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FF 3/13/89

Michigan Employment Relations Commission

Fact-Finders Report

Parchment School District
and
Parchment CMSFT

Case No. G88 H-721

The undersigned, Gordon F. Knight, was appointed by the Michigan Employment Relations Commission to determine the facts and to issue a report with respect to the matters in dispute. The fact-finder's hearing was held at the Barkley Hills Elementary School on February 9, 1989. The Employer was represented by Mr. Richard D. Fries, Attorney and the Union by Mr. Robert Sikkenga, UniServ Director. Post-hearing briefs were filed by the parties dated February 22, 1989.

Witnesses for the Union:
Karen Spencer

For the Employer:
Gary Start
Charles Carpenter
Richard Gorden

Parchment School District

BACKGROUND:

The Employer is a school district in Kalamazoo County. The bargaining unit consists of some 54 custodian, maintenance, transportation and food service personnel represented by the Michigan Education Association. The union has been bargaining with the employer since 1979. The food service personnel were added to the unit some time later. The previous contract expired July 1, 1988. Subsequently, the parties engaged in collective bargaining for several months but many issues remained unresolved.

A state mediator met with the parties on October 19, 1988 in an attempt to bring the parties to a settlement on the matters still in dispute. These efforts were unsuccessful and the Union petitioned the Michigan Employment Relations Commission on November 8, 1988 to appoint a fact-finder.

The fact-finder held a pre-hearing conference on January 13, 1989 in the Union's offices. The parties resumed negotiations thereafter but were unable to reach agreement.

These six unresolved issues were the subject of the fact-finding hearing on February 9, 1989.

Union Position	Issue	Board Position
For 1988-89: 5.0% increase retroactive to July 1, 1988	Wages	For 1988-89: 3% increase for custodial, maintenance; 4% increase for transportation and food service
For 1989-90: 5.0% increase beginning July 1.		For 1989-90: 4% increase for all employees
		For 1990-91: 4% increase for all employees
From 7-1-88 MESSA SCI fully paid with reimbursement to all insured employees who paid a portion of their own premiums since July 1, in an amount equal to the difference between the SCI rate and the rate paid by the Board.	Health Insurance	First Year: a.MESSA SCI fully paid Second Year: MESSA SCI capped at 5% Third Year: MESSA SCI capped at 5% OR b.Switch carriers, with cost savings shared between Board

Union Position	Issue	Board Position
		and Union, subject to negotiations. No retroactive insurance premium payments
Two years	Duration of Agreement	Three years
For 1988-89: $50.00 bonus For 1989-90: $100.00 bonus	Signing Bonus for employees with health insurance	No Signing Bonus
Extend Food Service benefit to transportation employees	Health Insurance for transportation employees	Per current Contract
7-1-88 to 6-30-89 maintain Delta 60-60-50 7-1-89: Delta 80-80-80 with $1300.00 maximum	Dental Insurance	Per current Contract (60-60-50) for entire three years.

GENERAL COMMENTS

In contemplating the range and complexity of the issues here, one sees a common thread that unites the fundamental concerns of both the Union and the Employer. It is found in all human relationships as well as business settings. We all want stability and predictability in our lives, some sense of control, some regularity. Without these elements, we are unable to plan for the future. We are at the mercy of whatever turns up tomorrow.

These concerns apply equally to individuals and business enterprises and in this case to both the Union and its members as well as the Employer as an organization. The collective bargaining agreement itself provides a degree of predictability in a relationship for a prescribed period of time, a pattern of rights and responsibilities governing the relationship between the parties in specified areas.

But no agreement can anticipate all eventualities. When unforseen circumstances arise, they have the power to disrupt the stable expectations of the parties that were embodied in the agreement. Each party naturally then pursues its own interests in attempting to re-establish a measure of predictability.

