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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF
HURON VALLEY SCHOOLS

Michigan State University
LABOR AND INDUSTRIA
RELATIONS LIBRARY

-and-

HURON VALLEY EDUCATION ASSOCIATION (MICHIGAN EDUCATION ASSOCIATION/
NATIONAL EDUCATION ASSOCIATION)

MERC CASE NUMBER: D 81-H1738

Daniel Kruger 9-11-81

HEARINGS OFFICER'S FACT FINDING REPORT

Appearances

For the Association

Gloria K. Goodness
Bonnie L. Baker
Susan Gumper
Lyman P. Jump
Michelle Meinhardt
Chris Talkington
Victor Bouckaert
Maryann F. Ligato

President

MEA/NEA
Uniserv Director

For the School Board

Clifford A. Scherer
William Hunter
Gerald A. Collins
William Rose
Larry Adams
James Lancaster
William G. Albertson

Superintendent
Assistant Superintendent for Instruction
Assistant Superintendent for Personnel

Attorney

Huron Valley Schools

This is a fact finding report under the provisions of Section 25 of Act 176 of the Public Acts of 1939, as amended, which provides in part as follows:

"Whenever in the course of mediation under Section 7 of Act No. 336 of the Public Acts of 1947, being Section 423, 207 of the Compiled Laws of 1948, it shall become apparent to the Board that matters in disagreement between the parties might be more readily settled if the facts involved in the disagreement were determined and publicly known, the Board may make written findings, with respect to the matters in disagreement. Such findings shall not be binding upon the parties but shall be made public . . ."

In accordance with the Commission's Rules and Regulations relating to fact finding, the undersigned Hearings Officer was designated to conduct a Hearing in the matter and to issue a report in accordance with Employment Relations Commission General Rules and Regulations 35. Briefly, this rule states that the Hearings Officer will issue a report with recommendations with respect to the issues in dispute.

CASE HISTORY

The School District is located in Oakland County. It has a student population of approximately 9650. There are fourteen buildings for K-12 instruction. The District employs approximately 950 persons, 448 of whom are teachers.

The expired agreement covering 1979-81 was ratified by the parties in September/October 1979 and was extended until August 20, 1981. Negotiations for the new agreement began in April 1981 and to date there were nineteen bargaining sessions. The parties were successful in reaching tentative agreement on a number of items, but could not reach agreement on the following broad issues:

1. Elementary planning time
2. Class size or staffing levels

3. Insurance benefits and carriers
4. School calendar
5. Salaries

Within the class size, insurance benefits, and salary issues are included other matters which will be identified and discussed below.

On September 2, 1981, the Michigan Employment Relations Commission, on its own motion, concluded that the status of negotiations warranted fact finding and appointed Daniel H. Kruger as its Fact Finder and Agent. Fact Finder Kruger, on Wednesday, September 2, 1981, contacted the parties by telephone and directed them to meet with him at the Holiday Inn in Howell, Michigan on Saturday, September 5. The purpose of the Saturday meeting was several fold: to enable the Fact Finder to get to know representatives of the parties; to identify the issues in impasse; and if possible, to mediate the issues in impasse and to establish a time table for fact finding.

It was further the intent of the Fact Finder to begin the formal fact finding process if mediation was not successful and if the parties were ready to proceed. The Education Association informed the Fact Finder on Saturday, September 5, that they came prepared for formal fact finding. The Board stated that it was its understanding that fact finding would not begin at the first meeting. The Fact Finder accepts the responsibility for not communicating more effectively his intent relative to the start of fact finding.

The Education Association asked the Fact Finder, when he contacted them about the meeting on September 5, to have Superintendent Scherer present. Mr. Scherer, Mr. Collins, and Mr. Hunter attended the session

on September 5, 1981. Representatives of the Association noted above attended the Saturday meeting.

The Fact Finder indicated that the fact finding hearing would begin at 9:30 a.m. on Wednesday, September 9, 1981, at the Holiday Inn in Howell. Both parties stated that they would participate.

Over the weekend, the Education Association made the decision to go out on strike. Monday, September 7, 1981 was Labor Day, so the first day of the work stoppage was Tuesday, September 8, 1981. The Employment Relations Commission, on September 8, 1981, requested the parties to meet with the Fact Finder as originally scheduled.

