

Collective Bargaining

Mike Donato/Pat Wagner
HSD School Board Leadership
September 10, 2024

First and foremost, thank you for being here tonight. Whether you were asked to come or just wanted to be here – thank you for taking time out of your night to see firsthand how a school board meeting operates. We are fortunate to have a great, supportive community with tremendous pride in Hempfield. Our staff truly cares about our students, and while board members may have differences of opinion, we are all here because we genuinely care about our students getting a high-quality education.

Before we begin tonight's meeting, we will provide you and our community with information about collective bargaining...which is why I'm sure many of you are here tonight. The purpose of this update is solely to provide factual information given that there is a lot of attention and information, as well as misinformation circulating in the community. Our hope is that those who are not directly involved in the process can pause on the instant judgements and let the process work.

During the last contract, the Board established that the teacher contract would be negotiated between the Board and the Hempfield Education Association. They are

the two parties that will ultimately vote on a final contract. Information is requested from the administration, but all decisions regarding the collective bargaining agreement rest with the Board and HEA...not the administration. The board has established the parameters for the board team to work within, and that is what Mr. Wagner, Mr. Wolgemuth, and I are doing. The three of us are the team meeting with HEA and we keep the entire board updated regarding proposed solutions/offers during executive sessions. You hear when those meetings occur because they are all announced. Case in point: we met in an executive session about collective bargaining before tonight's meeting.

The board has remained steadfast on reaching a contract agreement that is fair and competitive, which our teachers deserve, while balancing the many other considerations this Board - and future Boards - must weigh when negotiating a contract, such as maintenance and upkeep of our facilities, support staff, and other employee compensation and benefits, utilities, supplies, and a host of other items vital to keep the district operating both in the short term and in the long term.

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	2024-25	2025-26	2026-27	2027-28
Base Index (Projected 2025 - 2028)	5.3%	4.0%	3.6%	3.2%
Adjusted Act 1 Index (Projected 2025 - 2028)	6.3%	4.6%	4.14%	3.68%
Actual Tax Increase	3.5%	TBD	TBD	TBD

Every 1% of a tax increase brings in approximately \$900,000 in additional revenue.

Before I begin on anything on the slide before you, I'm going to reiterate Mr. Donato's note just a few moments ago. Please know that this is an important piece. The purpose of sharing this information tonight is to simply provide some context, some perspective, and an outline as to the various things that we look at as a Board throughout this process. There are a number of considerations and some very important factual items that have an impact on everyone in the community that are relevant and vital to this decision-making process. The intent of this discussion and what we are going to be sharing with you is nothing but positive and insightful so that there is some background and some framework around the things that we go through and think about as we sit down and dissect all of this information.

This is a chart that outlines the possible taxing authority of this board to levy a tax on our taxpayers. The board can determine to raise taxes to the Adjusted Act 1 Index. For the 2024-2025 school year, taxes were raised by 3.5%. The district gets approximately \$900,000 for every 1% of a tax increase, which many of you are aware of and know.

For many years the Hempfield Board sought to balance the revenue means while

being mindful of not imposing excessive tax increases on the community. While we cannot speak for prior boards, it is vital that all boards take into consideration the impact a tax increase will have on our community, and we cannot raise taxes to the maximum year after year. This would be detrimental to the community and the local economy. Yes, there are years where this will need to occur moving forward, but again, it cannot be every year.

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	2024-25	2025-26	2026-27	2027-28
Board's commitment to fund debt service for building projects (\$150 million)	1.65%	1.62%	1.59%	1.57%

The board recognizes that the district's facilities need improvement; feasibility studies have confirmed this. I believe we have had two or three of them now. As a result, we are committed to dedicating a portion...we want to repeat that – a portion of the yearly tax increase to help offset the additional dollars needed for future projects. The percentages outlined here are what the Board has initially committed to help offset our debt services and have the dollars to address our facility needs.

