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STATE OF MICHIGAN
DEPARTMENT OF LABOR
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In The Matter of the Fact Finding Between:

JENISON PUBLIC SCHOOL DISTRICT,

MERC FACT FINDING

-and-

Case No.: D82 F-1496

JENISON EDUCATION ASSOCIATION.

Robert Browning 1-31-83

APPEARANCES

For the Jenison Public School District

Peter A. Patterson, Attorney
Joseph Schulze, Director of Instruction
Jack Kalee, Director of Operations
Dave McKenzie, Superintendent

For the Jenison Education Association

S. Dale Lathers, MEA/NEA Uniserv Director
Norma Dee Peacock, President JEA
Bill Graham, Chief Negotiator JEA
Sue Doane, Teacher
Sharon Dinley, Teacher
Merrell Harkema, Teacher
Dave Reeves, Teacher
Marvin Ellis, Teacher
Bob Metzger, Grand Haven Public Schools

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Jenison Public School District

FACT FINDER'S REPORT AND RECOMMENDATIONS

I INTRODUCTION

The parties having failed to reach agreement in collective bargaining negotiations on a new contract for the 1982-83 year (September 1, 1982 to August 31, 1983) and mediation being unsuccessful, the Association petitioned for fact finding under Section 25 of the Michigan Labor Relations and Mediation Act (MCLA 423.25; MSA 17.454 (27). On September

21, 1982, the undersigned was appointed by the Michigan Employment Relations Commission as Fact Finder. With the Agreement of the parties, a pre-hearing conference was held on October 4, 1982 in the Conference Room at the offices of Miller, Johnson, Snell & Cummiskey, Attorneys, 800 Calder Plaza Building, Grand Rapids, Michigan. Public Hearings, which drew a sizeable audience, were held in a large conference room at the Jenison High School on October 14 and 27, 1982. Post hearing briefs were timely postmarked November 19, 1982 and received by the Fact Finder on November 22, 1982.

II ISSUES

The parties have stipulated the following issues remain unresolved:

- "Weighting" of Special Education Pupils
- Split Classes
- Involuntary Transfers
- Bidding-Bargaining Unit Vacancies
- Years of Service-Bumping Rights
- Recall Rights
- School Calendar
- Insurance Benefits
 - (a) Dental Insurance
 - (b) Life Insurance
 - (c) Long Term Disability
- Salaries

The parties were given every opportunity to furnish all pertinent testimony and information into evidence and eighty-eight (88) exhibits were offered by the parties.

III COMPARABLE DISTRICTS

The Association (JEA) has proposed that the comparison be based upon the K-12 school districts in Ottawa County which bargain contracts. Those districts are Grand Haven, Hudsonville, Coopersville, Jenison, Zeeland, Spring Lake and Holland.

The Employer has proposed that the comparable base include all of the school districts offered by the Association and in addition the districts of Allendale, Saugatuck and Hamilton which are in the Ottawa Intermediate School District. The Fact Finder is willing to consider all of these comparables and will not limit his consideration to Ottawa County as the JEA proposes nor to the "in formula" schools only as the JSD proposes, as the school districts vary as to their size, and resources, which affect in varied ways, their ability to pay. Association Exhibit 19 provides the student count for the various schools in Ottawa County: Grand Haven-5,480; West Ottawa-4,735; Jenison-4,512, Holland-4,330. The remaining four schools in Ottawa County are in student count approximately $\frac{1}{2}$ the size of Jenison. The remaining Schools in the Ottawa Intermediate School District have a lesser population. The Fact Finder is conscious of these disparities and consequently will be inclined to look more closely at the school districts in Ottawa County, but does not rule out the Ottawa Intermediate School District.

IV JENISON PUBLIC SCHOOL DISTRICT

Geographically, Jenison is a school district in Ottawa County. It has six elementary school buildings, a middle school and a high school. For 1981-82 per (U 19) the student count was 4,512 students and 206 teachers. In 1982-83 the teacher count numbered 203.3 (U-34).

