The PAESSP salary search button on the organization’s website would be a useful tool for this task or using salary information that may be collected via the local intermediate unit (IU).
- The core team should draft a new Act 93 agreement using components from current plan and the PAESSP template. The draft agreement should be sent out to all members for review and comment.
- Approximately two months prior to the expiration of the Act 93 agreement, the chair should send a letter signed by all Act 93 members, requesting a meeting with the board, see **Figure 2** (page 4). The purpose is for the Act 93 team to be providing leadership to the process rather than waiting for the school board to act on its own. It is important to be proactive rather than reactive with the meet and discuss process.
- During the first meeting with the board, the chair or spokesperson should be prepared with an agenda to discuss with the board the proposed changes to the Act 93 agreement. It is also critical that a justification is provided for the items being sought. These justifications are often based on the research that was conducted early in the process.
- The chair should keep all members informed about the discussions with the board and next steps.
- The Act 93 team should make every effort to complete a new Act 93 agreement prior to the expiration of the old agreement. If the board refuses to meet and discuss, the Act 93 team should contact PAESSP for consultation and advice.

PAESSP also recommends that meetings between the Act 93 group and the board should be ongoing and not just occur when an agreement is expiring. The premise behind Act 93 was to build a management team concept where there would be an exchange of information and open communication between the board and administrators. Therefore, it would be prudent to have an understanding with the board that there be, at a minimum, at least one meeting per year between the Act 93 group and the board of directors. These annual meetings should focus on the positive aspects of the district, the goals achieved by administration and the trials and tribulations facing school administrators today.

**Figure 1: Sample listing to be prioritized by members.**

Please place the items in each list in priority order with 1 being your highest priority. Each list should be treated separately.

**Must Haves**

- Base Salary Increase
- Merit or Bonus Increase
- Longevity Pay
- Medical Insurance upon retirement
- Term Life Insurance
- Additional Personal Days

**Needs/Wishes**

- Vision Coverage
- Credit Reimbursement
- 401k Plan
- Health Care buyout
- Long Term Disability Insurance
- Flexible Spending Plan

**This is just a sample list and should be customized to fit your situation.**

**Figure 2: Sample Letter Requesting Meet and Discuss Meeting with School Board**

April 2, 2015

John Smith, Board President  
Any School District  
Any Address

Dear Mr. Smith,

As per Act 93 of 1984 which provides the right for administrators to meet and discuss in good faith with the board of directors, we request the opportunity to meet with the board in the very near future. The purpose of this meeting will be to discuss a new Act 93 agreement as the current agreement is set to expire on June 30, 2015.

In an effort to begin the process of formulating and discussing a new Act 93 agreement, we offer the following dates and times our group would be available to meet with you. Please respond with your choice by contacting the chair, Paul Healey, either in writing or by email. We look forward to working with you as we craft a new agreement for the school leaders of the school district.

**Tuesday, April 7, 2015 at 7 PM in the Board Room**

**Wednesday, April 8, 2015 at 7 PM in the Board Room**

**Tuesday, April 15, 2015 at 7 PM in the Board Room**

**Thursday, April 17, 2015 at 7 PM in the Board Room**

Sincerely,

Paul M. Healey, Act 93 Chair - offer email address

**All Act 93 members should sign the letter as per the law which suggests that if you are requesting a meeting, it should be signed by a majority of the Act 93 members.**



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## Details of Act 93 Template:

Our Act 93 template has been designed to provide language, options and flexibility during the Act 93 Meet and Discuss Process. The template will be customizable by the user and is accessible via the PAESSP website for members only under the *Signature Services - Act 93* tab.

Sections in the template include: salary, fringe benefits, language suggestions and other components for consideration. It should be noted that the **boldface type indicates that the language or figures may be altered or modified.**

## Introduction Section:

We highly recommend that there be an introduction section to the Act 93 agreement. Such an introduction provides a proper framework for the Act 93 agreement and process and should identify the district including the tenets of Act 93 of 1984.

## Program Objectives:

The program objectives provide the ground rules for the Act 93 process so that there is a shared understanding of the desired outcomes.

## Terms of Compensation Plan:

One component often omitted but crucial to any agreement is to specify the duration of the Act 93 agreement. Typical Act 93 agreements are usually two or more years in duration.

