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FACT FINDERS REPORT

In the Matter of:

HARTFORD SCHOOLS

MERC Fact Finding Case
No. G-87-D-459

and

SERVICE EMPLOYEES
INTERNATIONAL UNION,
LOCAL 2586

Carl E. VerBeek, Fact Finder

APPEARANCES

<u>EMPLOYER</u>	<u>UNION</u>
James T. Maatsch, Attorney	James Shelton, President Local 586
Robert E. Pobuda, Superintendent	Diane VanLierop, President Unit 61
Pete Sinclair, Board President	Geraldine Chandler, Steward Unit 61
Gerald D. Lutz, Board Treasurer	Margaret Pomeroy, Steward Unit 61
Tim Mattimore, Trustee	
Donna Bench, Board Secretary	
Michael Hallgren, Business Manager	
Martha Marchero, Attorney	

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INTRODUCTION

This is a report of a Fact Finder appointed pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the regulations of the Michigan Employment Relations Commission. A full hearing was held at the Board chambers of the Hartford Public Schools on Wednesday, December 23 from 9:30 A.M. until 4:50 P.M. At the hearing the parties submitted as joint exhibits a Petition for Fact Finding, the Employer's Answer to that Petition, and the

1984-1987 contract for the bargaining unit in question. The bargaining unit includes bus drivers, custodial/maintenance, bus mechanic and teacher aides. Teacher aides were accreted to the unit during the 1984 contract.

The Union submitted 15 exhibits, most of which were in the form of contract language from the other school districts in VanBuren County. The Union submits that they should be considered as the comparable employers. The union also submitted as Union Exhibit 14 a summary of the issues between the parties.

The Employer submitted 22 exhibits, including contract language from 12 school districts in a six county area near VanBuren County for school districts which were of comparable size to Hartford Public Schools. The Employer's exhibits also included economic exhibits relating the cost of the Union's proposals, sources of funding for the district, a millage analysis of area schools, information regarding the Consumer Price Index and a spread sheet analysis of the 1986-87 wages, what those wages would be at the Board's last proposal and what those wages would be at the Union's proposal, a scatter chart showing the number of employees in each classification and at each step in the wage scale. An exhibit was also submitted by the Employer regarding comparison of the current cost of the Board proposal and the Union proposal regarding health insurance and individual wage and benefit comparisons for the Mechanic, Custodial, Teacher Aide and Bus Driver classifications as compared to similar jobs in the selected comparable school districts. A comprehensive Cost

Comparison was also submitted after the hearing by the Employer, as requested by the Fact Finder during the hearing.

There are 32 current employees in the bargaining unit, the parties have had a collective bargaining relationship for this bargaining unit for three years, the 1984 contract being the first contract between the parties. The first contract was settled without a strike with the assistance of mediation. There are 1,435 students in the Hartford Public School system and the state equalized valuation per child in the Hartford Public School system is \$30,458, which ranks this school system 511 out of 525 school districts in this state. The millage rate for the Hartford Public Schools places it second among the 12 school districts cited by the Employer as comparable school districts with a total millage rate of 35.05 mills. The highest comparable millage rate was 37 mills and the lowest was 25 mills. Hartford's state equalized valuation per child is the lowest in VanBuren County. The school district obtains revenues through unrestricted state aid, categorical state aid, property tax revenues and federal aid. It attracts employees for this bargaining unit from a radius of 10 to 15 miles. The size of the bargaining unit has been approximately the same size for the past three years.

The teachers in the Hartford Public School system are covered by a Union contract with the Michigan Education Association. The administrators are not unionized. The last contract expired on June 30, 1987, without agreement. The last bargaining session occurred in September of 1987, at which a state mediator was present. Immediately thereafter the Petition for Fact Finding

dated September 8, 1987, was filed with the Michigan Employment Relations Commission.

When asked by the Fact Finder, the parties indicated that they wanted a full Fact Finder's Report as provided under Rule 35, including the reasons and basis for the Fact Finder's findings, conclusions and recommendations.

The Fact Finder is an experienced negotiator, having spent more than 22 years as the chief negotiator and attorney in numerous collective bargaining settings in both the public and private sectors.

At the time of this hearing, the published reports by the Bureau of Labor Statistics indicates that the average wage settlement throughout the U. S. economy under the most recent reports shows an average of 2.4% as the wage increase for the first year of a new contract. The Consumer Price Index for the period of November, 1986 through November, 1987, for Urban Wage Earners and Clerical Workers was at 4.6%. The Index for All Urban Consumers was at 4.5% for that same period.

RECOMMENDATIONS WITH REASONS AND BASIS FOR FINDINGS

Based on the evidence submitted to the Fact Finder and based on the his judgment from his experience as a negotiator, the Fact Finder makes the following findings and recommendations.

First, the Fact Finder accepts for comparability all of the data submitted by both the Union and the Employer. The Fact Finder considers the data submitted by the Union regarding the other school districts in VanBuren County to be worthy of

consideration. The Fact Finder also finds the data introduced by the Employer regarding the 12 school districts of comparable size in a six county area as also being worthy of consideration.