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	2024-25	2025-26	2026-27	2027-28
Taxing authority remaining	-	2.98%	2.55%	2.11%
\$ generated by remaining taxing authority for everything else (budget increases)		\$2,682,000	\$2,295,000	\$1,899,000

With the Board’s commitment to fund debt service, the Board only has a portion of the taxing authority remaining. This chart shows the potential remaining taxing authority and the additional dollars that would be generated if the Board decides to raise taxes to the maximum of the adjusted Act 1 Index. Please remember that any tax increase directly impacts all our taxpayers on a yearly basis, and there is a year-after-year cumulative impact of raising taxes – meaning, tax bills never reset to zero. Rather, community members must always find ways to ensure they can pay the increasing taxes.

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	2024-25	2025-26	2026-27	2027-28
Base Index	5.3%	4.0%	3.6%	3.2%
Adjusted Act 1 Index (Projected)	6.3%	4.6%	4.14%	3.68%
Actual Tax Increase	3.5%	TBD	TBD	TBD
Board's commitment to fund debt service for building projects (\$150 million)	1.65%	1.62%	1.59%	1.57%
Increase to balance the budget	1.85%	TBD	TBD	TBD
Taxing authority remaining	-	2.98%	2.55%	2.11%
\$ generated by remaining taxing authority for everything else (budget increases)		\$2,682,000	\$2,295,000	\$1,899,000

Here is the entire chart based on everything that we outlined.

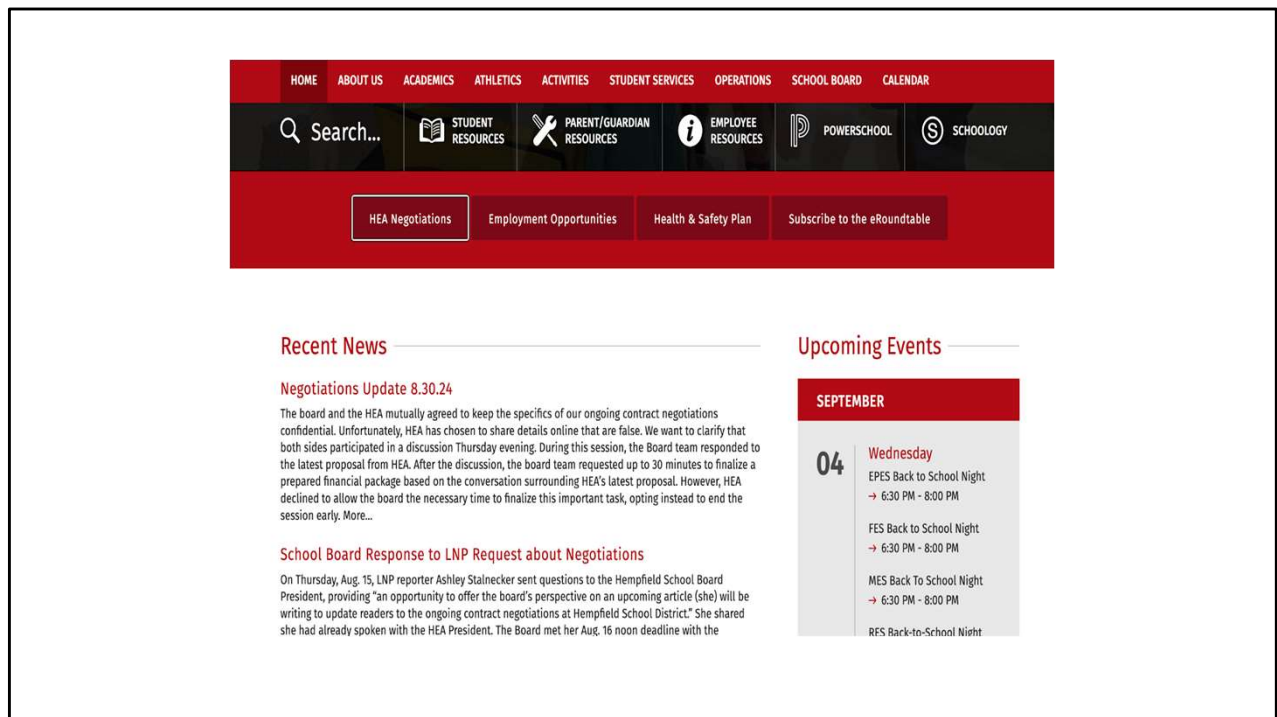
It is critical to note that the remaining taxing authority will only generate a specific dollar value, and this amount is what remains every year to balance the entire budget - meaning any increases in the annual budget will need to be covered by the additional dollars outlined above. Given that the Board has no other taxing authority, if we raise taxes to the maximum adjusted Act 1 Index and still have a deficit, we will need to cut programs, staff, choose not to fix our facilities, or reduce overall spending which means we can't continue to do things that we have done in the past. In simple terms, everything that costs dollars primarily comes at the expense of our taxpayers. Yes, there are years when we may receive additional dollars from the state; however, there is no guarantee each year that this new state budget will include additional funding for Hempfield. As a board, we have said that any new or additional dollars should help offset capital projects because we have a lot of work to do in each of our buildings and across our facilities.

