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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
FACT FINDING

In the Matter of:

SAGINAW VALLEY STATE
UNIVERSITY,

Petitioner (Employer),

MERC Case No. L00 C-3001

-and-

MICHIGAN EDUCATION
ASSOCIATION, SVSU SUPPORT
STAFF ASSOCIATION,

Respondent (Union).

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APPEARANCES

For the Employer:

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For the Union:

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- Application/Petition Filed: October 3, 2000
- Answer of MEA: October 16, 2000
- Fact Finder Appointed: December 14, 2000
- Pre-Hearing Conference: April 2, 2001
- Hearing Date: May 21, 2001
- Post-Hearing Written Argument and Positions Exchanged: June 27, 2001
- Fact Finding Report and Recommendation: August 8, 2001

Fact Finder:

JOHN A. LYONS

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FACT-FINDING REPORT AND RECOMMENDATION

BACKGROUND

The parties met on several occasions for collective bargaining negotiations and/or mediation. A tentative agreement was reached in July, 2000. (See Union Ex. 3). This agreement, however, was not ratified. Thereafter, the Employer filed an Application for Fact Finding and the Association responded in October, 2000. The fact finder was appointed on December 14, 2000 pursuant to PA 176 of 1939.

A hearing was held on May 21, 2001 at which time witnesses testified and a number of exhibits were received. The exhibits and the testimony of witnesses form the record and the factual basis for the recommendation.

The following witnesses testified: Doris Becker, Custodial Specialist/Working Foreman; Saun Strobel, President of the Saginaw Valley State University (SVSU) Support Staff Association. Robert Tutsock, Director of Physical Plant and James Muladore, Assistant Vice President of Business Affairs, also testified.

The following exhibits were admitted:

Joint Exhibits:

- Ex. 1 Collective Bargaining Agreement (expired 6/30/2000)
- Ex. 2 List of Open Issues
- Ex. 3 (a) Application for Fact Finding
(b) Response of the Association

Employer Exhibits:

- Ex. 1 Loose leaf Binder containing the following Exhibits
 - (a) Article 8: Current Language, Proposed Changes, and Rationale
 - (b) Article 12: Current Language, Proposed Changes, and Rationale
 - (c) Article 18: Current Language, Proposed Changes and Rationale
 - (d) Article 22: Current Language, Proposed Changes and Rationale
 - (e) Economic Proposals to the MEA
 - (f) MEA Proposals
- Ex. 2 MI-CUPA 2000-2001, Bench Mark Survey
- Ex. 3 Costing Model of MEA Economic Demands

Union Exhibits:

- Ex. 1 Statement of Position
- Ex. 2 Comparable Contracts
 - (a) Ferris State - AFSCME
 - (b) Ferris State - CTA
 - (c) Grand Valley - Grand Rapids
 - (d) Grand Valley - Allendale
 - (e) Grand Valley - Office Clerical
 - (f) Northern Michigan - AFSCME
 - (g) Northern Michigan - UAW
 - (h) Michigan Tech - AFSCME
 - (i) Michigan Tech - UAW
 - (j) Oakland University - AFSCME
 - (k) Western Michigan - AFSCME
 - (l) Delta College
- Ex. 3 Tentative Agreement (7/13/2000) - Not Ratified
- Ex. 4 Health Care Participants
- Ex. 5 Health Insurance Caps
- Ex. 6 Comparison of Health Insurance Caps
- Ex. 7 Percentage Wage Increase - 1996-2001
- Ex. 8 Internal Health Insurance Co-Payment Comparison with Administrative Professionals - 1999-2000

- Ex. 9 Internal Co-Payment Comparisons with Faculty Association - 1999-2000
Ex. 10 Costing Model Pre-Economic Proposals

At the direction of the fact finder, the parties submitted final positions, and argument in support on June 27, 2001.

The bargaining unit consists of approximately 162 employees. The classifications are described in Article 3 of the Collective Bargaining Agreement:

The Bargaining Unit consists of all full-time and regular part-time Secretarial/Clerical Division employees and Plant/Business Services Division employees of Saginaw Valley State University but excluding: Human Resource Assistants, Office of Human Resources (2); Secretaries to the Vice Presidents (Business, Academic and Public Services), (3); Secretary to the Director of Institutional Research and Planning (1); Secretary to the Assistant to the President/Secretary to the Board of Control (1); Secretary to the Dean of Student Affairs (1); Supervisors and all others.

