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STATE OF MICHIGAN

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE
FACT FINDING BETWEEN

MEMPHIS COMMUNITY SCHOOLS
BOARD OF EDUCATION

AND

MEMPHIS EDUCATION ASSOCIATION

FACT FINDERS REPORT AND RECOMMENDATIONS

Memphis Community Schools

Norman Berkowitz Fact Finder

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

FACT FINDERS REPORT AND RECOMMENDATIONS

GENERAL BACKGROUND

A three year agreement between the Memphis Community Schools Board of Education (Board) and the Memphis Education Association (MEA) ended on August 20, 1991.

Negotiations between the parties failed to produce a new agreement. Mediation sessions were then held by the Michigan Employment Relations Commission (MERC) on August 31, 1991, and September 4, 1991. The mediation sessions, like the negotiations, were not successful and on September 12, 1991, the MEA petitioned MERC for formal Fact Finding.

In accordance with its rules, MERC appointed Norman Berkowitz as Fact Finder.

At the request of the parties, to expedite the results, a pre-hearing conference was not held but some attempt was made prior to the start of actual hearings to reduce the number of issues to be considered. Unfortunately, the parties chose to proceed with the entire list of issues presented on the petition to MERC.

Fact Finding hearings were held in the Board Room of the St. Clair County Intermediate School District in Marysville, Michigan, on October 15, 18, 19, 31, and November 1, 1991.

APPEARANCES
(At one or more Sessions)

For the Board of Education

David Nicholson, Attorney, Chief Negotiator
Kenneth Helinski, Superintendent
Mary Lou Black, Administrative Assistant
Paul Bailey, District Auditor
Donna Gudme, Board President
Thomas Badley, Board Member
Michael West, Attorney

For the MEA

Thomas Fette, Executive Director, MEA
Richard Long, Uniserv Director, Chief Negotiator
Jeanette Kutche, Uniserv Secretary
Clarence Lewis, Member, Negotiation Team
Elizabeth Wessel, Member, Negotiation Team
Elaine Flippin, Member, Negotiation Team
Sharon Cook, Member, Negotiation Team

The Position of the MEA

The MEA identified the following three categories of unresolved issues:

WORKING CONDITIONS

A separate in-school detention room for students who persistently misbehave.

A separate room or private area from which to make business or personal calls.

A full-time media aide to assist the high school librarian.

Additional professional development money to be disbursed by a committee of teachers.

Reimbursement for personal property damage.

LEAVE

PAID LEAVE

Paid leave for illness.

Paid leave for personal business.

Paid leave for bereavement.

Paid leave for illness in the immediate family.

Increased accumulation of sick days.

Pay for unused sick leave at retirement.

UNPAID LEAVE

Academic leave.

Public office leave.

Child care or adoption leave.

ECONOMIC ISSUES

INSURANCE:

Health

Dental

Vision

Life

Long term disability

SALARY

SPECIAL ASSIGNMENT

In support of its position on these issues, the MEA introduced 135 exhibits. These exhibits listed school districts used to compare the Memphis School District on such things as student enrollment, student-teacher ratios, actual teacher count, and numbers of administrators. The exhibits also covered such revenue factors as operating, debt retirement and building site millage.

A series of exhibits were presented to show various expense items among the comparable districts.

A group of exhibits compared various leave provisions among the districts.

Another group covered comparable provisions of the various insurance provisions under consideration.

Nine exhibits were related to teacher protection provisions.

And finally 43 exhibits covered salary and extra assignment pay provisions among the comparable districts.

COMPARABLE DISTRICTS

Which school districts Memphis should be compared with proved to be a contentious issue.

The MEA selected the Algonac, Almont, Armada, Capac, Dryden, Marysville, Port Huron, Richmond and Yale school districts as those most comparable to Memphis. The list includes all districts in St. Clair County, contiguous districts in Macomb County and two districts in Lapeer County which are in the same athletic league as Memphis and adjoin districts which in turn are contiguous to Memphis. Memphis is mostly in St. Clair County with a portion in Macomb County. The MEA argues that for purposes of this case those districts geographically closest represent, in general, the same labor market and comparison with them would be most meaningful.

UNRESOLVED ISSUES

WORKING CONDITIONS

At the present time unruly students are placed in a storeroom which is part of the library. In some instances they are placed in hall space. The MEA believes the Librarian should not be responsible for supervising such students. It

proposes that language be added to the Contract to provide a dedicated suspension site room in each building for students who persistently misbehave.

At the present time when teachers wish to call a parent concerning a problem with a student or wish to make a personal call they must use a phone in the secretarial office of the Superintendent. It is the position of the MEA that such calls require privacy and that a quiet and private area other than the secretary's and principal's phone should be made available with a phone for use by the teachers.