V ABILITY TO PAY

Both parties devoted a significant portion of their post hearing brief arguments to the question of fund equity and ability to pay as related to the cost impact of the JEA's economic demands.

The Fact Finder believes it is helpful to note the respective arguments of the parties now, before dealing with the specific unresolved issues.

The Employer states that the JEA urges that because (a) the JSD has a fund equity of \$1,444,425.00 and (b) because the JSD fund equity is the highest of the school districts in Ottawa County, the money contained in the fund equity should be diverted to teacher's salaries. The Employer argues that the reliance by the JEA on the fund equity cited above in this paragraph only begs the question, does the JSD fund equity evidence prudent management or, to the contrary, "hoarding" of money. The Employer states the JEA has provided no evidence as to what it claims an "appropriate" fund equity should be. The Employer points out that Exhibit U-5- shows that the fund equity was 3.39% in the 1967-77 school year, then was built to 11.28%, then to 14.44% and has remained between 16.16% and 17.02% for the last three years. The Employer states as it relates to current negotiations, this consistency is significant because several agreements have been negotiated between 1976 and 1982 and that the June 30, 1982 fund equity is virtually no different than at the time of the 1981-82 contract or the 1979-81 contract. The Employer further comments on the prudence of maintaining a fund equity in the range of 16% resulting in JSD liabilities of \$72,245.00 on June 30, as being the lowest of all reported school districts. According to the projections of the JED, the current fund equity in total, will be reduced to \$793,746.00 by June 30, 1983 with the cash portion of the equity being reduced from \$718,141.00 to \$408,404.00. The Employer argues that going beyond the Board's salary offer of 3% salary increase poses the risk of seriously jeopardizing the finances of the District and that the JSD has already experienced both actual reductions (cuts) in State Aid and substantial delays in the receipt of State Aid. The JSD has reduced its budgeted expenditures by \$654,767.00 over the last three years approximately 91% of the current (6-30-82) cash equity. The Employer concludes that through sound management, the JSD has maintained a fund equity at a consistent level for several years

and that its existence does not provide a basis for increased salaries, such as the JEA proposes of 8.5% plus an additional longevity increment.

The Association (JEA) points out that examination of Jack Kalee, Director of Operations, established that he is the person responsible for the development of the budget and other financial matters concerning the Jenison School District. On cross examination, Mr. Kalee admitted over the years that the District tends to receive more revenues than he projected and to spend less than projected. The Association's exhibit 50 shows that Jenison has built a substantial fund equity over the past six years. Page 18 of Union Exhibit 50 shows that Jenison has built up a very substantial fund equity over the past six years as set forth in the Jenison School District's audited financial statements:

<u>Year</u>	<u>Fund Equity</u>
1967-77	201,292
1977-78	735,922
1978-79	1,057,179
1979-80	1,359,492
1980-81	1,474,839
1981-82	1,444,425

With regard to 1981-82 the Association states that Mr. Kalee testified that the \$95,436 paid to Grandville School (J10) was the fund equity for community education which was transferred to Grandville when it took over the program and that considering said adjustment, it is then apparent that the fund equity has increased every year for the past five years. Page 18 of Union 50 further shows the Jenison fund equity is more than double that in any other district in the county.

The Association further comments on the school service fund balance, page 10 of (J10) shows the account has assets of \$460,403, that this is more than double the assets in

said account, than carried in the school service fund balance of any other district in Ottawa County.

The Association (JEA) maintains the facts establish the District has the ability to pay. The Association states that the Employer has the ability to pay and that the Employer will likely seek to change its argument to a question of "prudent management". The JEA maintains that even if "prudent management" were a proper issue that prudent management can pay the JEA requests.