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Information on Social Media

With respect to information on social media, the Board and HEA have mutually agreed not to share specifics about negotiations. Negotiations are meant to be private until a tentative agreement is reached. In fact, the Right-to-Know Law exempts the following labor relations information from public disclosure: Records dealing with strategy or negotiations relating to collective bargaining, labor relations, and labor arbitrations (but not a final executed contract). Negotiations are about give and get...not simply getting everything either party wants. We recognize that individuals want to know what is occurring, we can certainly respect and appreciate that, especially when a contract is expired. It is important to note that when a contract expires, teachers work under the previous contract until an agreement is reached. Teachers are paid, and their benefits remain the same - meaning as they were under the recently expired contract. Teachers' salaries do not move by step or column under an expired contract. Once an agreement is reached, this will be addressed.

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In terms of additional information being posted online - HEA has published information on social media regarding school district matters and negotiations and yes, is trying to rally the public through their social media posts.

It is important to remember if you are reading something online, it is one-sided unless both parties agree on a shared message. While you certainly have a right to believe what you want to believe, please know that the Board will not engage in a back-and-forth on social media. We will only share factual information to update the community on our district website, as needed. This presentation that we are sharing tonight will be posted on the District's website within 24 hours of this meeting.

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HEA Collective Bargaining Agreement

[Expand All](#)

Salary Matrix	>
Step Movement	>
Column Movement	>
HEA Matrices (19-20 through 23-24)	>
Increase to Salary Matrix	>
Benefits	>
PSERS (Public School Employees' Retirement System)	>
Financial Considerations	>
Taxing Authority	>
Feasibility Study	>
Work to Rule	>

Speaking of the website, a financial update was provided publicly during the finance committee meeting on July 30, 2024. The information was presented during a public meeting and is posted on our website under the Financial Considerations section. The board provided information on the website about the teachers' contract that expired on June 30, 2024. All of the information that was posted is publicly available. The information posted only pertains to these topics; its purpose is informational and educational.

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HEA COMPARED TO COUNTY (23-24 SALARY SCHEDULE)

