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11/15/96

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

FACT FINDING REPORT

Buckley Education Association and
Buckley Education Support Personnel,
MEA/NEA/NMEA,

UNION

-AND-

MERC Case No. G 95 F-4016
G 95 F-4017

Buckley Community Schools,
EMPLOYER

APPEARANCES

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MERC
Rec'd 12/2/96

Buckley Community Schools

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FACT FINDING REPORT

I. BACKGROUND

The undersigned was appointed on July 16, 1996 by the Michigan Employment Relations Commission to serve as fact finder in this matter. A prehearing telephone conference was held on August 6, 1996 wherein open issues were identified and a hearing

date was scheduled for Friday, September 20, 1996. Due to a work stoppage by MEA Employees, Dr. William Howard, superintendent of the Buckley Community Schools, graciously agreed to the request by Deborah Nixon, MEA director, to postpone the first stated hearing in this matter until Friday, October 18, 1996.

In order to expedite this hearing the parties stipulated to present their evidence in a concurrent manner in light of the fact that two separate and distinct labor contracts are at issue in this matter. The Buckley Educational Association (BEA), through the Michigan Education Association (MEA) represents twenty-four (24) members of the Buckley Community Schools teaching faculty. The MEA also represents approximately nineteen (19) members of the administrative office of the Buckley Education Support Personnel Association (BESPA), consisting of support personnel that includes bus drivers, cafeteria workers, custodial, maintenance and mechanics. Existing contracts between the BEA, and BESPA and the Buckley Community Schools expired on August 31, 1995.

A full day formal fact finding session was held at the Buckley Community Schools on Friday, October 18, 1996. Due to the fact that both parties acquitted themselves in a professional manner and were well prepared and honored their commitment to expedite the hearing no further hearing dates were necessary.

The Union was represented by Roger Hopkins, Uniserv Director for the Michigan Education Association who presented eighty-one (81) exhibits and the Union position on each of the unresolved issues in dispute. The Employer was represented by Donald J.

Bonato, Thrun, Maatsch and Nordberg, P.C. who presented twenty (20) exhibits and the Employer's position on each of the unresolved issues in dispute. Two (2) Joint Exhibits were also entered into the record.

Witnesses for the Union included Lynn Gullekson, BEA president, Donna M. Lutke, MEA representative, Douglas W. Schroeder, MESSA representative and BESPAs president, Pam Hansen.

Witnesses for the Employer included Dr. William Howard, superintendent of the Buckley Community Schools and Brian Breneman, financial analyst from Dennis, Gartland and Niergarth, P.C.

Both parties are to be congratulated for an excellent job in the presentation of their proofs as well as their civility in presenting oral arguments in support of their respective positions.

II. BARGAINING HISTORY

As previously noted, the contracts between the Buckley Community Schools and the BEA and the BESPAs expired on August 31, 1995. The parties were unable to reach agreement prior to the expiration of these contracts. The record indicates that five mediation sessions were held of two to four hours each on October

19, 1995, January 26, 1996, March 19, 1996, May 6, 1996 and May 30, 1996. A petition for fact finding was submitted to the Michigan Employment Relations Commission on June 7, 1996. The term of the successor agreement is not in controversy. The parties have stipulated that their fact finding report should cover the 1995-1996 and 1996-1997 contract years.

The collective bargaining relationship between the parties has been difficult by virtue of the fact that there have been numerous millage defeats (three in 1992) and a number of services have been curtailed by the Buckley Board of Education in order to meet its obligations to maintain balanced budget. In 1994 both the BEA and BESPBA reached agreement with the Board of Education for a two and a half percent wage increase for the 1993-1994 and 1994-1995 school years. This agreement was reached after the parties were able to weigh the recommendations of the recommendation submitted by fact finder Donald L. Reisig. The Buckley Board of Education has been able to successfully weather three unsuccessful attempts for a millage or additional mills. On September 18, 1993 the voters successfully passed a three (3) mill Headlee override and restored transportation and sports programs for Buckley students.