IV FACT FINDER'S POWERS

The Fact Finder's recommendations are non-binding upon the parties as provided in the statutory powers granted to the Fact Finder in accordance with Section 25 of the Michigan Labor Relations and Mediation Act; "the findings shall not be binding upon the parties but shall be made public."

VII DISCUSSION OF THE ISSUES AND RECOMMENDATIONS

1. "Weighting" Of Special Education Pupils

The 1981-82 Agreement (J1) provides in Article VI, paragraph C that "Special Education students who are mainstreamed into the regular classroom shall be distributed as equitably as possible among the various sections".

The Association (JEA) has proposed to add the following language to Article VI paragraph C. "with mainstreamed students counted with a 2 to 1 ratio."

Union Exhibit 24 shows that during 1981-82 144 students were mainstreamed into regular classrooms and that the five year range was a high of 152 in 1977-78 and a low of 137 students in 1978-79.

Union witnesses and teachers, Sue Doane and Sharon Dinsley both testified that "mainstreamed" students took more teacher time to work with mainstreamed students. Sharon Dinley testified that it took from five to thirty extra minutes of her time each day

for each student who was mainstreamed into her room, depending upon the individual needs of each mainstreamed student. Witness teacher Merrill Harkema estimated ten to fifteen minutes per child.

The Employer (E42) would tend to show that four additional teachers would be required. The Association maintains that the proposal would require one additional teacher at the Bauerwood Building, and one more teacher at the Bursley Building for a total of two new teachers. The JEA proposes that with a shifting of the mainstreamed students to different elementary schools, the affected faculty size would not be increased, but could be decreased by two (2) teachers and accomodate the 2 to 1 weighting proposal.

The Employer cites Michigan Special Education Rules published in the Michigan Administrative Code, R 340.1701-R 340.1873 which sets forth that children should be considered general education students except to the extent they require special education.

The special education of a mainstreamed student involves the "assignment to special classes, separate schools, or the removal of the handicapped person from the regular education environment. . ." Special education students are only assigned to special education facilities for areas in which they are deficient. Consequently, they are not considered deficient by the Individualized Educational Planning Committee for the time they are in the regular general education classroom.

It is also true that some regular general education students require extra time and attention and others require little time.

The JED observes that mainstreamed students spend varied time, anywhere from 45 minutes to all but 45 minutes of the school day in the general classroom.

The Agreement (J1) in Article V, paragraph J states: "Daily preparation for effective teaching . . . requires many hours outside of the classroom and are part of the professional responsibilities of the teacher." Furthermore, some special education students remain in the general classroom only for special classes such as art, physical

education and music, which the general classroom does not teach and Article V, paragraph G indicates, all time during which their classes receive instruction from teaching specialists affords preparation time for the general classroom teacher.

The Fact Finder recognizes that mainstreamed students require teacher planning time, but is not convinced that a 2 for 1 weighting ratio is appropriate and if adopted could result in the need of additional teachers at a further economic cost to the Employer and if mitigated by shifting the mainstreamed students would disrupt their present pattern of which school they attend.

The Fact Finder recommends that the JEA proposal "with mainstreamed students counted with a 2 to 1 ratio" not be adopted.

2. Split Classes

Article VI, paragraph D of the present contract provides that "elementary teachers, except Rosewood, shall not be required to teach a split grade assignment two years in a row. A split class shall not have more students assigned than the smallest class involved at the grade levels in that school that comprise the splits." The JEA proposes to add "but in no case shall a split class exceed 25 students."

Article VI, Section A provides a limit on all classes in the elementary schools of the district as follows:

Pre-Kindergarten	22
Kindergarten and 1st grade	28
2nd grade through 6th grade	30

Presently in 1982-83 there are 8 splits, four of which have over 25 students. (U-25). The JEA points out that there would be no increase needed in the number of teachers to implement its proposal. Bauerwood School would require the additional of one half time aide. This additional cost could be overcome by moving one student, to one of ten

other 6th grade classrooms. Teacher witnesses Sharon Dinley and Merrell Harkema each testified that a split grade requires more preparation time, instruction time and more discipline problems.

