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FACT FINDING AWARD
IN THE MATTER
OF
GLADWIN COMMUNITY SCHOOLS
AND
GLADWIN EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

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Fact-finder: Dr. Benjamin Wolkinson appointed under the
auspices of the Michigan Employment Relations
Commission.

Appearances

Employer: Allan C. Fennell, Superintendent;
Andrew Angwin, Michigan Association of School
Boards.

Union: Joyce Cameron, Secretary;
Clare Breault, Head Mechanic;
Bob Jarosiewicz, Custodian-Maintenance;
Tom Ferris, Uniserv Director

A fact-finding hearing was held on January 16, 1989 at
Michigan State University at which the parties were afforded the
opportunity to submit evidence, to call and examine witnesses,
and to present arguments in support of their respective
positions. The parties submitted post-hearing briefs which were
timely filed.

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Gladwin Community Schools

BACKGROUND

The last Agreement between Gladwin Community Schools and Gladwin Education Support Personnel Association was for the period July 1, 1986 through June 30, 1988. After unsuccessful efforts at negotiations including resort to MERC mediation, the Union petitioned for fact-finding on November 16, 1986. A fact-finding hearing was conducted on January 16, 1989 in East Lansing, Michigan.

The original petition for fact-finding identified ten unresolved issues. At the fact-finding hearing the Union withdrew the issue concerning the placement of para-professionals. As a result the fact-finding will address the Employer and Union positions on the nine remaining issues.

The contract proposed by both parties calls for a two year Agreement. The fact-finder will examine and make recommendations on each of the nine remaining issues for the two years of the proposed Agreement.

WAGES

The Association has sought an 8% across the board increase for all job classifications. In support of its proposal it has presented evidence which the Union suggests demonstrates that the starting wages are below those paid in other districts and that this disparity also exists for most classifications at the higher end of the salary scale. The Union also notes that the wage freeze suggested by the school district combined with a rise in the consumer price index during the period 1987-1988

would result in a further erosion in employees' standard of living.

The fact-finder can empathize with the difficulties imposed on workers with a wage freeze. The consumer price index in 1988 rose by approximately 4% and a wage freeze for the first year of the Agreement would result in a reduction in the workers' buying power. At the same time the compelling evidence in the record demonstrates that the school district has been operating under extreme financial constraints. In the school year ending June 30, 1988 total expenditures exceeded revenues by \$302,798.00. This fact clearly demonstrates that the school district is not in a position to absorb additional wage costs for the 1988-1989 school year as these would only aggravate the school district's troubled financial situation.

Additionally, the record indicates that the support personnel is not the only group of workers that are being asked to absorb a wage freeze. It is undisputed in the record that all school administrators and bus drivers will have their wages frozen during the 1988-1989 school year. Given the serious deficit situation of the school district during the 1988-1989 school year and the school district's determination to share the burden of a wage freeze across different employee groups, the fact-finder recommends that the school district's proposal for a wage freeze be adopted for the first year of the two year contract.

SECOND YEAR WAGE INCREASE

On February 27, 1989 the district is going before the voters for additional operating millage. This is being done to raise monies to eliminate the existing deficit and raise additional funds for increased operational expenses. The revenue generated by the millage, if enacted, would be \$710,000. The fact-finder's recommendations on wages and fringe benefits in 1989-1990 assumes passage of the February 27 millage.

For the 1989-1990 school year the school district has proposed a 4% wage increase while the Association has demanded an additional 8% wage increase. In Table 1 below, the proposals of each are juxtaposed against the wage rates existing in other comparable school units. The wages in the other school units reflect the period 1988-1989, which was the last year for which comparable wage data was presented. In calculating these averages, the fact-finder has declined to use comparable wage data for cities as municipalities are governed by less stringent tax constraints and therefore have greater flexibility in setting wages than school districts. Additionally, the fact-finder observes that for all other fringe benefits the school district relied exclusively on data from the school district and it is appropriate to utilize these same set of communities in addressing the wage issue. By comparing wages in Gladwin for the various support unit classifications against similar classifications in nearby school districts we can better assess the degree to which Gladwin wages approach the norm.

