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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

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STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
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IN THE MATTER OF FACT FINDING

between

BOARD OF EDUCATION,
CALEDONIA COMMUNITY SCHOOLS

and

MICHIGAN EDUCATION SUPPORT
PERSONNEL ASSOCIATION

REFERENCE:

MERC Case No. 684 D-634

REPORT AND RECOMMENDATIONS
OF THE FACT FINDER

*Michigan State University

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On review of the application for fact finding by the Michigan Education Support Personnel Association, dated October 1, 1984, The Michigan Employment Relations Commission appointed the undersigned as its Fact Finder and Agent on November 20, 1984, to conduct a Hearing pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations, and to issue a report with recommendations with respect to the matters in disagreement between these parties. A prehearing conference was held on December 3, 1984, in the offices of the Michigan Association of School Boards, Lansing, Michigan, with the parties' representatives to identify the procedures to be used, the issues at impasse, and a Hearing date. The Hearing was set for 9:00a.m. on Friday, December 21, 1984 with a prehearing conference set for 8:30 a.m. in the offices of the Caledonia Community Schools 203 Main Street in Caledonia, Michigan. The Hearing was closed at 2:55 p.m. at which time each party was given a final opportunity to confer in a final attempt to resolve any issues at impasse and to express anything further for the Fact Finder's consideration. At the conclusion of all discussions, the parties made closing arguments orally and all issues originally presented to the Fact Finder remained with him for his recommendations.

FACT FINDER AND AGENT: David T. Borland, appointed under the procedures of the Michigan Employment Relations Commission.

REPRESENTING THE PARTIES:

Board- Larry LeRoy
Labor Relations Consultant
Michigan Assn. of School Boards
421 W. Kalamazoo Street
Lansing, MI 48933

Association- Larry A. Thompson
Kent Couty Uniserv Director
MEA/MESPA
4020 Eastern Avenue, S. E.
Grand Rapids, MI 49508

Caledonia Community Schools

PRESENT FOR THE PARTIES:

Board- Stan Fortuna, Superintendent, Caledonia Community Schools
 Craig Schmidt, Principal, Caledonia Community Schools
 Judi Dean, Business Coordinator, Caledonia Community Schools
 Joyce Quejas-Brower, Researcher- Michigan Association of School Boards

Association- Dorothy F. Campbell, President- MESPA
 Pat Westra, Bus Driver
 Michael A. Stephens, Kent County Uniserv Director, MEA

INTRODUCTION

The Caledonia Community Schools (Board) is a K-12 public school district, located southeast of Grand Rapids, Michigan. From its original rural base, it has added a suburban base because of its proximity to the growing Grand Rapids area. This proximity has resulted in a growth pattern for the Caledonia area as well, including rising educational levels, income levels, and managerial class levels, but a decreasing level in farming and in student enrollment in the Caledonia schools. The decrease in enrollment has been attributed primarily to "baby boom" demographics and secondarily to competition for students from parochial schools in the area, area public schools, and private educational agencies (Bx-2).

The Michigan Education Support Personnel Association (Association) is affiliated with the Michigan Education Association and the National Education Association. It has represented this bargaining unit of approximately 20 full time and part time bus drivers, as the first contract was consummated in 1981. A decertification election by the Unit in 1983 resulted in reaffirmation of this Association as the bargaining unit's exclusive bargaining agent.

The negotiations process between these parties began in the 1981 year, when the first contract was finalized as a two year agreement (1981-1983) with annual reopeners. The second contract was a one year agreement (1983-1984) and negotiations for its successor contract began on April 18, 1984, when the Association

presented its proposals. The Board responded initially on May 22, 1984, and provided a total response in June, 1984. In July all language issues had been resolved and only economic concerns and duration of the contract remained unresolved. While the Association argued for a two year contract, the Board wanted a three year contract. When the Association dropped its proposal regarding uniform allowance, the Board agreed to a two year contract. While the Association's proposal for health insurance, which was proposed in July, was on the table, during July and August proposals on wages, longevity, holiday, and severance pay (Ax-2 - Ax-5) were exchanged between the parties. Based on these exchanges the Board proposed that settlement could be reached without inclusion of a health insurance proposal. The Association agreed with the proposals on the four specific economic issues, but wanted movement into the health insurance area. Little movement from these positions occurred and impasse was declared by the Association.

