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STATE OF MICHIGAN

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE FACT FINDING BETWEEN:

The Board of Education, Lansing School District

-and-

Case No.: L82F-536

Lansing Association of Educational Secretaries

APPEARANCES

Fact Finder: Kenneth P. Frankland

For the Association: Harold W. Schmidt, Consultant
Jan Ruby, President
Vicki Denning, Member of Negotiating Team
Roberta Miller, Member of Negotiating Team
Ardith Lang, President Elect

For the School District: Peter A. Patterson, Esq.
Miller, Johnson, Snell & Cummiskey
Harlow M. Claggett, Director of Employee Relations and Legal Services
Roger Reynolds, Supervisor, Fringe Benefits
Kenneth Browand, Witness
Douglas DeFrain, Witness
Thomas Hall, Witness

Lansing School District

Findings of Facts and Recommendations

The undersigned, Kenneth P. Frankland, was appointed on October 25, 1982, by Barry T. Hawthorne, Acting Director for Employment Relations Commission, as its fact finder and agent to conduct a fact finding hearing pursuant to Section 25 of Act 176 of the Public Acts of 1939, as amended, and the Commission's regulations and to issue a report with recommendations with respect to the matters in disagreement.

The Commission had reviewed the circumstances of the impasse as reported by its mediator and concluded that the matter in disagreement between the parties might be more readily settled if the facts involved in disagreement were determined and publicly known. The public hearing was held in the boardroom of the Lansing School District on December 6, 1982. The hearing commenced at approximately 9:00 a.m. and did not adjourn until approximately 8:00 p.m. As a result of the prehearing conference, the parties agreed upon and filed 33 joint exhibits. In addition, at the time of the hearing, the parties filed additional exhibits: 16 for the union and 24 for the school district. The parties requested an opportunity to file briefs and the brief of the school district was received on January 7, 1983 and the brief of the association was received on January 12, 1983.

I. Background

The application for fact finding was filed on July 8, 1982 by the association suggesting impasse on many issues. The school district filed an answer on July 28, 1982 alleging the association had not engaged in bargaining and mediation in good faith and suggesting that additional collective bargaining and mediation would be to the advantage of both parties. After appointment of the fact finder, a prehearing conference was held on November 9, and as the result of the prehearing conference and discussions between the parties, only nine issues remained unresolved. Initially bargaining had begun on May 10, 1982 when the association presented its proposals (Joint Exhibit 23). The board then presented 13 proposals (Joint Exhibit 24). The contract expired June 30, 1982 with bargaining in process. Mediation was conducted and concluded on September 24, 1982. A listing of the tentative agreements that were reached can be found in Joint Exhibit 25. A summary of agreements as set forth in the school board's brief on page two suggests that 11 association proposals were accepted by the board, three as is and eight with modifications. The association apparently accepted one proposal of the board.

At the time of hearing, the nine unresolved issues included: (1) library hours; (2) filling of vacancies; (3) position continuity; (4) health insurance; (5) short term

disability/life insurance; (6) dental insurance; (7) duration of the agreement; (8) retroactivity; and (9) wages.

By way of further of background, it should be noted that the Lansing Association of Educational Secretaries represents one of the largest secretarial work forces in the Lansing area. The Lansing School District is the third largest public employer of secretaries, the State of Michigan and Michigan State University employing more. At the time of the hearing, Joint Exhibit 33 indicated that there were 209 persons in the unit. There could have been as many as 225 employees in the unit during the last calander year.

Secretaries primarily work an eight hour, five day work week.

For some reason, collective bargaining has not gone well between the parties and this is the third time that the parties have participated in fact finding. There was much discussion during the hearing that the parties had been using fact finding and/or had been positioning themselves so that true collective bargaining had not transpired, to the alleged advantage or disadvantage of one or the other party. With this predicate, a discussion of the issues now follows.