The central nature of health insurance in this dispute is a case in point. Health insurance costs and, in particular the rate of increases in premiums, have injected a significant measure of instability in the relationship. They have made individual and organizational planning for the future increasingly difficult.

In the last contract, because of caps on insurance premiums, Union members saw their net pay decline by 6 2/3% in the last year of the contract despite a 5% increase in gross pay. Small wonder that in this contract the Union, in addition to a wage increase to keep pace with neighboring communities, seeks the removal of any caps on insurance premiums. Were they to prevail, this would give them predictability in wages uninfluenced by increases in health insurance premiums. (There should be no dispute that increases of some magnitude are virtually guaranteed based on historical experience and, conversely, the chances of decreases remote).

The instability of health insurance costs and the issue of caps heavily influences the Union's position on contract duration as well as signing bonuses, retroactivity, and extension of benefits to transportation employees.

The Employer likewise is interested in predictability so it can budget for anticipated expenditures and projected avenues. Salaries and benefits comprise some 75% of the Employer's total expenditures. According to the Employer, premium costs for MESSA health insurance (the current carrier) have increased from 20% to 45% statewide for school year 1988-89. Not surprisingly, the Employer seeks to retain caps on health insurance premiums in the "out-years" of the contract so it has some control over expenditures.

The Union's proposal on health insurance is not unmindful of cost. It is proposing a change from MESSA Super Med I to the less expensive Super Care I, a 1988-89 savings of $23.57 per month for full-family coverage. It further argues that all health insurance costs are increasing irrespective of carrier.

The Employer vigorously opposes the continuation of the MESSA coverage for two reasons - its high costs and its control by the Union. The Employer, as an alternative to MESSA Super Care I with caps. proposes negotiation for a less expensive carrier with a guarantee that no less than 50% of any savings be added to the employee's base wages. The Union President testified they looked at alternative plans and found their coverage inadequate.

One easily can see that for the Employer the question of health insurance influences its position on wages, contract duration, retroactivity, etc.

Were the Employer in a more affluent financial position, it might readily absorb insurance premium increases. However, this is an "in-formula" District which makes it heavily dependent on state aid for a portion of its revenue. A recent very narrow millage election victory casts doubt on the likelihood of raising taxes. Another indication of the Employer's serious financial position is its declining fund balance. From July 1, 1985, the beginning of the prior contract between the parties, to a projected July 1, 1989 figure, the fund balance has declined 60%.

The impact of all this from the fact-finder's standpoint is the need to achieve internal and external equity while concurrently assuring that the factor of unpredictability does not fall too heavily on one side or the other.

1. WAGES

The discussion first focuses on external equity, i.e., the compensation for similar positions elsewhere in Kalamazoo County as compared to Parchment. The Union presented 1988-89 compensation data for the lowest paid custodian classification, the top custodian, maintenance man, bus driver, baker/cook and server/helper. In each case the Parchment wages were the lowest presented. The adoption of the Union's 1988-89 wage proposal would still leave Parchment wages below the average but closer than the Employer's proposal.

The Employer shows that for custodians, total compensation indicates a different picture. While Portage is a "wealthy" district, its contract authorizes the Employer to look for alternate insurance carriers with a maximum insurance subsidy of $275 per month effective July 1, 1988. Depending on whether Portage chose BC/BS MVF 2 or PHP-159, two realistic options, the Parchment custodians with the Board's 3% wage proposal plus the MESSA Super Care I would represent a total compensation of up to $15 per month more than Portage.

Of the other districts, only two have MESSA insurance (both Super Med I) one paying 95% of the premium, the other paying up to $215.36 per month. The others have PHP, BC/BS MVF 2 or an open option. The Employer claims that because Portage wages are the highest and given this insurance information, the same superiority of Parchment wages over other communities is established also.

This contrasts with a Union exhibit which compares 1988-89 top custodian wages plus health insurance values on an hourly basis for the six neighboring communities. This shows the average total compensation (without Parchment) at $10.64 per hour compared to $10.10 using the Employer's proposal and $10.27 using the Union's proposal. The Employer made no comments on this exhibit.