A State Mediator met with the parties for two hours on September 24, 1984. The Association filed a Petition for Fact Finding, dated October 1, 1984, which listed wages, longevity, holidays, uniform allowance, severance pay, contract duration, and health insurance as at issue. Subsequent sessions with the Mediator on October 24, 1984 (4 hours) and November 12th (3 hours) did not result in agreement and the Board's position included current benefits in the prior agreement with additional salary proposed. With contract duration having been agreed at two years, retroactive to July 1, 1984, and with the uniform allowance being dropped by the Association, the issues at impasse as of the last mediation session and at issue currently before this Fact Finder are (Jx-2):

<u>ISSUE</u>	<u>ASSOCIATION</u>	<u>BOARD</u>
Wages	1984-85: \$8.90 (Wage Freeze) 1985-86 \$9.43 (6% overall)	1984-85: 5.31% (\$9.37 per run) 1985-86: 5.44% (\$9.88 per run)
Longevity	1984-85: \$35 for each step 1985-86: \$25 for each step	Same as old contract Same as old contract

ISSUE	ASSOCIATION	BOARD
Holidays	1984-85: 3 paid holidays	None
	1985-86: 5 paid holidays (2 add.)	None
Severance		
Pay	1985-86: \$6/day up to 100 days	None
Insurance	1984-85: \$55/mo. (12 months) for drivers averaging 25 runs or more a week	None
	1985-86: Board will provide the single subscriber rate of MESSA SM I for each bar- gaining unit member	None

The parties have stipulated here that these five (5) issues are the only ones at impasse and that resolution of them will result mutually in a new two year contract (1984-1986).

POSITIONS OF THE PARTIES

Association

The impasse for these negotiations is based on one factor— fringe benefits. The Board has argued that the Caledonia bus drivers are among the highest paid in the area and the Association would not disagree. The Board, however, has refused finally to address the issue of fringe benefits, but has done so without any substantive argument. This bargaining unit has many single and major breadwinners among its members, who must provide health insurance for themselves and their dependents. The Board has provided no rebuttal to these needs, which is especially difficult to accept (1) when financial ability of the School District is not in question (Ax-15 - Ax-19); (2) when other Board employees, including part time employees, are receiving health insurance and other fringe benefits (Ax-13 & 14); (3) when 13 of the 16 other school districts in the area (2 without contracts and one independent contract- Bx-12) provide health insurance to their bus drivers (Ax-7); (4) when the Board has been willing to use funds to keep the bus drivers' wages at their current levels with respect to area school districts (Ax-2, 4 & 9);

and (5) when placing those same funds into health insurance and other fringe benefits would provide no additional costs to the Board, but would provide extensive tax benefits to bus drivers (Ax-10).

Throughout the history of negotiations between these parties the lack of fringe benefits has been a major concern to the bus drivers and a major area of resistance for the Board. For these negotiations, the bus drivers have taken two steps to facilitate this concern and to demonstrate to the Board the critical nature of this highest priority. First, the Association agreed to a two year contract as opposed to the three year contract they desired, which would give the Board the additional ability to change its position should unanticipated conditions arise. Second, in a most unusual offer of good faith, the bus drivers have proposed a freeze on their own wages, so that such funds could be used to more efficiency with fringe benefits at no additional cost to the Board.

The Association position is that without relevant rebuttal by the Board, the Fact Finder has no alternative but to grant its proposals as presented, rather than to grant the Board's total neglect of the fringe benefit area (Jx-2).

Board

The Board recognizes and appreciates the efforts and dedication of the Caledonia bus drivers and believes that its last offer to them is a fair and just solution to this contractual impasse. The Board has not claimed, nor does it assert now the position of an inability to pay. While it disagrees with the financial analysis provided by the Association, its management of the School District's funds has followed good business practice and the recommendations of its auditors. The Board has been fair with the bus drivers in terms of both internal and external equity.

In terms of internal equity, the Board has shown that the bus drivers are the second highest paid of the District's noncertified employee groups (Bx-15 - 18).

