

In the Matter of Statutory Factfinding involving:

COLDWATER SCHOOL DISTRICT,
Employer

-and-

COLDWATER EDUCATIONAL SUPPORT
PERSONNEL,
MEA/NEA
Union.

MERC Case No. L 98 F-1028

Appearances:

For the Employer: Martha Marcero
Thrun Maatsch & Nordberg, PC

For the Union: Susan Burt
Uniserve Representative

Also present for portions or all sessions: Gary Barker, William Chinery,
J.R. Colbeck, Brenda Fowler, Kathy Klaiss, Mike Stevens, Kathy Waltz.

FACTFINDER'S FINDINGS,
OPINIONS,
AND RECOMMENDATIONS

Coldwater School District

I. INTRODUCTION.

This matter was initiated by a petition filed by the Union on September 8, 1998. It states that the parties had then engaged in four sessions of mediation without resolving approximating 22 issues then separating the parties in the formation of a new [1997-2000] collective bargaining contract. Pursuant to its statutory authority under the Labor Mediation Act, MCL 423.210 and 423.225, the Michigan Employment Relations Commission appointed the undersigned on November 11, 1998, to serve as factfinder in the matter. Pursuant to that mandate I held hearings on February 18, February 24, April 21, and June 8, 1999. At the beginning of factfinding, 14 non-economic and 8 economic issues were presented. All non-economic issues were resolved by the end of the February 24th hearing. Two of the eight economic issues were resolved at the April 21st hearing. [holiday/vacation pay, and funeral leave]. The remaining six issues were the subject of formal presentations. My findings and recommendations are presented below for each issue.

II. ISSUES IN DISPUTE.

A. WAGE INCREASE FOR 1997-1998.

The Union presented evidence showing that the wage increases granted during the 1997-98 contract year in "Athletic League" communities, i.e., those who are part of the Coldwater School District's athletic competition¹, as well as

¹ The "Athletic League" is composed of Hillsdale, Western, Lakeview, Harper Creek, Marshall, Sturgis, and Albion as well as Coldwater School Districts.

the two Districts which form a natural comparison group because of their presence in the County [Quincy and Bronson] were in the range of 2.5% to 3.0%.

The School District presented evidence of a new problem of decline in its General Fund Balance, and of its attempt to correct such imbalances by minimizing wage increases across the board.

It is the factfinder's recommendation that the wage adjustment for 1997-98 should be 2.5%. It should be paid retroactively to the beginning of 1997-98.

B. WAGE INCREASE FOR 1998-1999.

The School Board's presented evidence of a continuing decline in the General Fund Balance for the 1998-99 school year, as follows:

Fund Equity Balance, June 1996:	\$2.944 million
Fund Equity Balance, June 1997:	\$2.324 million
Fund Equity Balance, June 1998:	\$2.213 million.

The School Board further presented evidence of its consistent position against giving any raises to any group, including its non-represented administrators and its office staff during the 1998-99 school year.

The Union presented evidence that the General Fund Balance, when viewed as a proportion of total expenditures, was really not that low in Coldwater: 26% of total expenditures as compared to 14% in Quincy; 7% in Sturgis. [How-

ever, two communities had a higher proportion of general fund balance monies to total expenditures, and 3 communities were in approximately the same range as Coldwater.] Thus, argues the Union, the fund balance picture should not be taken as a measure of how impoverished the School District is.

The School Board's evidence tended to show that those communities with less than 20% of their total expenditures available in general fund monies at anytime are in danger of having to borrow funds in order to meet normal and regular expenses, without taking into account contingencies. It behooves the management of the School District to maintain a solvent situation, in other words. Funds in its general fund balance must meet two months' general expenditures, and then some—20% of total operating expenditures—or more, if any contingencies are figured in.

It does not appear that this School District has been too liberal or too lenient in regard to general fund balance. It appears, contrariwise, that the School District is justifiably concerned to maintain its general fund balance, and to take steps to counteract declines in the balance. In any event, that is the policy that management in its wisdom has decided to implement; and it has done so in a consistent manner by denying raises in 1998-99 to all employees, both in its represented units, and in its non-represented groups of employees.

It is the factfinder's recommendation that the wage adjustment for the 1998-99 year should be 0%.

C. WAGE INCREASE FOR 1999-2000.

The Union takes the position that the bargained-for wage increases for 1999-2000 among the Athletic League school districts is in the narrow band of 2.2% to 3.0%. The Union backed its position with evidence showing recent settlements. In line with these figures, the Union demands 2.5% for its represented employees.

