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Report and Recommendations of the Fact Finder  
in the matter of  
Clare-Gladwin Intermediate School District  
and  
Clare-Gladwin Intermediate School District  
Support Personnel Association MEA/NEA  
Fact Finding Case No. L86-F-578

Glenn Stevens

The Fact Finder was appointed to conduct a hearing pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Employment Relations Commission's Regulations. The hearing was held on March 19, 1987 at the Park Inn, Mt. Pleasant, Michigan.

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Introduction

The parties to this dispute are the Clare-Gladwin Intermediate School District and the Clare-Gladwin Intermediate School District Support Personnel Association, MEA/NEA. The Association represents sixteen (16) employees who comprise this support staff unit. The Clare-Gladwin Intermediate School District, which employs approximately sixty (60) people in various job classifications, services the Beaverton, Clare, Farwell, Gladwin, and Harrison school districts.

The Board and the Association were parties to a collective bargaining agreement that expired on June 30, 1986. Negotiation sessions on a new agreement were held during the months of May and June, 1986. It is the Association's position that a tentative agreement with the Board was reached

Clare-Gladwin Intermediate School District (FF)

on June 12, 1986. In both written and verbal statements, the Association submits that the Board had the option of selecting one of two salary/compensation packages contained in the tentative agreement. In the fact finding hearing, the Board denied that a tentative agreement had ever been reached, maintaining instead that "side-bar" discussions took place which helped to frame the Association's package proposal, but the Board's negotiating team rejected it. As a consequence, a stalemate was reached which led to a formal mediation session between the parties on August 25, 1986. This effort did not resolve the differences between the parties and another bargaining session was requested by the Association. The parties met on October 11, 1986 but again failed to reach agreement on salary and several other issues which were on the table at that time. The Association then filed a petition for fact-finding on October 21, 1986.

#### Issues at Impasse

The primary issues at impasse at the fact finding hearing were jointly defined as salary and longevity pay.

#### Association Position

As referenced previously, the Association tendered two package proposals, identified initially in the petition for fact-finding (Appendix A). Package #1 calls for a 5% hourly wage increase in 1986-87, 1987-88, and 1988-89. Additionally, longevity payments would increase to \$360 in 1986-87, to \$375 in 1987-88 and to \$390 in 1988-89. The Association's alternative proposal, Package #2, specifies a 5% hourly wage increase in 1986-87, 4 1/2%

in 1987-88 and 4 1/2% in 1988-89. In this proposal longevity pay would increase to \$360 in 1986-87, \$400 in 1987-88, and \$440 in 1988-89.

It is the Association's position that a 5% salary increase is fair and equitable, particularly when comparisons are made to other school employees 1) within the Clare-Gladwin Intermediate School District, 2) contiguous school districts and intermediate school districts, 3) school districts within the relevant coordinating council of the Michigan Education Association and 4) other workers in the state as a whole.

The Association provided numerous exhibits to substantiate its claim that other school employees in the aforementioned groups have been treated as well or better in salary determination (Exhibits 17 - 24). The Association also contends that the Board (Exhibits 10A, 10B) has had a very favorable fund equity position for several years, thus it could meet the Association terms without causing financial stress on budget resources. Moreover, the Association observes that the Board could legally draw upon general funds to meet special education obligations.

The Association submits that the cost difference between their package proposal #1 and the Board's proposal presented at the fact finding hearing totals \$12,992.84 (Appendix B). The difference between Association package proposal #2 and the Board's position is \$9,650.68. (Appendix C).

#### The Board's Position

As represented in the petition for fact-finding, the Board's position was

identified as 1) agreement with the Association's package #1, but a 3% salary increase for each step for three (3) years or a 3.75% salary increase for a one year contract and longevity pay increased from \$340 to \$350 (Appendix D). At the fact-finding hearing, the Board's stated salary and longevity offers included a 4% salary increase for a three year contract beginning in 1986-87 and a "one-time" increase in longevity pay to \$360.