TABLE 1

Low and Top Salary Range Per Job Classification¹
1989-90

	Board Proposal	Union Proposal
Sect.	5.20 - 9.30	5.40 - 9.65
Clerical	4.80 - 8.03	4.99 - 8.34
Cust./Mait.	5.18 - 8.99	5.38 - 9.34
Matrons	4.02 - 7.69	4.18 - 7.98
Cooks	3.99 - 7.11	4.15 - 7.39
Aides	3.99 - 7.11	4.15 - 7.39
Nurse	7.19 - 9.75	7.46 - 10.13
Mechanic	7.25 - 11.13	7.53 - 11.56
Mech.Helper	3.99 - 7.11	4.15 - 7.39

	District Averages	
	1988-89 ²	1989-90 ³
Sect. ⁴	7.47 - 8.20	7.73 - 8.49
Clerical	7.00 - 7.96	7.24 - 8.24
Cust./Mait.	9.08 - 10.42	9.40 - 10.79
Matrons	7.37 - 8.45	7.63 - 8.75
Cooks	6.05 - 6.98	6.26 - 7.22
Aides	6.12 - 8.06	6.33 - 8.34
Nurse	15.63	16.18
Mechanic	9.02 - 10.21	9.34 - 10.57
Mech.Helper	8.12 - 8.86	8.40 - 9.17

¹Based on Association Exhibit 1.

²Based on Association Exhibits

³The district averages for 1989-90 were computed by adding 3.5% to the district averages for 1988-89

⁴In computing the average wage for secretaries for 1988-89 there was paucity of data available. Therefore, the single wage data available for Bangor Township, Clare, and Pinconning was used to determine both the high and low end of the wage scale for secretaries. This accounted for a higher average wage at the top scale than would have been obtained by relying exclusively on the few observations wherein the union provided wage data for the top scale of the secretarial classification. For other job classifications the number of observations provided by the union was adequate. Consequently, when computing either the low or top scale for these job classifications we relied on the data indicating the low or top scales for the various communities. The average wage computation also incorporated the 1987-88 wage for Bangor Township to which a 4 % increase was added to achieve a figure more relevant for the 1988-89 time period.

In making comparisons there are always difficulties which must be considered. In this case the Employer has noted that many of the schools and municipalities used by the Association for comparables have salary schedules that have as many as ten or twelve salary steps, whereas Gladwin has only six steps in its salary schedule. The compression in Gladwin thus permits Unit members to get to the top ranks more quickly than other units. As a result it is misleading to compare the top scale in Gladwin with the top scale in other communities.

This point is not without some merit. At the same it is difficult to afford this consideration much weight. This is because there has been no evidence presented by the School Board which would demonstrate or conclusively prove the existence or identity of other school districts with salary levels of more than six steps. Furthermore, whatever evidence that has been presented by the Union does not support the Employer's position. At the request of the fact-finder during the hearing, the Union, following the close of the hearing, presented to the fact-finder material from the collective bargaining agreements in Houghton Lake, Clare-Gladwin, Clare, Harrison, Bangor, Pinconning, Whitmore-Prescott and Millington. Of these school units, only the Bay Arenac Agreement indicated a salary schedule of more than six salary steps.

In reviewing the salary levels of Gladwin against those of other units, emphasis will be placed on the top levels. Thus, in practice the overwhelming majority of workers in Gladwin are found near or at the top of the salary scale. For example, the

record demonstrates that two-thirds of the employees in the unit will be represented in the two top salary steps by the 1989-1990 school year. Consequently, to address the nature of hourly wages at the starting rate would not be relevant to most Unit members in this district.

Looking at Table 1, we find that for four classifications (secretarial, clerical, cooks and mechanics) the Board proposal of 4% exceeds at the top level the average wage in other comparable communities for the period 1988-1989. At the same time, the fact-finder notes that the Board proposal is for 1989-1990 and the comparison is against wages that are being enjoyed during the school year 1988-1989. It is also reasonable to assume that in these other Units there might be wage increases of around 3.5% being negotiated. Even taking into consideration the potential 3.5% wage increase in these other units for the period 1989-1990, the Board's wage offer of 4% for the job classifications of secretaries and mechanics would result in top wages in Gladwin being competitive with wages paid in that classification in other Units. For this reason the fact-finder recommends acceptance of the Board's offer of 4% for the positions of secretaries and mechanics. At the same time, a 3.5% increase in these other Units would result in clerical workers and cooks receiving less than the average being paid elsewhere. To achieve greater comparability between Gladwin and these other Units the fact-finder recommends that for the 1989-1990 school year these employees receive a wage increase of 6%.

On the other hand, in five classifications--custodial, maintenance, matrons, aides, mechanic helpers and school nurse--acceptance of the Unit's wage offer of 8% for the 1989-1990 school year would still result in Unit employees earning substantially less than those afforded comparable workers in other school units for the period 1988-1989. As a result, the wage data strongly supports the Union's position in these classifications and the fact-finder recommends that for the 1989-1990 school year workers in these four job classifications achieve increases of 8%.