	Cocalico SD	Columbia Borough SD	Conestoga Valley SD	Donegal SD	Eastern Lancaster County SD	Elizabethtown Area SD	Ephrata Area SD	Hempfield SD	Lampeter-Strasburg SD	Lancaster SD	Manheim Central SD	Northem Township SD	Penn Manor SD	Pequea Valley SD	Solanco SD	Warwick SD			
Step	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	MA - 0	Average	HSD Avg	Difference
1	\$68,400	\$66,690	\$67,640	\$63,722	\$64,532	\$75,031	\$61,675	\$67,132	\$69,018	\$63,319	\$69,270	\$61,880	\$67,217	\$68,382	\$64,048	\$64,541	\$65,781	\$2,591	3.94%
2	\$69,533	\$66,790	\$69,460	\$64,738	\$65,887	\$75,140	\$63,075	\$68,738	\$70,015	\$64,119	\$69,320	\$62,880	\$67,417	\$68,682	\$65,097	\$65,832	\$66,670	\$2,906	4.36%
3	\$70,665	\$66,890	\$61,280	\$65,754	\$67,242	\$75,249	\$64,475	\$70,343	\$71,012	\$64,919	\$69,370	\$63,880	\$67,617	\$68,882	\$66,146	\$67,123	\$67,553	\$3,220	4.77%
4	\$71,798	\$66,990	\$63,100	\$66,769	\$68,597	\$75,357	\$65,875	\$71,948	\$72,009	\$65,719	\$69,420	\$64,880	\$67,817	\$69,282	\$67,195	\$68,414	\$68,448	\$3,534	5.16%
5	\$72,930	\$67,090	\$64,920	\$67,785	\$69,952	\$75,466	\$67,275	\$73,554	\$73,006	\$67,219	\$69,470	\$65,880	\$69,017	\$69,932	\$68,244	\$69,705	\$69,465	\$3,849	5.54%
6	\$74,063	\$67,190	\$66,740	\$68,801	\$71,307	\$75,575	\$68,675	\$75,159	\$74,003	\$69,019	\$69,520	\$67,080	\$70,217	\$70,682	\$69,293	\$70,996	\$70,520	\$4,163	5.90%
7	\$75,196	\$68,230	\$68,560	\$69,817	\$72,662	\$75,684	\$70,075	\$76,785	\$75,000	\$71,019	\$70,776	\$68,480	\$71,417	\$71,582	\$70,342	\$72,287	\$71,743	\$4,478	6.24%
8	\$76,328	\$69,270	\$70,380	\$71,297	\$74,017	\$76,386	\$71,475	\$78,370	\$75,997	\$73,019	\$72,031	\$70,180	\$71,417	\$72,682	\$71,392	\$73,578	\$72,989	\$4,792	6.57%
9	\$77,461	\$70,310	\$72,200	\$72,778	\$75,372	\$77,302	\$72,875	\$79,976	\$76,994	\$75,019	\$73,287	\$72,080	\$71,417	\$73,982	\$72,441	\$74,869	\$74,273	\$5,107	6.88%
10	\$78,593	\$71,350	\$74,020	\$74,259	\$76,727	\$78,218	\$74,275	\$81,581	\$77,991	\$77,019	\$74,543	\$74,080	\$71,417	\$75,482	\$73,490	\$76,180	\$75,575	\$5,421	7.17%
11	\$79,726	\$72,390	\$75,840	\$75,740	\$78,082	\$79,134	\$75,675	\$83,187	\$79,988	\$79,019	\$75,798	\$76,080	\$71,417	\$76,982	\$74,539	\$77,451	\$76,878	\$5,736	7.46%
12	\$80,858	\$73,430	\$77,660	\$77,221	\$79,437	\$80,049	\$77,075	\$84,792	\$79,985	\$81,019	\$77,054	\$78,080	\$71,417	\$78,482	\$75,588	\$78,742	\$78,181	\$6,050	7.74%
13	\$81,991	\$74,470	\$79,480	\$78,702	\$80,792	\$80,966	\$78,475	\$86,398	\$80,982	\$83,019	\$78,310	\$80,080	\$71,417	\$80,082	\$76,637	\$80,033	\$79,490	\$6,365	8.01%
14	\$83,124	\$75,510	\$81,300	\$80,182	\$82,147	\$81,882	\$79,985	\$88,003	\$81,979		\$79,565	\$82,080	\$71,417	\$81,882	\$77,687	\$81,324	\$80,538	\$6,679	8.29%
15	\$84,256	\$76,550	\$83,120	\$81,663	\$83,502	\$82,798	\$81,495		\$82,976		\$80,821	\$84,080	\$71,417	\$83,582	\$78,736	\$82,615			
16	\$85,389		\$84,940	\$83,144		\$83,934	\$83,005		\$82,076		\$82,076		\$71,417	\$85,482	\$79,785	\$83,906			
17	\$86,521		\$86,760	\$84,625		\$85,070	\$84,515		\$83,332					\$72,617	\$87,482	\$80,834			
18						\$86,207	\$86,025							\$73,817	\$88,482				
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As shared in July, the contract that expired on June 30, 2024, included salary schedules above the county average. As you can see from the slides from the July 30, 2024, presentation, our teachers' salaries have been well above the county average. Our teachers' salaries are highly competitive with the other higher-paying districts in the county. Again, the board seeks a fair and competitive contract, which our teachers deserve, while balancing the many considerations the Board must weigh when negotiating a contract.