Today projections for per pupil expenditures as provided by the State of Michigan is less confusing and more predictable compared with the last five years. For example, the state basic foundation grant is \$5,308 per membership pupil. Districts with foundation allowances of \$4,506 per pupil in 1995-1996 will

receive twice the dollar growth in the basic foundation allowance. These districts will receive increases of \$310 per pupil for 1996-1997. Districts like Buckley with foundation allowances of more than \$4,506 but less than \$5,153 per pupil in 1995-1996 will receive between one and two times the dollar growth in the basic foundation allowance. The exact foundation allowance for these districts is determined by a sliding scale formula and will be between \$155 per pupil and \$310 per pupil for the 1996-1997 school year. The financial information which has been provided by both parties is applicable for both the 1995-1996 and 1996-1997 contract years. Accordingly, this fact finding report and recommendation will cover 1995-1996 and 1996-1997 school years as stipulated by the parties

III. ISSUES AND POSITION OF THE PARTIES

The parties stipulated during the prehearing telephone conference that the Buckley Education Association (BEA) had two issues, salary and insurance and that the BESPAs had three issues, wages, longevity and insurance. All other issues have been resolved by the parties for the 1995-1996 and 1996-1997 contract years.

The BEA raised and presented evidence regarding the following

issues:

1. Wages for 1995-1996 and 1996-1997
(Appendix A)
2. Insurance
(Article 20)

The parties stipulated that any modification for benefits would apply only to the 1996-1997 contract year.

The Buckley Education Support Personnel Association (BESPA) raised and presented evidence regarding the following issues:

1. Wages for 1995-1996 and 1996-1997
(Section One of Appendix A)
2. Insurance
(Section Three of Appendix A)
3. Longevity
No current provisions.

BEA Proposal

1. Wages

(Appendix A)

Union position: The BEA proposes a two percent salary increase for the 1995-1996 contract year plus salary step increases. For the 1996-1997 contract year the BEA proposes a salary formula similar to the one used in the Forest Area Public Schools. This formula would be applied after implementing the 2.9 percent improvement on each salary step over the 1995-1996 salary schedule at the beginning of the school year. On the last pay in June the salary schedule would be refigured and paid retroactively based on the following formula:

If the final total state aid to the district as determined by the formula;

1996-1997 (Number of FTE students)(State Foundation Grant)

1995-1996 (Number of FTE students)(State Foundation Grant) is more than 2.9 percent,

then the salary schedule shall be increased by the difference, not to exceed an additional 2.1 percent. The total 1996-1997 salary schedule increase shall not exceed 5.0 percent over the 1995-1996 salary schedule.

The formula used to calculate the increased salary schedule will have an insurance adjustment (see below) made before any percentage is finalized. The insurance adjustment will be made once rate information is made available. After the insurance

adjustment is made and converted to a percent, the percent will be subtracted from the percent obtained from the above formula. Finally, if the remaining percentage from the formula is greater than 2.9 percent, an adjustment will be made to the salary schedule and the employees will be paid for the adjustment on the last pay in June. If a salary increase adjustment is made the new salary schedule will be used for computing future salary improvements.

Insurance adjustment:

Prior to making any adjustments to the salary schedule, an adjustment for increased insurance costs shall be made in the following manner:

- a. The increased cost of insuring the current staff for the 1996-1997 school year over the 1995-1996 school year shall be determined;
- b. For each additional \$1,390 in increased cost of insuring the current staff, the percentage obtained from the above formula shall be reduced by .14 percent
(Example: a 7 percent increase would lower the percentage by .7 percent).

Employer position: The Employer's position is that the salary schedule from (Appendix A) for 1995-1996 be frozen and that bargaining members be paid based upon the current 1994-1995 salary schedule. For the 1996-1997 contract year the Employer recommends its own formula with salary adjustments for bargaining unit members derived as follows:

1. Total teacher compensation shall be calculated for fiscal year 1995-1996 inclusive of bargaining unit member salaries, extra duty compensation paid to bargaining unit members, the aggregate cost of all insurance premiums paid on behalf of bargaining unit members, all tax shelter annuity payments made on behalf of bargaining unit members, all longevity payments, FICA contributions made by the district on behalf of bargaining unit members, all contributions made by the district on behalf of bargaining unit members to the Michigan Public School Employee Retirement System (or any future development retirement systems). The resulting sum of the above factors shall be reduced by (a) the difference in salary amount between each teacher separating during 1995-1996 and the salary schedule to be paid for their replacement in the 1996-1997 contract year and (b) the total compensation amount (inclusive of all factors specified above) paid to a bargaining unit member in 1995-1996 if the position held by that bargaining unit member is eliminated for fiscal year 1996-1997 and the bargaining unit member has been laid off. The net amount remaining after the reductions shall be considered the compensation base factor or CBF.