## Evaluation Process:

It is important to stipulate the evaluation process and timeline in the Act 93 agreement.

## Act 93 Membership:

It is vitally important to identify the specific positions that are covered by Act 93. We recommend listing the actual titles of all positions. Additional positions may be added during the course of the agreement and should be dealt with using a Memorandum of Understanding.

## Indemnity Clause:

The indemnity clause serves as important protection for all those individuals covered by the Act 93 agreement. Although this coverage may be implied, we highly recommend the language be in writing and included.

## Salary and Other Compensation:

There is a variety of options for increases in compensation for Act 93 employees. In this section, we offer four potential salary options that may be considered in your agreement.

In each option, we also include a recommendation for an annual appraisal of Act 93 employee salaries. All too often, Act 93 employees are not compensated for the additional duties, time and responsibilities as other professional employees in the district (e.g. teachers). A specific example has been provided.

**Option A** – uses a base salary percentage increase plus a merit percentage increase. Both of the percentages should be determined by your Act 93 group.

**Option B** – uses a base salary increase of 1.5 times the average teacher percentage increase plus a merit percentage increase. Again, both figures are customizable and determined by your Act 93 group.

**Option C** – uses a base salary increase equal to the annual Act 1 index plus a merit percentage increase. The merit increase is customizable.

**Option D** – uses a base salary increase of a specific dollar amount instead of a percentage increase plus a merit percentage increase. Both of these amounts are customizable in this option.

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### **Fringe Benefits and Other Compensation:**

In this section, there are suggestions for additional compensation for Act 93 members that are prevalent in other agreements and offered for consideration such as:

- Longevity Bonus
- Retirement Severance
- Health Insurance
- Health Care Buyout
- Term Life Insurance
- Travel Accident Insurance
- Paid Leaves
- Professional Association Dues
- Workers' Compensation
- Use of Personal Vehicle
- Use of Personal Cell Phone and Home Internet
- Employee Elective Deferrals to a 403(b) and 457(b) Plan
- The Roth 403(b) and the new Roth 457(b)
- School District Contributions to a 403(b) TSA and a 457(b) Plan
- SAGE Tuition Rewards Program
- Section 125 Flexible Spending Accounts
- Voluntary Insurances

### **Protective Language:**

Even though professional educators have employee rights under the law which are inferred, Act 93 agreements unlike collective bargaining agreements, often do not include specific language. PAESSP recommends consideration of language pertaining to: just cause, discharge and seniority.

### **Additional Considerations:**

Oftentimes, the public is interested in knowing the salary increases for administrators. This section provides some additional compensation ideas which may or may not be directly reflected in salary increases. If you are interested in any of these options, we have provided contact information for two of our sponsors who are experts in describing and servicing any or all of the options.

# Act 93 Agreements - The Template

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**The Act 93 template has been designed to be customized by the user. Members can access the template as a Word document by visiting the PAESSP website at [www.paessp.org](http://www.paessp.org). Click on Signature Services and then Act 93 to locate the document. Any questions about the template can be directed to Dr. Paul M. Healey, PAESSP Executive Director, at [healey@paessp.org](mailto:healey@paessp.org) or by contacting the PAESSP office at 717-732-4999.**

# Act 93 Agreements

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## INTRODUCTION:

The goal of this Plan between the **(name of district)** School District's Board of Education and Administrative Staff is to provide a means by which compensation affecting the school administrative and supervisory personnel can be resolved within the framework of a management team philosophy.

The Board of School Directors of **(name of district)** School District adopts the following Administrator Compensation Plan pursuant to the "Public School Code of 1949", as amended, Section 1164. The Board recognizes the importance of maintaining an effective Management Team to strengthen the administration and educational programs of the District, and to establish and improve communications, decision-making, conflict resolution and other relationships among the members of the Team.

Furthermore, the District and the Act 93 team recognizes and abides by the tenets of Act 93 of 1984 which include the following:

1. The right for administrators to meet and discuss in good faith with the Board of School Directors if a majority of the administrators so request.
2. The right to a written compensation plan as board policy whether or not it is requested. The Plan must be good for no less than one year and contain, at the minimum, a description of the compensation plan, the salaries or the salary schedule and a list of fringe benefits.
3. Continuation of the right to a grievance process with the assistance of the Department of Education as provided for in the 1947 Anti-Strike Act.