Issue No. 1 -- Library Hours

The board has proposed a change in library hours for Saturdays and Sundays. Presently the library hours on Saturday are 8:00 a.m. to 5:00 p.m. and is proposed to change that to 9:00 a.m. to 6:00 p.m. and on Sundays the present scheduled hours are 1:00 p.m. to 5:00 p.m. and is proposed to change that to 12:00 p.m. to 6:00 p.m. Although the hours on Sunday are scheduled, the library is not presently open on Sundays. The Director of the library, Mr. Browand, indicated that the professionals work from 9 to 6 on Saturdays and 12 to 6 on Sundays but they needed the association employees to keep the library open on Sunday. He suggested that there were some public request to be open until 5:30 p.m. on Thursdays, Fridays and Saturdays. He said they are closed on Sunday because they do not have enough staff. Keeping the library open on Sundays he indicated was a high priority in the mid '60 and '70s. On cross-examination he indicated that the basic reason for the change in library hours, as he understood it, was to maintain consistency between the contracts of the professionals and the LAES. He indicated that he had a few telephone requests and a few comments regarding later hours and being open on Sunday, otherwise there was no testimony regarding perceived public need to be open on Sunday or later on Saturday. This was not an issue that was up for consideration during the last two contracts and it was apparent that there was not significant amount of negotiation on this item.

The apparent argument of the school district contained in its brief is that the reason for the change in hours is to accommodate the public, but they are unable to do so because of different hours for the librarians and secretaries. They suggested this limitation results in inadequate hours to serve the public. The association suggests that there is no evidence that in fact that there are patrons that desire to have the library open on Sundays or for a different time period on Saturdays. However, the association, both by testimony and by brief, suggested that the association was willing to assist in making a decision regarding the change of hours by whatever reasonable means can be devised.

Recommendations

1. The association should accept the change for Saturday hours.

2. The association should accept the change in Sunday hours provided that the board schedule the same consistent with the existing contractual language requirements of the contract.

Rationale

There does not appear in this issue to be any real dispute that a little bit more negotiation could not have cured. Assuming that professionals are already working slightly different hours on Saturday, there is no reason why the secretarial hours could not have been modified to conform to that of the professionals. Likewise, if the board should

decide to open on Sundays, it would make sense to have both professional and secretarial staffs working comparable hours even though it is admitted that not all employees work in open or closed departments and presumably some departments could function on slightly different schedules than on others. There would appear to be a rational basis to have similar working hours for both professional and secretaries as it could enhance the availablity of the library for the general public. The board must be able to demonstrate, however, that it is administratively feasible to make the changes and still accommodate the eight hour day, 40 hour a week schedules or make accommodations as to overtime and/or premium pay as the case may be.

Issue No. 2 -- Filling of Vacancies

The board proposal is to make no change in Section 5.01 of the existing contract which is as follows:

> 5.01 Newly created positions and vacancies within the bargaining unit shall be advertised for bargaining unit personnel through position vacancy notices posted in each building, copy to LAES. An applying employee meeting the minimum posted qualifications will be interviewed by the immediate supervisor who then shall select from the applicants. Applying employees not meeting the minimum qualifications will be so notified prior to the interviews.

The association position is to modify Section 5.01 as follows:

> 5.01 A. Newly created positions and vacancies within the bargaining unit shall be advertised for bargaining unit personnel through position vacancy notices posted in each building, copy to L.A.E.S.

B. An applying employee meeting the minimum posted qualifications will be interviewed by the immediate supervisor who then shall select from the three (3) highest senior employee applicants.

C. Applying employees not meeting the minimum qualifications will be notified prior to the interview.

D. Should there be no employee applicants or if none are found qualified, the vacancy may be filled under the provisions of 5.03.

