

American Arbitration Association

CLASSIFIED EMPLOYEES' ASSOCIATION,

Association,

And

**MATANUSKA-SUSITNA BOROUGH SCHOOL
DISTRICT,**

District.

**ADVISORY INTEREST
ARBITRATION AWARD**
AAA Case Number: 01-22-0005-1657

Date Issued: August 8, 2023

Before Arbitrator: JC Gonzalez, Esq.

For the Association: Jessica E. Miguez
NEA-Alaska

For the District: John M. Sedor
Sedor, Wendlandt, Evans & Filippi, LLC

Type of Arbitration: Public Sector Advisory Interest Arbitration
Applicable Law: Alaska Public Employment Relations Act

Award Summary

This case is administered under the terms and procedures of the American Arbitration Association. I, the undersigned Arbitrator, having been designated by the above-named Parties and having duly heard the proofs and allegations, hereby issue this Advisory Report.

A. BACKGROUND

As per Alaska Statute 23.40.200 this is an advisory interest arbitration between the Classified Employees' Association (CEA or Association) and the Matanuska-Susitna Borough School District (District or Mat-Su District), just north of Anchorage, Alaska. The CEA is the exclusive bargaining representative for classified employees in the District. The collective bargaining agreement (CBA) between the Parties dated July 1, 2019 to June 30, 2022 remains in effect and covers about 900 classified employees of the District. The district serves the borough for student learning of just under 20,000 students at 48 schools. The district is often referred to in Alaska as one of the Big Five.¹

The Parties began formal negotiations on or about March 1, 2022. The Parties have tentatively agreed to most of the successor contract language with some exceptions. On December 7, 2022, the Parties declared impasse in negotiations for the above agreement that expired in 2022 on three issues.² Alaska's Public Employment Relations Act requires a municipal school district and its employee association to submit to advisory arbitration when there is impasse over a successor collective bargaining agreement. In general, the party seeking a change to the status quo has a burden of proof. This advisory arbitration addresses the following unresolved three issues:

1. Article VII, Section A – Health Insurance
2. Article XII, Section A – Wages
3. Article XII, Section G – Wage Premiums

¹ The other four of the Big Five are the Anchorage School District, the Fairbanks North Star Borough School District, the Juneau School District, and the Kenai Peninsula Borough School District.

² In addition to the three impasse issues, the Parties have not tentatively agreed to Article XIV on the Term of the Agreement but both sides conceptually agree to a three (3) year term. Reaching tentative agreement on the term of the contract is subject to agreement on the remaining issues in impasse.

The Parties have agreed to extend their current contract under what is referred to as the Dynamic Status Quo. Hearings were held in-person on April 10 and 11 of 2023 in Palmer, Alaska. Although the Parties have submitted final proposals to the Arbitrator on May 26, 2023, the Arbitrator is not limited to choosing one Party's entire proposal over the other. Instead, the advisory Arbitrator is free to select one or the other proposal per issue or even recommend his own proposal as a final advisory "report" that is not binding upon the Parties.³ In making this report the Arbitrator has reviewed and considered all of the evidence, authorities and arguments submitted by the Parties. Any arguments not referenced were considered, incorporated and/or dismissed in the writing of the recommendations for this report.