## PROGRAM OBJECTIVES:

1. To develop and maintain the management team philosophy between the Board of Directors and the Act 93 group. In practice, this looks and sounds like ongoing dialogue between the board and administrators on vision, mission, goals, successes, areas for growth, etc. with the overarching goal of improving the educational offerings that maximize student growth.
2. To create and maintain relevant internal compensation practices that take into account the relationship between salaries paid teaching personnel and administrative personnel according to scope of the job. In practice, this looks and sounds like a universal understanding and acceptance that administrators are valued for the additional responsibilities of their positions and the time and effort needed to fulfill those positions.
3. To insure that appropriate compensation is paid to administrators. In practice, this looks and sounds like ongoing reviews of administrator salaries paid in the district by position as related to same positions in the IU or region. Competitive salaries are needed to help the school district attract and retain competent administrators.
4. To establish and maintain a systematic approach to compensation information. In practice, this looks and sounds like objective salary procedures are in place which insure that all administrators and supervisors are treated fairly with performance being the major differentiating characteristic among individuals.
5. To abide by the agreed upon and State approved evaluation plan for administrators. In practice, this looks and sounds like an approved Board action denoting the administrative plan to be used in the district which is either the current State Principal Effectiveness Plan or an alternate plan that has been approved by the Pennsylvania Department of Education (PDE).

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**TERM OF COMPENSATION PLAN:**

This Plan is effective **(enter starting date)** and shall remain in force until **(enter ending date)**.

**EVALUATION PROCESS:**

Each administrator shall be evaluated by the Superintendent and receive his/her evaluation on or before **(July 1 - some districts are moving this date to the Fall after they receive SPP score)** of each year. The District will follow the evaluation guidelines as per Act 82 and utilize either the Principal Effectiveness process or an alternate evaluation process that has received approval by PDE.

**ACT 93 MEMBERSHIP:**

“Administrator” shall mean any employee of the school entity below the rank of district superintendent, executive director, assistant district superintendent or assistant executive director, but including the rank of first level supervisor, who by virtue of assigned duties is not in a bargaining unit of public employees as created under the act of July 23, 1970 (P.L. 563, No. 195), known as the “Public Employee Relations Act.” However, this definition shall not apply to anyone who has the duties and responsibilities of the position of business manager or personnel director, but not to include principals.

The specific position titles covered by this agreement for the district include: **(List all positions covered by the agreement making sure they are supervisory in nature, for example, the superintendent’s secretary is not a part of Act 93.)**

**INDEMNITY CLAUSE:**

The District agrees that it shall defend, hold harmless and indemnify Act 93 Administrators from any and all demands, claims, suits, actions and legal proceedings brought against the administrator in their individual capacity or official capacity as agent and employee of the district, provided the incident arose while the administrator was acting within the scope of their employment and excluding criminal litigation. The Board shall provide public liability insurance for the administrator up to **(\$4,000,000)** or some other number to cover legal expenses in defense of claims and payment of judgments resulting from his/her functioning as district administrator.

**SALARY AND OTHER COMPENSATION: (We have provided several options here; choose an option and make any adjustments to the figures.)**

**OPTION A:**

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1	<b>2.5%</b> increase + potential merit award
Year 2	<b>2.5%</b> increase + potential merit award
Year 3	<b>2.5%</b> increase + potential merit award
Year 4	<b>2.5%</b> increase + potential merit award

Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.

Merit Awards will be given to any Act 93 employee who receives an annual performance evaluation of Proficient or Distinguished. For a Proficient rating, the individual will receive a **(1% or enter alternate %)** increase and for a Distinguished rating, a **(2% or alternate %)** increase. A merit award is based on the recommendation of the Superintendent and shall be added to the base salary. The Board understands that adequate funding for merit awards must be set aside in the budget so that all Act 93 employees have an opportunity to earn the merit awards.

- A yearly appraisal of Act 93 employee salaries will be conducted to assure that no Act 93 employee will make less per diem than any other professional employee in the district with the same number of years of education and experience. If it is discovered that an Act 93 employee is making less per diem, the Superintendent will make the Board aware so that the employee's salary can be adjusted so that he/she, at a minimum, is making the same if they were on the teachers' salary schedule given the same number of years of service and education.