The bus drivers receive good pay, even when the fringe benefits of other school districts are factored into the total compensation. The Board policy in determining compensation for its various employee groups does not consider the fact of whether or not those groups are organized. The Board has maintained always, and continues to maintain now, that its policy does not grant fringe benefits to its less than full time employees.

In terms of external equity, the Board has shown that its bus drivers fare quite well when its groups are compared to area groups throughout Kent County (Bx-3 - 12). Also, the transportation costs at Caledonia rank among the highest in the area (Bx-14) and number of pupils per bus rank among the lowest in the area (Bx-13).

The Board of Education prays that the facts as presented have proved that the Board has offered a fair settlement and that any recommendations of the Fact Finder will be within the means and policies of the Board.

FINDINGS

The representatives of these parties presented clear and competent cases for their respective positions. This Fact Finder must consider several factors in attempting to build a base for his recommendations, to assist in the resolution of this contractual dispute. In order to meet this objective in the most facilitative manner, analysis will be made of negotiations history, financial ability, comparative rankings and contractual benefits with area employee groups, relative benefits within the School District, and estimated costs of the respective proposals.

Negotiations History

In the brief negotiations history between these parties, it is apparent that the issue of fringe benefits has lingered, even though two previous contracts were ratified. The introduction into this negotiations process of both mediation

and fact finding should signify to all concerned that the lingering general issue of fringe benefits should be addressed directly and resolved at this point in the development of the formalized relationship between these parties, lest the lingering problem becomes a potential source for permanent erosion in what this Fact Finder has observed to be a facilitative employment relationship.

Two somewhat unusual developments in this negotiations process have led this Fact Finder to be concerned about potential damage to the long term employment relationship, but which contains within them the equal potential for an equitable resolution. First, the Board's sudden retreat from its previous positions on all fringe benefits, except health insurance which it did not agree to at all, introduced confusion into the process and eroded its stated position during this Hearing that it has clear and consistent policy never to provide fringe benefits to less than full time employees. If that policy really was firmly established, its negotiations' positions on such issues as holidays and severance pay would seem to have indicated a flexibility in such policy. Without any evidence of such policy being formally established, the sudden abandonment of those bargaining positions raises questions in this Fact Finder's perceptions about the real or consistent existence of such policy, especially at the crucial time these negotiations were evolving.

The second development during these negotiations, which was related to the first factor described immediately above, was the Association's unusual proposal to freeze the bus drivers' current wages, in order to fund its fringe benefits' proposals. In contemporary labor negotiations, it is common to see proposals for wage freezes or wage rollbacks, but from employers, not from employees. Such a position in negotiations is risky for employees, especially when impasse is reached, but is a position that is persuasive because it must be considered by this Fact Finder as a good faith offer.

Financial Ability

The parties were in agreement that the issue of ability to pay for the proposals presented was not being contested in these proceedings. While the Association presented documents and the Board presented testimony, concerning the District's precise financial position, there was little of determinative substance revealed to persuade this Fact Finder of the viability of one party's positions as superior to the other party's position on financial status.

At one point there was some confusion about the location of some funds within the various reports required of school districts in Michigan. It became quite apparent that the confusion was related more to the requirements of different reporting forms and agencies, together with a difference in philosophy of the accounting and auditing procedures, than by any intentional misrepresentation of the location of funds (Ax-6 & 15-19).

To summarize, the impasse here was represented by the difference in philosophy of negotiations and employment relations, rather than by a financial or accounting factor. The questions that still remained at issue were how much of the District's funds, if any, were to be used to meet the Associations proposals and in what form would any such allocated funds be distributed.

External Comparables

Given the geographic proximity to the Grand Rapids area, the districts within Kent County were used by both parties to support their respective positions. First, it was uncontested that the Caledonia bus drivers are among the highest levels of wages among these other school districts (Bx-9 & 10; Ax-9), even though conversion to comparable bases is difficult with the variety of mechanisms used to calculate compensation by bus runs in the various districts. The Association argued that acceptance of either the Board's proposal or the Association's proposal for 1984-85 would move the Caledonia Community Schools ranking to the

midway point in area districts (Ax-8).

Second, the Board attempted to establish that Caledonia bus drivers ranked higher among other area bus drivers than did other Caledonia employee groups ranked within their respective groups in area school districts. The groups used by the Board, however, were teachers and principals (Bx-3 - 7), not noncertified employee groups. While these professional groups did appear to be in the middle to lower half of their respective groups, the middle/junior high school principals were ranked near the upper end of the comparative rankings within their professional group in area districts.