B. PARTIES' APPLICABLE 7/1/2019 – 6/30/2022 CBA PROVISIONS

Article VII: Employee Benefits, A. (Health) Insurance

1. The District will pay \$1514 per member per month of the group health premium or any lesser amount should the premium be reduced. If the premium increases over the \$1514 amount the District and the employee (.875 or higher FTE) will pay the increased amount on a 50% - 50% basis. Employees shall have the option of opting out if they do not want to pay their share of the premium, and in such case, the District shall not be required to pay any share of the premium. Any fulltime employee desiring to opt out must provide proof of other health insurance coverage. The District shall be obligated to pay this amount per .875 or higher FTE employee per fiscal year to the health insurance provider for health insurance except for employees who opt out of health insurance coverage. Employees whose FTE is between .75 - .874 will pay, in addition to the employee's premium, 25 percent of the District's portion of the premium. Employees whose FTE is between .50 - .75 will pay, in addition to the employee's premium, 50% of the District's portion of the premium. For FY 20 the health insurance provider will be the Public Education Health Trust. A successor provider if other than PEHT will be agreed to by the District and CEA based upon proposal(s) from alternate providers. Disapproval by either party shall be subject to a Labor Relations Agency unfair labor practice complaint based upon allegations that the failure of approval was arbitrary, capricious and/or unreasonable, constituting a ULP. Approval or disapproval must be communicated to the other party in writing within sixty calendar days.
4. The insurance plan description, deductibles, and limitations of coverage shall be determined by the CEA and the health insurance provider, provided that CEA does not enhance the plan or coverage which results in an increased cost to the District. Such

³ Alaska law under 8AAC 97.280 on Advisory Arbitration directs the Arbitrator to review the issues and make a report, including any recommendations.

determinations shall not be subject to the grievance procedure under Article XI of this Agreement.

Article XII: Wages, A. Wages

The salary schedule for FY 2020 will be the same as the FY 2019 status quo schedule. The salary schedule shall increase by 1.5% in FY 2021 and 1.5% in FY 2022.

In addition, eligible employees will be paid a one-time non PERS lump sum amount of \$1,500 prorated based on FTE within 30 days of the ratification of the tentative agreement by both Parties. To be eligible employees must be employed on the date of ratification.

Article XII: Wages, G. Premiums

The following employees will receive hourly premium pay in addition to their base salary on Appendix A.

Classified Employee Salary Schedule: See Appendix A of the Parties' CBA

C. APPLICABLE STATE of ALASKA STATUTES

Public Employment Relations Act 23.40.200 Classes of public employees; arbitration;

Subsection (g): Under the provisions of (d) of this section, if an impasse or deadlock is reached in collective bargaining negotiations between a municipal school district, a regional educational attendance area, or a state boarding school and its employees,

(1) the Parties shall submit to advisory arbitration before the employees may vote to engage in a strike; the Arbitrator shall

(A) be a member of the American Arbitration Association, Panel of Labor Arbitrators, or the Federal Mediation and Conciliation Service;

(B) have knowledge of and recent experience in the local conditions in the school district, regional educational attendance area, or state boarding school; and

(C) be determined from a list containing at least five nominees who meet the qualifications of this subsection; this list shall be considered a complete list for the purpose of striking names and selecting the Arbitrator;

(2) if, under (1) of this subsection, advisory arbitration fails, a strike may not begin until at least 72 hours after notice of the strike is given to the other party; in any event, a strike may not begin on or after the first day of the school term, as that term is described in AS 14.03.030, unless at least one day in session with students in attendance has passed after notice of the strike is given by the employees to the other party. (§ 2 ch 113 SLA 1972; am §§ 3, 4 ch 1 SLA 1992; am §§ 17, 18 ch 113 SLA 1997; am §§ 1, 2 ch 130 SLA 2003)

Collective Bargaining Among Public Employees Part 8 of the Alaska Admin Code 97.280. Advisory arbitration.

(a) Upon a finding of impasse by the labor relations agency or a stipulation of impasse between a public employer and the employee representative of a municipal school district, regional educational attendance area or state boarding school employees subject to advisory arbitration under AS 23.40.200, the labor relations agency will order the Parties to advisory arbitration. If the Parties are unable to agree on the selection of an Arbitrator within ten days of the issuance of the agency's order to arbitrate, the agency will refer the Parties to an advisory Arbitrator. The Parties will present their positions to the Arbitrator at a time mutually agreed to or, if no agreement is reached, at a time determined by the Arbitrator. The Parties may submit to the Arbitrator reports of proceedings to date, any mediation reports, and any other relevant materials. The advisory

Arbitrator shall review the issues and make a report, including any recommendations. The advisory Arbitrator shall serve the report upon the Parties and upon the agency in accordance with 8 AAC 97.015. The report of the advisory Arbitrator is not binding.