**Example:**

Principal with 25 years of service and a master's plus 30 - 94,000 divided by 260-day contract equals per diem salary of \$361.54.

Teacher in same district with 25 years of service and a master's plus 30 - 80,000 divided by 184-day contract equals per diem salary of \$434.78.

Thus principal's salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher's per diem or an adjustment of \$73.24 per day or annual adjustment of \$19,042.

**OPTION B:**

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1	1.5 x teachers' % increase + potential merit award
Year 2	1.5 x teachers' % increase + potential merit award
Year 3	1.5 x teachers' % increase + potential merit award
Year 4	1.5 x teachers' % increase + potential merit award

Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.

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### OPTION C:

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1	Base increase equal to Act 1 index + potential merit award
Year 2	Base increase equal to Act 1 index + potential merit award
Year 3	Base increase equal to Act 1 index + potential merit award
Year 4	Base increase equal to Act 1 index + potential merit award

Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.

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#### **Example:**

Principal with 25 years of service and a master's plus 30 - 94,000 divided by 260-day contract equals per diem salary of \$361.54.

Teacher in same district with 25 years of service and a master's plus 30 - 80,000 divided by 184-day contract equals per diem salary of \$434.78.

Thus principal's salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher's per diem or an adjustment of \$73.24 per day or annual adjustment of \$19,042.

### OPTION D:

Salary compensation for administrators, rated as proficient or above, shall be increased as follows:

Year 1	<b>\$1,000</b> base increase + potential merit award
Year 2	<b>\$1,500</b> base increase + potential merit award
Year 3	<b>\$2,000</b> base increase + potential merit award
Year 4	<b>\$2,000</b> base increase + potential merit award

Any Act 93 employee receiving a final performance evaluation of Needs Improvement or Failing will not be entitled to any base or merit increases for the year following the evaluation. It is also understood that any individual in the Needs Improvement or Failing categories will be provided with an Improvement Plan and the support of the District to return to proficiency status.



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- A yearly appraisal of Act 93 employee salaries will be conducted to assure that no Act 93 employee will make less per diem than any other professional employee in the district with the same number of years of education and experience. If it is discovered that an Act 93 employee is making less per diem, the Superintendent will make the Board aware so that the employee's salary can be adjusted so that he/she, at a minimum, is making the same if they were on the teachers' salary schedule given the same number of years of service and education.

**Example:**

Principal with 25 years of service and a master's plus 30 - 94,000 divided by 260-day contract equals per diem salary of \$361.54

Teacher in same district with 25 years of service and a master's plus 30 - 80,000 divided by 184-day contract equals per diem salary of \$434.78

Thus principal's salary should be adjusted to reflect extra time and responsibilities to a minimum of the teacher's per diem or an adjustment of \$73.24 per day or annual adjustment of \$19,042.

**LONGEVITY BONUS:**

Longevity bonuses will be calculated as of June 30<sup>th</sup> from the date of hire, payable on July 1<sup>st</sup> and will be paid according to the following chart. No employee shall receive less in longevity pay than they received in the previous year. Longevity will be in addition to regular salary increases but will not become part of the base salary.

Years of Service in the District: **(Again, you may want to adjust the numbers here.)**

Less than 5 - **\$1,000** per year

5 but less than 10 - **\$1,500** per year

10 but less than 15 - **\$2,000** per year

15 but less than 20 - **\$2,500** per year

20 but less than 25 - **\$3,000** per year

25 but less than 30 - **\$3,500** per year

30 or more - **\$4,000** per year

**FRINGE BENEFITS:**

**Flexible Spending Plan**

The District shall adopt an IRS Section 125 Plan and permit all Act 93 employees to participate in the Section 125 Flexible Spending Account Program, for Medical Care (annual maximum of **\$6,000**) and dependent care (annual maximum as per IRS regulations).

**Health Insurance**

Covered administrators are eligible to receive health and medical insurance coverage under the same terms and conditions as that offered to members of the **(Name of School District)** Education Association/Federation of Teachers. Members of the Act 93 group will make the same contribution toward health care as members of the teacher collective bargaining unit.

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The premium co-share will be made through monthly payroll deduction, through a Section 125 Premium Conversion Plan, with pre-tax dollars.