INSURANCE

There are four issues categorized under the subject of insurance. Currently, for employees working six hours or more five days a week the Board contributes a maximum of \$220.00 for an employee's health coverage. Pro rata coverage is afforded employees working between four and six hours and no coverage is given to employees working less than four hours a day. Additionally, employees not working the summer are required to pay the full premiums for the months of July and August.

The School Board has proposed increasing the Board contributions by \$10.00 per month. The Union's proposal is that the School Board provide fully paid premiums for all employees in the Unit without regard to the number of hours worked per week or the number of hours worked per year.

The fact-finder finds the Union request for employee coverage for all employees regardless of the number of hours worked unpersuasive. Thus, it is understandable that workers

employed only on a part-time basis receive a smaller level of fringe benefits than full-time employees. Furthermore, Gladwin is not unique in pro-rating the share of benefits received. Thus, Houghton Lake and Harrison also have health insurance systems providing for reduced coverage for part-time workers.

At the same time the Union has raised strong arguments in favor of expanded Employer coverage. Examination of the data presented at the hearing indicates that in most other school units the school districts absorb the full premium cost for the full time support personnel. This is the case for Harrison, Houghton Lake, Millington, Bay Arenac and Bangor. In Whitmore-Prescott workers with at least nine years of experience receive 100% full premium coverage.

Additionally, given the projected increase in monthly premium payments in 1988-1989 from \$261.90 to \$295.06 a \$10.00 increase in Board premium payrolls would result in employees being assessed an even increased share of the financial burden of health coverage. For example, a ~~twelve~~ month employee in 1987-1988 paid out of his own pocket for full family coverage \$502.00. Under the Board's proposal this same employee would have to pay \$780.00, while a ten month employee's costs for health coverage would increase from \$942.00 to \$1240.00. When we note that the Board's proposal for a \$10.00 increase in premium pay coverage is coupled with a wage freeze for the period 1988-1989 it is obvious that the effect of the combined Board's wage and insurance proposal is to seriously reduce the real wages and benefits of Unit employees.

Additionally, the evidence indicates that with regard to health coverage support personnel are singled out for disadvantageous treatment and consideration. Thus, teachers are provided for full health coverage without any costs being imposed upon them. Additionally, the record indicates that for the 1988-1989 school year the school district offered to pay all premium payments for the insurance coverage to be received by administrators.

Taking into consideration that: (1) Most other school districts provide their full-time employees full paid premium coverage; (2) Such benefits are afforded other personnel employed by the Gladwin School District; and (3) The effect of a wage freeze on employee's income, the fact-finder concludes that improvements are warranted in the health coverage of Unit personnel. At the same time, consideration of what these improvements are should be balanced against the serious financial situation of the Board, especially during the period of the 1988-1989 school year. Trying to achieve a fair weighing of these considerations, the fact-finder recommends that for the 1988-1989 school year the school district increase its contributions to the health premiums of all workers by \$20.00 per month, that these increases would be pro-rated on the basis of the number of hours worked, and that distinctions can be retained between workers employed ten and twelve months. However, beginning in the 1989-1990 school year with the school district coming out of its deficit and assuming the passage of the millage making greater funds available, the fact-finder recom-

mends that the school district reorder its priorities to insure more equitable coverage be afforded Unit personnel. Specifically, the fact-finder recommends that for the 1989-1990 school year that the school district provide fully paid premium coverage to all workers employed at least six or more hours per week and that no distinction be made in the level of coverage between workers who are employed ten and twelve months.

At the same time the fact-finder recommends the continuation of the pro rata conferral of the benefits on the basis of the number of hours worked per week.

OPTIONS

Some workers may not require or desire health coverage. Under these circumstances the Union has proposed that the School Board provide such workers with an amount equivalent in value to the cost of health insurance and which amount will be rolled over into employees' wages. The School Board has rejected this proposal on the grounds of its cost and the School Board's financial situation.

The fact-finder recommends against this proposal. To begin with, it is very costly; by the Union's own acknowledgement it would add \$32,700.00 per year in costs to the School Board's budget. Additionally, this is not a prevalent benefit with three of seven school districts not providing any such benefit to workers. Most importantly, given the difficult financial situation of the school district, acceptance of this benefit now is inappropriate. Whatever monies are available are more needed

to correct wage and health coverage imbalances.

DENTAL INSURANCE

In the past if an employee did not want health insurance the school district would contribute an equivalent amount for that employee's dental insurance. This arrangement apparently is no longer possible as the insurance carrier has indicated that it will no longer provide coverage for less than all employees in the Unit. The Union has, as a result, demanded Delta Dental coverage for all workers and supports its demand by referencing the benefits being provided other workers in comparable units. The Board rejects this demand because of the school district's financial situation.