2. The compensation base factor (CBF) shall be adjusted for fiscal year 1996-1997 (July 1, 1996 to June 30, 1997). The adjustment will be based upon the percentage increase, if any, in the amount yielded by the student membership foundation allowance for the 1996-1997 fiscal year times the student enrollment as of October count day in 1996 over the amount yielded by the student

membership foundation allowance for the 1995-1996 fiscal year times the student enrollment as of October count day in 1995. The compensation base factor for the CCBF shall be multiplied by the percentage increase, if any, and the resulting product shall continue the compensation adjustment pool (CAP) for the bargaining unit for the fiscal year 1996-1997. The compensation adjustment pool is derived by taking the compensation base factor times the percent. All membership allowances are subject to audit and shall be determined by the final figures issued by the Michigan Department of Education.

3. The compensation adjustment pool shall be reduced by the following:

A. The total compensation cost attributed to the hiring of new bargaining unit members in the 1996-1997 fiscal year in excess (by FTE) of bargaining unit members employed in the prior fiscal year 1995-1996. These costs shall include salary, FICA, district contributions to MPERS and all premium costs for fringe benefits.

B. Any revenue loss attributable to decline in the audited per pupil membership October count. Any decline in revenue shall be subtracted to the extent that the total compensation of the bargaining unit using the factors mentioned herein relate to the district's total expenditures for 1995-1996.

C. All increased Employer FICA contributions.

D. All increased contributions for bargaining members to the Michigan Public School Employees Retirement System.

E. All increased insurance premiums for insurance coverages

F. All increased annuity costs paid for on behalf of bargaining unit members.

G. All increased compensation for extracurricular activities paid to bargaining unit members.

H. All increased longevity amounts paid on behalf of bargaining unit members.

I. All salary steps, increments and lane changes on the salary schedule.

J. All increased costs attributable to increase of unemployment compensation raises.

K. All increased costs attributed to increase in Workers Compensation insurance premiums.

The increased costs to the Employer, Items C through I are based on comparing actual costs from the prior fiscal year.

4. After deductions 80 percent of the remaining fund in the compensation adjusted pool will be allocated on a uniform basis to the 1996-1997 salary schedule for the bargaining unit. Any such amounts shall be inclusive of all increased FICA, retirement, longevity and Schedule B costs which are augmented by virtue of percentage or other increases being applied to the salary schedule. The Board's formula is tied to a requirement that any dispute regarding calculations be resolved by deferring the matter to the Board's CPA firm of Dennis, Gartland and Niergarth, P.C. This firm's interpretation would be final and binding rendering the existing grievance procedure inoperable for any dispute regarding the formula.

2. Insurance

Union position: That no retroactive changes be made to the 1995-1996 fiscal year and that any modification in the 1996-1997 year be directly related to their proposed compensation formula as previously described in issue number one.

Employer's position: That there be no change for the 1995-1996 fiscal year and that the only changes that would be factored in for the 1996-1997 year be directly related to their proposed compensation formula which includes various deductions for increased cost as described in issue number one.

BESPA Proposal

1. Wages

(Appendix A, I)

Union position: The BESPA proposes a two percent hourly wage increase for the 1995-1996 contract year. For the 1996-1997 contract year the BESPA proposes a 2.9 percent COLA base with the inclusion of a formula almost identical to the one described under the BEA proposal to a cap of five percent contingent upon sufficiency of revenues to the Buckley Board of Education.

Employer position: The Board proposes that the salary for the 1995-1996 contract year be frozen at the 1994-1995 levels. The Board proposes that for the 1996-1997 contract year that the compensation formula recommended for the BEA equally apply to the BESPA unit. The details of this formula have been previously

described under the BEA proposal.

2. Insurance

(Appendix A, III)

Union position: For the 1995-1996 contract year no change. However, for the 1996-1997 contract year the vision insurance for full-time bargaining unit members be extended to part-time employees who work a minimum of 15 hours per week. The cost for this benefit (MESSA, VSP-1) is \$9.21 per month. The Union recommends that this change be implemented after ratification of the contract and within a reasonable period of time for implementation purposes.