Both witnesses testified that a reduction in the number of students in the room would make the split assignment more manageable.

The Fact Finder is of the opinion that the proposal of the JEA to limit split classes to 25 has a minimal or no cost impact upon the JEA and does provide some relief to a teacher of a split class by limiting the size to 25 and recommends the adoption of the JEA proposal "but in no case shall a split class exceed 25 students."

3. Involuntary Transfers

Article IX, paragraph B of the present contract provides: "The Board recognizes that it is desirable in making assignments to consider the interests and aspirations of its teachers." The current provision also specifies a procedure to be used by teachers requesting transfers to different classes, buildings or positions.

The Association (JEA) proposes new language for Article IX, paragraph B as follows:

Involuntary transfers will be avoided wherever possible and every effort will be made to find another teacher who is willing to be transferred to a given vacancy. If it is necessary to make an involuntary transfer, the person who is certified, qualified, and has the least seniority will be transferred.

In paragraph B of Article IX the Association proposes to change the manner in which "involuntary transfers" are handled in the district. In essence, the Association proposes that before involuntary transfers are made that voluntary transfers will be sought. If it is necessary to make a transfer and a person does not volunteer for it, the Association proposes that the person who is certified, qualified, and has the least seniority will be the person to be involuntarily transferred.

The Employer asserts that the JEA presented no evidence that, under the present contract provision, the Employer has failed to make maximum allowance for the interests and aspirations of its teachers.

The Employer states that the language proposed by the JEA imposes an absolute obligation on the Board without clearly defining what the obligation is. Under the JEA's proposed language, involuntary transfers are to be avoided "whenever possible" and "every effort will be made" to find voluntary transfers. The Employer asks, what is "whenever possible"? What constitutes "every effort"? The Employer observes that such language would require that multiple voluntary transfers be used, if by doing so, a single involuntary transfer could be avoided. The Employer argues that virtually every administrative decision to involuntarily transfer would be open to challenge under the proposed "whenever possible" and "every effort" requirements.

An initial voluntary transfer may well create a new vacancy to be filled and produce another "every effort" situation which the Employer describes as a "domino effect."

The Employer points out upon the effectuation of an involuntary transfer, the JEA proposal would require the transfer of either a volunteer or the certified and qualified person with the least seniority. Further, the Employer argues that while the requirement that the person transferred be certified and qualified protects the integrity of the vacancy, it, as well as the requirement that a volunteer be accepted completely ignores the problems created in those situations where the transferees voluntary or involuntary have skills and abilities which are needed in the positions "where they are" and that the JEA proposal is both educationally and administratively unsound.

The Fact Finder is of the opinion that the language proposed by JEA for Section B does pose "interpretative" problems which could lead to issues of contract interpretation and potential grievances; and that the Employer needs some latitude re "involuntary transfers" of teachers.

Consequently, the Fact Finder does not recommend the adoption of the Association's proposed new language for Article IX, Section B and does recommend the present contract language.

4. Bidding-Bargaining Unit Vacancies

The 1981-82 Agreement (J1) provides in Article IX, paragraph E, that "Teachers who apply for bargaining unit vacancies shall be given first consideration for such assignments if they are properly certified and meet the qualifications as stated for the job".

The Association proposes to add the following language to Article IX, paragraph E, "If 2 or more bargaining unit members apply, the position will be filled on the basis of seniority".

The Association comments that as within any school district, some jobs are deemed more desirable by teachers than other jobs as related to subject matter; personal preference as to grade levels; and as between various elementary buildings.

It is the Association's position that jobs which hold a greater interest to an individual teacher should be assigned according to seniority and voluntary transfers should be made within the district based upon seniority. The Association argues that the proposal does not cost any money and does not expand positions in anyway and it simply gives a preference of assignments to more senior teachers rather than let the administration arbitrarily assign different teachers as the administration sees fit.