With respect to comparable wage data for bus drivers, a difficulty exists inasmuch as four out of the six other communities pay their bus drivers on the basis of a run rate whereas Parchment pays their drivers on a straight hourly rate. It is necessary therefore to look to per cent increases for '88-'89 to '89-'90 for comparisons. Using the Union's figures incorporating data on three communities, the average per cent increase is 3.8%. The Employer adds data on a fourth community, Galesburg, resulting in an average increase of 4.3%. The Employer argues that its proposed 4% wage increase is competitive with other districts.

With respect to Server-Helpers, the Union provides 1988-89 data on three communities whose average wage is $5.80 per hour. This compares to Parchment's $5.45 per hour based on the Employer's proposed 4% increase or $5.50 using the Union's proposed 5% increase. The Employer offers data on Server-Helpers in Kalamazoo who were paid $5.06 per hour in 1987 compared to Parchment's $5.24 for the same period. The former will receive a 2.57% increase in the second year of their contract and 3.08% in the third.

With respect to Baker/Cooks, the Union provides 1988-89 data on four other communities. The average wage was $6.59 per hour compared to $6.03 using the Employer's proposed 4% and $6.09 using the Union's proposed 5% increase. The average of two communities in 1989-90 is $6.79 compared to $6.27 per hour using the Employer's proposed 4% increase and $6.39 per hour using the Union's proposed 5% increase.

The Employer adds data from Kalamazoo schools. The average per cent increase in 1989-90 using all three communities is 3.72% compared to the Board's 4% for the same period.

The Employer argues that the low rate of attrition for Parchment employees is significant in showing its wages are competitive.

The Union argues that its proposal merely keeps Parchment wages in pace with other communities yet still substandard.

Attention is turned to the question of internal equity. There are two other organized units to be considered, the Secretaries and the Teachers.

The Secretaries' Union recently negotiated a three-year contract calling for [redacted] WAGE increases OF 4.5%, 4.5% and 5.0%. It also incorporated caps on health insurance premium [redacted] in the second and third years of 4.5% and 5% respectively.

The teachers negotiated a two-year contract with a 5% increase each year.

Concurrently, they switched from MESSA Super Med II to the less expensive Super Care I, a savings of $53.48 for full-family coverage. No caps on premiums were involved.

In addition, the Union's brief indicates that Parchment administrators received increases for 1989-90 in excess of 5%.

DISCUSSION

As in many disputes concerning contract provisions, the issues here are not susceptible to being considered in isolation. In this case, the proposals on wages can not be readily isolated and evaluated separately from concerns about health insurance. In reaching conclusions regarding internal and external equity, this fact-finder also looks to the Employer's financial picture. In this case the Employer's steadily declining fund balance is undisputed.

There are three other definable groups within the District, the secretaries, the teachers and the administrators. In terms of job characteristics, skill levels and compensation, the secretaries are more similar to the employees being considered here.

From the viewpoint of internal equity and using the settlements with the secretaries as a benchmark, the Union's proposal for a 5% wage increase for each of two years is just modestly more than the secretaries' increases of 4.5% for the first two years. The Employer's first-year proposal of 3% for custodial and maintenance personnel and 4% for transportation and food service personnel is slightly below the secretaries particularly for the former group. The Employer's proposal of a 4% increase for the second year is the same increment below the secretaries as the Union is above. The Employer's third-year proposal is 4%, a full percentage point below the secretaries third increase of 5%.