Employer position: The Employer agrees with the Association that no changes occur for the 1995-1996 contract year. However, the Board desires to tie bar any increased costs for benefits to its total compensation formula. Accordingly, it rejects any inclusion of vision insurance for part-time employees.

3. Longevity

Union position: The Association proposes longevity steps for BESPA members to conceptually mirror that of the teachers bargaining unit i.e. beginning the 11th year of employment a three percent hourly wage improvement and beginning the 16th year of employment a five percent hourly wage improvement.

Employer position: Status quo, i.e., rejection of any longevity provision.

IV. ECONOMIC CONSIDERATIONS

The Buckley Board of Education has taken a very firm position (Employer Exhibits 6-1 through 6-17) concerning its ability to pay any economic demand requested by the BEA or BESP. The Board presented Brian Breneman of the CPA firm of Dennis, Gartland and Niergarth who gave detailed testimony concerning the financial condition of the Buckley Board of Education.

Mr. Breneman testified that the fund balance for the Buckley Board of Education for the 1994-1995 school year was in a deficit amount of \$3,229 compared to the fund balance after the 1995-1996 year of a positive \$133,615. The Board experienced a \$183,061 increase in total revenue from 1994-1995 to 1995-1996. Total operating expenditures during the same time frame decreased by \$68,146. The Board was able to increase its revenues by eight percent and offset its expenditure from the prior year by approximately three percent. However, Mr. Breneman points out that although the school district increased its revenues the district still fell behind the state average by approximately \$133,000. He further indicated that the State Aid Foundation allowance of \$5,082 was below that of three other districts (Northport, Leland, Bear Lake) and more than two other school districts (Boyne Falls, Forest Area). He further noted that the expenditures per pupil actually declined by \$180 based on the 1994-1995 fiscal year. Mr. Breneman also pointed out that in the 1994-1995 fiscal year that the school district went from a

negative fund balance to a positive one in fiscal year 1995-1996 to an amount representing 6.15 percent of the total operating budget. He emphasizes that the \$133,615 fund balance is still considerably less than other school districts (e.g. Forest Area, Northport, Leland, Bear Lake).

Health insurance and retirement statistics also were identified by Mr. Breneman as examples of increased costs to the school district. Despite cost containment concessions by the Union, health related costs have increased by more than one half percent using the 1994-1995 fiscal year as a base period. Hiring patterns in the BESPBA bargaining unit have resulted in a very nominal decrease in costs for health care, i.e., .15 percent. Retirement costs have increased for both the BEA and BESPBA bargaining units as a result of the state passing on the increased costs of retirement directly to the school district.

Mr. Breneman believes that the Union's salary proposal (both the BEA and BESPBA) would jeopardize the fund balance of the Board of Education and leave itself vulnerable in future years due to the uncertainty of expenditures and predictions of revenue from the State of Michigan. The estimated cost of the BEA and BESPBA proposals of a two percent increase in 1995-1996 and the maximum five percent increase in 1996-1997 would cost the school district a total of \$180,289 in new monies. The breakdown of costs would be \$143,389 for the BEA and \$36,900 for the BESPBA. Mr. Breneman estimates that the Board's salary formula if adopted would result in additional expenditures of \$19,614 for the BEA and \$1,023 for

the BESPAs for the 1996-1997 contract year. These figures are predicated on the Board's proposal to freeze all wages for the 1995-1996 contract year. He also estimates increased costs for the school district of \$4,141 if the longevity proposal of the BESPAs were included in these cost figures. Finally, Mr. Breneman notes that the average teacher's pay in Michigan is \$49,168 placing Michigan third nationally trailing only Connecticut and Alaska for average teacher salaries in 1995-1996.