E. The provision of 5.01 B may be waived for the purpose of hiring minority/handicapped employees.

Existing Section 5.01 origninated from a fact finder's recommendation in 1978 (Joint Exhibit 2, page 8-13). It is the association's position that the intent of Section 5.01 is to allow positions to be filled from within and that is consistent with Section 5.10 in which the board declares its support of a policy of promotions from within its own secretarial staff. The association's construction of the section was taken to arbitration and Arbitrator Roumell (Board Exhibit 3) found the existing language to be ambiguous and that the hiring practices of the school district did not require a strict promotion from within and did allow the employer to hire from any source. The association argues that such a practice is inconsistent with the philosophy of Section 5.10 and proposes a concept called the Rule of 3. After determining qualified applicants, the board would be required to select from one of the top three for newly created positions and vacancies subject only to an affirmative action program

modification. The school district counters that the Rule of 3 is not appropriate because there is no testimony that it is in existance in any contract and furthermore there is no evidence that the school district has inconsistently applied its posting policy or that it has not honored its policy expressed in Section 5.10.

Recommendation

The existing language and board's position should be accepted.

Rationale

Filling vacancies and newly created positions is obviously a very integral part of managements rights. Management should have maximum flexability in performing its responsibilities subject, of course, to fairness and presumably selecting the most qualified personnel when possible. Conversely, collective bargaining units desire to have a fixed forumla by which members of the unit are able to advance as a result of seniority. The premise of course is that the person is otherwise qualified and can perform the job and therefore as the result of being more senior should have a preference for the job. Mandating a Rule of 3 quite often becomes inflexible and does not give management sufficient prerogatives on a new hirer. For example, a new hirer often has skills which are greater than persons in the bargaining unit, even assuming that the individuals in the bargaining unit are minimally qualified for the job. Section 5.01 requires advertising and interviewing of existing bargaining unit personnel who would qualify. Assuming good

faith on the part of the board, and also further assuming that the board did in fact live up to its policy in Section 5.10, unless there is an extraordinary applicant, members of the bargaining unit should rank high and presumably should be able to fill the vacancy. If they are not that argues that either the entry level requirements were too easy to begin with or the employee was not provided sufficient motivation by management to improve skills so as to be qualified for the presumable higher level.

In the absence of specific evidence that the board has violated its policy expressed in Section 5.10 or specific examples that otherwise qualified employees were being by-passed, then the association's position, at least on the record before us, is not as persuasive as the board's position.

Issue No. 3 -- Position Continuity

The board suggests no change in existing Section 5.07. The association proposes new language such that whenever a secretary is placed from one position to another by the secretary's choice, the secretary shall relinquish the right to apply for another position for a period of ninety (90) work days.

At the present time, under existing language, there is a one year limitation on movement. The association's proposal is ninety work days or approximately four and a quarter months as oppossed to ninety calander days. It would appear from the history of negotiations that the association is

offering a slightly different position to that which they sought unsuccessively to achieve in 1978. Joint Exhibit 2, page 13, of a previous fact finding report suggests that there would be a disruption of efficient operations and therefore rejected the proposal to limit applications for 90 days. The prior fact finder felt that the one year relinquishment, in his view, was reasonable.

Presently, the union is attempting to move from a three month to a four and one-quarter month limitation and using the same basic arguments that were advanced previously. The school district relies upon the reasoning of the prior fact finding and further offers that three other employee groups have language similar to that which is found in the present LAES agreement (see Joint Exhibits 12, 8 and 14).

Recommendation

The union's position should not be adopted.

Rationale

There does not appear to be anything on this record which would substantially alter the arguments, pro or con, from those advanced in prior fact findings. The union agrees that employees should have some probationary period on a new job, but simply state that one year is too long before they can move. Whether their suggested alternative of approximately four and a half months is any better than 90 days is problematical. The district's argument for continuity and flexibility is persuasive. Whether there is

anything magic about one year is certainly open to question. However, we should give great weight to the fact that at least three other bargaining units have agreed to such a provision. That fact is persuasive and tends to support the board's position as does a thorough exhaustion of the issue in previous fact finding.