Essentially, this is a new demand as the evidence indicates that in the past not all Unit employees were afforded such coverage. Additionally, the effect of this demand on school district costs is significant. Acceptance of this proposal would add approximately \$25,000.00 per year to the total budget for support personnel. Given its costs and the school district's financial situation, the fact-finder recommends against adopting the Association's dental package.

LIFE INSURANCE

The Union has proposed life insurance and accidental and disability coverage for Unit employees in the amount of \$10,000.00. The Board is opposed. The record indicates that similar benefits are quite prevalent in other school district units, being received by workers in five of the seven comparable

school units noted by the Association. Additionally, while this is a benefit of major importance to employees, the costs are low. According to the Union whose data was not challenged by the Employer, implementation of this benefit would cost only \$1500.00 per year. Given the importance of this benefit to the workers and its low cost, the fact-finder recommends that the school district provide such coverage beginning with the 1989-1990 school year.

LONGEVITY

Currently employees receive \$300.00 after ten years, \$500.00 after fifteen years, \$700.00 after twenty years. The Union seeks an additional \$100.00 for each step. The Board is opposed. A review of the longevity increases existing in other Units indicates that the longevity increments available in Gladwin are superior to most other comparable Units, with the possible exception of Harrison and Mt. Pleasant. Given the favorable longevity increments currently available in this Unit, the fact-finder sees no basis for modifying this benefit.

SHIFT PREMIUM

The Union has sought a doubling of the shift premium payments from 10 to 15 cents an hour on the second shift and from 15 to 30 cents per hour on the third shift. The Board is opposed to any change. The Union has sought to support this proposal by referencing other school districts. The fact-finder, however, notes that the Union's exhibit for shift premium comparisons is rather incomplete. Its exhibit

references only four school districts and the data unexplainedly omits consideration of the nearby school district of Houghton Lake, Clare and Clare-Gladwin. Consequently, the fact-finder has an incomplete record with regard to this issue and can make no recommendation on it.

RETIREMENT PAY

Currently, employees upon retirement obtain \$50.00 per year for experience up to a maximum of \$1,000.00. This benefit is made available to employees with at least ten years experience and who are at least 55 years old. The Union has proposed that the retirement benefit level increase to \$125.00 per year and up to a maximum of \$2,500.00 and that the age of eligibility be reduced to 48 years. The Board is opposed.

The Association contends that its proposal would result in savings to the district. The annual earnings of an employee at the top of the scale in all cases is more than \$2,500.00 more than the annual earnings of an employee at the bottom of the scale. Since the district would generally hire a beginning employee to replace one who has retired, the district, according to the Union, will realize a savings even if the retirement benefit is increased.

Here again, the fact-finder is confronted with an issue for which he is hesitant to make a recommendation because of the incomplete nature of the record. This is a benefit which will dramatically increase retirement benefits. At the same time, no data is presented as to the number of employees who would be approaching a retirement age and who would be eligible for such

increased benefits. As a result, the fact-finder is unaware of its immediate cost implication. Furthermore, no data was presented as to the frequency with which this benefit is found in other collective bargaining agreements involving comparable units. Finally, the issue may not be as factually simple as suggested by the Union. It may not always be true that every retiree would be replaced by an individual coming in at the lowest end of the salary scale. Situations may arise where a school district, because of budgetary cutbacks, will decide not to replace any incumbent retiring workers. In such a context the net budgetary effect of the Union's proposal would be to add to the costs of operation. Additionally, the School Board has indicated that there may be cases where upon an employee's retirement it may employ an employee with more experience who could be placed at a higher salary step.

This Union proposal merits serious consideration as a potential cost-saving mechanism as well as a means of providing additional benefits to senior employees upon retirement. It clearly merits further serious study by both the Union and the Board. At the same time, such study is dependent upon more information than has been presented to this fact-finder. Additional information necessary would be data indicating its potential immediate costs, the experience of other school districts, and hiring patterns in the Unit. Because this evidence is lacking, the fact-finder defers this issue to the parties for further negotiations.

VACATION

Currently, full-time employees who have worked at least ten years are entitled to fifteen paid vacation days. The Union seeks to expand vacation benefits of workers with at least fifteen or more years by providing them with an additional five days vacation, for a total of twenty vacation days per year.