In supporting its case that a 4% increase is competitive when compared to similar positions in contiguous, intermediate districts and school districts within the Clare-Gladwin Intermediate School District, the Board introduced several tables showing the ranking hourly wage of secretaries and aides, primarily in the 1985-86 school year.

The Board, while not claiming inability to pay as a reason for rejecting the Association's proposal, maintains that the district is becoming increasingly concerned about both short and long-term financial projections. The Board offered evidence (Exhibit #25) that rate of increase for State Equalized Valuation (SEV) for the district has declined substantially since 1979 (Appendix E). The resultant revenue loss has depleted both the general fund and special education fund. With regard to the later, the Board expressed concern about the potential impact of special education rule changes approved by the State Board of Education in March 4, 1986. The Board estimates that it will incur at least \$78,827 in additional personnel costs in order to be in compliance with new special education mandates which become effective in the 1987-88 school year (Appendix F). Additionally, the Board observes that recent attempts to pass millage increases have not been successful and voter support for increasing millage is highly unlikely in view

of declining property values.

The Board also stated that it has not experienced any shortage of applicants for the positions included in this bargaining unit. This, in the employer's view, indicates a high degree of interest in working for the district under prevailing wage conditions.

Finally, the Board noted that the cost difference between their proposal and the Association's amounted to \$15,037.87 over a three year period (Appendix G).

#### Discussion and Recommendations

It is clear that the bargaining history surrounding this dispute has been marked by charges and counter-charges about what was agreed to by the parties. Moreover, at the fact-finding hearing the situation became more disjointed by the introduction of a Board proposal the Association claimed was entirely new. From its vantage point, the Board contends its position had not changed, rather, the Association failed to understand its offer regarding salary and longevity pay. While not denying the significance of the apparent communication problems between the parties, the Fact Finder must deal specifically with positions which were presented at the hearing.

Based on a careful review of the evidence and testimony presented by each party, the Fact Finder recommends that the Association accept the Board's salary proposal of a 4% salary increase for each year of a three year contract beginning 1986-87 and that the Board accept the Association's proposal for increasing longevity pay as specified in Package #1, namely an

increase to \$360 in 1986-87, \$375 in 1987-88 and \$390 in 1988-89, respectively.

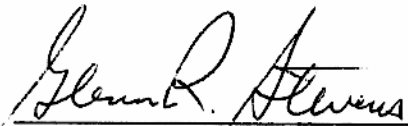
As is the usual case, each party attempted to cast its position as being fair and reasonable. For its part, the Board did not claim that it could not afford to meet the Association's demands, but instead attempted to keep a more narrow focus in developing its comparability arguments. For example, the exhibits offered by the Board generally showed the employees in this intermediate district to be in a relatively favorable position going into negotiations. In short, the Board stressed the local economic context in a more persuasive manner than did the Association. The Board also buttressed its argument for prudent budget management by introducing evidence which clearly indicates that district resources will likely be strained in the near term.

Although the Association correctly pointed to large fund equity balances in previous years, it appears that the overall financial health of the district has diminished significantly and prospects for the future are somewhat tenuous. Thus, it is understandable that the Board elected to take a conservative stance in attempting to negotiate a long term agreement with this unit. Moreover, one might surmise that the Board was using these negotiations as a means to communicate its overall posture relative to contract negotiations with other units. While the previous observation may be somewhat speculative, it is not at all clear to the Fact Finder why the Board continued to seek a three-year agreement in view of its concern about budget projections. Nonetheless, the Board's offer for a 4% salary increase is reasonable given current budget conditions.

Turning now to the longevity issue, the Fact Finder recommends that the parties seriously weigh the importance of making improvements in this area of compensation. For personnel who have relatively modest hourly wage rates, increases in longevity pay provide a tangible reward for long term service and commitment to the district. It is the Fact Finder's view that the Board can absorb the Association's proposal for longevity increases contained in package proposal #1 without jeopardizing its fiscal position. Moreover, acceptance of this component of the Association's position would reflect a good faith compromise to resolve this issue at impasse.