MEA representative, Donna M. Lutke, acknowledged that in the past the Buckley Community Schools was hard pressed to meet its expenditure obligations. However, with the advent of finance reform in the State of Michigan (passage of Proposal A) the Buckley Community Schools is now in a position to grant increases that it couldn't consider in the past. She notes that for the 1996-1997 year that the basic foundation allowance is \$5,308 per membership pupil pursuant to the adoption of Senate Bill 851. She emphasized that school districts like Buckley with a foundation allowance of more than \$4,506 but less than \$5,153 per pupil in 1995-1996 will receive between one and two times the dollar growth in the basic foundation allowance. The exact foundation allowance for these districts (including Buckley) will be determined by a sliding scale formula, and will be between \$155 per pupil and \$310 per pupil for 1996-1997. This amounts to a four and a half percent increase in the schools' foundation allowance. She estimates an increase of 4.46 percent for 1996-1997 based on an assumption that an additional five students will be enrolled in

the Buckley Schools. She emphasizes that it was the state legislators' intent when they adopted Proposal A that these additional revenues would be used for employee wages but that the Buckley Schools refuses to acknowledge this fact. Moreover, she predicts a 6.97 percent increase in the total general fund revenue for the Buckley Schools for the 1996-1997 fiscal year. This percentage increase amounts to approximately \$165,000 in additional revenue. She acknowledges the limited fund balance history of the school district but believes that the 1996-1997 fund balance for the Buckley Schools will provide at least \$117,415 or 4.81 percent of total general fund expenditures. Ms. Lutke emphasized that as a result of the improved financial condition of the school district that the Board can accomodate the BEA and BESPAs wage proposals without jeopardizing its financial stability.

MESSA representative, Douglas W. Schroeder, gave a history of the cost containment efforts by the Union to keep insurance costs in check. He testified that from July 1, 1985 to July 1, 1996 adjustments were made to the health insurance programs that resulted in significant cost savings. He claimed this saved the school district an alternative cost savings of \$196,769.12 for the teachers bargaining unit. In similar fashion, the BESPAs unit made adjustments to its health insurance program resulting in an alternative cost savings to the Board of \$26,948.70.

Pam Hansen testified on behalf of the BESPAs that the total additional wage and insurance cost as proposed by the Union would

be \$19,643 for the 1996-1997 year and a two percent increase in wages for the 1995-1996 year would cost the Board \$7,651. She further indicated that the cost quotation for the vision benefit for eligible part-time bargaining unit members is a reasonable \$9.21 per month.

V. FINDINGS of FACT and RECOMMENDATIONS

Background

Buckley, Michigan is a small town located in the southern part of Grand Traverse County and the northern part of Lexford County. The closest larger towns to Buckley are Traverse City, approximately 20 miles to the north and Cadillac which is approximately 30 miles to the southeast. All Buckley Community School students in grades K-12 are taught in the same general area and in most cases in the same building.

Buckley Community Schools consist of approximately four hundred students who live in Hanover or Wexford Township, Wexford County or Grant, Green Lake or Mayfield Township, Grand Traverse County or the Village of Buckley. The district has experienced very high success in MEAP testing and one hundred percent of its graduating seniors have received a state endorsed diploma. Most of the K-12 students live in a rural area and ride a bus each day to school. Those students who have a desire for vocational

programs are permitted to attend the Traverse Bay Area Intermediate School District Vocational Center where they are offered a variety of educational courses.

After three millage defeats in 1992 the voters approved a three percent millage increase in September of 1993 before operations in the Headlee override passed which allowed the School Board to reinstate programs and eliminate deficit spending. After fact finder, Donald L. Reisig, filed his report in August of 1994 the parties were able to negotiate a settlement for the 1993-1994 and 1994-1995 contract years. The settlement included a two and a half percent each year increase for both the BEA and the BESPA bargaining units. The School Board was able to grant these increases and at the same time to establish a positive fund balance for the 1993-1994 fiscal year. However, the two and a half percent increase for the 1994-1995 fiscal year was a contributing factor resulting in a negative fund balance. Since the School Board cannot predict unexpected contingencies it prefers to improve the fund balance by freezing wages for 1994-1995 and establishing a compensation base formula for 1996-1997.

The parties do not agree on comparables. For example, BEA and BESPA compare wages with Benzie, Kingsley, Manton and Mesick Schools. Representatives for the Board compare Buckley with Forest Area, Northport, Leland, Bear Lake and Boyne Falls as well as all school districts with less than five hundred pupils. Districts identified by both the Union and the Board are all

located in the same general geographical area of Michigan as Buckley and thus compete in the same wage market. Comparables, cost of living and the Board's ability to pay, are also essential factors when developing recommendations for wages and benefits. Most noteworthy is the fact both parties acknowledged that their respective wage formula(s) are irrelevant to the comparables they believe are valid for comparison.