The MEA argues the need for an assistant for the Librarian and requests such a full-time position be designated in the Contract.

There presently exists a \$10,000 fund used for professional development. The MEA is arguing for an additional \$50 per teacher or about \$2,500 per year to be administered by a committee of teachers. It argues this is consistent with latest educational philosophy intended to bring decision making down to the lowest possible level.

The expired contract provided for reimbursement for damage to personal property and clothing. The MEA wishes

to retain the present language rather than accept more restrictive provisions suggested by the Board. The MEA argues there is no history of misuse of this provision of the contract and consequently there is no need for any change.

PAID LEAVE

With two exceptions, it is the position of the MEA that the provisions of the present contract should be retained. The MEA is requesting the total number of days of accumulated leave be increased from a maximum of 194 to unlimited except at retirement when the maximum for payoff purposes would be 230. The MEA is also requesting that the up-to-230 days at retirement not be reduced by 5% per year for each year the employee works after becoming eligible for retirement. It is the position of the MEA that teachers deserve to be able to earn up to 230 days for time not taken off earlier with pay. It further feels that it is wrong to penalize teachers who continue to work after becoming initially eligible for retirement since there are many reasons why someone may wish or need to work longer.

UNPAID LEAVE

It is the position of the MEA that there should be no change in the unpaid leave provisions for academic leave, child care leave and leave for public office. The MEA believes no circumstances have occurred to warrant any restrictions being placed on the present language in the contract.

ECONOMIC ISSUES

HEALTH INSURANCE

The MEA originally argued for certain changes in health insurance coverage in 1991-1992, but withdrew its request leaving no demand on the table although it did indicate it would propose to move its second and third year proposals each up a year.

For 1992-1993 the MEA requests the addition of treatment of medical emergencies and accidental injury as part of emergency first aid.

For 1993-1994 the MEA requests the addition of a rider providing for routine pap smear and routine mammogram preventive cancer screening.

The MEA also requests beginning with the 1991-1992 year the \$500 tax deferred annuity teachers now get for waiving health insurance be changed to equal 80% of what would otherwise be the health premium for a single subscriber.

It is the position of the MEA that the higher proposed benefit would encourage more employees to accept the annuity and save the school system money.

It is the position of the MEA that health insurance benefits in the Memphis School District are inferior to that found in the comparable districts and increases in coverage are warranted.

The MEA is requesting an increase in dental benefits that would reduce the portion paid by employees for such work from 25% to 20% for routine preventive work, from 50% to 20% for bridges and partials and from 50% to 20% for orthodontics. The MEA proposal would increase lifetime maximum per child for orthodontics from \$750 to \$1500 and would make adults eligible for this feature. It is the position of the MEA that dental benefits available to Memphis teachers are inferior to those available in the comparable districts and the increases requested are warranted.

The MEA proposes to increase vision care insurance. It is its position that the present Memphis plan has less benefits than every comparable district and its teachers should be brought up to par.

It is the MEA position that life insurance on each teacher should be increased from the current \$20,000 to \$30,00 in 1991-1992, \$40,000 in 1992-1993 and \$50,000 in 1993-1994. The MEA argues that only one of the comparable districts has less life insurance for teachers and even with its requested increases it would continue in approximately the same relative position.

The MEA argues Memphis is one of only three of the comparable districts that do not now have long term disability insurance. It proposes to add this feature to the Memphis contract but with different benefits and waiting period than a similar Board proposal.

SALARY

The MEA proposes that all steps on the salary schedule be increased by 6.5% for the 1991-1992 school year, and 7.5% during each of the next two years. It is the position

of the MEA that increases of that magnitude are warranted by lesser than normal increases during a number of recent years and because the Memphis salary schedule is lower than all of the comparable districts. The MEA also proposes to change the way longevity is reflected in the salary schedule.

The MEA also proposes the same percentage increases as in the salary schedule for extra curricular assignments plus some larger specific increases. It is the position of the MEA that several of the categories are out of line with the comparable districts and warrant the larger special increases.

The Position of the Board

It is the strong position of the Board that Memphis should be compared with districts similar in size rather than those in close geographic proximity. For this purpose, during the course of the proceeding, it tended to use two groupings of school districts. One group of 132 districts with enrollments between 500 and 1,280 students, and a second group of 89 with enrollments between 500 and a thousand.

The Board introduced 38 exhibits covering much of the same ground as the MEA, but presented to compare the situation in Memphis with those school districts of approximately its own size. It also presented a number of exhibits which dealt with its ability to pay for increases in wages and other benefits.

In regard to the specific issues in this matter, the Board's position will be addressed generally in the same order as the MEA's appear in this report.