D. SELECTION OF COMPARATORS

The selection of comparators is a critical step in ensuring equity and fairness in the interest arbitration process.⁴ Ideally, a competitive set will be geographically, economically, and demographically similar to our target, the Mat- Su District. The Association and the District agree that the public employers to be used for comparison are the remaining districts of the Big Five school districts in Alaska. As a result, the Arbitrator determines that the appropriate comparators for the Matanuska-Susitna Borough School District (Mat-Su District), are the Anchorage School District (Anchorage District), the Fairbanks North Star Borough School District (Fairbanks NSB District), the Juneau School District (Juneau District), and the Kenai Peninsula Borough School District (Kenai PB District).

E. ARBITRATOR’S DETERMINATION ON SPECIFIC ISSUES

Article VII, Section A on Health Insurance – the Association’s Proposal is Recommended

Position of the Parties

The District makes a good argument on obtaining a degree of transparency on de-identified claims. The Public Education Health Trust (PEHT) is a type of cooperative pooled insurance with other districts in Alaska known as a Voluntary Employee Benefits Association.

The District extensively argues that PEHT is not sufficiently collaborative or transparent. On the contrary, the PEHT purposefully withholds information from its clients and is completely unaccountable. That PEHT is not a party to these negotiations and yet, has had a significant

⁴ See Aitchison, Will, Downes, Jonathan Downes, and David Gaba. “*Interest Arbitration.*” 3rd Edition. LRIS Publications, 2022.

negative impact on the negotiations by standing aloof and behind its self-serving policy of providing no information. PEHT demands abject trust in the myriad health insurance calculation determinations it makes. For this round of negotiations PEHT refused to provide claims information as requested by the District. Further, PEHT's attempts to obfuscate the issues, illustrates the purposeful ignorance practiced by PEHT.

The District further states that PEHT does collect claims data for individual districts and associations. This was testified to by Ian Stark who, as the actuary for PEHT, confirmed that PEHT collects and has access to the claims data at a district level. PEHT simply claims that it does not look at it. This willful ignorance is for the sole benefit of its own interests, regardless of what may be in the best interest of any particular pool or district.

The District argues that a specific frustration arises between the costs of health insurance for “on-road systems” versus “off-road systems”.⁵ Mat-Su is an on-road system and the concern is that off-road system' insurance greatly burdens the cost for on-road system' insurance. That 70% of the districts in the PEHT pool are fundamentally dissimilar to the Mat-Su District because they are off-road system, remote districts. The PEHT, however, does not provide any information regarding this comparison to the District. The District wants to use the geographic data on PEHT coverage to run a pricing exercise that would allow the District and CEA to know the actual cost of coverage and determine if that cost can be reduced through alternative

⁵ As reported by the Districts post-hearing brief, the school districts in PEHT – other than Mat-Su, are currently as follows: Anchorage (on road system), Craig (on Prince of Wales Island – off road system), Haines (single cite remote district, 348 road miles through Canada to reach the Alaska border), Juneau (southeast Alaska and off road system), Klawock (on Prince of Wales Island and off road system), Nenana (single site district on road system), Tanana (off road system accessible by air), Bristol Bay (western Alaska off road system), Copper River (road system and 138 miles east of Palmer), Delta Greely (road system and 290 miles northeast of Palmer), Hoonah (on Chichagof Island and off road system), Kake (on Kupreanof Island and off road system), Petersburg (on Mitkof Island and off road system), Wrangell (on Wrangell Island and off road system), Chatham (on Chichagof Island and off road system), Cordova (on the east side of Prince William Sound and off road system), Denali (north of Mat-Su on road system), Hydaburg (on Prince of Wales Island and off road system), Kashunamiut (on western coast of Alaska and off road system), and Pribilof (in the Bering Sea and off road system).

providers of health insurance. The District argues that other mutually beneficial options, including self-funding,⁶ should be considered. Ultimately, the District believes that neither District payments to PEHT nor employee premiums should be used to subsidize other non-Mat-Su Districts.