The fact finder has reviewed the testimony, exhibits, post-hearing argument, as well as the tentative agreement that was reached by the parties in July, 2000. It is obvious from a review of the application and the Union's response that the Association believed there were unresolved issues related to Article 30, Fringe Benefits and Article 31, Wages, at the time of the filing of the application. The language changes (non-economic) possibly had been resolved by the tentative agreement. After carefully reviewing all documents and positions, it is the fact finder's opinion and recommendation that the parties should use the tentative agreements that were reached to resolve as many of the issues as possible. In other words, the tentative agreement should be used as the basis for negotiation and settlement. Don't waste time "reinventing" the issues. The parties obviously spent a great deal of time and effort to arrive at a very carefully crafted tentative

settlement. Use it. For instance, a review of several of the so-called language issues contained in Articles 8, 12, 18 and 22 appear to be reasonable and should be resolved according to the terms of the tentative agreement. The tentative agreement language appears to be the most possible basis for agreement. No evidence was taken on reasons why the membership did not ratify the tentative agreement. The writer suspects that the rejection had its basis in the fringe benefit and wage offer contained in the proposed Articles 30 and 31.

The testimony of the Director of the Physical Plant, Mr. Tutsock, appeared to suggest there was a need for more flexibility in obtaining and assignment of, more qualified employees to fill positions. But, his testimony did not really demonstrate a necessity to change current practice and current contract language. Likewise, several of the suggested changes in language have no support when comparable data is reviewed, (See Charts 1-4 prepared by the Association based on the Collective Bargaining Agreement of the comparables: Ferris State University, Grand Valley State University, Michigan Tech University, Northern Michigan University, Oakland University, Western Michigan University and Delta College).

The tentative agreement reached on July 13 was accomplished after several negotiating meetings. A careful review of that document and a comparison to the positions of the parties regarding non-economic language changes that have been suggested in Articles 8, 12, 18 and 22 indicates that the parties should adopt the language as suggested in the tentative agreement. Therefore, as to Articles 8, 12, 18, and 22, the fact finder would recommend that the language the parties came to

agreement upon be adopted. That language is set forth in Association Exhibit 3 and, therefore, it is not necessary to set forth each provision in detail.

Recommendation: The language changes in the tentative agreement reached 7/13/00 should be adopted as to the following:

- Article 8.000 - Hours of Work and Overtime
- Article 9.000 - Bargaining Unit Work Provisions
- Article 12.000 - Discipline
- Article 18.000 - Vacancies, Job Postings, Transfers and Promotions
- Article 22.000 - Leaves of Absence with pay

The remaining issues are economic and specifically relate to Articles 30.000 - Fringe Benefits and 31.000 - Wages. At hearing, it was agreed that there is no issue of "ability to pay." However, the basis for funding of the University is public money and, therefore, an obligation exists to carefully balance the demands of the Association with the economic offer of the University.

Fact finders normally consider several criteria when recommending a position on issues. This is especially true of economic matters. Bargaining history, as well as comparable data, both internal and external, are relevant. Here the parties have reached a tentative agreement as noted. That agreement should form the basis of a speedy resolution to the non-economic issues.

The economic dispute appears more troublesome, as usual. Likewise, the cost-of-living should always be considered when evaluating positions on economics. For instance, in June, 2001, the Bureau of Labor Statistics (BLS) published its Consumer Price Index. It is used throughout the country in contract negotiations as a basis for wage/fringe adjustments. The regional index indicated an annual change in the Urban Wage Earner and Clerical Worker index of 3.5% for the

North Central region. Commonly, we would therefore say that the cost of living is running at 3.5% annually for this region as of May-June, 2001. Likewise, the unit members have been without a wage increase since July, 1999 when they received 3.0% (See Article 31.650, Jt. Ex. 1). The new contract term begins with fiscal year 2000-2001.

The Employer urges that its position is more reasonable based on total package costs, as suggested by its Assistant Vice President of Business Affairs. He testified that the Union suggested increases on base salary, retirement, health insurance, life insurance, disability insurance, and its roll-over or impact on FICA could result in total compensation increases over the three year life of the Collective Bargaining Agreement of 20.17%. This figure is out of line with internal and external comparables; it would be totally inappropriate to recommend such high level increases. Relative economic rankings should remain as between comparables unless there is a dramatic need to change shown by clear and convincing evidence.

Both parties seemed to modify their positions somewhat in hopes of possibly getting a better recommendation in fact finding than that which was agreed to in the tentative agreement. As noted, it appears that the real problem area in these negotiations relates to fringe benefit and wage issues.

Article 30.100. Health Insurance.

The Association position and statement of outstanding issues dated April 27, 2001 suggests the following - that the Employer provide up to the following amounts per month for the employee to use toward health insurance premiums:

Effective July 1, 2000	\$600.00
Effective July 1, 2001	\$625.00
Effective July 1, 2002	\$650.00

This position is dramatically different from the tentative agreement.