WORKING CONDITIONS

The Board indicated it agreed in principle with the MEA on the desirability of a separate in-school detention room and private area from which teachers could make phone calls. It argues, however, it has no physical space available at the present time and, even if it did, it would not believe it appropriate to write such conditions into the Contract and restrict its ability to meet potential future space problems.

It is the Board's position that a media aide is needed to assist the Librarian. In fact, it argues it presently has assigned a media aide to the library on a 90% basis.

Its position, however, on this issue is similar to that on the two previous issues discussed. It is its position that it would be imprudent to write such a provision into the Contract and restrict its ability in the future if layoffs were required to determine on a priority basis which positions should be eliminated.

The Board is proposing language to Article XE to more closely control payments for damage or destruction of teachers personal property while on duty in the school. It is the position of the Board the added language is necessary to insure that payments are only made for proper school related activities.

The Board opposes providing additional funds for professional development as proposed by the MEA for three reasons. First, it believes presently allocated funds for this purpose are adequate. Second, it believes any money spent for professional development should be controlled by the Board and not by a committee of teachers, and finally it believes it to be inappropriate to place such an item with a dollar amount in the Contract which would restrict its ability in a changed situation to spend money on its highest priorities.

PAID LEAVE

The Board is proposing a major restructuring of Articles VII (Leave Pay) and VIII (Leave of Absence). It proposes some leave time now payable be eliminated. It is proposing to remove from sick leave such things as personal business and bereavement leave. It is its intent to retain the 12 annual days of leave (sick leave) only for the more traditional sick leave purposes. While it would continue to pay for a certain number of personal business and bereavement leave, such leave days would not come out of sick leave but from specific days set aside for such purposes and which would not be cumulative.

The Board also proposes to change the method of accumulating the 12 sick leave days per year.

It is the position of the Board the present limit on accumulated sick leave of 194 days is adequate and should not be changed as the MEA is requesting. Further, its position is to retain the 5% per year reduction in payment for unused sick leave at retirement when a teacher works beyond the point of eligibility for retirement.

UNPAID LEAVE

It is the position of the Board that academic leave should be at the discretion of the Board, that child care leave should apply only to newborn children or newly adopted children under the age of three at the beginning of the leave, and it also proposes to eliminate leave for public office.

The Board believes over the years the leave provisions have become too liberal and muddled and its present proposals on leave time are intended to clarify what types of leaves can be used and to cut back on what it considers are overly liberal provisions.

ECONOMIC ISSUES

HEALTH INSURANCE

It is the position of the Board that present health coverage is adequate and no changes are warranted. The Board takes the same position in regard to the present \$500 payment to teachers who do not take health insurance.

DENTAL INSURANCE

The Board's position is to retain present benefits for the first two years of the Contract and add in the third year Delta plan E-06 which would provide 80% from 75% payment for routine and preventive work, 80% from 50% payment for bridge and partials, and 75% from 50% for orthodontics for children (with a lifetime maximum of \$1200 per person).

VISION INSURANCE

The Board proposes to adopt VSP II coverage in the second year of the Contract in contrast with the MEA's request for this coverage in the first year.

LIFE INSURANCE

The Board proposes to make no change in life insurance coverage.

LONG TERM DISABILITY

The Board is offering for the first time long term disability insurance but with some differences from the plan being requested by the MEA. The details will be developed later in this report.

SALARY

The Board is offering a 5% increase in each of the three years of the Contract. It is the position of the Board that its salaries fall in the midrange when compared with school districts of a similar size. Its position is its teachers are and will be fairly paid with its 5% proposal.

EXTRA CURRICULAR ASSIGNMENTS

It is the position of the Board to provide the same 5% increase for these activities that it is proposing for basic salaries. It believes such compensation is fair and adequate.

DISCUSSION AND CONCLUSIONS

To establish a basis for arriving at the several decisions necessary in this case, a fundamental conclusion must be reached on what should be the basis for determining how Memphis teachers compare to others. The MEA adopted for comparison purposes all school districts in St. Clair County, districts in Macomb County that adjoin Memphis and two districts in Lapeer County that adjoin districts which in turn adjoin Memphis and which are in the same athletic league. Memphis, itself, is mostly in St. Clair County and partially in Macomb County.

The specific school districts selected by the MEA for comparability are:

Algonac

Almont

Armada

Capac

Dryden

East China

Marysville

Memphis

Port Huron

Richmond

Yale

Early in the hearing the parties agreed to drop East China from the group because of its unique financing ability caused by the existence of a Detroit Edison plant within its borders.

The MEA argues that a proper comparison must be one with districts in the same geographical area.