Issue No. 4 -- Eligibility for Holiday Pay

Section 9.04, after some preliminary discussion at the time of the hearing, the union accepted the board's proposal. Apparently there was simply a need for clarification as to what the language meant. The parties agreed that to get holiday pay for Good Friday, the person in the bargaining unit would have to work the scheduled work day both preceding and following the holiday.

Issue No. 5 -- Insurance Coverage

The union's position with respect to health insurance is to modify Section 11.01 and to add 11.02 as follows:

> 11.01 The Board shall provide a choice of full family health insurance, at the secretary's option from among the following programs:
> A. MESSA SM 1 Program
> B. The appropriate Health Central Plan (Board cost shall not exceed the cost of MESSA SM 1).
>
> 11.02 For those not selecting a health insurance benefit, the board shall provide $40.00 per month to be applied to the group insurance options available through MESSA.

Conversely, the board proposes a major change after December 30, 1982 from the MESSA super med programs to something called the Lansing School District Medical/Option Plan. The board proposal is as follows:

> 11.01 Health Insurance: The Board shall provide MEA Super Medical for all secretarial employees and family members whose hospitalization benefits are not paid for in full by their spouse's employer. The Board shall not provide this benefit after December 30, 1982.
>
> 11.02 Short-Term Disability Income Insurance: The Board shall provide the MEA maximum program of Short-Term Disability Income Insurance beginning the 8th day (including $5,000 Life Insurance with Accidental Death and Dismemberment) for all full-time secretaries. The Board shall not provide this benefit after September 30, 1982.
>
> 11.03 Effective January 1, 1983 the Board shall provide the Lansing School District Medical/ Option Plan described below:
>
> The Board of Education of the Lansing School District will provide each full-time employees with a hospital/medical benefit program comparable to Super Medical as those benefits existed as of January 1, 1982.
>
> a. A supplemental severance/retirement account will be created for each eligible employee which, at the beginning of each insurance contract year, will be credited as follows:
>
> | | | |
> |---|---|---|
> | Single insured | - | $300.00 |
> | Two Person | - | $400.00 |
> | Full Family | - | $500.00 |
>
> If an employee has hospital/medical benefit coverage in addition to that provided under this plan, the employee's account will be initially credited with $200.00 per insurance contract year, unless the employee pays the full premium for such additional benefits, in which case the full sum in the applicable category mentioned above will be credited.

In the event an employee incurs eligible medical expenses during the insurance contract year, the Board of Education will reimburse the employee the deductible amount up to but not to exceed $500.00 per year. As such reimbursement takes place, a corresponding amount will be deducted from the supplemental severance/retirement account of the individual employee. In any insurance contract year, the account will not be reduced by more than the amount credited to that account for that insurance contract year. For example, assuming a full family credit of $500.00 for the first insurance contract year and no eligible medical expenses incurred during that year, the account will have a $500.00 balance. Another $500.00 will be credited for the second insurance contract year. Should the employee incur eligible medical expenses during the second insurance contract year, the account will not be reduced by more than $500.00

All unused sums credited to the account will remain and accumulate until the employee terminates employment with the Lansing School District.

b. Withdrawal: Except as provided below, upon termination of employment with the Lansing School District, the employees may withdraw the accumulated funds from their supplemental severance/retirement account as follows:

Completed Years of Employment Under the Plan	Amount Which May Be Withdrawn
1	50%
2	70%
3	90%
4	100%

In the event an employee retires under the Michigan Teachers Retirement Act or is on lay-off in excess of two (2) years, 100% of the account may be withdrawn.

In the event an employee dies before termination or retirement, 100% of the account will be payable to the employee's designated beneficiary.