On September 9, 1981, the parties met with the Fact Finder at the Holiday Inn, Howell. The representatives of the parties attending the hearing are noted above. The hearing progressed during the day. When the hearing recessed for dinner, the Fact Finder requested the parties to make one last effort to try to negotiate a settlement. Mr. Bouckaert of the MEA/NEA and Superintendent Scherer met for more than two hours in a separate room in an effort to reach agreement. These negotiations failed to produce an agreement, so fact finding was resumed.

At the conclusion of the hearing at approximately 10:15 p.m., the Fact Finder indicated that he would expedite the preparation of his report in view of the work stoppage.

GENERAL COMMENTS

The Fact Finder is tempted to chastize sharply both parties, but this would serve no useful purpose at this time. He must, however, comment that the strike, in part, is due to the lack of credibility, mistrust, unbelief-ability existing between the parties. The Fact Finder got the impression

rightly or wrongly, that the data base had not been properly established and hence, the Association's bargaining team just did not believe the figures cited and presented by the Board of Education.

The Board maintained that its lack of money, declining enrollments, its bleak financial position, and the future uncertainty relative to state school aid and local property taxes all contributed to the failure of the parties to reach agreement. It is the School Board's position that it does not have the money to underwrite the demands of the Association.

Because the primary argument of the Board of Education was lack of money, it is necessary to review briefly the reasons cited by the Board for its financial condition.

1. Declining enrollment: Student enrollments have dropped 890 students since 1979-80, resulting in a loss of income of \$2,000 per student.
2. A net loss of \$800,000 in state aid: It was noted that 23 percent of total revenue of the District is from state aid.

3. A declining fund equity:

1978-79	\$725,000
1979-80	\$465,000
1980-81	\$243,000
1981-82	\$100,000

This means that savings of the District over the last four years have been spent.

4. The defeat of a proposal (identified as Proposal 3) by voters in June 1981: The Board of Education was seeking a 2.8 millage increase to reduce class size, reinstate some programs, restore maintenance and capital expenditures, and make staff and program

improvements. The voters in June 1981 did approve 24.4 mills (Proposal 1) and 2.5 mil transfer from debt retirement to operating millage (Proposal 2). In the campaign for passage of Proposal 1 (24.4 mil renewal) and Proposal 2 (2.5 mil transfer), the Board stated that some of the funds would be used to provide wage increases to offset partially increases in the cost of living.

5. The Fact Finder must call attention to the fact that one item contributing to the deteriorating financial condition of the District is the high interest charges. There is only one collection of property taxes a year which has resulted in the District being forced to borrow short term funds. For the school year 1981-82, the interest charges will be \$735,000, an increase of \$439,000 over 1981. The table below shows the interest paid by the School District on short term borrowing to meet cash flow for years 1976-1982.

1976	-----	\$ 93,523
1977	-----	\$100,330
1978	-----	\$102,163
1979	-----	\$153,776
1980	-----	\$239,336
1981	-----	\$296,407
1982 (est.)	-----	\$735,000

(Appendix H)

The budget for 1981-82 indicates that the School District's revenue has increased by about 12 percent over 1980-81. About 3 percent of the new funds will be received through the Adult Education activities and about 8 to 9 percent will be collected through the property tax.

The increase of revenues by 12 percent in the 1981-82 budget helps to explain the impasse. The Education Association believes that the voters passed the millage proposals noted above in order to provide, among other items, additional funds for wage increases for teachers. Moreover, the Association feels that a large share of the additional revenue generated by the Adult Education activities and from the property taxes should go to teachers. The Board of Education estimated that the additional revenues over the 1980-81 budget will be \$2,269,000. Of this new money, the Board has indicated that \$365,000 will be used for teacher salaries for 1981-82 (see Board Appendix B). As will be discussed below, the total salary proposal offered by the Board is \$575,000.

The Board has further estimated that its expenditures for 1981-82 will increase by \$2,670,000 over the 1980-81 budget, or about \$400,000 more than the new revenues (see Board Appendix B). The Association, however, noted that these expenditures represent priorities established by the Board.

In the millage campaign, the Board stated that it would restore programs which were cut. In the summer of 1981, the Board recalled 15 teachers for the 1981-82 school year. The Board estimated that this recall will cost between \$250,000 and \$300,000 for the current school year. Some of the teachers had been laid off and others had been on some kind of leave.

DISCUSSION OF ISSUES

Because of the importance of salaries, this issue will be discussed first.