The District also argues that PEHT is purposefully hiding the fact that the Mat-Su District members are subsidizing other districts and instead, is spreading the false narrative that the District's purpose in wanting to change the health insurance provider is to be able to identify high-cost insurance employees to dismiss them from employment with the District. This is a violation of the duty of fair representation of CEA to its membership.

The District proposes to establish a health insurance committee of which CEA will participate jointly with the District and will evaluate aggregated de-identified claims data, health insurance alternatives, and the health insurance provider. That this active management of health insurance will work not only to create an atmosphere that encourages the provider to provide the most value per dollar possible but also to educate all participants regarding the complexities and opportunities of health insurance. As per the spending of approximately \$40 million per year, the District and CEA should have substantial say in the design and plan of health insurance coverage for the employees.

The District proposes a plan with a provider by the name of Premera. Premera is a reputable, robust, and established non-profit provider. Premera would offer a qualified high deductible health plan (HDHP) with generous funding of a health savings account (HSA) by the District or a "mimic plan" that is similar to the current PEHT plan design. This proposal is in line with established healthcare insurance that the District has already established outside of PEHT

⁶ To be clear, the District is not currently proposing a self-funding strategy to cover the cost of healthcare at Mat-Su.

with three other employee groups. These groups began Premera coverage for fiscal year 2022 and the district has been able to begin to collect relevant data to determine value. The early results are positive and promising providing information along with HIPAA compliant de-identified claims information to provide real data that can help contour insurance products to their data-driven needs and free up resources for other needs including but not limited to employee' salaries. The Premera plan further guarantees employee premiums for the remaining term of the collective bargaining agreement. Under the District proposal employee' premiums for virtually all members would be reduced in fiscal year 2024 and held flat at a reduced rate for fiscal year 2025. The District states that these rates will be significantly lower than PEHT rates for fiscal year 2024 and fiscal year 2025. The District argues that the only certainty with PEHT is that plan rates and employee' premiums will go up. PEHT recently announced rate increases of 5.6 to 5.9% for fiscal year 2024. There is no certainty as to how much more rates will go up in fiscal year 2025.

The Association is proposing to maintain the current health insurance provider, PEHT, and the same insurance premium cost-sharing structure in which cost increases are split 50-50 between the Parties. The Association argues that the District's HDHP with an HSA plan, is not a good fit for many current classified employees and that it would be the only option for future employees hired after fiscal year 2023 under the District's proposal.

The Association argues that an HDHP plan might not be a good option for families planning to have babies or young children, those with chronic and/or severe illnesses or older adults.⁷ Further, the CEA has its own internal Health Insurance Committee that selects provider and plan options based on member input. As a result, an HDHP as one of its options. Only 63

⁷ The Association's post-hearing brief quotes Kaiser Family Foundation, AX#56 and #59.

employees, out of 578 who participated in an employee sponsored health insurance plan, selected the plan in fiscal year 2022. The CEA Health Insurance Committee knew about the Premera proposal and did not choose it, indicating that they did not find the option as attractive as the current provider.

The Association also argues that it is not standard for Big Five school districts to have access to their employees' insurance claims data. Both the Juneau School District and the Anchorage School District also use PEHT as their health insurance provider for their certified teaching employees, as do the Mat-Su teachers association. Both Kenai District and Fairbanks School District are self-insured for certified teachers and classified employees alike and reasonably have access to claims data. Despite these two districts likely having access to claims, it is not standard to do so.