The current and most recent collective bargaining provision is set forth on Page 38 and, as of July 1, 1999, the provision provides for the Employer to pay up to the following amounts per month for all employees working thirty (30) hours per week or more:

\$252.00	1 person
\$505.00	2 persons
\$515.00	full family

The Employer has suggested:

As of July 1, 2000	\$262.00 for 1 person \$525.00 for 2 persons \$535.00 for full family
As of July 1, 2001	\$270.00 for 1 person \$535.00 for 2 persons \$545.00 for full family
July 1, 2002	\$280.00 for 1 person \$545.00 for 2 persons \$555.00 for full family

The Employer's position is also different from that of the tentative agreement.

The Union argues comparable support in that six of the contracts contain language that provides that the Employer pay the full cost for the health care. It should be noted that duplications occur at Grand Valley and Michigan Tech, whereas Oakland University and Western Michigan also pay the full cost of health care coverage for their employees. Importantly, the Association argues the internal

comparable of support staff and faculty association and administrative professionals. It is obvious from a review of Association Exhibit 5 that the monthly insurance caps are different and, therefore, it urges that based on comparables, as well as the internal comparable, that the Employer payment should be increased. It was increased in the tentative agreement. Perhaps that dollar amount can be reviewed and tweaked, and a compromise struck between the demand of the Association and the offer of the Employer.

Recommendation:

Article 30.100

July 1, 2000	one person	\$272.00
	two persons	\$530.00
	family	\$540.00
July 1, 2001	one person	\$287.00
	two persons	\$550.00
	family	\$560.00
July 1, 2002	one person	\$302.00
	two persons	\$575.00
	family	\$585.00

Article 30.101: Payment in lieu of taking health insurance through the Employer.

The Union urges that 50% of the single subscriber rate be paid to employees who elect not to be covered by the Employer's insurance. This is a new provision. The Employer originally offered \$70.00 per month and has now reduced that to \$60.00 per month. The Union suggestion is approximately double that amount. The rationale the Association uses is that this payment as well as premiums paid by the Employer have not kept up with medical inflation. They conclude that this has resulted in a loss of benefits and wages.

On the other hand, the Employer argues that the benefit package offered is generous and comparable. This plan modification would provide a benefit to employees who elect not to participate. Based on a review of the Collective Bargaining Agreements, it does not appear that the amount offered (\$60.00 per month, paid bi-weekly) as suggested by the Employer is enough of an incentive. It should consider the Association's position because there is a substantial direct savings to the Employer when an employee opts out. It has reduced the amount of "payback" from \$70.00 to \$60.00 per month. The Association's suggestion may have merit because the number of employees affected are approximately 25% of the bargaining unit (see Association Exhibit 4 where it indicates that 47 employees have opted for the payment). But, the Union position appears to be high because it is based on a percentage. The recommendation is a compromise position.

Recommendation: That the University pay to employees who opt out of the medical insurance coverage \$85.00 per month paid bi-weekly.

Article 30.102: Availability of Health Insurance Programs.

The parties had reached agreement on language with regard to this item. They had agreed to modification of this provision and elimination of certain options in their tentative agreement. This appears to be a reasonable position (see Association Exhibit #3, Appendix Y). The option of MESSA, BCN, HMO and no plan would be effective 11/1/00 through 10/31/03. The Union, however, argues that since the premium contribution is capped and there is no history of any problems, a change is not necessary. The Employer seeks changes to assist in the elimination of

MESSA and BCN as insurance program options and then would allow the Blue Cross Community Blue PPO. It claims that MESSA and BCN are under utilized by the bargaining unit and MESSA will not co-exist with Blue Cross Traditional or PPO Insurance Programs. Therefore, the current options have become a detriment to providing plan rule modifications which will be more in line with unit utilization and assist in controlling insurance premium increases. There must have been a meeting of the minds because the parties came to an agreement on this issue in July, 2000. The Employer's position is more reasonable and is consistent with the agreement made with the tentative agreement. Likewise, it simply makes more sense.

Recommendation: The Employer's position should be adopted. See Appendix 2 of the tentative agreement.

Article 30.200: Dental Insurance Premium Co-Pay.

The Association seeks \$25.00 per month for each employee to use toward dental insurance premiums. The Employer has offered \$22.50 and the "payback" to employees who elect no dental insurance of \$5.00 per month.

The Union urges that the amount paid for dental insurance premiums has not kept up with inflation, nor is it competitive with other comparables. It suggests that most employers that provide the benefit pay the full amount of the premium. It does not, of course, object to the payment of opting out of the dental insurance program. The following recommendation is a compromise between the parties and it is designed to assist the parties in arriving at a resolution of this issue.

Recommendation: Article 30.200 be changed to:

July 1, 2000	\$22.50 per month
July 1, 2001	\$23.75 per month
July 1, 2002	\$25.00 per month

Employees who opt out shall receive \$5.00 per month.