The Employer wants the present language left unchanged and argues that the weaknesses in the Association's bidding proposal are much the same as its "involuntary transfer" proposal and that an obligatory compliance with seniority permits no consideration of the educational impact upon the position being vacated.

Unlike the "involuntary transfer" proposal language of the Association which the Fact Finder believes would pose interpretative problems and lead to issues of contract interpretation and potential grievances, the language regarding "voluntary transfers"

proposed by the Association is clear, "If 2 or more bargaining unit members apply, the position will be filled on the basis of seniority".

The Fact Finder is of the opinion that the seniority factor on balance is more significant to both the morale and development of the teachers, than the infrequent case where an educational impact would result upon the position being vacated, and consequently the Fact Finder recommends the adoption of the Associations' seniority proposal additional language to the present Article IX, paragraph E.

5. (a) Years of Service

The present contract language states in Article XVII, paragraph A.2, "Years of service shall be defined as continuous and uninterrupted years of service in the Jenison Public School System".

The Association proposes to change the phrase to read that seniority shall be based upon "years of service in the bargaining unit".

This proposed change in wording, the Association states, constitutes the entire dispute between the parties on this issue.

It was brought out in the hearing (U-41) that there is presently a grievance and arbitration on the issue of whether administrators are entitled to seniority in the bargaining unit and that the grievance was scheduled for arbitration on November 23, 1982 and therefore the award could not be entered as an exhibit in these proceedings.

The Employer argues that the historical position which the Board seeks to have continued in the new contract recognizes that both teachers and administrators make valuable contributions to the Jenison School District. The Fact Finder observes that (U-21) which was a survey of public opinion gave a favorable rating to both teachers and administrators in the Jenison Public Schools.

The Employer states that the present language and past practice allows teachers to take administrative positions without penalty should they return to teaching.

The Employer maintains the Association's proposal would destroy the expectations of current administrators by arbitrarily taking away the seniority protection without which they might never have gone into administration.

The Fact Finder is of the opinion that the present language "Years of service in the Jenison School System" has been relied upon by the administrators, as not adversely affecting their seniority, if as a teacher they take an administrative job; that the public of the Jenison School System, has not been harmed by the language, having been benefited from the service contributions of a person as a teacher and then as an administrator.

Further, in today's economy, administrative staff reductions are occurring in the Jenison School District due to declining school enrollment and financial constraints. The Fact Finder recommends that the present language of Article XVIII, paragraph 2 "continuous and uninterrupted service in the Jenison Public School system" remain unchanged and that the JEA proposal not be adopted.

5. (b) Bumping Rights (Subsequent Certification)

The Association has proposed a new paragraph 8 to be added to Section A of Article XVII as follows:

A teacher laid off who subsequently gains new or additional certification so that he/she could be recalled and another teacher with less seniority laid off in his/her place shall be recalled for the following school year. If the aforementioned teacher provides notice of the new or additional certification after May 1, said school teacher shall be required to wait one school year for recall. (Example: If notice by the teacher is provided on July 13, 1982, then the teacher would be recalled for the 1983-84 school year). This paragraph shall not affect a teacher's right to be recalled to any vacancy that may occur.

Under current language teachers can avoid layoff by gaining additional certification before being laid off.

Under the Association's proposal, a teacher can still act to protect themselves after layoff.

Both the Employer and the Union accepted Mr. Kalee's testimony that to date only one teacher has been laid off. But the Union points to the reduction in teacher's positions from 206 to 203 between 1981-82 and 1982-83.

The Fact Finder recognizes that the JEA wants this bumping right and is of the opinion that it will not cause any undue hardship on the Employer. The Fact Finder recommends the adoption of the JEA proposal as heretofore set forth, new paragraph 8 to Section A of Article XVII.