#### Concluding Observations

The Fact Finder was struck by the undercurrent of mistrust that seemed to prevail between the parties prior to and during the hearing. As mentioned previously, \$15,000, at most, separates the respective positions of the parties, yet the Fact Finder observes that the much deeper issues need to be resolved before a more positive climate for negotiating can be established. In this report it is not the intent or proper role of the Fact Finder to fix blame for present bargaining conditions, but it is hoped that the fact finding process and the recommendations and observations contained herein will be instrumental in helping the parties reach an acceptable compromise on the issues which have not been resolved to date.

  
Glenn R. Stevens  
July 1, 1987

# APPENDIX A

## SUMMARY SHEET (see attached pages or actual word changes)

### PACKAGE # 1

1. Minimum hourly wage increase for each employee in unit and for each step & classification on the pay scale.  
 1986-87 = 5%  
 1987-88 = 5%  
 1988-89 = 5%
2. Association release time = 8 hours each year.
3. Longevity payment - Begin 8th year and  
 1986-87 = \$360; 1987-88 = \$375; 1988-89 = \$390
4. Recognition - delete 1.1 b & c. Exclude and define Probationary, Substitute, and Temporary employees
5. Call in by 8:15 A.M.
6. New Fringe benefit programs choices if approved by Association and Board.
7. Exception to representative present if danger to self, others, or property
8. Leaves - add "ending date of leave"

### PACKAGE # 2

1. Minimum hourly wage increase for each employee in unit and for each step & classification on the pay scale.  
 1986-87 = 5%  
 1987-88 = 4 1/2%  
 1988-89 = 4 1/2%
2. Association release time = 1986-87 = 8 hours;  
 1987-88 = 12 hours; 1988-89 = 16 hours.
3. Longevity payment - Begin 8th year and  
 1986-87 = \$360; 1987-88 = \$400; 1988-89 = \$440
4. Recognition - same as Package # 1
5. Call in 8:15 A.M. - same as Package # 1
6. Fringe benefit choices - same as Package # 1
7. Exception to representative present - same as Package # 1
8. Leaves - add "ending date of leave" - same as Package # 1
9. One additional paid holiday for all employees beginning 1987-88 school year.  
 School Year employees = Day after Thanksgiving  
 10 & 12 month employees = New Year's Eve Day

APPENDIX B

Association Exhibit 32

COST DIFFERENCES  
of BOARD'S NEW PROPOSAL (4%, 4%, 4%)  
and ASSOCIATION'S PKG #1 PROPOSAL (5%, 5%, 5%)

Cost Difference includes longevity pay and association time pay.

1986 - 87	\$ 2,163.79
1987 - 88	\$ 4,194.13
1988 - 89	<u>\$ 6,634.92</u>
3 YEAR TOTAL	\$12,992.84

\*Longevity pay: Board - \$360 each of the 3 years;  
Association and Board's previous proposal - \$360 in 1986-87,  
\$375 in 1987-88, and \$390 in 1988-89.

\*Association time: Board's new proposal - silent.  
Association - 8 hours each of 3 years, cost determined on basis  
of average hourly wage of employees in this bargaining unit.

Source: Clare-Gladwin ISD wage proposal presented at Fact-  
Finding hearing on March 19, 1987. Calculations by  
12-C/E MEA Office.

APPENDIX C

Association Exhibit 36

APPENDIX II  
COST DIFFERENCES  
of NEW BOARD'S PROPOSAL (4%, 4%, 4%)  
and ASSOCIATION'S PKG #2 PROPOSAL (5%, 4 1/2%, 4 1/2%)

Cost Difference includes longevity pay and association time.\* It does NOT include the extra day paid holiday as such would not cause an increase in total paid wages.