BEA

1. Wages 1995-1996 and 1996-1997

In balancing the Board's legitimate need to remain financially viable through the establishment of an adequate fund balance and the needs of the BEA and BESPAs to have proper recognition for their work product, the fact finder has concluded that based on the facts presented that both the BEA and the BESPAs should be granted a two percent increase for the 1995-1996 contract year. Evidence submitted during this fact finding hearing indicates that the Board can afford the approximately \$25,000 for these adjustments without jeopardizing its fund balance. As previously described in detail, both parties have submitted formulas to apply to the 1996-1997 contract year. Both formulas are flawed for different reasons. The Board's formula requires the inclusion of various elements that the employees have little or no control, e.g. retirement costs, FICA contributions, pupil membership, unemployment compensation and Workers'

Compensation. The formula advocated by the BEA and BESPAs is also unrealistic since it is tied directly to the cost of living notwithstanding the fact that it can be reduced by the Board's increased premium costs for health insurance. School districts are not always in a position to match the increase in costs of living for its employees in light of the fact its revenues are not increased based on the Bureau of Labor and Statistics cost of living index. Accordingly, this fact finder has reviewed the contract settlements of the comparable school districts for 1996-1997 where the settlement range is between 2.5 and 3.7 percent. However, in recognition of the legitimate financial constraints of the Buckley School Board the fact finder recommends a two percent across-the-board increase for the BEA plus step increases for the 1996-1997 contract year.

2. Insurance 1996-1997

The parties have stipulated that no changes will be made for the health insurance program for the 1995-1996 contract year. The record indicates that the BEA has taken the lead in terms of making modifications in the health insurance program in order to maintain or reduce the cost to the Board of Education. The Board's concern that employees share the ever growing cost of health care is mitigated by virtue of the bargaining history between the parties and is reflective of the recommendations made herein for wage increases. Therefore, the fact finder recommends the status quo in terms of the insurance coverage for members of

the BEA bargaining unit for the 1996-1997 contract year.

BESPA

1. Wages 1995-1996 and 1996-1997

As previously noted, the fact finder recommends a two percent increase to the 1995-1996 rate schedule for the BESPA bargaining unit members. An additional \$17,122 is within the financial means of the Board of Education. As previously noted, the fact finder has rejected the formula concept proffered by the Board of Education as well as the Association. The fact finder has reviewed the wage schedules for 1996-1997 of the comparable school districts as presented by both parties. These settlements range from a low of two percent to three and a half percent. Although these wage comparisons are slightly less than that of the comparable teachers unit the fact finder recommends that the wage rates for 1996-1997 for the BESPA bargaining unit be increased for each classification by two percent.

2. Longevity

Even though some of the comparable school districts have longevity payments for their support staff employees the fact finder recommends the status quo with no changes being made in the labor agreement for the BESPA relating to their length of service. Longevity is intended to reward an individual for their years of service and dedication to their Employer. However, the

financial constraints of the Board in light of the wage recommendations contained herein do not warrant adding longevity payments. The fact that the BEA has a longevity provision does not in and by itself justify granting this new wage benefit for the BESPAs employees. Recommending longevity payments would have to be indexed to the employee's willingness to share in the increased health benefit cost of the Board of Education. The bargaining history should therefore, be maintained absent any longevity provision for the support staff employees.

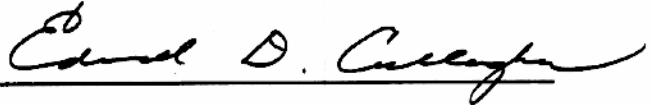
CONCLUSION

Negotiations between the BEA and the BESP and the Buckley Board of Education have been very difficult in the past five years in light of the financial condition of the Buckley Board of Education. Differences of opinion regarding the distribution of the available revenues is always at controversy and only aggravated when there are inadequate revenues to meet the educational needs of students and the employees who deliver instruction under these circumstances. Under these very trying circumstances the parties have demonstrated their ability to deal with these issues in a civil manner and have ably represented their respective parties during this fact finding process. This fact finder believes that the party advocating a change in current practice or contract language must bear the burden to provide specific compelling evidence in order to justify modifying the existing agreement. Under the best of circumstances adopting a formula(s) is risky. Even so called "basic formula(s)" are subject to misinterpretation and frequently must be resolved by a neutral third party to insure a level "playing field". Moreover, a significant drawback of most formula applications is the retroactive requirement of any payment derived from the formula. Employees often wait up to one year for any pay adjustment. The parties would be better served by closely examining comparable school districts and avoid formulas that are cumbersome, complex and may in the long term result in unexpected constraints

incongruent with the interests of their constituency.

