STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

LIVINGSTON EDUCATIONAL SERVICE AGENCY,

Employer,

and

Case No. L-96-D-1021

MICHIGAN AFSCME COUNCIL #25,

Labor Organization.

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FACT FINDER'S REPORT

Pursuant to Public Act 176 of 1939, the undersigned was appointed by the Michigan Employment Relations Commission as the fact finder on the above-referenced matter.

On October 21, 1997, a fact finding hearing was held at the offices of the Livingston Educational Service Agency at 1425 West Grand River Avenue, Howell, Michigan 48843.

Representing the Labor Organization, herein called "Union," were Angela Tabor, Staff Representative, and Donna Simison, Unit Chair.

Representing the Employer, herein called "Agency," were Janet Hale, Assistant Superintendent for Human Resources and Compliance, and John McCurdy, Assistant Superintendent-Business.

History

The parties have had collective bargaining agreements covering this Unit of Teacher Assistants since 1991. The 1991-94 Contract limited full family coverage to those full-time employees in the Unit who were employed as of September 15, 1991. Employees hired after that date would be eligible for employee only coverage on health and dental care and half-time employees were not eligible.

The 1994-96 contract continued this arrangement.

During negotiations for a new contract to replace the 1994-96 Agreement, the question of full family coverage was again raised along with other issues. When no agreement was reached upon expiration of that contract, the parties executed an extension Agreement on July 2. 1996, which leaves the 1994-96 Contract in effect on a day-to-day basis, with a 15-day advance notice of cancellation required. No such notice has been given.

The parties continued negotiations without agreement, including one mediation session with State Mediator O'Breck on June 10, 1997.

A "Petition for Fact Finding" was filed June 13, 1997 and referred to the undersigned August 11, 1997. An attachment to the Petition by the Union described full family coverage as the major outstanding issue.

Discussion

Both the Agency and the Union representatives have indicated that other issues will fall into place without intervention by the fact-finding process if the insurance issue can be resolved. However, the cost of the insurance is inextricably a part of any package cost settlement and must be considered in that context.

Union Position

The Union position is based on comparatives showing a substantial majority of Teacher Assistants have full family coverage paid by the employer; that the Agency package should include full family coverage for all full-time employees; and that they estimated ten of the current employees would ask for the full family coverage.

Agency Position

The Agency position is that the cost of paying the full family coverage must be part of the Total Wage Package; that it offered 2.8% overall increase in cost in the first year with Cost of Living increases in the second and third years to be determined utilizing the General Price Index used by Headlee as reported by the Michigan Department of the Treasury, with a maximum of 3%; that the Union had negotiated for single coverage of new hires in 1991 in return for a substantial wage increase, which shows on their rate comparison vis-a-vis other Teacher Assistants; and now wanted full coverage at an estimated cost to the Agency of 10% of payroll or more assuming all 23 current singles took full family coverage, an assumption which the Agency claims is the only realistic way of computing prospective cost. Finally, the Agency shows that its package costs for the 1996-97 school year for other Agency groups are comparable to its proposal.

Fact Finder's Recommendation and Reasoning

Recommendation: That the Union withdraw its request for full family premium payment for employees hired after September 15, 1991 in addition to the Agency's 2.8% overall cost package.

Reasoning:

The Union should negotiate within the parameter of the Agency's overall cost projection. The National Price Index, CPI-U, which is published by the U.S. Bureau of Labor Statistics, shows a change from June 1996 to June 1997 of 2.3%; in the North Central Region, 2.5%. The Agency's proposal is reasonable.

The Union negotiated away full family coverage by newly hired employees in 1991. It cannot reasonably expect the Agency to make a 2.8% increase in its overall cost plus an additional 10% (Agency cost) or 4.5% (Union cost) in those overall payroll costs.

The Union representatives did not believe anything other than full payment of the full family premium would motivate the single employees to request full family coverage because of the cost; that less than full family payment was not acceptable.

Utilizing the 2.8% increase in total payroll costs to pay for most of the full family coverage for the current benefit of ten employees would deny a wage increase of any amount to the 33 employees in the bargaining unit.

This completes the Fact Finder's Recommendation.

The parties have indicated that other issues will fall into place once the insurance issue is settled, and the Fact Finder makes no recommendation on them.

Respectfully submitted.

John W. Cummiskey

Dated: November ____, 1997.