The Board rejected the MEA list of comparable districts because it felt the proper comparison should be with districts

of approximately the same size. It argues all the MEA comparable districts were significantly larger than Memphis. It developed a list of 132 districts located in 65 counties throughout the State with enrollments between 500 and 1,280 students ~~or~~^{and} districts within 390 students in size from Memphis' approximately 890.

It also used for comparison purposes State Department of Education grouping referred to as the M group which includes 89 districts with enrollments between 500 and 1,000. These districts are located in 54 counties. In presenting its case the Board used comparisons from these groups of school districts, but at times also made comparisons using the MEA group.

Comparisons with different groupings will produce different results for such things as average salary, SEV, fringe benefits and other factors presented to the Fact Finder in this case. The Board's use of one grouping for one comparison, a different grouping for another comparison and the MEA grouping for still others, convinces the Fact Finder the Board, itself, never felt completely confident of its groupings. It did, however, argue only size of enrollment provides proper comparability.

The Fact Finder believes that proximity, and the local labor market, argue for the use of the MEA grouping. The influence of the greater Detroit metropolitan area which is beginning to affect the local labor market, is also a factor in contrast to the use of districts throughout the State including ten in the Upper Peninsula.

WORKING CONDITIONS

Discussions on the issues of a separate in-school detention room and private areas for telephone calls produced no disagreement on the desirability and need. The Board's position that no current space is available and to provide it at this time would require an additional expense necessary to either build such space or rent it possesses merit. It seems to the Fact Finder that limited financial resources should be used first for wages and other benefits.

Further, the Board does not wish and should not have to bind itself in the Contract to the provision of such space, restricting its ability to meet unforeseen needs. It would be desirable, however, since the Board expressed a need for such rooms, to incorporate language into the Contract that would commit the Board when designing new

buildings to include rooms for such use even though not binding the Board to such use indefinitely if circumstances warrant more needed use for the space.

There was also no disagreement on the desirability or need for a full-time media aide. In fact, the Board testified that at the present time a media aide is being assigned to the library on a 90% basis. Disagreement between the parties revolves around the request of the MEA to incorporate the position into the Contract. The Board feels strongly that it should not be restricted in managing its affairs and determining priorities. It argued very convincingly to the Fact Finder that circumstances could arise when reductions in staff were required and while the media aide might be needed a higher priority might be assigned to retaining a different position.

The issue of professional development money and its control produced a basic difference between the parties. The MEA argued that modern educational philosophy calls for moving decision making down to its lowest level and in this case to a committee of teachers who would determine who would get a share of such funds. The Board, on the other hand, argued it was presently assigning sufficient funds for such a purpose and in any case would not delegate away its responsibility to make necessary decisions. The Board's position appears to have the greater merit.

The Board proposed to restrict the circumstances under which teachers receive reimbursement for loss or damage to personal property. The MEA opposed any change in the current contractual arrangement. The Board's proposal seems reasonable and if adopted would appear to do no real harm. However, no testimony or evidence was presented to indicate misuse by teachers and harm to the school district under the present contractual provision. It appears unwise to agitate the staff by changing language in the contract that, it appears, would produce no positive result for the school district.

PAID LEAVE

The Board is proposing a major restructuring of the leave provisions. A new Article VII which would cover Article VII and some of present Article VIII is compared on the following chart with present provisions and the MEA requested changes.

<u>CURRENT CONTRACT</u>	<u>MEA PROPOSAL</u>	<u>BOARD PROPOSAL</u>
12 days leave per year	Same as current	12 days sick leave per year with restrictions on use
194 days of accumulation	Unlimited accumulation	Same as current
Use of leave chargeable to 12 days leave:	Same as current	Use of sick leave:
Personal illness; Illness in family; Disability; Personal business; Funerals of immediate family members; Funerals of family members not of immediate family; Funerals - personal friends; Days beyond 5 listed below for death of family members; Attendance when receiving a degree; Travel time - one day for attendance at school graduation of a son, daughter, husband or wife (limited to 2 days a year)		Personal illness; Restricted use for spouse and children (to attend a sick child when spouse cannot get paid leave and to care for a spouse who is critically ill and unable to attend to his/her personal care)
Use of leave not chargeable to the 12 day leave provision:	Same as current	
5 days per school year for death in immediate family (parents, siblings, grandparents, children, grandchildren, spouse, parent-in-law and individuals for whom there is legal guardianship)		

CURRENT CONTRACTMEA PROPOSALBOARD PROPOSAL

Jury duty or to give testimony before any judicial or administrative tribunal or in an arbitration, negotiation, mediation or fact finding procedure (payment is only for difference between compensation for obligation and salary)

Same as current

Same except requires being subpoenaed as witness

Pay at substitute rate for unused sick leave at retirement for up to 194 days

Same but for maximum of 230 days

Same as current

Eliminate 5% reduction per year for working beyond initial retirement eligibility

Personal business leave:

Two days a year
One day unrestricted
and one day restricted

Bereavement leave:
Five days a year for death of a parent, sibling, grandparent, child, grandchild, spouse, parent of spouse, step-child, foster child, or grandparent of spouse

The major change is in the Board's proposal. Combining parts of Article VIII with Article VII makes sense to bring all paid leave provisions together. The details, however, have more significance.