To the CEA employees, the top priority is privacy. The CEA employees are aware that PEHT does not share disaggregated data with the District, and they prefer it that way. They prefer to have more control over which plans are offered. The CEA employees don't want to exchange their privacy and control over their healthcare for a HDHP and an HSA. Further, testimony was given about the success at the Kodiak Island Borough School District in educating, incentivizing, and eliciting buy-in from their employee group. Apparently, this progress was accomplished through a several years' long effort that brought the local union on as a partner and allowed individuals to have choice well before any entire employee groups were moved over. This progress was not forced through the bargaining process. The current CBA between CEA and the District, clearly outlines both PEHT as the health insurance provider, as well as a mechanism for when one party or the other wants to change health insurance providers – a mechanism that that was not used by Mat-Su during the life of the contract, prior to

bargaining. Lastly, insurance benefits available to CEA employees are competitive with those provided to employees in other school districts.

Arbitrator's Advisory on Healthcare

The Arbitrator advises that it is reasonable, given that the Mat-Su District pays over \$40 million per year in premiums to PEHT, for the District to be provided relevant premium information based on geographic data. It is reasonable for the District to be considered a stakeholder in the determination of health insurance benefits for their District.

It is also reasonable for the Association to not be motivated in trading their current health insurance language and provider for a HDHP and HSA. Purchasing insurance through a broker can be expensive and an HSA can shift the liability of care to employees, with some employees being challenged to maintain sufficient savings for their unique needs. It is reasonable for the members to be concerned with an HSA because an HSA does not work for everyone. In an indirect way, an HSA is perceived as a way to separate employees with higher healthcare needs from the pool of employees with lower healthcare needs. The employees with higher healthcare needs become removed from the covered insurance pool through the HSA and become responsible for their own above-average healthcare, above and beyond their health savings account funds.

The Arbitrator cannot recommend acceptance of the District's proposal on healthcare as the District has not met its burden of proof to establish the changing of the current language. Interestingly, the District and Association both agree with the contention⁸ that the only path forward is through working together. The Arbitrator agrees, in order to achieve such a drastic move away from current contract language, there must be exhaustively collaborative discussions.

⁸ See District post-hearing brief at page 30 and Association post-hearing brief at page 22 both advocating working together as the only path forward to find a workable health insurance approach.

Generally speaking, there are many options for healthcare. The best options for a group, a community or a state, call for extensive analysis, communication and problem solving between all the stakeholders – District and Association. The enemy is not the District trying to get transparency, efficiency and the best value, nor is the enemy the Association fighting for privacy, the best value and coverage for all. The Districts and the Associations have more in common interests than they do in separate interests. The true enemy, for the purposes of this issue and this report, is the insatiable rising costs of healthcare. The Parties must work together in order to find the best solution(s). In combination with rising inflation and the upcoming “fiscal cliff” of costs, as reasonably reported by the District, the Parties must find a collaborative solution.

Article XII, Section A - Wages – the Arbitrator has formulated his own proposal for recommendation.

Position of the Parties

The District argues that the district salary/wage proposal is reasonable and competitive in light of the fiscal challenges that they will have in the coming years. Further, the CEA workforce has a differential makeup regarding work schedules and the salary schedule. Unlike other employee units, the range of positions and work schedules is more varied. Only 40% of the CEA unit members are full-time and only 16% of the unit members work year-round. In other words, a large number of full-time employees are not year-round employees. These variations result in a wide range of salaries for CEA unit members. While full-time year-round staff currently average \$57,765 a year, full-time only (not year-round) staff have an average salary of \$44,807. All CEA members receive increases according to the salary schedule. The placement of employees on the schedule is not static, eligible employees receive step raises annually. Each step provides a 5% raise. So even without a change in the salary schedule, all eligible employees receive a 5%

increase in pay each year. Employees who reach the end of the schedule at step 10, receive longevity payments equal to 5% of their prior fiscal year wages but not less than \$1500. A CEA employee eligible for step raises will receive 15% (not compounded) over the 3-year CBA term. Lastly, 72% of CEA unit members are eligible for step raises.

The District's proposal for FY 2023 through FY 2025 is in two parts.