6. Recall Rights

The Association (JEA) has proposed adding the following language to the present Article XVII: "In recalling teachers from layoff no teacher will be terminated, lose recall rights, or seniority if the teacher is at the time of recall under contract with another employer. This shall be only for the duration of the contract".

The Employer proposes a continuation of the present contract language.

The Employer comments that the JEA's proposed language is an attempt to paraphrase the holding of the State Tenure Commission in Tomiak v Hamtramack School District, Docket No. 80-54 (June 11, 1981), J-23.

In Tomiak, a laid off tenured teacher declined recall because he was under contract to another Michigan school district. This happened again in the following year. The Tenure Commission held "that a tenured teacher's right to recall is not necessarily extinguished by his or her refusal of the first vacancy where the refusal is predicated upon a conflicting obligation to another controlling board." U-23, p.10. The Employer further notes that the teacher in Tomiak was under contract to another Michigan School District. Such contracts expire at the end of the school year.

The Fact Finder agrees that the language as proposed by the Association is too broad in that there is no limitation that the other employer be another Michigan School District, or even another Michigan Employer.

The Fact Finder recommends for the consideration and adoption by the parties the Union's proposal but with the following language change to conform with the Tomiak facts and decision "under contract with another Michigan School District" instead of the Association's proposed "under contract with another employer".

7. School Calendar

The present contract language Article XIX paragraph A provides: "The school calendar shall consist of 185 teacher days, 180½ elementary student days, 179½ secondary student days, and 183 State count student days". The Employer's position is to continue the present contract language.

The JEA proposes a change in the school calendar language which would provide: "The school calendar shall consist of 181 teacher days and 180 student days".

Page 3 of Union Exhibit 19 shows that teacher work days are 185 for Jenison and Zeeland; 183 teacher work days for Coopersville and 184 for Holland, West Ottawa, Spring Lake, Hudsonville and Grand Haven. The JED proposal of 181 teacher days would, if instituted, be lower by 3 days than the majority of school districts at 184.

Student attendance days on the same exhibit reveals that Jenison has the highest number of student attendance days of the school districts in Ottawa County, 183; Grand Haven has 182; West Ottawa and Coopersville 181; and Holland, Hudsonville and Spring Lake, 180.

The difference between the Employer present language proposal and the JEA's new language proposal is the method of counting school days. Because, for purposes of State Aid, a half day may be counted as one day, the JEA proposes that the District do the same. The District, according to the testimony of Mr. Jack Kalee, Director of Operations, has had the historical practice, dating back at least 12 years, of counting a half day as only a half day. The difference between these two methods of counting results in fewer classroom days for students (183 versus 180).

The Employer does not propose to shorten the school year, believing it offers a better educational opportunity for students in the Jenison School District and further that salary schedule agreements for many years have been premised on the JED's historical method of counting.

The Association argues that equity demands that either Jenison be paid the highest salary in the county, or else the work year must be reduced to match other schools.

The Fact Finder is more persuaded by the historical practice; by the fact that past salary agreements were negotiated on the existing school calendar basis; and that students received more educational benefit from the present schedule.

The Fact Finder recommends that the present school calendar language of the 1981-82 contract remain unchanged.

8. Insurance Benefits

a. Dental Insurance

Jenison teachers and their dependents are presently covered by a dental program offered through the School Employer's Trust which provides 80% coverage for classes I, II, III of dental protection (plan 80-80-80). The present program has a maximum life time on orthodontic benefits (class III) of \$800. Administrators of the Jenison district have the same coverage.

The Association proposes to change the carrier to Delta Dental and to improve the orthodontic benefit in two ways: First to change from 0-7 which provides the \$800 maximum, to the 007 which provides a maximum orthodontic benefit of \$1,300. Second, the Association proposal would no longer exclude orthodontic benefits to persons over 19 years of age.