The Board is proposing to eliminate paid leave days for attendance at funerals of non-immediate family members and of personal friends.

The Board is proposing to eliminate paid leave days for attendance at degree awarding ceremonies of staff members.

The Board is proposing to eliminate a day of paid leave time to attend school graduation of a son, daughter, husband or wife.

It is proposing to limit the number of bereavement days to five and not permit additional days to be charged, as at present, to leave days and also eliminates such use for a child for whom the teacher was a legal guardian.

For a teacher called to give testimony before an administrative tribunal, or in an arbitration, negotiation, mediation or fact finding procedure, he would, under the Board's proposal, be granted leave only when subpoenaed as a witness.

The Board is proposing to change Leave Days to Illness Leave and only illness of the teacher or under certain circumstances other members of the family would apply. Restrictions being proposed by the Board are provisions that would limit use of illness leave unless the employee has a malady of health of sufficient degree to prevent the performance of teaching functions AND which requires the employee to be confined to living quarters except to seek and/or receive health care.

The Board proposes to permit a teacher to take paid illness leave to attend an ill child only when a spouse cannot receive paid leave to attend to the ill child. Further, the Board proposes that a teacher be permitted to take illness leave to care for a spouse only when the spouse is critically ill.

The Board in separating out sick leave proposes to give two days for personal business days, but only one at the complete discretion of the employee. Permission from the Board would have to be received for use of the second day. It seems to the Fact Finder in breaking up leave days into sick days and other kinds, that both proposed personal business days should be able to be used at the discretion of the employee.

The Fact Finder must say these proposed changes add up to a harshness that does not appear to be warranted. There are only two Board proposals that appear to possess merit. The first which could save the school district some funds without penalizing the employee is the one which permits the teacher to attend a sick child with pay only when the teacher's spouse cannot receive paid leave for such a purpose. Of course, if all employers do this, then a stalemate will occur, but perhaps for a while this would benefit the school district.

The Board proposes to give two days of sick leave a month during the first six months of the school year instead of 12 days in a lump at the start of school. This appears to give adequate protection to the teacher while preventing the school system from paying for leave for certain employees who terminate during the year. The Fact Finder agrees with this proposal.

The MEA is requesting an increase in the number of sick days which can be accumulated from 194 to unlimited and 230 for retirement payoff purposes. It is also requesting the elimination of the 5% per year reduction in the number of days used for retirement payoff purposes.

If some breaking apart occurs in leave days and sick days are only used for illness, it should naturally result in increased accumulations of sick days. The MEA proposal for unlimited accumulation is reasonable and would provide the teacher who did not overly use sick leave to benefit if major illnesses occur. On the other hand, to limit the financial liability on the part of the district, the Fact Finder would recommend no increase in the 194 hours for payoff purposes.

It would seem the five percent per year reduction in sick leave pay on retirement for teachers continuing to work beyond becoming eligible for retirement borders on age discrimination and the MEA proposal should be adopted.

UNPAID LEAVE

The MEA does not wish to change any of the unpaid leave day provisions. The Board proposes to change the present provision providing for up to two years of unpaid academic leave to make it permissive on the part of the Board. The Board indicated it would have no trouble consistently approving such leave except when it is in poor financial shape. The Fact Finder believes the contract language should be changed to provide for academic leave except when the school district can demonstrate it is in financially poor health.

The Board also proposes to change the unpaid leave provision for child care to make it apply only for children under three years of age and to adoptees who are under three when the leave commences. The Fact Finder believes some restriction on age may be useful but finds three years to be too restrictive. Older children are adopted as well as very young ones. Serious illness may occur to a child at any age that could warrant a parent wishing to stay home to care for the child for a period of time. The Fact Finder believes the Board's attempt to place some restriction on the present open ended benefit is reasonable but believes that its proposed restrictions are too severe. The proposal should provide for leave to care for an ill child regardless of age.

The Board proposes to abolish unpaid leave to run for or serve in public office. The Fact Finder is of the opinion that, rather than discourage such activity, it should be encouraged. The Fact Finder finds the Board's rationale that elimination of this leave would save money to be not realistic.