Third, the Board indicated that the percentage increase in wages provided to area school bus drivers for 1984-85 varied from 9.5 percent to 3.6 percent (Bx-11) and that the Board's last proposal of 5.31% percent compared favorably to other area districts (Jx-2). While that position would be a reasonable one, the difference in philosophies becomes more dramatic when viewing the Association's proposal of 0% to that range of increases for 1984-85 in other districts.

Finally, both the Association and the Board presented comparisons of 16 area school districts in benefits provided to bus drivers for 1984-85 (Ax-7 & Bx-12). In addition to the salary increases analyzed above, the following factors appeared.

<u>Benefit</u>	<u>Caledonia Drivers</u>	<u>Other Districts</u>
Health Insurance	No	3 districts do not offer it
Dental Insurance	No	9 districts do not offer it- with some offering it as an option
Life Insurance	No	9 districts do not offer it
Sick leave	Yes	2 districts do not offer it (1 offers a bonus for perfect attendance)
Holidays	No	3 districts do not offer it
Personal Leave	No	5 districts do not offer it
Snow Days	Yes	3 districts do not offer it (2 of these offer partial)
Vacation Days	No	11 districts do not offer it
Longevity	Yes	9 districts do not offer it
Severance Pay	No	12 districts do not offer it

In analysis of the information summarized above, it would seem fair to conclude that the current comparable position of the Caledonia bus drivers would be in the majority position with regard to dental insurance, life insurance, sick leave, snow days, vacation days, and severance pay. With regard to health insurance, holiday pay, personal leave, and longevity, the Caledonia bus drivers would be in the minority position in comparison to other area school districts.

Internal Comparables

Both parties presented testimony and documents regarding the relative standing of bus drivers in Caledonia, as compared to other Caledonia noncertified employee groups.

<u>Benefit</u>	<u>Bus Drivers</u>	<u>Custodians (Bx-15)</u>	<u>Sec/Lib (Bx-16)</u>	<u>Subs/Aide (Bx-17)</u>	<u>Cafeter (Bx-18)</u>	<u>Sec/Lib (Ax-13)</u>	<u>Teachers (Ax-14)</u>
Hrs/week	22½	40	37	varies	20-22½	40	30
Holidays	No	Yes	Yes	No	No	Yes	---
Severance pay	No	No	No	No	No	---	---
Longevity	Yes	No	No	No	No	---	Yes
Vacations	No	Yes	Yes	No	No	Yes	---
LTD	No	Yes	No	No	No	---	---
Health Insur.	No	Full	75%	No	No	75% health or 50 % dental-pro rated	Full & prorated

It seems apparent that the bus drivers fall into a middle category when comparing their situation with other noncertified employees at the Caledonia Community Schools. While custodians work a 40 hour week and secretaries/librarians work close to that level (37 hours- Bx-16; 40 hours- Ax-13), cafeteria employees work no more than 22½ hours (Bx-18) and substitutes teachers and aides work varying hours by need. The bus drivers work an average of 22½ hours, but several work up to 35 hours/week with even the Board's figures estimating that 9 of the 20 drivers work more than 25 hours/week (Bx-19). While custodians and librarians/secretaries receive health insurance, options and prorating for less than full

time employees, holiday pay, and vacation pay, cafeteria workers, substitute teachers and aides, and bus drivers do not. While custodians are the only Caledonia noncertified employees to receive LTD benefits, the bus drivers are the only non-certified employees to receive longevity pay.

Cost of Proposals

The only evidence presented of the total cost of proposals was provided by the Board (Bx-19). The Board's proposal of a 5.31% wage increase for 1984-85 (\$9,949) and a 5.44% wage increase for 1985-86 (\$10,734) would total \$20,683 for the two year contract, which would represent an 11% increase for two years in in total compensation compared to the 1983-84 levels.