An examination of comparable data indicates that twenty days after fifteen or fewer years is a vacation benefit that is extended in five of the eight school units noted by the Union as being comparable. In the sixth unit, that of Pinconning, the maximum number of vacation days is eighteen, a level reached after an employee has attained eleven years of service. Thus, comparable data strongly supports the Union's position. At the same time, the benefit does impose increased costs on the school district. The Union's data suggested that implementation of this benefit would increase costs by over \$1,700.00, which would be generated by the need to hire substitute personnel. Furthermore, few personnel would be directly benefited by this new improvement. Taking into consideration the nature of this benefit, its general acceptance in other units, and its costs, the fact-finder recommends some improvement. Specifically, the fact-finder recommends for the 1989-1990 school year, employees with fifteen or more years experience be afforded an additional three days off. This change would be consistent with previous improvements in vacation benefits extended in this unit to more senior employees.

HOLIDAYS

The Union is seeking the addition of New Year's Eve as a holiday, which would increase the number of holidays in the unit from nine to ten. The School Board is opposed. Comparative data support this proposal. Thus, besides Gladwin, seven of the other ten school units provide their workers with ten paid holidays. Additionally, consideration of equity support this request. Thus, teachers are provided paid leave and bus drivers also are off that day. The result is that some support personnel such as cooks and aides cannot work New Year's Eve but they, unlike the teachers, do not get paid. Finally, the extension of this benefit would not impose any higher cost on the school district since its implementation would result in the school's closure that day. As a result, no substitutes would have to be hired. Given considerations of equity between groups, the greater number of holidays afforded support personnel in most other school units, and the absence of increased costs associated with this proposal, the fact-finder recommends that Unit employees be afforded New Year's Day off commencing with the 1989-1990 school year.

SICK LEAVE PAYOUT

Currently there is no language in the contract which provides employees with the right to be reimbursed for the number of sick days they have accumulated upon their retirement. According to the Union, this is not a common benefit among other school districts. The Union's primary argument is that for those school districts that do have this benefit it does

encourage employees to save their sick days and not use them all up just before they retire. The fact-finder here has inadequate information upon which to make a recommendation. No information has been presented on the level of increased costs that would be imposed on the school district by implementing this new demand. Furthermore, no information has been presented on the experiences of other school districts in providing this benefit. Given the paucity of data on this demand, the fact-finder makes no recommendation on it, and defers the issue back to the parties.

BREAK PERIODS

Under the current Agreement Unit members are entitled to two 15 minute break periods every four hours. The Board has suggested the following modification:

Bargaining unit members will be provided a 15 minute relief period for each four hours of work as assigned by the immediate supervisor. The relief period shall be taken at a time and in a manner that does not interfere with the efficiency of the work unit as determined by the immediate supervisor. The rest period is intended to be a recess to be proceeded and followed by extended work periods; thus, it shall not be used to cover an employee's late arrival to work or early departure, nor shall it be regarded as accumulative if not taken. Failure to take a relief period shall not result in a lengthening of the lunch period or a shortening of the working day, unless specifically arranged with the immediate supervisor to cover unusual situations.

The Union opposes any modification. In support of its position the Employer maintains that under its management right it may assign and schedule the work days of its employees. On the other hand, the Union contends that the current language has not created problems and any disputes that may arise with regard

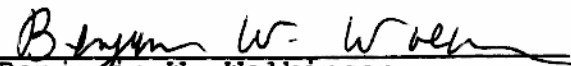
to the scheduling of breaks be dealt with through the grievance procedure.

In examining this issue it is important to consider the reasons for a break period. The superintendent's testimony which was not disputed by the Union in the fact-finding hearing, indicates that breaks are primarily designed to afford workers with a relief period generally in the middle of a work period and not as a means to justify coming in late to work, adding to one's lunch hour or leaving work early. Additionally, according to the superintendent, break periods are normally determined by a supervisor.

Significantly, the current Agreement does not spell out the limitations sought by the superintendent. Furthermore, it is apparent that the lack of specificity on Management's Right to determine the scheduling of breaks has given rise to some disputes. The Union has filed unfair labor practice charges against Management for blocking the efforts of some workers to use their breaks as a means of lengthening their lunch hours. This fact-finding does not address the merits of that unfair labor practice charge. At the same time, this fact-finder cannot ignore the fact that the current provision is ambiguous and does not with sufficient clarity identify the scope and nature of management rights to schedule a break. Given the uncertain and ambiguous nature of the current Agreement, the fact-finder views the Board's effort at clarification reasonable. Furthermore, since break periods in industrial relations are commonly used as relief time and not as a means to cover

late arrivals, early departures, or longer lunch breaks, the fact-finder finds the Board's proposal an equitable means of clarifying the break period issue. The fact-finder, for this reason, recommends its adoption.

On the basis of the recommendations, the fact-finder urges the parties to meet and bargain for adoption of a new Agreement.


Benjamin W. Wolkinson
Fact-finder

February 23, 1989