The Association Salary Demand

Each salary step in the 1980-81 salary schedule will be increased by twelve percent (12%). The step increase provided in the expired agreement

will be paid. This amounts to a 2.47 percent increase. A cost of living adjustment, capped at 7 percent, is to be paid in a lump sum at the end of the school year. The cost of living adjustment will be folded into the salary schedule. The total increase in salary (the increment of 2.47 percent, the 12% increase and the 7% cost of living) sought by the Association is 21.47 percent.

In addition, the Association is seeking longevity pay in accordance with the following schedule. Commencing with the fifteen years of employment with the Huron Valley Board of Education, the teachers shall be paid according to the following:

15-20 years	2.5% of current salary
21-25 years	5.0% of current salary
26-30 years	7.5% of current salary
31 or more years	10.0% of current salary

The Association presented the following data as to eligibility for the longevity pay:

15-20 years	64 teachers
21-25 years	21 teachers
26-30 years	5 teachers
31 or more years	<u>1</u> teacher
Total	91 teachers

No data were presented as to the cost of this longevity proposal.

Board of Education Salary Proposal

The Board has proposed that each teacher's salary be increased by \$1,000. Beginning in the second semester, the increments in the 1980-81 salary schedule will be paid. The lateral salary increases in the

expired agreement will be continued. The cost of this salary proposal is estimated to be as follows:

448 teachers x \$1000	=	\$448,000.00
½ of the step increase	=	<u>\$126,000.00</u>
Total		\$574,000.00

The Board indicated that the \$1,000 across the board increase represented a 4.37 percent salary increase, and the one-half increment is estimated to yield a 1.235 percent increase. Thus, the Board's offer represented a 5.6 percent increase in salary over 1980-81.

The Board also offered to add to its salary proposal the savings in premiums if the health insurance carrier could be changed solely to Blue Cross/Blue Shield. Currently the teachers have an option of choosing MESSA Super Meds or Blue Cross/Blue Shield MUF-2. The Board estimated that these savings would approximately be \$66,000. The insurance issue will be discussed in greater detail below.

The Association presented salary data on 16 school districts in Oakland County. (There are 27 school districts represented by the Michigan Education Association in Oakland County and 1 district is represented by the Michigan Federation of Teachers.) The data below show the top of the MA schedule for 1981-82 in districts which have settled this fall. Also shown is the percent increase in MA salary over 1980/81.

1981-82 SALARY PROFILE
MA DEGREE
OAKLAND COUNTY DISTRICTS CURRENTLY SETTLED

<u>District</u>	<u>Top of MA Schedule</u>	<u>Percent Increase over 1980-81</u>
Troy	30316	9.5
Southfield	30197	8.0
Farmington	30143	11.0
Rochester	30081	11.0
Pontiac	29910	8.9
Waterford	29132	10.0
Novi	29057	6.7

<u>District</u>	<u>Top of MA Schedule</u>	<u>Percent Increase over 1980-81</u>
West Bloomfield	28631	8.43
Avondale	28475	9.5
Clarkston	28302	10.4
Ferndale	28227	10.2
Oak Park	27587	10.0
Oake Orion	27517	9.0
Brandon	27240	8.5
Oxford	26589	8.8
South Lyon	25080	10.24

(Association Exhibit #8)

While discussing the above table on salaries, the Association noted that the salary increase in the Pontiac District included a cost of living adjustment. It appears that Pontiac is the only district represented by MEA in Oakland County which has a cost of living provision in the agreement.

Below is the salary schedule for 1980-81. It was noted that 232, or 52 percent, of the teachers are at the top of their schedule and therefore are not eligible for a step increase.

APPENDIX A-1
TEACHER'S SALARY 1980-81

<u>Step</u>	<u>B.A.</u>	<u>B.A.+18</u>	<u>M.A. B.A.+36</u>	<u>M.A.+15</u>	<u>M.S.+36 Ed.Spec.</u>
1	12,987	13,530	14,073	14,853	15,459
2	13,586	14,352	15,118	15,727	16,335
3	14,250	15,148	16,045	16,653	17,260
4	14,946	15,987	17,028	17,635	18,244
5	15,677	16,875	18,073	18,680	19,289
6	16,440*	17,813	19,182	19,791	20,400
7	17,245*	18,804	20,359	20,967	21,574
8	18,087*	19,850	21,610	22,217	22,826
9	18,971*	20,955	22,936	23,543	24,261
10	19,900*	22,122	24,345	25,106	25,866
11	21,078*	23,568	26,074	26,851	27,618

* These steps exist only for those teachers on schedules A (B.A.) prior to ratification of the 1973-74 salary schedule.

