

October 8, 2018

Great Valley School Board and Teachers Union Approve New Three-Year Contract

The Great Valley School Board and its teachers union, the Great Valley Education Association, have approved a new three-year contract. After months of negotiations that began in January, 2018, both sides agreed to move to Fact Finding in which a neutral, state-appointed arbitrator analyzed the district's and union's position and proposed a settlement. Both the Board and Union have voted to approve that proposal, which is now a binding contract.

"We are very pleased that we have reached an agreement that benefits the District and the teachers," said Great Valley School Board President David Barratt. "Great Valley has excellent teachers, and we feel this contract both recognizes and rewards their hard work but also balances the other financial needs and obligations of the school district and its taxpayers, as well as introduces a high level of employee accountability."

The contract includes a sophisticated balance of concessions on both sides, including cost savings in health care for the district and a restructured salary schedule that reduces the annual step increase to 1.45% during the third year of the contract.

The settlement includes an overall 3.27% pay increase for teachers in the first year, and 2.99% overall pay increase in the second and third years of the contract. To offset the cost of the increases, the contract also changes the healthcare plan to a less expensive option, with teachers contributing 12% of the premium the first two years, and 15% in the third year. The district's health care costs have skyrocketed over the last few years. The change saves the district more than \$880,000 over three years. The higher contributions and plan design modifications are now more in line with other school districts in the region.

The contract also includes:

- The requirement that salary increases and stipend eligibility will be tied to teacher performance evaluations;
- Cost containment of prescription drug expenses by creating a new copayment schedule for prescription drugs and requiring employees to make a new premium contribution. This is the first contract in the history of the District to include this language;
- An increase in the rigor of acceptable graduate level course work in order for teachers to move along the salary schedule.

The changes in the contract will net veteran teachers an overall positive compensation, if they elect the new core health benefit plan, permitting the district to continue to recruit and retain the area's best teachers while controlling labor costs.

The new contract also changes health care benefits for retired employees, effective July, 2020, the third year of the contract. Instead of paying three years of health care in retirement, the District will make a one-time payment of \$20,000 into a health care retirement account, shifting the responsibility for health care to the retiree. This modification will reduce the District's negative retiree health benefit experience, which is currently on its self-insured plan.

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