As a generalization, it appears that the provisions of the 1984 through 1987 contract, as compared to the data from the comparable school districts, falls within the "mainstream" of the contract provisions at the comparable districts. It appears that most of the comparable districts have had a longer bargaining history than this bargaining unit. It also appears that most of the comparable school districts have access to greater sources of funding than those available to this Employer.

No data was submitted by either party on wages or fringe benefits paid by alternative employers in the immediate community who might serve as alternative employers for employees in the bargaining unit. Therefore, no findings or comparisons are made to alternative employers other than the public school systems identified as comparable by the respective parties.

Neither party submitted a detailed bargaining history of their respective positions on the various issues during the 1987 negotiations. Consequently, it is difficult to compare the relative movement and flexibility demonstrated by the two parties. However, it appears that the Employer did make significant economic proposals on several important issues under the economic portions of the contract. With respect to the agency shop question, it appears that the Employer's position has consistently been to restate the provisions of the old contract, which provided for open shop. Dues check-off was included in the previous contract

and the Employer is apparently willing to continue the check-off for those who voluntarily join the Union.

Addressing the specific issues, my findings and recommendations are as follows:

1. Agency Shop. I find for the Employer on this issue. I do not recommend an Agency Shop. I credit the fact that there are employees who were working for the Employer before the Union contract took effect and some who have been hired during this contract who do not choose to be members of the Union. This is an important policy consideration and should be carefully evaluated by the Board members who live in the community so that they can make a judgment as to whether and when mandatory Union Security should be implemented in such a contract. Apparently such an agreement was not reached during the first 15 years of the bargaining relationship between the Michigan Education Association and the Employer. This indicates that this is a serious issue in this community.

2. Article XII, Sick Leave. The old contract allows an accumulation for some employees of 80 days and for others 260. The Union requested a 10-day increase in both categories, whereas the Employer proposed a 5-day increase. On this issue I find for the Union. The parties' positions are relatively close and I do not find the Union's proposal to be unreasonable under all of the circumstances. This does not require the Employer to grant additional sick leave days, since it only allows for a greater maximum accumulation for an employee who does not utilize the days accrued

under the current formula, but who may need them in the event of serious illness.

3. Article XII, Personal Days, Section 2(a). The Union proposes to increase the number of days from the old contract level of two days to three days. The Employer's position is to retain the two-day maximum. I find for the Employer on this issue. There is no support for the Union's position in the comparable school district, nor is there any justification given as to the urgency of increasing this number.

4. Article XIV, Holidays, Section 1(a) - 12-Month Employees. The Union proposed one more full day of holidays and the Employer proposed the same number as the old contract. I find for the Employer. The number of holidays is in the mainstream of the comparable contracts.

Section 1(b) - Holidays for School Year Employees. The Union proposed three extra days. The Employer proposes to perpetuate Memorial Day and Labor Day, both of which were added during the course of the 1984 contract. I find for the Employer. The number of holidays in the comparable contracts for school year employees falls both above and below the two holidays applicable to the Hartford's school year employees.

Section 4 - Holidays. The Union has proposed a new section which provides for pay at time and one-half for hours worked. The Employer has rejected that proposal. For an employee who works on that holiday it would amount to two and one-half times the regular rate. Most of the comparables do not pay that. Accordingly, I find for the Employer on that position.

5. Article XV, Vacation, Section 1. The Union proposes to add a new vacation level of four weeks after 17 years. The Employer has rejected that proposal. I find for the Employer. Most of the comparable contracts do not have a four week provision.

Section 2. The Union proposes that one week be allowed to be taken during the school year. The Employer rejected that proposal. It appears that some of the comparable school districts allow vacation to be taken during the school year and others do not. I would recommend a compromise whereby only those 12-month employees who are entitled to three weeks vacation could request a vacation during the school year, provided suitable coverage can be provided in a way which is consistent with the need to provide continuing coverage of the services provided by that classification of employee.

6. Article XVI (New). The Union has proposed a new Section 3 that Teacher Aides who do recess duty be provided \$25 tri-annually, presumably to provide payment for outdoor clothing. The Employer rejected that proposal. I find for the Employer. I do not find a clear rationale for this proposal or the existence of comparables either within or without the Hartford Public School system.

7. Article XXII, Insurance. The Union proposed to increase the proportion paid by the Employer in the second paragraph of this Article from 60% to 85%. The Employer rejected that proposal. It came to the attention of the Fact Finder that one of the Teacher Aides is currently at an 80% reimbursement level

because of the effect of a previous insurance provision in the contract which gave extra benefits to a person who was designated as the head of the household. That person was a Teacher Aide who is given that level of benefit under the Board's old policy. That provision was treated as if it were part of the old contract when the Teacher Aides were accreted to this unit. I recommend that there be a compromise here whereby that individual be "grandfathered" at the 80% level which she is accustomed to as a red-circle employee, i.e. this rate applies only to her and only so long as she continues to be employed in that classification. For the balance of the employees, the 60% reimbursement rate should continue. That provision is equal to or greater than most of the comparables. The comparables provide a range which falls both below and above the amount presently paid by the Hartford Public Schools.