ECONOMIC ISSUES

HEALTH INSURANCE

The Board proposed to retain the present health insurance coverage. The MEA is asking for three changes in the policy; an organ transplant rider in the first year, a medical emergency and accidental injury rider in the second year, and routine pap smear and mammagram screening rider in the third year. During the course of the hearing, however, the MEA learned the present policy included the organ transplant rider and withdrew that request.

If the analysis of the Fact Finder is correct, MEA exhibit 14D shows that every MEA comparative district provides both riders in their policies. On this basis, the Fact Finder finds it eminently equitable and fair for Memphis teachers to obtain such coverage. The Fact Finder believes one of the two proposed riders should be added in the first year of the Contract and the other in the second year.

The present contract provides payment of \$500 to teachers who do not take health insurance. The Board proposes to retain this provision. The MEA is asking for a tax deferred

annuity for 80% of what the cost would be to the school district for health insurance for a teacher. The MEA argued this would save the school district money since more teachers would opt out of the health insurance. The Fact Finder cannot predict whether or not there would be savings and will defer to the Board's financial analysis of this. At the hearings the Board chose to argue for retention of the \$500 provision and the Fact Finder will accept that position.

DENTAL INSURANCE

There is very little difference between what MEA proposes for coverage and what the Board is offering. Both proposed plans are reasonable when compared with the MEA comparable districts. The only real difference is in the beginning date of added coverage with the MEA asking for 1991-1992 and the Board proposing 1993-1994.

The Fact Finder finds the present coverage does not compare with the MEA districts and believes the Board proposal should be adopted to begin in the 1991-1992 year.

VISION INSURANCE

As with dental insurance, the current coverage for Memphis is not as comprehensive as that found in any of the MEA comparable districts. Both the MEA and the Board are in agreement on added coverage differing only on the beginning date. Under the circumstances, the Fact Finder would begin the increased coverage in 1991-1992.

LIFE INSURANCE

The MEA is requesting an increase in life insurance from the present \$20,000 to \$30,000 in the first year of the new contract, \$40,000 in the second year and \$50,000 in the final year of the proposed contract. In 1991 one comparable district is at \$60,000, three are at \$50,000, two are at \$45,000, one at \$30,000, Memphis at \$20,000 and one at \$15,000.

The Board proposes no increase in coverage.

The Fact Finder believes that adopting the MEA proposal would be eminently fair.

LONG TERM DISABILITY INSURANCE

Memphis is one of three of the comparable districts that does not have LTD at this time. The MEA requested this feature and the Board agreed to provide it. Disagreement exists on specific provisions of the coverage. While the Board's proposal does not meet the MEA request, it is a good start and the Fact Finder would adopt the Board's plan with only one variation. The Fact Finder accepts the MEA position on the workers compensation and social security offsets.

SALARY

For 1991-1992 the Board proposed to raise salaries by 5%. The MEA requested 6.5%.

For 1992-1993 the Board proposed to raise salaries by 5%. The MEA requested 7.5%.

For 1993-1994 the Board proposed to raise salaries by 5%. The MEA requested 7.5%.

During the 1990-1991 school year, Memphis salaries were lower at the MA maximum (which will be used as a base for comparison) than any of the MEA comparative districts. Capac had the next lowest salaries and Yale was one step up from Capac.

For 1991-1992, Capac teachers received a 6.9% increase in salaries and Yale teachers received a 7% increase. Clearly, a 5% increase, as the Board proposed, or even 6.5%, as the MEA requested, will widen the gap between Memphis at the bottom of the scale and those districts ranking above it. On this basis, alone, the Fact Finder would adopt the MEA figure of 6.5% for the 1991-1992 school year.

Settled contracts for 1992-1993 for the comparative districts show the following percentage increases:

Armada	7.12
Yale	7.00
Algonac	6.00
Almont	6.00
Dryden	6.00
Marysville	6.00
Port Huron	5.95
Richmond	5.50
Capac	Not settled

Since Capac and Yale are the second and third lowest paying districts and each agreed to above average increases in 1990-1991 and Yale also agreed to an above average increase for 1992-1993, the Fact Finder believes it is reasonable to assume that Capac will wind up with an above average increase for 1992-1993.

Using the same logic for 1992-1993 as was used for 1991-1992, it would appear that unless Memphis receives approximately the same percentage increase that the two districts immediately above it in salary rank, Memphis would be doomed to fall further into last place among the comparable districts. On this basis it appears a 7% increase would be warranted.

Only one of the comparative districts has reached a settlement for 1993-1994 and so the Fact Finder must look elsewhere for a basis for a recommendation. There can be little question that the rate of inflation has slowed and salaries in 1993-1994 will probably reflect this. On the other hand, Memphis trails all comparative districts and will probably continue to do so at the end of the 1992-1993 year. On this basis the Fact Finder believes an increase in salaries for Memphis teachers of 6.5% for the 1993-1994 year is warranted.