Granting the fact that the Union seeks a two-year contract, were they to also seek a similar 5% increase in the third year, it would coincide with the secretaries' third year increase. But this reasoning neglects the impact of insurance premium increases on total compensation. Were the Union additionally to prevail on its "no caps" position it's total compensation increase would exceed the secretaries by a greater margin in the second year and not equal but be superior on the speculated third year. The total compensation costs would be inflated under the Union's "no-caps" proposal because the Employer would be absorbing premium increases, recently a 20% figure. This impact would not be offset by similar premium increases for the secretaries as they settled for 4 1/2% and 5% caps in the second and third years. The Employer's brief states that these figures, 4 1/2% and 5% were the total compensation increases for the secretaries in the second and third years of their contract.

Returning to the first year, attention is turned to questions of external equity, i.e., levels of compensation for similar work in neighboring communities.

The Union presented six tables of comparative wage data. The Employer furnished raw data in the form of contract excerpts.

The Union's tables show that in each case Parchment's 1988-89 wages were not only below the average (not including Parchment) but also the lowest paid of all those included. This was true irrespective of whether the Parchment figure used the Union's wage increase proposal of 5% or the Employer's increase proposal of 3% and 4% as specified earlier.

Taking these classifications in turn, the Union's data on top custodians' wages in the other six communities show Parchment to be the lowest even when health insurance values are included. This conclusion also applies generally to the lowest paid custodian and maintenance men. According to the Employer's brief, these are the only others in Parchment covered by health insurance. (Note: The arbitrator was unable to independently verify the Union's health insurance data from three communities.) The Employer's example of the Portage custodian paid less than Parchment when health insurance is included, can be misleading. The wage figure for Portage is not for the top custodian and the comparison depends on which insurance plan is actually chosen and how close the premium is to the $275 ceiling specified in the contract. On the other hand, the Union's figures include Portage data based on this ceiling.

The wage data on bus drivers are complicated by the fact that four communities pay based on runs. (Note: Galesburg pays most of its drivers on runs except 2 special education drivers.) The Employer notes the absence of Schoolcraft data which is lower than Parchment for 1988-89. Data from this district were not included in any other of the tables. The percentage increases in 1989-90 wages with Galesburg factored in as the Employer urges makes its 4% increase proposal competitive but this does not include Schoolcraft which has a 6% increase over 1988-89. The result would make the Employer's proposed increase of 4% less than the average increase of 4.4%

Despite the Employer's comments, the conclusion is that Parchment's compensation remains the lowest.

Regarding the Union's data on Server/Helpers, the Employer cites Kalamazoo 1987-88 wage data ($5.06 per hour) that is lower than Parchment ($5.24 per hour). Close examination indicates the Kalamazoo data is for the starting (Step I) wage reaching $6.31 per hour at Step 4 whereas the Parchment figure used is for all Server/Helpers.

No reference was made by either party regarding data from Galesburg covering 1987-88, 1988-89, and 1989-90. For both Server/Helpers and Baker/Cook classifications their wages are higher than those of Parchment.

The Union's data on Comstock and Gull Lake may be subject to challenge based on job comparability but in the absence of job descriptions a conclusion is difficult.

The Employer's comments regarding the percentage increases for Bakers and Cooks omits Galesburg as previously mentioned. It adds Kalamazoo data. Including both makes the average percentage increase from '88-'89 to '89-'90 for these classifications 3.77%.

Despite the various qualifications on the data, it is reasonable to conclude that Parchment wages are considerably lower for all classifications. Moreover, even with the Union's 5% increase proposal in the first two years, Parchment wages generally remain below the average.

After careful consideration of both internal and external equity, the Union's proposal for a 5% wage increase in 1987-88 and 1988-89 is more equitable. It will bring Parchment wages more in line with those in neighboring communities and will also be generally consistent with the changes in compensation for other groups within the Parchment District.

It should be noted that the Employer did not introduce any evidence supporting its proposal for different percentage increases for custodial/maintenance personnel and bus driver/food service workers.