### ***Continuation of Health and Dental Insurance at Time of Retirement***

The Board will provide, on an optional basis, health and dental coverage to all eligible retirees who have retired with the following conditions and prerequisites:

- A.** Benefits to continue until employee's 65<sup>th</sup> birthday;
- B.** To continue these benefits upon retirement, the employee will pay the same amount of contribution as active administrative employees; and
- C.** The employee is retiring and receiving benefits through the Public School Employees' Retirement System (PSERS), and meets one of the following:
  - 1.** 15 years of continuous employment with the **(Name of District)** Area School District
  - 2.** Superannuation (normal retirement)
  - 3.** 30 years of service in PSERS
  - 4.** Disability retirement.

### ***Health Care Buyout***

Any administrator who voluntarily opts out of medical coverage at the beginning of any school year shall receive an annual payment in the amount of **\$5,000** for multi-party coverage or **\$2,500** for single coverage. This payment shall be made in two equal installments in the first pay of December and the first pay of June.

### ***Term Life Insurance***

Term life insurance (with double indemnity) will be provided in an amount equal to **three (3) times** the salary of the Act 93 administrator. Administrators may purchase additional term life insurance at their own expense.

### ***Vision Insurance***

Vision insurance will be provided for the administrator and all dependents for an annual eye exam and glasses. A participating doctor must be the provider.

### ***Long-Term Disability Insurance***

The District will provide long-term care insurance for the each administrative employee covering nursing home and professional home care services up to a monthly benefit amount of **\$3,000**. Employees have the option to increase the coverage amount and/or add coverage for a spouse at their own expense.

### ***Reimbursement for Medical Expenses***

For each year, **\$4,000** reimbursement per administrator for any medically prescribed expenses and non-mandatory physical examination will be provided. The **\$4,000** per administrator will be pooled together and at the end of each fiscal year any monies remaining in the pool will be distributed proportional to administrators who may have exceeded the **\$4,000** maximum.

### **PAID LEAVES:**

**Paid Holidays** – The following are paid holidays: Thanksgiving Day, the day following Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day and Labor Day.

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**Sick Leave** – Twelve-month administrative employees will receive **twelve (12)** sick days at the beginning of each fiscal year. These may accumulate with no maximum cap. Each school year, up the **five (5)** accumulated sick days may be used to care for a sick child, newborn or other member of the employee’s immediate family household or an employee’s parent who may live outside of the employee’s household.

**Personal/Emergency Leave** – Administrative employees receive **three (3)** personal days plus **one (1)** emergency day at the beginning of each fiscal year. All unused days will be converted to sick leave. If a crisis or extreme emergency condition occurs and the employee’s entire available personal/emergency leave and family illness days have been exhausted, the Superintendent has discretion to authorize additional emergency days.

**Vacation Leave** – All 12-month administrative employees receive vacation days. Vacation time shall be pro-rated for new employees who have not completed a full year of service.

Vacation time is granted on the basis of administrative years of service in the school district, with accumulation limited to twice the annual accrual rate:

1 <sup>st</sup> through 5 <sup>th</sup> years of service	<b>21 days annually</b>
6 <sup>th</sup> through 10 <sup>th</sup> years of service	<b>23 days annually</b>
11 <sup>th</sup> through retirement	<b>25 days annually</b>

In the event vacation days are not used by June 30, the employee will be paid **50%** of his/her per diem rate per unused vacation days up to a maximum of **five (5)** days. All other unused vacation days will be converted to sick leave. Vacation days may be taken at any time with the approval of the immediate supervisor and/or the Superintendent.

Upon separation, all unused and earned vacation days shall be compensated at the employees per diem rate (annual salary/260 = per diem rate).

**Jury Duty Leave** – Each administrator shall be entitled to receive jury duty leave in the event said administrator is called upon to serve on a jury in the state or federal courts of the Commonwealth of Pennsylvania. Salaries and benefits for such administrators shall continue during the term of such leave, as long as said administrator reimburses the school district the amount received from said courts as payment for jury duty. Leave for jury duty does not count as vacation or personal leave.

**Bereavement Leave** – Whenever an employee is absent from work because of the death of a spouse, mother, father, step-parent, son, daughter, step-child, there shall be no deduction in wages for this absence that is not in excess of **eight (8)** calendar days.