The Board's estimate of increased costs of the Association proposal for 1984-85 (Jx-2), which indicated a wage freeze, longevity for 9 bus drivers, three holidays, and a limited contribution to health insurance for the 9 employees above 25 hours (runs) per week, would create a 4.93% increase (\$9,378). The costs for 1985-86 (Jx-2), which included a 6% wage increase, 11 additional bus drivers at longevity steps, 2 additional holidays, severance pay, and insurance for all bus drivers, would create a 15.9% increase (\$31,556). If the increase in health insurance for this second year of the contract is estimated at ten percent cost in premiums, the total increase would be at 16.8% (\$33,309) for 1985-86.

Using the Board's figures at the maximum level proposed by the Association, as estimated by the Board, the \$230,053 level for bus drivers total compensation compared to the 1983-84 level of \$187,365 would create a total two year increase of \$42,687 (22.8%). Without the speculative level of a 10 percent increase in insurance premiums the increase would amount to 16.8% over the two year period, yet historically, some increase in premiums could be expected.

RECOMMENDATIONS

At the beginning of the Hearing, the Association presented a letter to the Superintendent, dated December 6, 1984 (Ax-1), proposing that both parties agree to accept the Fact Finder's Report mutually as binding. The Board rejected the Association's proposal. The current contract contains no such provision, requiring the parties to enter into such an agreement. The Fact Finder in the absence of either such mutual agreement has no authority to mandate such acceptance of his Report. The recommendations contained hereinbelow, therefore, are presented as advisory guidelines to facilitate the mutual concerns of all involved, in attempting to bring final resolution to this matter.

Since all of the issues presented to the Fact Finder are economically based, they are interrelated to a high degree. The recommendations were constructed with this knowledge and are presented as this Fact Finder's view of a fair and equitable settlement upon which this impasse should be terminated without additional delay. It would be inappropriate, therefore, for either party to "pick and choose" among these recommendations for the most favorable position and it is believed that any attempt to do so would be destructive of this effort at resolution, for which such party would have to accept full responsibility.

In viewing both the internal and external perspectives, as specifically recommended by the Board and as inferred from the Association's exhibits, it seems clear that there is little justification for any increases in longevity pay or for the introduction of severance pay at this time. With longevity pay absent for over 50% of the area school districts and current levels not significantly less totally than the districts that do offer it and with the Caledonia bus drivers as the only noncertified employees shown to be receiving longevity pay at all in this District, no increase in current longevity pay levels is recommended. Similarly, with no other Caledonia noncertified employees receiving severance pay and with

75% of the area school bus drivers not receiving such a benefit this year, no such severance pay will be recommended here.

With regard to paid holidays and health insurance, the view of external situations would suggest that these fringe benefits be added to the successor contract. With over 75% of the area school districts offering health insurance and options and offering paid holidays, as presented by the Board's own analysis (Bx-12) and also by the Association's exhibit (Ax-7), such benefits should be included. When viewing the internal characteristics of employee benefits, the Board's position against all such fringe benefits for its bus drivers is not justified fully for several reasons. First, the argument that these employees are part time and can obtain other employment elsewhere may be true for part time positions, but not for obtaining a type of employment that could lead to much needed health insurance benefits.

Second, given the unpredictable employment tenure of substitute teachers and aides or of the level of their work at any time and given the fact that custodians, librarians, and secretaries do receive the benefit of Board contributions to their health insurance premiums, only the cafeteria workers may be at issue for the Board in providing benefits for less than part time employees. These employees, however, work a maximum of 22½ hours per week, while the bus drivers average 22½ hours per week. With almost one-half of this bargaining unit's members reaching the 25 hours level (Bx-19), clearly a different circumstance exists in this bargaining unit.

Third, the Board's declaration that less than full time employees do not receive fringe benefits by policy is not consistent. Not only have bus drivers received longevity pay, but more to the point here, not only do secretaries/librarians and part time teachers receive prorated insurances and other fringe benefits, but the secretaries/librarians receive an option on health insurance or dental insurance with partial contributions by the Board. While part time and

full definitions exist in such contracts (Ax-13 & 14) and do not exist in the bus drivers' contract, which could be clarifying for all, such a "policy" or more appropriately, the practice, of part time and prorated optional health insurance has existed in this District for some less than full time employees. To extend such a benefit to such other internal employees that spent a significant portion of a work week within the District's employment, as those represented by the Association in this bargaining unit, also is justified and was adjusted in the recommendation here to a level that seemed justified in considering both internal and external levels of this benefit.