The fact finder urges the parties to use this report to assist them in resolving their differences in an expeditious fashion in order that discussions for a successor agreement can be conducted in a more timely fashion.

Respectfully submitted,


Edward D. Callaghan, Fact Finder

Dated November 15, 1996

APPENDIX A

JOINT EXHIBITS (2)

- 1 Labor Agreement between Buckley Community Schools Board of Education and Northern Michigan Education Association MEA/NEA (teachers) from September 1, 1993 to August 31, 1995
- 2 Labor agreement between Buckley Community Schools Board of Education and Northern Michigan Education Association, MEA/NEA Education Support Association (support staff) from September 1, 1993 to August 31, 1995

APPENDIX A

UNION EXHIBITS (81)

- 3-1A Bargaining History Memorandum - Lynn Gullekson, BEA Co-president
- 3-1B Bargaining History Memorandum - Roger Hopkins, Uniserv Director
- 3-1C BEA Insurance Package and Wage Information (1995-1996 school year)
- 3-1D BESPA Insurance and Wage Information (1995-1996 school year)
- 3-1E May 28, 1996 Newspaper Article - Buckley Schools, Case Dropped
- 3-1F BEA Comparison of Unresolved Issues
- 3-2A BEA and BESPA Formula Proposal (1996-1997)
- 3-2B Anticipated Cost and BEA Proposal (1995-1996 and 1996-1997)
- 3-2C BEA and BESPA Formula Proposal (1995-1996 and 1996-1997)
- 3-2D Formula Example for Determining Salary Adjustments for Teachers
- 3-2E 1995-1996 Financial Status Report State of Michigan
- 3-2F 1996-1997 Foundational Allowance
- 3-2G PAK Rates for 1996-1997 Fiscal Year
- 3-2H Bureau of Labor Statistics Data for all Urban Consumers
- 3-2I Unit Cost Work Proposal for 1995-1996

- 3-2J Unit Cost Work Sheet for BEA Proposal (1996-1997)
- 3-2K Buckley EA Salary Schedule and Salary Proposals, (1995-1996 and 1996-1997)
- 3-3A Board of Education Salary Proposal of May 16, 1996
- 3-3B Union Analysis of Board Proposal of May 6, 1996
- 3-3C CPA Firm Analysis of Proposed Salary Schedules
- 3-4A Unit Cost Work Sheet BEA Proposal (1995-1996)
- 3-4B Unit Costs Work Sheet Board Proposal (1995-1996)
- 3-4C Unit Cost Work Sheet BEA Proposal (1996-1997)
- 3-4D Unit Cost Work Sheet Board Proposal (1996-1997)
- 3-5A Salary Schedule for Buckley Schools
- 3-5B Salary Schedule - Benzie County Central Schools
- 3-5C Kingsley Salary Schedule - Kingsley Area Schools
- 3-5D Manton Salary Schedule - Manton Consolidated Schools
- 3-5E Salary Schedule for Mesick Schools
- 3-5F Longevity Schedule for Mesick Schools
- 3-5G 1996-1997 Salary Comparisons of Board and Union Proposals with Benzie, Kingsley, Manton and Mesick Schools
- 3-5H Bar Chart - BA Comparisons

- 3-5I Bar Chart - BA Plus 18 Comparisons
- 3-5J MA Comparisons
- 3-5K MA Plus 15 Comparisons
- 3-6A Health Insurance Contract Language - Buckley Schools
- 3-6B Health Insurance Contract Language - Benzie Schools
- 3-6C Health Insurance Contract Language - Kingsley Schools
- 3-6D Health Insurance Contract Language - Manton Schools
- 3-6E Health Insurance Contract Language - Mesick Schools
- 3-6F Health Insurance Comparisons - Benzie, Kingsley, Manton, Mesick with Buckley Schools
- 3-6G Insurance Rate Comparisons - Buckley Schools (1985-1996)
- 3-7A Bargaining History Memorandum - Uniserv Director, Roger Hopkins
- 3-7B BESPAs Comparison of Unresolved Issues
- 3-8A BEA and BESPAs Formula Proposal
- 3-8B Anticipated Cost of BESPAs proposal
- 3-8C BESPAs Proposal for Insurance and Longevity
- 3-8D MESSAs Vision Quotation for Buckley Community Schools
- 3-8E BEA and BESPAs Formula Proposal