At the time of withdrawal, the employee will hold the Lansing School District harmless from any and all outstanding eligible medical expenses not previously submitted for either the current or any previous insurance contract year.

c. Optional Benefits: If an employee elects not to be covered through this Hospital/Medical Benefits program, such employee's supplemental severance/retirement account will be initially credited with the sum of $500.00 per insurance contract year which will be reduced to the extent that the employee chooses the optional insurance benefits set forth below:

(a) Group hospital confinement
(b) Group short term disability
(c) Group long term disability
(d) Group additional term life
(e) Group dependent life
(f) Group survivor income
(g) Group basis term life

For example, should the employee choose none of the optional benefits, the credited amount of $500.00 will remain in the supplemental severance/retirement account. Should the employee choose optional benefits requiring a premium of $300.00 per year, the supplemental severance/retirement account will be reduced by $300.00 during that insurance contract year with the $200.00 balance in the supplemental severance/ retirement account.

11.04 Part-time Secretarial Employees (4 or 5 hours): Part-time secretarial employees may enroll in health insurance or short-term disability income insurance plans. The Board will pay 50% of the cost and, for employee's selecting the Lansing School District Medical Option Plan, the Board will also credit the employee's severance/retirement account with 50% of the amount established by the appropriate provision of the plan.

Basically there are two issues involved here. The first being the union's request for an increase in a fringe benefit via health care and the board's suggestion of replacement

of MESSA sponsored programs by a new concept authored by the district. Currently Section 11.01 (Joint Exhibit 1) states that the board shall provide MEA Super Medical for all secretarial employees and family members whose hospitalization benefits are not paid for in full by their spouse's employer. The association wants to upgrade the health coverage from Super Med to Super Med I through MESSA and to provide for those not selecting health insurance benefits, $40.00 a month in optional insurance benefits. Deleted from consideration of this fact finder is whether or not there should be a section comparable to 11.06 which was adopted to resolve a pending legal dispute regarding the validity of selective denial of health insurance benefits to married women.

The school district presented much testimony that its alternative proposal was comparable or better and more importantly that it would have a greater opportunity to control costs if it did not have to rely upon the MESSA sponsored plans. They testified that they are unable to get claims experience from MESSA, they have no voice in the amount of rate increases, they have no voice in improvements in offered coverages and that a school district sponsored plan would provide identical coverage, give incentives for cost containment and thereby reduce the expense to the employer.

The association argued that they did not have any idea what the school district proposal was because it was simply presented to them on September 24 through a mediator at the

last session. They suggested that there was no negotiation and that the September 24 proposal was inconsistent with the provisions of Section 11.05 which requires changes in the program to be reviewed and endorsed by a joint committee composed of four members of LAES and four members of the administration. Mr. Claggett testified that in his view they had met the intent of Section 11.05 because the essence of the program had been presented in an informal meeting in August.

Recommendation

The association's proposal should be adopted unless upon further negotiations the school district can demonstrate that their alternative plan is comparable to MESSA Super Med I.

Rationale

The health issue dramatically demonstrates the hostility that exists between the parties and the lack of mutual trust. It is inconceivable that the school district could wait until September 24 to propose a perhaps well intentioned and cost saving plan, but yet novel as compared to existing programs. No one can deny that we should strive to secure the best possible health insurance package for the least expense even if that means a district owned and administrated plan in order to control benefits, utilization, and costs. Perhaps the board is correct that the MESSA plan does not give the board appropriate prerogatives with respect to increases in coverages, benefits or opportunity

to discuss rates. Be that as it may, the board attempted at the hearing to layout for the first time some of the essence of its plan and yet the fact finder was unable to determine exactly how the plan might operate for a particular member of the bargaining unit. How then is the association to determine whether or not the proposal is even worth pursuing as a comparable to that which is in the existing contract? Clearly the board's proposal is premature and Section 11.05 of the existing contract surely has not been implemented. This record demonstrates that there was no committee convened pursuant to Section 11.05 to review changes in the health program. It would seem that the informal meeting in August testified to by Mr. Claggett would not even meet the spirit of Section 11.05. Since there has been no real negotiation whatsoever to explain what the program is, how it would effect individual persons and whether it is comparable to the existing programs, the fact finder cannot possibly recommend that the board's position be adopted.