The School Board observes that it has experienced declining enrollments over the last several years, 160 students lost in 1998-99 alone. The Board points out that there is every prospect of continuing decline in student enrollment in 1999-2000, with continuing shrinkage of State per capita reimbursements. The Board also notes that there have been program reductions, with concomitant lay-offs of personnel in other quarters [1 administrator, 2 librarians, 1 receptionist, 1 electrician] but that no bargaining unit personnel to date have been laid off. In order to maintain the status quo on numbers of personnel, says the Board, it must hold the line on 1999-2000 wage increases to 1.8%.

It is the factfinder's recommendation that the wage adjustment for the 1999-2000 year should be 2.5%.

D. WAGE INCREASE FOR PARAPROFESSIONALS.

These employees are paid on a different basis [hourly] than the secretaries, clerks, drivers, and others in the bargaining unit. They frequently work a rather limited part-time schedule. Their increases have, by tradition, been figured on the basis cents/hour rather than as a percentage increase on base pay.

First, it is recommended that all current employees in the paraprofessional classification be paid a minimum of \$6.00 /hour, effective retroactively to August 1, 1997. All new employees hired after that date should be paid \$6.00/hour retroactive to date of hire.

Secondly, in lieu of participating in the general increase shown in item (A) and (C) above, any employee earning at least \$6.00/hour but less than \$7.35/hour as of August 1, 1997, should be paid 0.27 ¢/hour retroactive to August 1, 1998. Furthermore, an employee who earned at least \$6.00/hour but less than \$7.35/hour as of August 1, 1997, should be paid an additional 0.27 ¢/hour, effective on August 1, 1999, provided however, that no employee shall have earned more than five such 0.27¢ increments from 1994 through 2000.

Thirdly, paraprofessional employees who were earning more than \$7.35/hour as of August 1, 1997 shall have a wage increase of 2.5% effective August 1, 1997; and 2.5% effective August 1, 1999.

E. INSURANCE.

The Employer presented evidence showing cost-sharing is now a common practice in the public sector as well as the private sector, both in Coldwater County and in surrounding counties. The Employer's proposal shifts some of the cost of health care to employees in the 1999-2000 year.

The Union presented evidence comparing the real dollar increase in wages proposed by the Employer to the actual shift in health care costs represented by its proposals. The Union maintains that the shift in health care costs all but eliminates wage increases for many families it represents.

The factfinder has determined that although not universal, it is common among the comparable communities, including Athletic District communities to have employees absorb some part of the costs of health insurance. The following proposal is deemed fair to employees who must shoulder this responsibility for the first time, and to the Board, which has compelling reasons to divest itself of the full responsibility it has been carrying:

Employees in the bargaining unit shall have the option of:

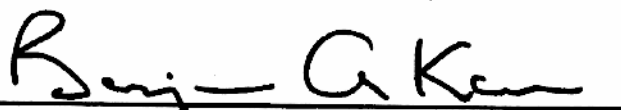
- (i) Purchasing co-payments on prescriptions in the amount of \$7.00 per regular prescription [\$5.00 for prescriptions for chronic conditions, if available by mail order, as defined by the Employer's plan]; or,
- (ii) Paying 50% of the cost of all premium increases, over and above the level of premiums on July 1, 1999.

In addition, it is the factfinder's recommendation that the Employer shall provide pro-rated health insurance benefits for bargaining unit employees working an average of 20-30 hours per week [effective January 1, 1999], but is not required to pay insurance benefits for bargaining unit employees working less than 20 hours per week.

III. CONCLUDING COMMENTS.

The theory of factfinding, in a nutshell, is that by making the facts of a labor dispute known to the public, the factfinder can bring the persuasive force of an outside neutral's opinion to bear on the positions of the parties. Through his opinion, the factfinder may entreat the parties "to be reasonable." Through his assessment of the arguments and his sifting of their facts, he may persuade both parties to accept a compromise on some important issues, or he may persuade one party to accede to the other party's position, or he may focus on external points of reference to persuade one party that its view of a contract provision is unreasonable. All of these are within the province of the factfinder. But his conclusions are merely recommendations—to be reviewed by the public and the parties alike. The parties may adopt his thinking in their own subsequent bargaining. They are not compelled to do so. MCL 423.210.

The above recommendations are meant to achieve a balanced approach to the renewal of the parties' collective bargaining expectations. If one party chooses to insist on all of the factfinder's recommendations that came out in its favor and to reject all those that did not come out in its favor, then obviously the benefit of a balanced approach will be lost for both parties. Each party must accept that where its interests did not succeed in impressing the factfinder as being meritorious, other proposals were considered meritorious; and given the nature of the evidence, which varied on each issue, it will be necessary to accept some "losses" in order to achieve an equitable contract. It is anticipated that through minimal additional bargaining, the parties will find solutions which approximate those outlined above.

A handwritten signature in cursive script, reading "Benjamin A. Kerner", written over a horizontal line.

Benjamin A. Kerner
Factfinder

June 9, 1999
Detroit, Michigan