Union Exhibit 47 shows that the District paid \$33.49 per teacher per month for dental insurance in the 1981-82 school year. Page 5 of U-46 provides that the Delta plan requested by the teachers would cost \$34.65 per month.

Union Exhibit 57 shows that every teacher in the county has the 80-80-80 plan (9 districts) and that as of 1982-83 Coopersville and Hudsonville have the \$1300 orthodontic protection and that Holland has the adult orthodontic protection.

The Fact Finder is of the opinion that Jenison is on a par with the majority of the districts in Ottawa County, insofar as dental coverage, and does not recommend any change in the present contract language regarding dental coverage.

(b) Life Insurance

The Association seeks to change the life insurance benefit from \$20,000 with AD&D to \$25,000.

Exhibit (U-57) the Association argues that \$25,000 is not out of line for 1982-83, that Coopersville has \$40,000, Grand Haven-\$30,000; Zeeland-\$30,000; and Hudsonville has \$25,000 and that \$27,500 is the average life insurance amount.

Exhibit (U-85) sets forth that the Jenison District paid \$44.40 per teacher per year for life insurance in 1981-82 and that for \$25,000 life insurance in 1982-83 it will only cost \$3.75 per teacher per month or 60¢ per teacher per year, or an increase of 1.35 percent. This minimal increase cost is due to a lower rate per thousand dollars insurance from the former rate of 18.5¢ per thousand to a new rate of 15¢.

The Fact Finder is of the opinion that the added cost of the Association's proposal is minimal, that it would be more comparable to insurance coverage, provided by other school districts in Ottawa County and recommends the adoption by the parties of the Association's life insurance proposal, if and when the parties reach an agreement for the 1982-83 contract year.

(c) Long Term Disability

The record establishes that Jenison teachers do not have a long term disability program. The Association proposes that an LTD plan be established for teachers and that the Jenison administrators are covered by an LTD program.

The Association represents that the cost of providing LTD insurance for teachers will be an expense to the Jenison District equal to 1.1 percent of the eligible payroll. The proposed salary demand of the Association it states totals \$4,878.430 for the current staff of 203.3 teachers. The LTD premiums would be \$53,662 per year or an annual cost of \$263.95 per full time teacher. This compares with a 1981-82 cost for administrators (E-85) of \$281.25. The Association points out, the above costs are assuming the Association's salary proposal is ultimately adopted as proposed, but if less, the LTD insurance premiums would be reduced proportionately.

The Employer argues that of the Ottawa Area Intermediate School District (U-19) that only one school district which provided Super Med II, health coverage for the 1981-82 school year, as did the JSD, provided LTD insurance coverage, but in that school district, Allendale, the dental coverage was substantially less. Of the eleven school districts in (U-19) 5 of 11 provided LTD coverage.

The Fact Finder, recognizes that LTD coverage for teachers would be a valuable protection, but when considered in relation to the Fact Finder's salary recommendation (to follow), does not recommend the Association's proposal for LTD coverage.

9. Salaries

Joint Exhibit 2 sets forth the salary schedule in effect for the 1981-82 school year.

The Association proposes an 8.5 percent increase in the salary schedule, plus a 3% additional longevity step for all teachers with 20 through 24 years of experience if they have an AB + 20 hours or more; and a 5% additional longevity step for teachers with 25 or more years experience who have an AB + 20 hours or more of credits. Thus the Association proposes new longevity steps at 20 and 25 years.

The Employer (JSD) proposal is for a 3% salary increase for 1982-83 with the longevity steps remaining the same as in the present agreement.

It is apparent from Union Exhibits U-48, 49 and 53 as compared to Employer's Exhibit E-81 that the JSD has used the 206 teachers employed by the Jenison District in 1981-82 as its control group. The Union has used as its control group the 203.3 teachers presently employed in 1982-83. The salaries for 1982-83 based upon 203.3 teachers (U-49) would be \$4,878,430. The 1981-82 salary cost for 206 full time teachers was \$4,473.40. The increase in the JEA salary schedule would be \$404,990.