Whenever an employee is absent from work because of the death in the immediate family, there shall be no deduction in wages for an absence not in excess of **five (5)** calendar days. Members of the immediate family shall be defined as brother, sister, parent-in-law, son-in-law, daughter-in-law or near relative who resides in the same household.

Whenever an employee is absent from work because of the death of a near relative, there shall be no deduction in wages for the absence on the day of the funeral. A near relative shall be defined as first cousin, grandfather, grandmother, aunt, uncle, nephew, niece, brother-in-law, sister-in-law or grandchild.

**Leave of Absence for Restoration of Health** – Administrators may apply for a leave of absence for restoration of health as permitted under the School Code.

**Leave of Absence for Professional Development** – A leave of absence for professional development shall be directly related to the professional responsibilities as determined by the board of school directors and shall be restricted to activities required by regulations of the State Board of Education and by the laws of this Commonwealth for a professional certificate or commission or to improve professional competency. All requests for a leave of absence for

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professional development shall be subject to review and authorization by the Board of School Directors, which shall have sole authority to adopt and enforce policy establishing the conditions for approval of such leaves. At a minimum for a half school term, a leave of absence for professional development shall consist of any of the following or a combination thereof: nine (9) graduate credits, twelve (12) undergraduate credits or one hundred eighty (180) hours of professional development activities. At a minimum for a full school term, a leave of absence for professional development shall consist of any of the following or a combination thereof: eighteen (18) graduate credits, twenty-four (24) undergraduate credits or three hundred sixty (360) hours of professional development activities.

The administrator requesting a leave of absence for professional development shall submit to the Board of School Directors a detailed plan describing the professional development activities to be undertaken. The Board shall be authorized to approve or reject the plan, consistent with its written policy. Upon completion of the leave, the administrator shall provide to the Board of School Directors satisfactory evidence that his/her approved plan for professional development was fully complied with during the leave of absence. If the administrator fails to do so, unless prevented by illness or physical disability, the administrator shall forfeit all benefits to which he/she would have been entitled under the provisions of this Act for the period of the absence for professional development. The administrator shall also submit to the Superintendent within the first month following the conclusion of the leave an official transcript of all courses completed. Failure to submit the following will result in forfeiture of all compensation and benefits paid by the District:

- Official transcript of all courses completed.
- Required reports.

Acceptance of a leave of absence for professional development incurs a commitment by the administrator to return to active duty in this District immediately following the leave. If the administrator leaves before the completion of two (2) years the following will apply regarding the repayment of compensation and benefits:

- **If less than one (1) year is completed, the repayment will be 100%.**
- **If longer than one (1) year but less than two (2) years, the repayment will be 25%.**

**Doctoral Leave of Absence** – Administrators covered by the provisions of this salary/benefit plan shall be eligible for a doctoral leave of absence with full pay during the period of July 1 through December 31 of a single school year. In order to qualify for the doctoral leave of absence, an administrator:

- a. must be a student in good standing in a doctoral program at an accredited university;
- b. must have completed successfully all applicable requirements for the doctoral degree with the exception of residency and the dissertation;
- c. must have secured approval from his/her dissertation committee for the dissertation project;
- d. must have completed a minimum of three years of service as an administrator in the school district;
- e. will receive the doctorate within six months following the completion of the doctoral leave of absence;
- f. must agree to return to service in the district for a minimum of one school term (September through June) following completion of the doctoral leave of absence.

Requests for the doctoral leave of absence will be submitted to the Superintendent of Schools no later than January 31 of the year in which the doctoral leave is to be taken.

### ***Retirement Severance***

A retirement severance payment will be made to an administrator who indicates in writing no later than December 1 that she/he will retire effective June 30 of that same school year. This payment will consist of a one-time amount and will be based on a percentage of the salary the administrator would have been entitled in the following school year, as indicated on page 15. To be eligible for this retirement severance, the administrator must have at least **ten (10)** years of administrative years of service in the district.

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**5%— 10-20 administrative years in the district**

**6%—21-25 administrative years in the district**

**7%—26+ administrative years in the district**

### ***Travel Accident Insurance***

Administrators will be provided with District-paid travel accident insurance coverage in the amount of **\$150,000**.