Before concluding this examination, it is important to examine the financial impact for the first year, 1987-88. This is the year the Employer proposes to pay the full cost of MESSA Super Care I insurance. According to Employer's figures, this would increase its insurance costs .3%. The total compensation increase for the Union's proposal covering wages and health insurance would be 5.3% or some $8,000 per year more than the Employer's proposal. This represents .7% of the projected fund balance for 1987-88 or 1.7% o the balance for 1989-90.

The financial impact of the Union's wage proposal in the light of the other recommendations covered later, are reasonable.

Elsewhere the recommendation is made for a three-year contract. There remains the question of a wage recommendation for 1990-91. Comparison data are very limited. The fact-finder looks to the pattern set in the secretaries' contract as the best guide, namely 5%. The same 5% was given the teachers.

It must be noted that recommendations for caps of insurance premiums covered later limits the impact of any increases in the "out-years" on total compensation.

Recommendation:

Wage increases - all classifications

1988-89	5%
1989-90	5%
1990-91	5%

2. HEALTH INSURANCE

The Union proposes MESSA Super Care I fully paid with reimbursement to all insured employees who paid a portion of their own premiums since July 1, in an amount equal to the difference between the MESSA Super Care I rate and the rate paid by the Board.

The Board proposes MESSA Super Care I fully paid the first year with 5% premium caps for both second and third years. No retroactive insurance premium payments.

As an alternative, the Board proposes switching carriers with cost savings shared between Board and the Union subject to negotiations.

The Union points out that the average full family costs of the five health insurance programs in surrounding communities is $288.74 per month whereas the comparable cost of its proposal is $283.45 per month. The impact of the caps in the last contract was to reduce the members' paycheck dollars. Union President Karen Spencer testified that an independent insurance agent had reviewed the MESSA insurance package at her request and said he could not equal it. Ms. Spencer looked at other less expensive plans but found their coverage very inadequate. The Union argues that the Parchment teachers have MESSA insurance fully paid. In summary, the Union asserts that MESSA insurance is a "good buy" with premiums that are not excessive.

The Employer expresses great concern regarding its financial vulnerability if there are no caps on premiums in the second and third years especially in view of the magnitude of past increases mentioned earlier.

The Employer mentions two insurance plans with what it says are similar coverage BC/BS MVF-2 and the PHP plan. The 1989 monthly full-family premium for the former is $50.07 less than MESSA Super Care I and the latter is $35.36 less.

The Employer points out that the secretaries' contract incorporates insurance caps. Although the teachers' contract does not incorporate caps, they changed from MESSA Super Med II, the most expensive plan to MESSA Super Care I, the least expensive, a $53.48 monthly savings.

While the Employer claims it has no preference for one plan over another, it indicates great concern that the MESSA plan is affiliated with the MEA and therefore it is at the mercy of the MEA regarding increases.

The Employer indicates other public and private employers that have elected other less expensive plans.

The Employer opposes the retroactive payment of the portion of the insurance premium paid by the Union members since July 1, 1988. It argues this is tantamount to paying for the Union's intransigence in not agreeing to a less expensive insurance plan and clinging to one over which it had control.

DISCUSSION

The information has not been available to this fact-finder to draw any firm conclusions as to the similarity of coverage between MESSA plans and others, particularly those less expensive.

The Union's data on average full-family cost of health insurance in neighboring communities is misleading inasmuch as it does not indicate how much is paid by the employer and how much by the employee.

The Employer's strong expressions of concern about the MEA's perceived control over MESSA premiums is understandable. Nonetheless, it has seen fit to settle contracts with its two other groups, the secretaries and the teachers, incorporating MESSA insurance plans. The issue of costs therefore would appear to carry greater weight than MEA's control.

The Employer has indicated, through examples, evidence on apparently similar health insurance plans that are less expensive. It has also committed itself to sharing in any savings that might derive from a change of carriers.

The Employer's contract excerpts from neighboring communities appear to indicate that no other community has uncapped MESSA insurance for similar employees.