Union Exhibit 54 indicates that the Ottawa County settlements in 1981-82, including Jenison's averaged 9% over 1980-81. The Union commenting on Employer's Exhibit E-74 states the average salary increase over the last four years was 8.2%.

The JSD agreements with the secretarial group and the Jenison custodians was a two year agreement 1981-82 and 1982-83 school years. The rate of pay increase was 8% each year. The Employer argues that those groups took a 2 year bargaining risk and the Association did not; that economic conditions in the past year and the economy has experienced a downturn and that the Association cannot, having taken the risk of a one year agreement, now claim the 8% comparison benefits negotiated by others.

Union Exhibit 55 is a study done for the school year among those schools in Ottawa County which have settled. The average percent of base increase was 6.4% and overall the percentage of average increase was 7.3%. This U-55 and also U-54 do not reflect longevity payments beyond the basic pay scale. The Employer again maintains that agreements reached at a different time under different circumstances cannot be compared to present negotiations.

The Fact Finder notes that the Union has not offered evidence as to what it claims an "appropriate fund equity" should be. See the arguments of the parties as set forth at length in section V, "Ability to Pay" in this Fact Finder's Report. The Union correctly predicted that the Employer would buttress its "ability to pay" argument by an emphasis on the argument of what constitutes "prudent management."

The Fact Finder is of the opinion there is some "ability to pay" offset to some degree by what one weighs as "prudent management."

It is evident that in these depressed times a healthy fund equity benefits teachers, in that they will be paid; school taxpayers by not being burdened with millage increases; and permits students to receive a quality education. The fund equity figure has been cited by both parties many times as \$1,444,425.00. The fund equity has remained at approximately 16% for the last three years. This June 30, 1982 fund equity as a percentage of its general fund, the Employer points out, is virtually no different than at the time of the negotiation of the 1981-82 contract or the 1979-81 contract.

The Association notes that Mr. Kalee budgeted all of the costs of the Employer's offer for fringe benefits and that on cross examination Mr. Kalee admitted that he has budgeted for a salary increase in cost of 5% some \$74,825 more than the Employer has offered in salaries. It has been established by Mr. Kalee's testimony that over the years he has underestimated revenues and overestimated expenses as demonstrated by the Jenison School District's audited financial statements.

The Association has admitted during the hearing and in its brief that the Association proposal of 8.5 percent salary increase, plus approximately $\frac{1}{2}$ % to improve the index would tend to be on the "high end" of the settlements in the County.


The JEA teachers, like a number of their counterparts, have not been able to keep up with the cost of living, or to phrase it another way, a loss in purchasing power. But the Fact Finder observes that this occurred during past negotiations over the years and collective bargaining agreements arrived at by and between the Employer (JSD) and the Union (JEA), without any need to resort to fact finding.

In summary, in its post hearing brief the Employer asserts that its 3% offer fairly treats its teachers in light of the District's low SEV, low operating millage, high student population, and fiscal circumstances including delayed school payments by the State.

The Fact Finder is aware that State-aid payments have been deferred and there is the threat that some deferrals may become cuts, if the State's financial condition is not remedied.

The Fact Finder is not convinced from the record, that either the salary demand of the Association or the salary proposal of the Employer should be adopted and consequently does not recommend one to the exclusion of the other, as both parties advocated.

The Fact Finder notes that this is a one year agreement 1982-83, and presents to both parties the following recommendations: that the salary schedule increase for 1982-83 be 6.1% retroactive to the beginning of the 1982-83 contract year. This figure is a combination of a 5% increase plus an additional 1.1% which the Fact Finder believes is of more benefit to all teachers than a long term disability cost of 1.1%. Further the Fact Finder recommends that the two additional increment steps and percentages as proposed by the Association be adopted for the 1982-83 contract.


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Issued at Lansing, Michigan
January 31, 1983