1986 - 87	\$ 2,163.79
1987 - 88	\$ 2,877.99
1988 - 89	<u>\$ 4,608.90</u>
3 YEAR TOTAL	\$ 9,650.68

\*Longevity pay: Board - \$360 each of the 3 years;  
Association proposal - \$360 in 1986-87,  
\$400 in 1987-88, and \$440 in 1988-89.

\*Association time: Board's new proposal - silent.  
Association - 8 hours in 1986-87, 12 hours in 1987-88,  
16 hours in 1988-89.

Source: Clare-Gladwin ISD proposal presented at Fact-Finding hearing on March 19, 1987. Calculations by 12-C/E MEA Office.

APPENDIX D

ATTACHMENT #2

Clare-Gladwin Intermediate School District  
BOARD'S POSITION

- I. All of Package #1 (See Association - Attachment #1) with the exception of the wage increase which, instead of 5%, 5%, 5% wage increase, is 3% wage increase on each step, each year of the three (3) years, i.e., 3%, 3%, 3%.

-OR-

- II. A. 3.75% wage increase on each step, 1 year duration only.  
B. Longevity pay increased by ten dollars (\$10.00) to a \$350 total.  
C. Recognition clause changes to be worked out, hopefully.

APPENDIX E

CLARE-GLADWIN INTERMEDIATE SCHOOL DISTRICT  
S.E.V. LEVELS OVER THE PAST YEARS

	<u>AMOUNT</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
1979	\$394,682,210	\$ 44,066,972	12.568%
1980	443,160,188	48,477,978	12.282%
1981	486,040,099	42,879,911	9.676%
1982	530,531,434	44,491,335	9.154%
1983	546,457,427	15,925,993	3.0%
1984	565,415,552	18,958,125	3.469%
1985	573,057,838	7,642,286	1.3516%
1986	574,473,713	1,415,875	0.24%

MILLAGE LEVY: 1.6 Total Mills  
1.0 Voted Special Education  
.5 General Fund Allocated  
.1 Debt Retirement

Note: Information obtained from Business Office records.

APPENDIX F

COST IMPLICATIONS

MICHIGAN STATE BOARD APPROVED SPECIAL EDUCATION RULE CHANGES

APPROVED BY STATE BOARD OF EDUCATION MARCH 4, 1986

FOR 1987-88

Rule 340.1745 - Speech case load and other requirements:

Clare-Gladwin I.S.D. will have to hire one additional Speech and Language Pathologist. Estimated personnel and support costs: \$34,000

Rule 340.1738(a) - S.M.I. student teacher ratio changes:

Clare-Gladwin I.S.D. will have to hire one additional teacher of S.M.I. If numbers enrolled were to remain the same, we would also need to hire one additional instructional aide for a total estimated cost of: \$44,827

Rule 340.1738(E) - Ancillary and other services:

We cannot predict how many of the following that we might have to make "reasonably available" that are not presently "reasonably available":  
An Occupational Therapist, a Registered Nurse

If we are able to utilize Rule 340.1733(d) to our advantage in modifying the I.S.D. Plan to include an expansion of age ranges due to low incidence of eligible students for S.M.I. and T.M.I., the new rules cost implications shall amount to \$34,000 for Speech and \$44,827 in S.M.I. for a total of \$78,827 additional dollars.

Other additional needs as we see them at our level will have to be considered on top of the \$78,827.



## APPENDIX G

Board

TOTAL COST OF BOARD AND MESPA PROPOSALS

<u>YEAR</u>	<u>ASSOCIATION</u>	<u>BOARD</u>	<u>DIFFERENCE</u>
1986-87	\$238,210.43	\$236,000.04	\$2,210.39
1987-88	256,453.08	251,542.45	4,910.63
1988-89	274,931.63	267,014.78	<u>7,916.85</u>
	TOTAL INCREASE OVER THREE YEARS:		\$15,037.87