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Communicating with Local Media

Communicating with local media, at no time has the Board reached out to or initiated discussions about negotiations with our local media. Lancaster Newspapers reached out to the Board in mid-August after their discussion with HEA. The entire Board's response to LNP was posted on the District's website.

WGAL also contacted the Board to respond to HEA's statement that stated, "The board has yet to provide a proposal that meets even baseline expectations of our members."

We provided the following response to WGAL:

- As we begin a new school year, we understand there are concerns regarding the delay in approving the teacher contract. Our goal continues to be to provide a fair and equitable contract for our professional staff while balancing the many needs throughout the district.

- As in past years, we remain committed to providing our teachers with the resources and support needed to begin the school year smoothly. This includes maintaining all existing benefits and conditions of employment until a new contract is settled. While we are disappointed the agreement has not been finalized, we are actively engaging in discussions with the teachers' union to address outstanding issues.

- We appreciate the patience and understanding of our community as we work through these negotiations.

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Negotiation Meetings

Individuals have shared that they have heard from HEA that the Board has been unwilling to meet, especially during the summer months, or that the board is delaying the process. This is not true. The board and HEA mutually agree upon any/all meeting dates. A state-mandated mediator also attends the sessions, and both the Board and HEA have picked dates that coincide with the mediator's schedule. The teams have met 11 times since December 2023.

Regarding the summer, the Board team provided dates to meet in June and July, but the dates did not suit those who needed to attend. The same applied to HEA's proposed dates. That said, the mutually agreed upon dates for the negotiation sessions include: 12/20/23 1/11/24 2/8/24 2/29/24 3/14/24 4/11/24 4/22/24 5/9/24 5/30/24 8/5/24 8/29/24

There are two additional meetings scheduled in the coming weeks.

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Wrap Up

To wrap this up in closing, to date, the board team has provided HEA with four (4) proposals. Each proposal was fair and very competitive with other higher-paying districts in the county. The board will give HEA its fifth proposal before the next meeting. The fifth proposal is, again, fair and very competitive with other higher-paying districts in the county.

The board takes its role seriously and is mindful that our taxing authority directly impacts all our taxpayers in the Hempfield community. Our community must remember that approximately 73% of our revenue comes directly from all our taxpayers. Our board is highly mindful that while offering a fair and very competitive contract is essential, it must be financially affordable in the short and long term. Each proposal provided to HEA has been financially affordable and will continue to allow the District over the next several years to not only afford the teachers' contract but also begin to address the vast number of needs across all our facilities.

Thank you to those of you who are here tonight to share positive stories in support of our teachers and our entire staff. I will also say that, I can speak for myself, that I have received a number of emails from folks in the community that have also shown support for us as a board, for the teachers and the entire staff, and for the process overall. So thanks to you all for reaching out in that regard. I hope this is not our staff's first time hearing your message. Please contact our staff regularly and share your positive thoughts and experiences. They deserve to hear it.

I want to personally address you as not just a member of the school board, but as a Hempfield parent who cares deeply about the education our children receive daily. Some of you are my neighbors, personal friends, and fellow cheerleaders who cheer our kids on from the sidelines. You teach my children with the same passion you show to all students, and I am grateful for that. I understand the concerns and frustration surrounding the expiration of your contract. We do wish this was settled. We all want to be recognized and appreciated for the work we do each and every day. It motivates us to do better and to give more of ourselves. The impact our entire staff has on our students' lives is immeasurable.

To our teachers - please know that we are committed to working toward a resolution acknowledging your vital role in our district while balancing all of the district's needs. We appreciate all that you do to make Hempfield a better place.

Thanks again to you all. We appreciate the patience and understanding of our community as we work through these negotiations.