The MEA requested that Longevity be separated from the salary schedule because all or most of the comparative districts show such pay separately. The MEA believes this tends to lead people to believe that Memphis salaries ~~are~~^{are} better than the MEA believes they are.

The Fact Finder finds no merit in this view. Longevity is pay and should be part of the salary schedule. Rather than remove it from the Memphis schedule, the MEA should encourage the other districts to adopt the Memphis type salary schedule.

The Board disagreed with the MEA request for extra large increases for some teachers for extra work assignments such as coaching football or being a class sponsor. The MEA asked for the special much larger than normal increases in addition to the standard percentage increases which would parallel base salaries. After a good deal of discussion during the hearing, the Fact Finder became convinced that similar job titles had different duties and responsibilities in the various districts and therefore there was no basis upon which to arrive at a decision.

The Fact Finder would recommend that during the new Contract a detailed job analysis be conducted and the results be used during the next contractual negotiations to propose adjustments for specific assignments.

COST OF FACT FINDER INCREASES

	1991-1992*	1992-1993	1993-1994
Salary	\$110,272	\$126,473	\$125,660
Health Ins. (Approx.)	1,458**	2,500**	-----
Life Insurance (Approx.)	714	714	714
Dental Insurance	4,002	2,859	-----
Vision Insurance	2,403	4,464	-----
Long Term Disability	<u>5,831</u>	<u>4,165</u>	<u>-----</u>
	\$124,680	\$141,175	\$126,374

For the first year the salary increase would be 6.5%.
Total cash increased costs for the first year would be 6.65%.

* Except for Salaries, these costs represent 7 months beginning on December 1, 1991.

**MEA says switching to MESA Super Care I would provide both riders in the first year at a cost of \$2,162.

For the second year the Salary increase would be 7% and the total cash increased costs would be 7.06%.

The third year Salary increase would be 6.5% and the total cash increased costs would be 5.9%.

ABILITY TO PAY

The Board presented many exhibits to show it could not prudently afford to pay more than its offer and still stay within legal requirements not to operate in a deficit situation. It presented data to show it is very near the maximum allowable millage. Its data showed low state equalized valuation. It argued its low enrollment results in smaller classes which provides higher cost. It also argued its variety of class offerings which produce smaller classes also increases quality - but at a cost. It argued its general fund equity should not go any lower and increases beyond its offer could wipe it out in a short time since it does not expect to have the resources to replenish it.

Memphis appears to be a well run smaller school district that seems to be offering a quality education to its students. An example of quality is found in the diversity of class offerings. But as the Board stated this comes at a cost - a financial cost.

It appears to the Fact Finder the district has set its aim on quality which is commendable but frankly expects its teachers to subsidize the cost of its educational program through low wages and benefits. The Board may have to face up to the predicament. If the Board is correct in what has been said at the hearing, it cannot afford a quality program and competitive wages.

The Fact Finder cannot with any certainty determine the accuracy of the Board's position since no data were presented showing total costs and revenues and current balances. What was produced was information concerning the general fund equity and the Fact Finder has problems with that information.

Exhibit E-4 states the General Fund balance as of June 30, 1991, was \$620,922 of which the Board stated \$265,686 was designated to pay committed obligations. Using simple arithmetic the Board is claiming it only has \$355,236 of undesignated or free money in its General Fund account. To begin with, the Fact Finder does not know how much there is in the account today or how much is expected to be in the account after increased teacher costs based either on the Boards proposal or the MEA request. Nothing was

produced at the hearing to show expected revenue that may be available to pay the cost of any raises.

The difference in the Fact Finder's proposed salaries and those the Board proposed is \$95,000 over the three years of the Contract. There are also some minor differences in fringe benefits from the Boards proposal and the Fact Finders recommendations. Is the Board financing its proposal without dipping into the General Fund Equity? The Fact Finder does not know, but if it is, there certainly would be no danger in adding the costs of the Fact Finder's recommendations to the Board's proposal.

The Fact Finder believes the undesignated General Fund Equity may be larger than portrayed by the Board. For example, the Fact Finder does not consider it to be appropriate to include in designated funds a \$50,686 item that resulted from a change in the State's budget year and the timing of State Aid payments. The Fact Finder believes the \$50,686 is a phantom item and does not exist.

The Board has designated \$45,000 to cover sick leave vesting. It may be prudent to put away such a reserve but there is no way of knowing what the actual cost will be. Even if the \$92,667 is a proper expense item, it would only be necessary for the Board to budget in each year the expected cost of paying off leave time. Further, if the Board felt strongly that it needed such a reserve, it could be built up gradually over 10 or 20 years at a rate perhaps of \$5,000 or \$6,000 a year. Frankly, it appears the two items just discussed were placed into the designated General Fund balance simply to lower the undesignated balance to further an argument the Board is in poor financial condition.