As it relates to MESSA Super Med I programs, on this record the fact finder must recommend that the association's position be adopted. Joint Exhibit 21 details the benefit improvements between Super Med and Super Med I, but also suggests that the costs are reduced. That exhibit also indicates that the Super Med program has been discontinued. Apparently the school district's medical option plan is only an option to Super Med II in the LSEA Agreement (Joint Exhibit 20) and to the superintendent staff (Association

Exhibit 7) and yet the school district was proposing that it be a mandatory program for this unit. On this record it seems that the union's proposal for health insurance might provide greater coverage and conceivably at lower costs. If the parties are unable to discuss and negotiate the board's medical option plan, then between the existing positions, it is clear that the union's proposal should be adopted.

Issue No. 6 -- Short Term Disability/Life Insurance

Section 11.02 of the existing agreement states that the board shall provide the MEA maximum program of short term disability income insurance beginning the eighth day for all full-time secretaries, including $5,000 life insurance with accidental death and dismemberment. The board proposes to discontinue short term disability and accordingly also the $5,000 group life insurance. Conversely, the association proposes to increase the term life insurance from $5,000 to $10,000.

The board states that short term disability is not cost effective because of the sick leave availablity (Joint Exhibit 1, Joint Exhibit 25). They suggest that $42,000 annual premium for such insurance is excessive and only $18,000 worth of claims from January '82 through October '82 have been filed.

The school district states that under their new health insurance proposal, employees insured under the plan would receive the same $5,000 life insurance. Those not choosing

insurance under the plan will not have this life insurance. However, because of various options available under their plan, a person could select either a $5,000 or $10,000 term at a rate of $1.16 per month.

Recommendation

This issue should be deferred pending resolution of the health insurance issue.

Rationale

As previously discussed, the health insurance issue is premature, so likewise is this issue. The board's proposal to drop Section 11.02 is tied into its new concept of health insurance. It would appear that in fact there may be duplication between short term disability and sick leave compensation, but each is a separate fringe to be negotiated. If the district is correct, then presumably the association may bargain that benefit for continuation of a guaranteed term insurance plan of even $10,000. If health insurance is Super Med II, then Section 11.02 should remain as is.

Issue No. 7 -- Dental Insurance

The issue here is whether orthodontics rider E should be added to the existing plan. The association's principle argument is that the LSEA received this benefit in their last contract and the administrative staff have it also. They suggest that this constitutes approximately 50% of all the employees in the district. The board states that only five of the nine hourly paid employee units have dental

insurance. They also argue that the LAES has consistently upgraded its dental program and of the five groups of dental coverage, only the custodial maintenance has coverage at the same level as the association. Board Exhibit 21 also suggests that LAES members are high utilizers and that since the program is experience related, LAES is 24.3% higher than the custodial maintenance group and higher than any of the other hourly groups with dental insurance. The request for Delta E dental plan in the second year in 1979 was rejected by the prior fact finder.

Recommendation

The board position should prevail.

Rationale

Orthodontic rider is a fringe benefit highly cherished by employees and not often granted by employers. Orthodontic work is elective and expensive. Without insurance, few families can afford such programs. Given the experience of dental use by the association, it is conceivable, on experience rated basis, that the orthodontic rider would be expensive for the employer. It could well be that the district might want to provide this benefit to the association as it has with some of the other bargaining groups if there is additional give and take by the association on the whole health issue. Assuming that the association were to accept the board's proposal on health insurance after a review of comparability, perhaps orthodontic rider might be an appropriate fringe benefit to complete the total picture. As with the health insurance issue, it is this fact finder's

recommendation that these fringes have not been thoroughly negotiated and meaningful negotiation must take place where presumably reasonable minds could agree as to what the fringe benefits should be. If Super Med I is adopted, the dental plan should remain as is. The proofs are inconclusive that it should be added as a fact finding recommendation.