### ***Professional Association Dues***

Employees will be entitled to membership in at least **one (1)** professional local, state or national organization that is directly related to their job responsibilities. **It is our recommendation to never define a dollar amount since organizations change their dues.**

### ***Workers' Compensation***

The District will provide for the difference between the employee's salary and any benefits due or received by the employee from Workers' Compensation. Sick leave may not be used in addition to this benefit. All medical expenses are to be submitted to Workers' Compensation and are not subject to employee's regular health plan regulations.

### ***Use of Personal Vehicle***

An employee shall be reimbursed at the rate set by the IRS per mile for use, after reporting to work, of his or her personal vehicle on school business.

### ***Cell Phones and the Internet***

Due to the "on-call" nature of administrative positions, all Act 93 group employees are expected to have a personal cell phone in their possession that can be used for school purposes. Additionally, administrators frequently work from home using their personal Internet access. Accordingly, administrators designated by the Superintendent receive a monthly stipend of \$80 per month for use of their personal cell phone and Internet access to be paid in June of each year. Employees who are hired after July 1 or depart during the course of a school year will have this stipend pro-rated.

### **Protective Language:**

#### **Just Cause:**

- An employee can be discharged or otherwise disciplined (for example, by suspension or demotion) only for "just cause."
- An employee who is disciplined can file a complaint.
- If the complaint is not settled satisfactorily, the Act 93 group can require it to be decided by an arbitrator.
- The arbitrator will hold a hearing and then issue a decision that is final and binding.

#### **Discharge:**

Discharge of any employee shall be subject to arbitration or to proceedings at law under the Pennsylvania Public School Code as the affected employee may elect, subject to the following conditions and restrictions:

1. Discharge shall be commenced by the delivery to the employee of a Notice of Charges.
2. The affected employee must, by written notice delivered to the Superintendent with twenty-one (21) days receipt of such notice, elect between arbitration and proceedings under the Public School Code. Failure to

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timely elect shall be deemed consent to discharge and a waiver of all rights to contest the employee's discharge.

3. If the affected employee elects to proceed under the Public School Code, the District shall promptly deliver to the employee a Notice of Hearing on the Charges, fixing the hearing for not less than ten (10) nor more than fifteen (15) days after such notice of hearing. All proceedings thereafter shall be in accordance with the Public School Code.
4. If the employee elects arbitration, the District and employee shall submit the matter to the Bureau of Mediation for a panel of arbitrators.
5. Where the employee elects arbitration, the arbitrator shall be bound by the provisions of the Public School Code and judicial precedents hereunder, and his/her determinations on such matters of law shall be subject to judicial review and correction as matters of law, in the applicable appellate proceedings. Discharge shall not be governed by just cause.

### Seniority:

Seniority shall mean the length of service in the District from the employee's first day of work as a school district administrator or as a professional employee following the date of hire.

*Seniority shall be determined on the basis of school years or any fractional part thereof rounded to the nearest thousandth. An employee who works more than the normal school year shall not be considered to have accumulated more seniority than an employee who works the normal year. Service rendered, however, on a part-time basis shall be counted as a fractional part of a school year.*

### Additional Considerations:

This section describes in detail some other options for administrators and school districts to consider in addition to salary and fringe benefits. Many times, school districts can save some money by thinking of other ways to compensate administrators by implementing a few of the following suggestions. *We are fortunate at PAESSP to have two corporate sponsors who are experts in the areas listed below and who are available to talk with your team about any of these options. Please see their contact information at the conclusion of this section.*

### **Employee Elective Deferrals to an IRS Section 403(b) TSA and a Section 457(b) Plan**

You are probably aware of the value of the IRS Section 403(b) tax shelter program that's available to school employees, but many districts have also adopted an IRS Section 457(b) Deferred Compensation Plan. Prior to 2001 and the passage of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), school districts didn't offer 457(b) plans because any employee contribution to the 457(b) diminished the amount that could be contributed into the 403(b); in effect, they offset one another. EGTRRA permits school employees to participate in both, with no offset. **Convincing your district to adopt a 457(b) plan would allow you to tax shelter twice as much each year.** And, unlike the 403(b) which must be made available to all employees, the 457(b) may be made available to all employees or to just a select group, like your Act 93 members.