Source: Expired Agreement, 1979-81, p. 54.

Salary Recommendations and Rationale

The Board's proposal of \$1,000 across the board compresses the salary schedule and creates serious inequities. The \$1,000 represents a greater percent increase for those teachers at the low end of the salary schedule, and a much lower percent increase for experienced teachers. The Board's proposal, therefore, runs counter to human capital theory in that little recognition is given to teachers who have obtained additional education credentials and have served the school district over time.

The Association's salary proposal cannot be accepted by this Fact Finder because of its very high costs. A 21.47 percent salary increase is not feasible, given the financial condition of the school district, and analysis of benefits received by teachers in comparable districts (Association Exhibit #8).

The Fact Finder strongly recommends a 5 percent across the board salary increase. A 5 percent increase maintains the integrity of the salary schedule in that existing relationships based on educational attainment and years of service are continued. This type of increase is more fair and equitable to all teachers. This 5 percent increase will cost \$512,627, whereas the Board's \$1,000 across the board salary increase would cost \$448,000. The Board's proposal, moreover, represents a 4.4 percent increase.

The second part of the Fact Finder's salary recommendation relates to the step increase. The Board has proposed that the eligible teachers receive one-half the step increase in the 1980-81 salary schedule beginning with the second semester of the 1981-82 school year. This Fact Finder's position is that the step increase is a contractual obligation and belongs to the bargaining unit. There is a collective ownership of this benefit.

Accordingly, the Fact Finder strongly recommends that all teachers entitled to the salary step under the 1980-81 agreement be given one-half of the amount of the step increase effective the beginning of the school year or at the beginning of the second semester. The parties can determine when this one time lump sum payment is to be made.

The Board has estimated that one-half of the step increase amounts to \$126,758. This represents a salary increase of 1.235 percent over 1980-81. There are 216 teachers who are eligible for a step increase (note: there are 448 teachers); 232 are estimated to be at the top of their schedule, thus leaving 216 teachers eligible for payment of one-half the step increase.

Listed below are some randomly selected examples of the step payment under this recommendation.

BA Step 2 to BA Step 3	$\frac{1}{2}$ of \$664	=	\$332
BA+18 Step 3 to Step 4	$\frac{1}{2}$ of \$839	=	\$420
MA/BA+36 Step 7 to Step 8	$\frac{1}{2}$ of \$1251	=	\$625

It is estimated that the average step payment under this proposal will be \$587.00. (Note: This is calculated as follows: $\$126,758 \div 216$.)

The third part of this Fact Finder's recommendation is that the other one-half of the step increase amount in the 1980-81 agreement be divided equally among all the teachers who will not receive a step increase. One-half of the amount of the step increase is \$126,758. There are 232 teachers at the top of the schedule and thus, each will receive a payment of \$546 (calculation: $\$126,758 \div 232 = \546).

Below is a summary of the Fact Finder's salary recommendation:

Part 1: 5% across the board increase at a cost of	\$ 512,267
Part 2: One-half of the step increase amount under the 1980-81 agreement be paid to all teachers eligible for a step increase in 1981-82	\$ 126,758
Part 3: The remaining one-half of the step increase amount under the 1980-81 agreement shall be equally divided among all teachers who are at the top of the salary schedule in 1980-81 and therefore not eligible for a step increase	<u>\$ 126,758</u>
Total	\$ 765,783

Listed below is a comparison of the Fact Finder's salary recommendations with the Board's proposal.

<u>Fact Finder's</u>	<u>Board's</u>
\$512,627 (5% across the board)	\$448,000 (4.4% across the board)
\$126,758 (1.24 percent for step increase to eligible teachers)	\$126,758 (1.24 percent for step increases to eligible teachers)
\$126,758 (1.24 percent for additional payment to teachers not receiving step increase)	
<u>\$765,783 (7.48%)</u>	<u>\$575,000 (5.64%)</u>

Duration

The Board feels very strongly about a one-year agreement because of the financial uncertainty. The Fact Finder would prefer recommending a

multi-year agreement, but can understand the Board's position. He thus, reluctantly, recommends a one-year agreement.

Elementary Planning Time (Article VII B)

The Association is seeking to increase the planning time for elementary teachers from 150 minutes a week to 200 minutes a week, to eliminate the averaging concept, to exclude extended lunch and to require all preparation time to be blocks of at least 30 minutes.

The Board seeks to retain the existing language in Article VI B as noted below.