It is recommended, therefore, that three holidays be included in each year of the 1984-86 contract, rather than to increase such benefit to five days in the second year, as proposed by the Association.

It is recommended, further, that the Board provide the following contributions to an approved employee group health insurance plan:

- 1984-85: 75% of the appropriate single subscriber rate to bus drivers averaging at least 25 hours(runs) per week.
- 1985-86: 75% of the appropriate single subscriber rate to bus drivers averaging at least 25 hours(runs) per week and 50% of the appropriate single subscriber rate to bus drivers averaging at least 20 hours(runs) per week.

The remaining area at impasse involves wage levels. The Association made a strong case that fringe benefits, especially health insurance, was a top priority for its members. In holding the Association to that commitment, no increase in wage level for the 1984-85 year is recommended.

In considering all other proposals that have been recommended here and the comparable levels presented at this Hearing, and using the general inflation rate in the absence of specific recommendations by either party, it is recommended that the wage level for the 1985-86 year be increased by four (4) percent and that it

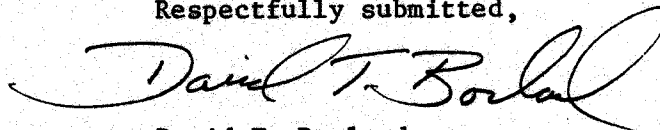
be applied as agreed from the base run level.

CONCLUDING STATEMENT

In formulating the recommendations above, the Fact Finder considered all evidence, testimony, and arguments, even if all were not mentioned specifically in this Report. The contractual dispute between these parties has progressed through several formal and time consuming impasse resolution processes and because this has diverted attention away from the major purpose of the school district for several months, it would seem that the time for a settlement has arrived.

The Fact Finder has presented these recommendations in the fervent hope that now a speedy resolution to these remaining issues will result. While the Board's position that fringe benefits should not be offered to less than full time employees has not been found to be consistent here and while no severance pay or longevity increases, nor all of the holidays, health insurance contributions, and wage increases proposed by the Association have been recommended here, it is hoped that both parties will accept the fact that these recommendations were forged from an impartial position by this Fact Finder, who had in the back of his mind the best and mutual interests of the bus drivers, the administrators, the Board members, and the citizens of the Caledonia community, as they attempt to provide the best responses and conditions for the needs of the Caledonia youth, including their need for competent transport by professional bus drivers.

Respectfully submitted,

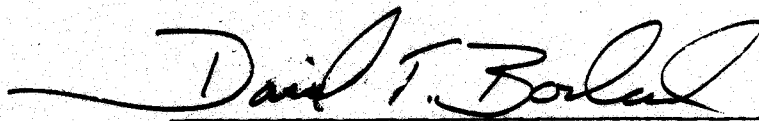


David T. Borland
Fact Finder & Agent

Dated this 21st day of January, 1985,
at Haslett, Michigan

CERTIFICATION

I, DAVID T. BORLAND, having been appointed by the Michigan Employment Relations Commission as its Fact Finder and Agent, pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations, having sworn to my impartiality, and having weighed and considered all of the testimony, evidence and argument presented, and in view of the preceding opinion and discussion, have recommended to the Board of Education of the Caledonia Community Schools and to the Michigan Education Support Personnel Association provisions concerning wages, longevity, holidays, insurance, and severance pay, as contained hereinabove.



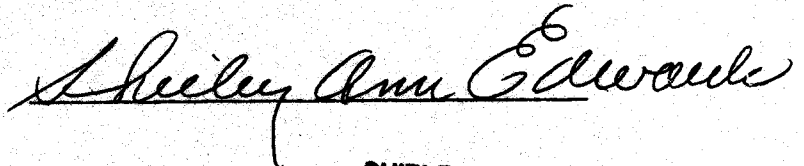
David T. Borland
Fact Finder & Agent

Dated this 21st day of January, 1985
at Haslett, Michigan

STATE OF MICHIGAN

COUNTY OF INGHAM

On this 21st day of January, 1985, before me personally came and appeared David T. Borland to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.



SHIRLEY ANN EDWARDS
Notary Public, Ingham Co., MI
My Comm. Expires May 3, 1986