Part 1: Increases to the salary schedule:

- For FY 2023: \$0.75 per cell increase to the salary schedule, retroactive to the beginning of the 2022-2023 school year for unit members employed as of ratification. The District represents this to be about a 3% increase to the salary schedule.
- For FY 2024: an additional 2% increase to the salary schedule.⁹
- For FY 2025: an additional 2% increase to the salary schedule.¹⁰

Part 2: Changes to the structure of the salary schedule by elimination of the following steps:

- At Grade 1: elimination of Steps 0, 1, 2 and 3
- At Grade 2: elimination of Steps 0, 1 and 2
- At Grade 3: elimination of Steps 0 and 1
- At Grade 4: elimination of Step 0
- NOTE: Employees in any of the eliminated cells would be moved to the next existing step. New hires would be placed in the first existing cell of the Grade. For example, a new Grade 2 employee would be placed in Grade 2, Step 3.

⁹⁹ Note that steps already have a 5% increase between steps.

¹⁰ Same note as above on the base 5% increases between steps.

- NOTE: as this Arbitrator is not recommending the District's health insurance proposal, the impact on compensation presented by the District as a combination of increases to both wages and increases to health insurance benefits is not discussed.

CEA argues that inflation and the consumer price index (CPI) have sharply risen in recent years eroding CEA employees' purchasing power. The CPI for urban Alaska, the CPI applicable for the Mat-Su district, rose sharply in the past couple years after a long stretch of relatively modest inflation gains. In 2021 the CPI rose 4.9% and in 2022 the CPI rose an additional 8.1% for a total of 13% increase over two years. This drastic shift in CPI increases has had significant impacts on the purchasing power of CEA employees. During the hearing, CEA president Rick Morgan, describe how classified employees have one or even two jobs in order to make ends meet. He spoke specifically about a classified employee who had to leave employment at the Mat-Su school district to go to Home Depot for better wages and benefits. The association argues that the employees love working for the District and supporting students and that they deserve to be paid a living wage. Lastly, the District has a track record of overestimating expenditures and year end surpluses in general operations. During each of the previous five fiscal years the District's actual expenditures have been less than the budgeted operating expense.

The Association argues that its wage proposal was developed in significant part to address the substantial increase in everyday necessities experienced during the past couple of years. Given that the District has a track record of overestimating expenditures and year end surpluses in general operations, as well as consistently receive more in revenue than spent in expenditures, it is clear that the district can afford to pay the Associations' salary proposal.

The Association's proposal for FY 2023 through FY 2025 is in two parts.

- Retroactive \$2
- For FY 2023: 4% increase in the salary schedule
- For FY 2024: additional 4% increase
- For FY 2025: another 4% increase
- NOTE: The CEA bargaining team generated this proposal to achieve 2 primary outcomes. First, to keep the CEA salary schedule competitive to attract and retain high quality employees. And second, to maintain purchasing power for bargaining unit members to address inflation of recent years.
- NOTE: Currently, in the Low-End Range, the starting wages for Mat-Su classified employees are the lowest among the Big Five.
- NOTE: At the High-End Range, Mat-Su classified employees rank fourth place of the Big Five in wages.

Arbitrator's Advisory on Wages

In consideration of all the arguments, evidence and authorities presented by the Parties, the Arbitrator has formulated the following recommendation:

- Retroactivity and FY 2023 wages as proposed by the District: For FY 2023: \$0.75 per cell increase to the salary schedule, retroactive to the beginning of the 2022-2023 school year for unit members employed as of ratification. The District reports that this is about a 3% increase to the salary schedule.
- FY 2024: 3% increase across the board to the salary schedule.
- FY 2025: 3% increase across the board to the salary schedule.

- Elimination of Steps: both Parties agree that the pay scale at the entry levels need to be more competitive in order to attract talent. As a result, the Arbitrator recommends acceptance of the District’s proposal of changing the structure of the salary schedule by the elimination of the steps.
 - At Grade 1: elimination of Steps 0, 1, 2 and 3
 - At Grade 2: elimination of Steps 0, 1 and 2
 - At Grade 3: elimination of Steps 0 and 1
 - At Grade 4: elimination of Step 0
 - NOTE: Employees in any of the eliminated cells would be moved to the next existing step. New hires would be placed in the first existing cell of the Grade. For example, a new Grade 2 employee would be placed in Grade 2, Step 3.