Issues Nos. 8, 9 and 10 -- Salary, Duration of Agreement and Retroactivity

Because of the interrelationship of these issues, they will be discussed collectively. The association has stated their position to be that they are asking a 9% increase on the 1981-82 salary schedule, with the salaries to be retroactive to July 1, 1982 and that the agreement be effective as of September 24, 1982 at 5:00 p.m. and continuing in effect through June 30, 1985 with the exception that there will be a wage reopener on June 30, 1983.

The board's position is that salary schedules shall remain in effect as per Appendix A of the existing agreement, with step increases becoming effective at the time of ratification by both parties or on the employees anniversary date, whichever is later. The board desires a one year contract effective upon ratification by both parties and commencing one year from that date and that there be no retroactivity with respect to salary or any other benefits in the contract.

We are finally arriving at the moment of truth. It would seem to this fact finder that most of the impasse arises as the result of a lack of communication regarding what wage offers were available in May and June of 1982 and what should or should not have been presented by the mediator on September 24. Each party claims that the other is using fact finding as leverage and that they are holding back with negotiations on their positions in order to take advantage of fact finding.

The existing salaries, contained in Appendix A to the existing contract, have a 5% differential between steps within a level and 5% between one level to the next. The grid that was established was the result of a classification study which was the subject of fact finding and obviously was an intense issue in the last two sessions.

The union alleges that a proposal of 7% in the first year, 7% in the second year, and 6% in the third year was made available to them by way of a mediator. The school district states that the board adopted guidelines in May of 1982 with those figures as stated wage increases, but that such an offer, if made by the association, was contingent upon a proposal being accepted by June 30, 1982 and that the quid pro quo for such an offer being accepted by June 30, 1982 was no other alterations of an economic nature in the balance of the contract. The district claims that after June 30, 1982, the board had no guidelines and that the

issue of wages then became open ended. They further state that at no time did their representatives make a 7%, 7%, 6% proposal.

The union now claims that in the absence of any concrete offer and since the alleged 7, 7, 6 proposal was not available, that they had no choice but to ask for a 9% increase across the board. Also, that the 9% should be retroactive to July 1, 1982 and that there be a reopener on June 30, 1983. In support of the 9%, the union claims that they received 8% increase in 1980-81 and 1981-82. They stated that they originally asked for 12% and were going to add one step at each of the levels. Their final offer eliminated the additional step and came in at 9% which they allege is comparable to the Ingham County bargaining unit. They claim that Ingham County was used as the comparable unit in the last fact finding and, therefore, should also be comparable this year. The union argues that there is no other dollar improvements in the contract and this is the only real economic issue. They did not ask for a cost of living increase. Their basic position is that they need the wage reopener in the second year because in comparison with contracts outside of the district they are lower than the State of Michigan, the City of Lansing and, if those systems are not comparable, the Ingham County system is comparable and they are still lower than Ingham County. They also allege that the majority of other bargaining units within the school district are receiving a 9% raise.

The board counters by stating that when nothing was received by July 1, 1982 they had no choice but to take any individual proposal and refer it to the board for consideration. In the absence of a specific proposal, and since the duration of the contract and the retroactivity of the contract are all in doubt, they had no choice but to offer no salary increases accept that step increases would become effective at the time of ratification by both parties or the employee's anniversary date, whichever is later, thereby giving an automatic salary increase. Also, no retroactivity is based upon their view that the union should not benefit from staging this fact finding. They are not crying poverty and are not saying they do not have the ability to pay, but they offered proofs that suggest that the school district is paring back in many areas, is on an austerity budget, and there is a limitation as to the amount of salary increases that can be granted. However, funds seem to have been set aside for step increases for a full year.

The board offered the testimony of Doug DeFrain, City of Lansing, Labor Relations Director, that the secretarial units in the city got 3% in the first year and 3.9% in the second year. The city also agreed to reduce the employee contributions 1.5% in the first year and to eliminate the balance of the employee contribution the second year. On cross-examination Mr. DeFrain compared the job classifications of the model classification study with specific levels in Lansing. It would appear that the City of Lansing personnel are making more money to start and at the top of the levels

then are the Lansing School District secretaries for comparable jobs.