The Union also proposed a new third paragraph which would provide that employees who do not desire insurance would receive \$45 per month to purchase optional coverage in the form of short term disability, long term disability, hospital confinement indemnity, supplemental term life, survivor income, or annuity provisions. No information was submitted to the Fact Finder regarding the number of employees in the bargaining unit who might elect this option. Also, it is not clear to the Fact Finder whether or not the insurance options which the Union proposed are available as a part of the insurance plan provided by the Hartford Public Schools. Consequently, even though there a fair number of comparable school districts in the county which have similar

provisions to that proposed by the Union, the Fact Finder cannot recommend implementation of this proposal. Nevertheless, the Fact Finder would recommend that the parties explore the practical and economic implications of this provision more carefully and if it can be implemented on a cost effective basis without unusual administrative problems, perhaps it should be implemented by the parties.

8. Schedule A, Wages. The parties are a long way apart on this fundamental issue. The Union has proposed an 8% wage increase effective July 1, 1987, to be in effect for a 12-month period from that day. The Employer's last proposal was to put in a 5.75% increase effective upon the ratification of an agreement, which was proposed to take effect in September of 1987. I do not know what the Employer's previous proposals were nor what, if any, fringe benefit concessions were included by virtue of the delay in implementing this proposal in September rather than in July. Further, I do not know whether the amount of the proposal was increased because it would only be in effect for 10 months rather than 12 months, but I can only assume that the effective date was a part of the Employer's consideration in making that proposal. The Union's justification for its proposal was by virtue of the fact that the teacher contract was settled for 6%, the non-union employees received 6%, and the administrators received increases ranging from 6% to 10%. No data was submitted by either party as to the relative position of the persons in this bargaining unit as compared to their peers elsewhere as contrasted with the relative positions of teachers, non-union employees and administrators as

compared to their respective peers elsewhere. The Fact Finder is not persuaded that there must be precise equality in the percentage increase applicable to all employees of a particular employer. Certainly the union would argue against that principle if, for example, the administrators had received 5%. The 5.75% clearly exceeds the level of increase in terms of general increases throughout the U.S. economy, which was reported by the last report to be at a rate of 2.4% and also exceeds the increase in the Cost-of-Living Indices which ran respectively at 4.5% and 4.6% for the 12 months ending in November of 1987 and were actually lower than that for the 12 months ending in July of 1987 (which was probably the last data available when the Employer made its proposal in September). The July CPI Index for the 12 month period ending July, 1987 showed that the increase during the previous 12 months under both indices was 3.9%. Further, it is clear to the Fact Finder that the state equalized valuation in this school district is relatively low and that the millage rate which the taxpayers have assessed themselves is quite high. Consequently, the Fact Finder is not persuaded that an 8% increase is justified under any circumstances. The Employer's last offer was for an increase of 5.75% in September, provided the contract had been ratified at that time. It was not. To what extent the Employer's proposal was raised to that level with the expectation that it would be able to avoid the delay and expense of a fact finding procedure is not clear. As a result of the Union's rejection of that proposal, the Employer has been put to the additional delay and expense of this process. Nevertheless, the Fact Finder

is not convinced that it would be equitable to recommend the 5.75% increase to be effective upon ratification after receipt of this report. I must further commend both parties, however, for not resorting to self-help in the form of a strike or lock-out, rather choosing this more civilized fact finding procedure. I am unable to determine whose "fault" it was that an agreement was not reached in September. Therefore, I do not wish to reward or punish either side at this time. After carefully analyzing all of the facts and the competing equities, I recommend that the cross-the-board increase be in the amount of 6% effective as of the first pay period beginning on or after September 13, 1987, that being a date after the September 2 meeting, before which a ratification might have occurred had the parties reached agreement at that time. I choose that amount partly because it is within the range of the increases given to the other employees of the Hartford Public Schools. Since that increase will be in effect for less than a full year, however, it recognizes that there need not be precise equity among all of the employees of the public school system. I do not believe that the additional 1/4% over a period of approximately 9-1/2 months should be unduly burdensome to the school district's budget.


SUMMARY

At the close of the fact finding hearing, the Union indicated that it would accept the Fact Finder's recommendations. That put an extra measure of responsibility on the Fact Finder as he analyzed this matter. Under the statute and regulations neither

party is obligated to accept this recommendation. The Fact Finder did not "hold it against" the Employer for not making a comparable pledge. I recognize that the Employer has the right and responsibility to make that judgment as it chooses. It is hoped by the Fact Finder, however, that the Employer will recognize that, in most respects, its position has been sustained by the Fact Finder and that this report will, in fact, provide a basis for a mutually acceptable agreement for both parties. This report contains recommendations on which each party can be pleased and recommendations on which each party can be displeased. In the mind of the Fact Finder, that is often the definition of a fair agreement.

Dated: January 19, 1988.

Respectfully submitted,


Carl E. VerBeek, Fact Finder

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