"B. The normal weekly teaching load for classroom teachers, including counselors, media specialists, and other special teachers shall include five (5) conference planning periods per week. For the 1979-80 school year elementary teachers will be guaranteed an average of 150 minutes per week for preparation time during the instruction day which includes released time during recess and extended lunch periods, where applicable, notwithstanding arrangements for recess duty under Article VII, Section D. Beginning with the 1980-81 school year elementary teachers will be guaranteed an average of 150 minutes pwer week for preparation time during the instruction day excluding released time during recess duty under Article VII, Section D. The elementary preparation time shall be scheduled in meaningful blocks of time of no less than fifteen (15) minutes duration and, if possible, thirty (30) minutes.

No teacher will be required to teach during the normal conference period as a regular assignment.

Conference periods shall be used for such things as preparation, conferences with parents, teachers, and administrators, and special assistance to students. Conference time shall not be used or spent on any unconnected or non-school activity. In addition, it is expressly understood that if teachers must leave their building during the preparation time they will notify the principal."

Source: Expired Agreement,
pp. 14-15.

The Association wants more planning time and in uninterrupted blocks of 30 minutes. It was noted that secondary teachers have five preparation periods a week.

The Board's primary concern is costs and estimated that to increase the planning time from 150 minutes to 200 minutes per week for elementary teachers will involve the hiring of additional teachers. The Board introduced the following exhibit to show what kinds of teachers would have to be hired and their costs.

The following exhibit shows the number of teachers which would be needed along with a cost estimate for hiring in order for the Board of Education to comply with the H.V.E.A. proposal on elementary planning time. Consistent with the H.V.E.A. table position it is assumed that all recess time is duty free and each teacher has at least 200 minutes of planning time per week during the instruction day for students.

Additional Staff Needs as Identified by Elementary Principals on September 4, 1981, to Provide 200 Minutes of Duty Free Time per Week from within Instruction Day as Union Proposes:

Apollo	1/2 Vocal Music Teacher	\$ 9,466.22
Baker	1/2 Art Teacher	9,466.22
Brooks	1 Art Teacher	18,933.63
Highland El.	1 Art Teacher	18,933.63
Johnson	1/2 Vocal Music Teacher	9,466.22
Kurtz	1/2 Art Teacher	9,466.22
Lakewood	1/2 Art Teacher	9,466.22
Oxbow	1/2 Vocal Music Teacher	9,466.22
Spring Mills	1 Art Teacher	18,933.63
	1/2 Physical Education	9,466.22
Total		\$123,064.43

These totals were computed using the average cost for hiring new teachers A-4 \$14,946 plus \$1,000 raise plus \$348 for 1/2 the increment plus 16.2% for retirement and fringes.

(Board Exhibit #2)

WON/tm

The Fact Finder is very mindful of the costs of this proposal. It would be desirable to provide elementary teachers with more planning time in blocks of 30 minutes. It appears that the Board of Education is having problems living under the existing language in Article VI B. Nonetheless, the Fact Finder recommends that the language of Article VI B of the expired agreement be included in the new agreement. He further recommends that the principals in the elementary schools make a good faith effort to provide, to the extent possible, 30-minute blocks of preparation. The Fact Finder further recommends that the teachers in the elementary schools work more closely together, and in the process, free up additional preparation time which can be shared on some equitable basis.

School Calendar

The expired contract provides for 186 teacher days. However, teachers can be excused at noon on the last teacher day if records are complete. Thus, in practice there are $185\frac{1}{2}$ teacher days.

The expired agreement provides for 181 full student days. It was noted that a full student day is any day on which students are in school.

The Board seeks to retain the existing calendar of 186 full teacher days ($185\frac{1}{2}$ if records are complete) and 181 student days.

The Education Association is seeking 185 teacher work days and 180 student days. There will be one-half student day at the end of the first semester and one the last day of school for students. These one-half days count as full student days.

The Board stressed that the same transportation costs would be incurred on one-half days as full student days, since the bulk of the students

are transported to their schools. The Board also stressed that the students should be exposed to the maximum education experience available during the school year.

The Fact Finder recommends the school calendar of 186 full teacher days and 181 full student days. Teachers are to be excused at noon the last teacher day if records are complete.

The Fact Finder costed out the cost of a teacher day using the following data:

BA-4: \$14,846

\$ 1,000 - Board's proposal

\$ 348 - $\frac{1}{2}$ step increase

\$ 2,640 - 16.2% for retirement & benefits

\$18,934 - Total compensation per year

$18,934 \div 186 = 101.80$ Total compensation per day

Thus, a reduction of one work day is the equivalent of a salary increase of \$101.80. The total cost of one less work day using the data noted would be \$45,606.