- 3-8F 1995-1996 State of Michigan State Aid Financial Status Report
- 3-8G 1996-1997 Foundation Allowance
- 3-8H MESSA PAK Rates for 1996-1997
- 3-8I Bureau of Labor Statistics Cost of Living All Urban Consumers
- 3-8J Union Wage Proposal - BESPA
- 3-9A Unit Cost Work Sheet - (1995-1996) BESPA Proposal
- 3-9B Unit Cost Work Sheet - (1995-1996) Board Proposal
- 3-9C Unit Cost Work Sheet - (1996-1997) BESPA Proposal
- 3-9D Unit Cost Work Sheet - (1996-1997) Board Proposal
- 3-10A Support Staff Salary Schedules - Buckley Schools
- 3-10B Support Staff Salary Schedule - Benzie Schools
- 3-10C Support Staff Salary Schedule - Kingsley Schools
- 3-10D Bureau of Labor Statistics Cost of Living for All Urban Consumers
- 3-10E Support Staff Salary Schedule - Manton Schools
- 3-10F Support Staff Salary Schedule - Mesick Schools
- 3-10G Support Staff Hourly Rate Comparisons - Buckley, Benzie, Kingsley, Manton, Mesick Schools
- 3-11A Health Insurance Contract Language - Buckley Schools

- 3-11B Health Insurance Contract Language - Benzie Schools
- 3-11C 1994-1995 Insurance Percent - Benzie Schools
- 3-11D 1996-1997 Insurance Percent - Benzie Schools
- 3-11E Health Insurance Contract Language - Kingsley Schools
- 3-11F Health Insurance Contract Language - Manton Schools
- 3-11G Health Insurance Contract Language - Mesick Schools
- 3-11H Comparison of Insurance Provisions for Support Staff -
Buckley, Benzie, Kingsley, Manton and Mesick Schools
- 3-11I Insurance Rate History for Support Staff (1990-1996)
- 3-12A No Longevity Contract Language - Buckley Schools
- 3-12B Longevity Contract Language - Benzie Schools
- 3-12C Longevity Contract Language - Kingsley Schools
- 3-12D Longevity Contract Language - Manton Schools
- 3-12E Longevity Contract Language - Mesick Schools
- 3-12F Longevity Comparison Provisions - Benzie, Kingsley, Manton,
Mesick Schools
- 3-13 (Appendix A) Ability to Pay Data Prepared by MEA Research
Consultant

APPENDIX A
EMPLOYER EXHIBITS (20)

- 4 Board of Education Historical Review Document (1990-1993)
- 5 1994 Fact Finding Report - MERC Case No. G 93 K-3001
- 6-1 Districts with Less than Five Hundred Pupils - Information Comparison
- 6-2 Tax Revenue Comparisons - Buckley Schools and State Average
- 6-3 State Aid Foundation Allowance for Northport, Leland, Bear Lake, Buckley, Boyne Falls, Forest Area
- 6-4 Expenditure Comparisons Per Pupil
- 6-5 Fund Balances of Percentage of Total Expenditures
- 6-6 Fund Balance Comparisons - Forest Area, Northport, Leland, Bear Lake, Buckley and Boyne Falls
- 6-7 Fund Balance Analysis
- 6-8 Cash Flow Comparisons (1995-1996)
- 6-9 Cash Flow Comparisons (1996-1997)
- 6-10 Health Insurance and Retirement - BEA
- 6-11 Health Insurance and Retirement - BESPA
- 6-12 Union Salary Proposal
- 6-13 Board Salary Formula (1996-1997)
- 6-14 Comparison of Board and Union Salary Proposals

6-15 BESPA Longevity Increases

6-16 Staff Work Stoppage Memorandum from MEA President, Julius A. Maddox

6-17 Public School Teacher Pay Relative to Personal Income in Michigan CRC

7 Superintendent Howard Memorandum of 10/6/95 Regarding Teaching During Conference Hours