Article 30.600: TIAA-CREF Contributions.

The Employer currently contributes 11% toward the employees' TIAA-CREF retirement plan. The Union requests an increase to 12%. I have reviewed the comparables and find little real support of the Union request. Moreover, this issue must be considered as a part of a total package concept. Hopefully, when all is said and done, the parties will settle their differences. The status quo should remain based on a review of all documents and evidence.

Recommendation: Article 30.600 should remain the same, the employer position should be adopted.

Article 30.800: Tuition Assistance

The current language of the relevant contract paragraph says:

Employees shall be granted seventy-five percent (75%) of the University tuition, listener's permits and facilities fees. Employees' spouses and their dependents, as defined by the IRS regulations, will be granted one-half of the tuition, listener's permits and facilities fees provided they meet admissions requirements.

The Union seeks to add "retiree only" to the class. It claims it is justified by the retiree's service to the Employer and, further, that it is not a high cost item. The Employer suggests that there be no expansion of the current benefits. The Union

suggestion to expand the class to include "retiree only" appears reasonable, but a reduction in the amount of benefit would be appropriate.

Recommendation: The "retiree only" should be included in the class at the rate of fifty percent (50%) of University tuition, listener's permits and facilities fees.

Article 30.603: Payment of Unused Sick Leave to Retirees.

The Association suggests that retirees be paid for any unused accumulated sick leave upon retirement under a new section 30.603. The Employer's position is that there be no expansion of the current benefit.

The comparables do not support this demand, and therefore, the issue should remain status quo. The position of the Employer should be adopted.

Recommendation: The position of the Employer should be adopted.

Article 31.000: Wages.

The Association's position is:

Effective July 1, 2000	4.50%
Effective July 1, 2001	4.25%
Effective July 1, 2002	4.00 %

On the other hand, the Employer's position is:

Effective July 1, 2000	2.50%
Effective July 1, 2001	2.50%
Effective July 1, 2002	2.25 %

The parties have varied from their tentative agreement regarding wages. The Employer decreased its position from its 6/29/00 proposal and reverted back to its position of 6/26/00, and the Union has increased its position from the agreement

that was tentatively made in July. After reviewing all the documents, the financial information submitted, and the testimony of the Assistant Vice President of Business Affairs, the Fact Finder would make the following recommendation:

Effective July 1, 2000	3.5%
Effective July 1, 2001	3.5%
Effective July 1, 2002	3.0%

The wage increase is somewhat in keeping with the tentative agreement, yet will keep the bargaining unit in its relative position regarding its comparables, both internal and external. It is a compromise, but it is in keeping with the reported current regional cost of living of 3.5%.

Recommendation: The wage scales in Article 31.600 should be increased as follows:

Effective July 1, 2000	3.5%
Effective July 1, 2001	3.5%
Effective July 1, 1002	3.0%

SUMMARY OF RECOMMENDATIONS

- **Articles** **8.000: Hours, Work and Overtime**
 9.000: Bargaining Unit Work
 12.000: Discipline
 18.000: Vacancies, Job Posting, Transfers, etc.
 22.000: Leaves of Absence with pay

The tentative agreement reached July 13, 2000, should be adopted as to the issues presented in these articles.

- **Article** **30.100: Health Insurance**

7/1/00	one person	\$272.00
	two person	\$530.00
	family	\$540.00
7/1/01	one person	\$287.00
	two person	\$550.00
	family	\$560.00
7/1/02	one person	\$302.00
	two person	\$575.00
	family	\$585.00

- **Article** **30.101: Payment in Lieu of Health Insurance**

That the University pay to employees who opt out of medical coverage \$85.00 per month, paid bi-weekly.

- **Article** **30.102: Availability of Health Insurance Programs**

The Employer's position should be adopted - See Appendix Z of the tentative agreement.

• **Article 30.200: Dental Insurance Co-Pay**

7/1/00	\$22.50 per mo.
7/1/01	\$23.75 per mo.
7/1/02	\$25.00 per mo.

• **Article 30.600: TIAA-CREF Contributions**

The article should remain the same, and the Employer position adopted.

• **Article 30.800: Tuition Assistance**

"Retiree only" should be included in the class but at a reduced ratio of 50% of tuition, permits and/or fees.

• **Article 30.603: Payment of unused sick leave**

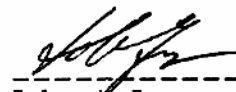
The Employer position should be adopted.

• **Article 31.000: Wages**

7/1/00	3.5%
7/1/01	3.5%
7/1/02	3.0%

Hopefully the above recommendation will assist the parties in resolving their dispute.

Respectfully submitted,



John A. Lyons, Fact Finder

Dated: August 8, 2001