Article XII, Section G - Premiums – the District’s Proposal is Recommended

Position of the Parties

The Association argues that premiums can best be defined in terms of pay differential or increases to an employee's hourly wage based on certifications attained by the employee so that they qualify to or can better perform a particular task. In the current collective bargaining agreement the three main job categories that qualify for premiums are Facilities, Information Technology, and Special Education/Related Services Assistance.

CEA proposes to have a comprehensive conversation around what updates might need to be made to the premiums in terms of amounts, new job classifications that require certification, and new job classifications that might need to be added to the list. A committee that addresses premiums comprehensively for all three groups will help the district stay competitive with other

nearby districts and local markets. The Anchorage School District, located directly to the South of the Mat-Su District, pays its starting journeyman electricians almost \$6 an hour more than the Mat-Su District. A conversation about how to better keep up with the nearby districts will prevent the Mut-Su District from losing these employees to other opportunities.

The District argues that the CEA has proposed the formation of a committee to complete revisions to the premium schedule. CEA did not update the premiums to include the current status quo. The District believes that the ad hoc process has been working and CEA did not present any testimony that it was not working.

The District proposes to incorporate the current status quo and the current approach to continue the ad hoc method by which CEA has brought concerns about wage premiums to the District periodically. It is by this approach that the Parties have been able to find common ground. The District asks the Arbitrator to recommend the District's proposal simply updating the wage premiums to the current status quo.

Arbitrator's Advisory on Wage Premiums

The Arbitrator recommends the District's proposal to update the wage premiums to the current status quo. The association did not meet its burden of proof to establish acceptance of a change in the current contract language.

F. FINAL RECOMMENDATION

As this is an advisory recommendation, the Arbitrator respectfully shares this final evaluation and recommendation. Although the Arbitrator believes that a cooperative healthcare strategy is one of the best and most effective ways to maintain health insurance for an entire group, more creative and, therefore, collaborative solutions must be found in order to ebb the tide of future healthcare cost increases. Given the current national crisis with rising healthcare costs, therefore, the Arbitrator strongly recommends the Parties form a joint committee to explore the best solutions for their healthcare going forward.

G. SUMMARY: ARBITRATOR NON-BINDING ADVISORY RECOMMENDATION

Having carefully considered all evidence, authority, and argument submitted by the Parties concerning this matter, pursuant to Alaska Statute 8 AAC 97.280, the Arbitrator issues the following non-binding advisory recommendation:

- Article VII, Section A – Insurance: The Association’s proposal is recommended. Also, for the Parties to form a joint healthcare committee to find better solutions to reduce costs.
- Article XII, Section A – Wages: The Arbitrator’s own formulation as described above is recommended.
- Article XII, Section G – Wage Premiums: The District’s proposal is recommended.

H. CONFLICTS BETWEEN SELECTED PROPOSALS

The process dictated to the Arbitrator of recommending proposals for disputed negotiation issues can result in an imperfect collective bargaining agreement. Due to this limitation, the final Arbitrator's selected proposals may have resulted in conflicts and/or gaps

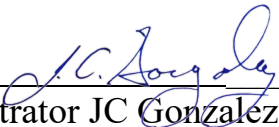
that will need to be resolved by the Parties. If necessary, any unresolved conflicts, gaps and/or questions can be brought back to the Arbitrator for review and a final recommendation.

I. FEES AND JURISDICTION

It is the Arbitrator's understanding that the Parties have agreed to split the Arbitrator fees for the writing of this report.

The undersigned retains jurisdiction over this report for a reasonable period of time to resolve any disputes that may arise between the Parties regarding the interpretation or application of this report.

Respectfully submitted,



Arbitrator JC Gonzalez, Esq.
DATED: August 8, 2023