### **The Roth 403(b) and the new Roth 457(b)**

You have probably heard of the Roth Individual Retirement Account (IRA). It allows individuals to contribute to an IRA using after-tax dollars. You don't get the advantage of an immediate tax deferral, but the distributions of your contribution *and all investment earnings* are tax free when withdrawn. Unfortunately, many administrators can't take advantage of the Roth IRA since there are IRS compensation limits on who is eligible. The good news for school employees is *there are no compensation limits* for the Roth 403(b) or Roth 457(b). **Urge your school district to permit Roth 403(b) (and Roth 457(b)) contributions under the District's Plan Documents. Then talk to your financial advisor about whether the traditional tax shelters and/or the Roths are best for you.**

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## ***School District Contributions to a Section 403(b) TSA and a Section 457(b) Plan***

Many school districts are now making contributions to their administrators' 403(b) or 457(b) plans in lieu of, or in addition to, salary increases. If the school district makes a contribution to the employee's 403(b), the entire amount is invested in the administrator's account and no taxes are taken out until the funds are withdrawn. At that time, only federal income taxes are due; the employee avoids paying FICA, PA state and local taxes (a few other states tax pensions). The contribution doesn't even flow through the payroll system. And, the district saves its share of the FICA which makes this contribution attractive to school boards. A district contribution to the 457(b), since by definition its *deferred compensation*, may be considered as part of your final average salary for PSERS purposes. However, the contribution must be part of the administrator's "formal" salary and not violate any other PSERS restriction, such as bonuses, incentives, termination pay, etc. Unlike the district contribution to the 403(b), district contributions to the 457(b) are considered compensation and must flow through the payroll system, so the PSERS contribution and all taxes, except federal income tax, must be paid. While this option is advantageous to the administrator, to the district it is less advantageous than a 403(b) contribution because the district must pay its share of the ever increasing PSERS expense. **Consider asking your school board for a contribution to either the 403(b) or 457(b).**

## ***SAGE Tuition Rewards Program***

If your district has Kades-Margolis Corporation as one of its approved 403(b) vendors (or if you're an Elementary Principal in any district), you are eligible to participate in the SAGE Tuition Rewards Program. This "free" program will enable you to earn points that can be applied to the tuition charge at over 300 private colleges and universities across the nation. You may enroll children, grandchildren, nieces and nephews. (Visit [www.tuitionrewards.com](http://www.tuitionrewards.com) for a complete list of participating colleges and universities or for more information.) You can earn points equal to up to 5% of your 403(b) and/or 457(b) account balances *each year*. The balance need not be with Kades-Margolis; this program accepts the balances from any vendor. If an employee does not have a 403(b)/457(b), or has a balance of less than \$20,000, that employee will still receive 1,000 points each year that they enroll. (**Note:** Through 9/30/2015 all points are being doubled!) **This program does not require school district participation so qualifying administrators may enroll simply by contacting the Kades-Margolis Employer Plans Department at (800) 433-1828, ext. 3.** School district approval would be needed to offer this program to employees other than eligible administrators.

## ***Section 125 Flexible Spending Accounts***

If your district doesn't already offer a Section 125 Flexible Spending Account Program, **consider asking for one to be implemented.** Section 125 refers to the section of the IRS Code that allows for certain expenses to be paid using pre-tax dollars, instead of after-tax dollars. Without a Section 125 Program, when you pay for out-of-pocket medical or dependent care expenses, you are using after-tax dollars. This program will allow you make those payments using pre-tax dollars; and, you'll save significant amounts in taxes. *And*, because you're not paying FICA taxes, your district will save its share of FICA.

## ***Voluntary Insurances***

One of the advantages of "group" insurances are they are much less expensive than individual insurance policies. School districts can offer administrators (or all employees) access to group insurances that administrators can take advantage of, or not. These are voluntary insurance programs such as accident insurance, critical care insurance, cancer and wellness insurance, short-term disability insurance and both term and universal life insurance. **Urge your district to give you access to voluntary insurances** so you can take advantage of the low premiums for those you may want to purchase. Point out to the board that, if they have a Section 125 plan in place, every premium dollar contributed to one of these insurances (except disability and life insurance) can be made with pre-tax dollars, thus reducing the district's FICA expense.

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***For Elementary Members, please contact:***

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***For Secondary Members, please contact:***

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