The Fact Finder also took note that including two half days for students would not reduce transportation costs and would reduce educational time available. No persuasive rationale was given for reducing student days.

Insurance (Article XIV)

The Association proposal on insurance includes the following:

1. Teacher will retain the choice of fully paid MESSA Super Med 2 or Blue Cross/Blue Shield MUF-2 Master Med (option 4) and ML.PD \$2.00.

2. Board will pay premium for Limited Medicare or Midicare Part B on behalf of teachers, spouse or dependent's eligible for Medicare included sponsored dependents.
3. Teachers who do not choose health insurance shall have the option of applying single subscriber Super Med 2 premium to MEFSA or MEALS. It was noted that the single subscriber rate is \$81.00 per month, or \$972 per year.
4. The Association is seeking a MESSA Delta Dental Plan 80 Class I, 80% Class II, 50% orthodontal with \$1000 lifetime cap. The expired agreement provides for 80% Class I, 50% Class II, 50% Class III, and includes orthodontal with \$1000 lifetime cap.
5. The Association is seeking MESSA Vision Care Plan II.
6. Pro rata insurance benefits will be provided for teacher who resigns during school year.
7. Upon death of a member of the bargaining unit during the school year, insurance benefits will be continued for dependents through September 30 of that year.
8. Part-time teachers will receive full insurance benefits. The expired agreement provides part-time teachers with pro rata coverage of health insurance and life insurance. Dental insurance is not provided on a pro rata basis.
9. Payroll deductions will be made for all MESSA and MEFSA. The specific language is:

"The Employer shall provide without cost to the bargaining unit member or Association all services necessary, including payroll deduction, to enable the bargaining unit member to participate in all MESSA programs and the MEFSA Tax-Deferred Annuity Plan, pursuant to Section 403(b) of Internal Revenue Code of 1954 as amended, as well as other MEFSA-sponsored MEALS programs.

10. The insurance year will be defined from October 1 through September 30. Currently the insurance year is from September 1 through August 31.

The Board of Education's proposals on insurance are as follows:

1. The Board seeks the same health insurance coverage as provided in the expired agreement.
2. There should be no double coverage for health insurance.
3. The Board wants the option to designate Blue Cross/Blue Shield as the single carrier and the estimated \$66,000 savings would be applied to the salary package.
4. The same level of dental insurance benefits in the expired agreement will be provided to the bargaining unit in the new agreement.
5. The Board has not offered any type of vision plan.
6. With respect to providing pro rata insurance benefits to teachers who resign, the practice is to terminate benefits at the end of the month in which the teacher resigns. The contract is silent on this issue.
7. The contract is silent on continuing health insurance benefits for dependents of deceased members of the bargaining unit through the end of the insurance year. The practice is to terminate benefits at the end of the month in which the member of the bargaining unit dies.
8. Part-time teachers will continue to receive pro rata Board-paid coverage of health insurance and life insurance as provided in expired agreement. No pro rata dental insurance will be provided.

9. The Board will continue to make payroll deductions for "established tax deferred annuity premiums" and "other deductions approved by the Board" after consultation with the Education Association (see expired agreement, Article IIE, pp. 3-4).
10. The insurance year will be from September 1 through August 31, as provided in the expired agreement.

It was noted that health insurance premiums for 1981-82 will be \$300,000 more than the premiums for 1980-81 (see Board Exhibit Appendix B). The Board estimated that the premium for dental insurance for 1981-82 providing the same level of benefits as in 1980-81 will be \$238,200 (see Association Exhibit #5). The Association stated that Delta Dental would provide dental benefits 80/80/50 at a cost of \$191,448 a year for a one-year rate and \$200,261 for a second year rate.

The Association presented cost data on MESSA Vision II. The premium is \$12.33 per month and the annual cost for 457 employees (not 448) would be \$67,617.

The Board has costed out the insurance benefits for 1981-82 as follows:

Health Insurance -----	\$ 737,441
Dental Insurance -----	\$ 238,212
Life Insurance -----	\$ 27,217
Short-term Disability -----	\$ 194,235
Long-term Disability -----	<u>\$ 22,167</u>
Total	\$1,219,272

(Association Exhibit #5).