During the discussion concerning the General Fund Equity, it became apparent the Board was financing items from the General Fund that could be obtained by bonding. This is mentioned only because the Board made a point of how close it is to the maximum millage allowable. This appears to be a policy decision on the part of the Board but cannot legitimately be used as a reason for arguing severe financial hardship does not permit an adequate salary schedule.

It is the opinion of the Fact Finder that the Board can afford the salary adjustments he is recommending.

RECOMMENDATIONS

Fact Finding is a strategy utilized to prevent strikes and to assist the negotiating process. It is hoped if all the facts can be impartially presented and analyzed the conclusions of the Fact Finder may be accepted by both parties.

At the beginning of the hearing, several times during the hearing, and at its conclusion, the Fact Finder attempted to get the parties to settle their differences among themselves or at least to significantly reduce the number of issues in dispute. None of these attempts moved the parties in any respect. It is hoped these recommendations will serve as a catalyst in bringing the parties together.

The Fact Finder will now summarize his findings on each issue in dispute.

The Fact Finder finds that the districts proposed by the MEA should be used for comparison purposes.

The Fact Finder finds there is insufficient space at the present time to set aside designated rooms or sites solely for use as a detention room or for telephone calling. Further, the Fact Finder finds the Board is correct in its

opposition to placing language in the Contract that would prevent it from setting and resetting its priorities in terms of use of space for activities it thinks are most useful when unforeseen needs occur.

The Fact Finder finds that to designate in the Contract a specific position such as media aide would remove from the Board its ability to properly manage the school system during periods of changing priorities.

The Fact Finder finds there is presently adequate professional development money in the school budget and further that it is the responsibility of the Board to determine how its funds should be utilized rather than a committee of teachers.

The Fact Finder finds there is no need to change the present provision in the contract concerning damage to or loss of personal property.

The Fact Finder finds that combining all paid leave provisions into Article VII is sound and should be carried out.

The Fact Finder finds that splitting up of leave time into Sick Leave, Personal Business Leave and Bereavement Leave with specific numbers of days for each is a proper and preferred way to restructure Articles VII and VIII of the Contract.

The Fact Finder finds that existing language in the contract concerning when and under what circumstances leave may be taken should remain as at present except for the Boards proposal to permit leave to care for a child only when the spouse cannot receive paid leave for such a purpose.

The Fact Finder finds the proposed two Personal Business days should be at the full discretion of the employee.

The Fact Finder finds that 12 days annually should be allotted to each employee at the rate of two days a month and that the accumulation of such days should be unlimited except that for retirement payoff purposes the present 194 days should be continued.

The Fact Finder finds that language should be placed in the Contract that provides for unpaid academic leave except when the Board can demonstrate it is in poor financial health.

The Fact Finder finds some limitation should be placed on parental leave to care for a child but such leave should apply to a newly adopted child or to a seriously ill offspring regardless of age.

The Fact Finder finds that public service should be encouraged and the present language in the contract pertaining to unpaid leave to run for or serve in a public office should be retained.

The Fact Finder finds that rider FAE-RC should be added to health insurance coverage during the first year of the new Contract and rider RPS/RM its second year.

The Fact Finder finds the \$500 payment given in place of health insurance coverage to teachers who choose this option should be continued in the new Contract.

The Fact Finder finds Delta Dental plan E-06 should be provided to teachers beginning with the 1991-1992 year.

The Fact Finder finds USP II vision insurance should be provided beginning with the 1991-1992 year.

The Fact Finder finds life insurance should be increased for teachers from \$20,000 to \$30,000 in 1991-1992, \$40,000 in 1992-1993 and \$50,000 in 1993-1994.

The Fact Finder finds the Board's proposal for long term disability insurance should be adopted except that treatment of social security and workers compensation offsets should be in accordance with the MEA proposal.

The Fact Finder finds that salaries should be increased in the 1991-1992 year by 6.5%, in the 1992-1993 year by 7%, and in the 1993-1994 year by 6.5%.

The Fact Finder finds that Longevity is properly combined with the salary schedule.

The Fact Finder finds that extra pay for special assignments such as Coaching should receive the same percentage increases as salaries and that a detailed job analysis and comparison of similar positions should be conducted prior to the beginning of the 1994-1995 contract.

Finally, the Fact Finder finds the Board is able to finance these findings.

Norman Berkowitz
NORMAN BERKOWITZ
FACT FINDER

DATE: November 11, 1991