Mr. Thomas Hall from the offices of State Employer, State of Michigan, testified regarding the clerical settlements of the Michigan State Employee's Association Group. They ultimately settled for 5% increase on September 30, 1983 and 2% on October 1, 1983. Both through testimony and by common knowledge, the State of Michigan has an acute fiscal problem and sought substantial wage concessions from its bargaining units. Basically the parties agreed on a 7% increase with 5% in one fiscal year and 2% in the next fiscal year. Basically they agreed upon 7% effective on October 1, 1983.

Mr. Claggett testified that in May of 1982, negotiations started with the LAES and the board had given the 7%, 7%, 6% guidelines through June 30, 1982. He testified that the LCSA and the LEAFT did reach agreements which were within the guidelines before June 30, 1982. On cross-examination it was pointed out that the LAEFT contract indicates that increases started at 7% and some of them went up to 10%. He further testified that a three year package was not now available; that the board only wanted a one year package and that the guidelines were given to the mediator on a confidential basis and accordingly the mediator should not have indicated those guidelines to the association at the September 24 meeting.

Recommendation

The parties should settle on a 7% increase in the first year, 7% in the second year and 6% the third year with the agreement being for three years, with an effective date of July 1, 1982.

Rationale

by removing the wheat from the chaff, the fact finder is basically recommending a package that presumably was available via the board's guidelines in May of 1982, which the association at the hearing indicated was financially acceptable and requires that the association accept a three year proposal rather than a one year proposal. There should be no additional benefits as was the board's quid pro quo for acceptance of the guidelines on or before June 30, 1982. If these recommendations are followed, perhaps the parties will have three years of experience to see whether or not they can get along with each other. Cost implications will be known and the parties will not be placed annually into the give and take and the acrimony that presently exists.

This recommendation is predicated upon the school district not pursuing their alternative health insurance program and implementing the Super Med I program which apparently is slightly less costly than last year. It also denies the association the Rider E benefits and maintains the status quo on the short-term disability and the $5,000 term life insurance.

It is obvious that a 9% increase is not justified and it is also obvious that a zero increase is incompatable with, not only the wages that are being paid in other units, but also a setting in which the employer has not cried poverty and inability to pay. The 7, 7, 6 proposal is slightly in excess of the cost of living index, but by locking in three years at relatively modest increases, there are risks on both sides that the CPI could go either way. With a three year contract, the board can adequately project what its costs will be, and may pursue appropriate millage recommendations knowing what their obligations will be, at least for the balance of this contract.

Whether there was or was not a 7, 7, 6 proposal, whether 9% with a reopener after one year was intended to be punitive, whether the board's proposal of zero, no retroactivity and a one year agreement was also intended to be punitive, are all issues which should be considered as rhetoric interposed for partisan advocacy. As both sides have stated, they can agree on many items and did settle five issues immediately before hearing and one more at the hearing.

While the fact finder has not itemized the total cost to the school district, it is believed that in comparison to the Ingham County contract, it is not out of line and without the same kind of economic distress that is evident at the State level, it is most difficult for a school district to argue that it should give no increases because even the State of Michigan in its hard pressed state ended up giving an increase, albeit something less than the employees obviously wanted.

II. Summary

The fact finder sought to make recommendations on the above issues which he considers to be fair and equitable for both parties. He gave careful attention to the testimony, the many exhibits and the excellant briefs of the parties. The fact finder strove to find the common ground upon which the parties could avoid disputes and impasses in the future. Hopefully these recommendations can be accepted so that a three year agreement can be consummated. Essentially the fact finder has attempted to put into place that which might have been available on July 1, 1982 and then move forward from that date. The ultimate recommendation on economic items attempts to do just that. That seems to be the common ground that the parties might have accepted had there not been a lack of communication or miscommunication in the months that followed.

Thank you for the opportunity to hopefully be of assistance in resolving this matter.

Kenneth P. Frankland

Dated: January 31, 1983