Fact Finder's Recommendations:

1. The same health insurance coverage as provided in the expired agreement for 1980-81 will be provided in 1981-82. The members of the bargaining unit will continue to have the option of MESSA Super Med 2 or Blue Cross/Blue Shield MVF-2 Master Med (Option 4) and ML, PD (2.00).
2. The Fact Finder refrains from designating Blue Cross/Blue Shield as the single carrier as proposed by the Board. There was not sufficient time for a careful analysis of benefits under the two programs. The cost savings from having Blue Cross/Blue Shield be the single carrier as indicated by the Board are impressive. The parties should, in future negotiations, give careful attention to costs of health insurance as they continue to be a very expensive benefit. As noted above, the same level of benefits in 1981-82 will cost the Board of Education \$300,000 more than in 1980-81. The same observation can be made for dental insurance. The Fact Finder recommends the same level of dental insurance benefits as provided in the expired agreement, namely 80/50/50. He does not recommend changing the carrier. He does take especial note of the cost data presented by the Association on dental and vision insurance (see Association Exhibit #4). The costs of the 80/80/50 benefits appear to be less costly than those currently provided. The Fact Finder again urges the parties to examine carefully costs, level and quality of benefits and other pertinent considerations. If Delta Dental is cheaper, and their service is efficient and of high quality, the parties should give careful consideration to getting the best bargain.

3. The Fact Finder recommends that the parties include MESSA Vision I in the 1981-82 agreement. The cost of the premium is \$3.00 per month. The Employer and the bargaining unit member are to each pay one-half of the premium. The Fact Finder makes this recommendation because, in his view, the costs of new benefits added to this agreement must be shared by the parties. As noted above, health insurance costs represent an expenditure of almost three-fourths of a million dollars (\$737,000) for 1981-82.
4. The Fact Finder recommends that insurance benefits for a teacher who resigns for health reasons during the school year be pro rata for the school year.
5. The Fact Finder recommends that when a member of the bargaining unit dies during the school year, the health insurance and dental benefits be continued until the end of the insurance year, if no other arrangements can be made. The spouse may have health insurance benefits available.
6. The Fact Finder recommends that part-time teachers receive pro rata Board-paid benefits as provided for in the expired agreement. No persuasive arguments were made as to why part-time teachers should receive the same level of benefits as full-time teachers. The Fact Finder takes note that there are 16 part-time teachers. Though there are only a few such teachers, the Fact Finder is not persuaded they should receive full coverage benefits.
7. The Fact Finder has no strong feelings as to the duration of the insurance year. He is not familiar with the ramifications of changing the insurance year from September 1 to August 31, to October 1 to September 30. If there are no special problems or

cost factors, the parties should explore changing the insurance year.

8. It seems to this Fact Finder that the language in Article II E in the expired agreement provides for payroll deductions for all MESSA and MEFSA. If there are problems with existing language they were not sufficiently discussed at the hearing.
9. It does not make any sense for employees to have double coverage of health insurance. As noted above, repeatedly health insurance costs continue to rise dramatically. The carriers are the only beneficiaries through double coverages. There should not be double coverage.
10. The Fact Finder recommends that members of the bargaining unit who do not elect to take out health insurance coverage be given the option of applying the lower cost of a single subscriber premium of either Super Med 2 or for Blue Cross/Blue Shield MVF2 to available options including individual retirement plans.

Short-term Disability Insurance

The Board stated that it could save \$40,000 by reducing the short-term disability plan from 80 percent to 70 percent coverage and the savings could be used for salary improvement. This benefit was not discussed thoroughly at the hearing by the parties. The Fact Finder, therefore, is not in a position to make any recommendations to change the benefit. He recommends the continuation of the plan now in effect. It is his understanding that short-term and long-term benefits have been modified by the tentative agreement, but these were not explained to the Fact Finder.

The Fact Finder does recommend that the parties explore changing the income replacement formula under short-term disability to a percent of

take-home pay. There may be significant cost savings on relating benefits to take-home pay, rather than gross pay.

Class Size/Staffing Levels

Under the expired agreement, class size in both the elementary and secondary classroom is based on the district-wide elementary classroom teacher-student ratio. In 1980/81 it was 30 to 1, and the limit shall not exceed five students. This meant that the average class size could be 30 students and a theoretical maximum class size of 34. The Board seeks to retain this provision (see Article VII F, pp. 16-18 in expired agreement).

The Association is seeking to reduce the average class size to 29 students and reduce the theoretical maximum class size to 32, or 3 over the average class size.

The Association is seeking to double count each of the special education students who are mainstreamed into general education classrooms. Currently, each student counts as one student, regardless of educational classification, and the Board seeks to retain this language.

The elementary teachers want to be released from recess supervision. The Board seeks to retain the existing language that teachers are to supervise elementary student recess upon a rotating basis, typically once every three days.

For the secondary teachers, the Association is seeking to institute an individual class size maximum of 32 students, to eliminate the averaging concept and to reduce the maximum class load to 160. The language of the expired agreement which the Board seeks to retain provides the daily

teacher-student load maximum will be determined by the elementary district-wide class size average plus 24 for a total of 174 students. This figure is calculated as follows:

30 students x 5 periods = 150 students plus 24 students = 174

There is no individual class size ceiling (see Article VII-F-6 & F-7, expired agreement, pp. 17-18).

The Association is seeking smaller class sizes in order to improve the quality of education. It seeks to double count the special education students who are mainstreamed into general classrooms because it was pointed out that these students who are mainstreamed usually require more teacher attention.

The Board of Education stated that it cannot grant the staffing levels sought by the Association because of costs and scheduling difficulties. It was noted that 107 classes exceed the cap of 32 as proposed by the Association. Reducing class size is very costly (see Employer Exhibits 6, 6A, 6B, 4, 3).

The Fact Finder wishes that he could provide relief to lowering class size. The financial position of the district, in his view, precludes making recommendation to reduce class size as sought by the Association. Recommending reductions in class size will necessitate hiring more teachers, and the financial resources to hire additional teachers are not available. The Fact Finder, therefore, recommends the existing provisions relative to class size at both the elementary and secondary levels in the expired agreement be continued in 1981-82.

He recommends that the special education students be counted as one student. He has trouble with the concept of double counting or any

other unusual counting procedure. If students are to be mainstreamed, they should be able to do so. If they are unable to do the work as other students, then, in this Fact Finder's view, they should not be mainstreamed. It is rather fictional to say a student is to be mainstreamed and count him/her as something other than one student.

With respect to releasing elementary school teachers from recess supervision, it is the Fact Finder's understanding that the Board of Education is willing to release the teachers from recess supervision if the released time can be counted as part of the 150 planning minutes. If recess supervision is so unprofessional, as maintained by the teachers, this seems to be a fair trade-off. The teachers should carefully consider this trade-off.

The Fact Finder strongly recommends that the parties establish committees in each building to assess, on a continuous basis, classroom size, the problems of mainstreaming and the ability of students, and other educational problems. Perhaps there is a committee structure already in place which can perform these important functions.

If there are special problems which need to be corrected and which may not be consistent with the Agreement, the parties should explore the use of letters of understanding or side bar agreements. These could be for the duration of the agreement. The Fact Finder understands both the need for adherence to contractual obligations and to be able to respond and resolve problems. The letters of understanding can provide flexibility. Moreover, if teachers want to be creative, the Board should encourage them to do so, through the use of letters of understanding geared to a given situation.

Other Issues

The Association is seeking to include the following letter of intent in the new agreement:

"The Board will give consideration to hiring laid-off teachers from other Oakland County School Districts when filling vacant positions within the bargaining unit after Huron Valley teachers on lay-off have been recalled."

This is new language and the Association is seeking to provide employment assistance to teachers who have been laid off in other school districts in Oakland County.

The Board raised the question as to what "consideration" means, and whether such language will generate grievances. The Fact Finder refrains from making such a recommendation because it appears to him that the main focus in the near future will not be the hiring of new teachers, but maintaining job security for teachers currently employed.

SUMMARY

The Fact Finder has sought to respond to the exigencies of the situation. The teachers were on strike when the formal fact finding process began. He recognized that the Fact Finder's Report was crucial to the resumption of bargaining between the parties. The Fact Finding Hearing was held on Wednesday, September 9, 1981, and concluded at approximately 10:30 p.m. This Report is dated Friday, September 11, 1981.

The Fact Finder urges the parties to give very careful consideration to his recommendations. The Fact Finder sought to make recommendations which are fair and equitable to the parties. It is his sincere hope that this Report will serve as the basis for settlement of issues in

impasse and that an agreement will be forthcoming very shortly, ending the strike.

September 11, 1981
East Lansing, Michigan

A handwritten signature in dark ink, reading "Daniel H. Kruger". The signature is written in a cursive style with a large, looped "D" and "K". It is positioned above a horizontal line.

Daniel H. Kruger
Fact Finder