The joint investigation of alternative less expensive carriers is reasonable and appropriate. The Union members should realize the options open to them as regards the relation between insurance costs and base wages. The fact-finder views this as a secondary recommendation on this issue, however.

This option has been on the table, apparently without serious negotiation, for some time. The Union clearly feels strongly about retaining MESSA as a carrier. Were the joint investigation of alternate carriers to be made the prime recommendation it would have the effect of protracting the negotiations and introducing more unpredictability. The evaluation of differences in coverage, different prices and the impact of each on base wages as well as the associated negotiations would likely be time-consuming and the parties have been without a contract already for eight months.

The fact-finder concludes that in the interest of contributing to a speedy contract settlement, the investigation of alternate carriers be relegated to a secondary recommendation. It follows that MESSA, the current carrier and the one used by the other two major groups in the District, be retained.

The Employer proposes to pay the first year insurance premiums which are already known and therefore can be budgeted for. Such planning is not as readily done for the second and third year. The Union's willingness to accept MESSA Super Care I in place of Super Med I reduces the first-year increase in health insurance costs to 8.64%. But the 1988-89 Super Care I premium increased 20% from 1987-88. Elsewhere in the state some MESSA increases were even greater. Budgeting for insurance premiums in the second and third years is consequently very difficult. And this is at a time of pinched financial resources.

The fact-finder concludes that for the Employer fully to pay the insurance premiums for the term of the contract in the face of such uncertainty, as the Union proposes, is inequitable for several reasons.

It calls on the Employer to bear all the impact of increases which historically have been significant. It makes the Employer's financial planning more hazardous at a time when there is a declining "cushion" to absorb sizeable increases. The most comparable internal group, the secretaries, have agreed to cost containment measures. The imposition of premium caps in the "out-years" of the contract is a device which, in principle, shares the impact of premium increases.

In summary, it is concluded that caps on insurance premiums are recommended.

Attention is turned to retroactive reimbursement. The Employer argues that to recommend retroactive reimbursement to employees of the portion of the premium they've been paying since July 1, 1988 would be tantamount to punishing the District for increases attributable the Union's own carrier. It might as readily be argued that to deny such payment would be equivalent to punishing the Union for not accepting the Employer's offer.

The Employer offers no cost data to support its position. One is forced to assume that were this to represent a significant figure, the Employer, in its precarious financial position, would be quick to point it out.

There is no persuasive evidence on the record that either party deliberately delayed the progress of negotiations. It follows that, absent the "no fault delay," a contract would conceivably have been negotiated and signed July 1, 1988 wherein the Employer would be fully paying the premiums as it now proposes. In such an event, the Union members would be relieved of the obligation to pay a portion of the premium which they have been doing.

For the foregoing reasons it is recommended that the Employer reimburse the employees for the portion of the health insurance premium they've been paying since July 1, 1988.

RECOMMENDATIONS:

Principal recommendation: Caps on health insurance premiums. 5% in second year of the contract. 5% the third year. Retroactive reimbursement to employees to cover their portion of the premium paid since July 1, 1988.

Secondary recommendation: Establishment of a joint Union-Management Committee to investigate the coverage, costs, and cost history of alternative health plans including MESSA.

3. DURATION OF AGREEMENT

The Union proposes a two-year contract; the Employer wants a three-year contract.

The Union argues that earlier in the negotiations the parties had agreed on a two-year term but the Employer changed its position to a three-year term. The Union wants a two-year term because of their unfortunate experience in the prior contract of insurance increases overwhelming their wage increases. They are concerned about their low wage position with respect to other communities and don't want this to persist for three years.

The Employer's principal objection is that a two-year contract would result in contracts for this unit, the secretaries and teachers, all terminating at the same time. The administrative burdens in conducting three contract negotiations concurrently would be extremely difficult. With only two units bargaining, it involves four sessions per week. The Employer points to a history of three-year agreements for support personnel. The prior contract for this unit was three years and the current secretaries' contract is for three years. The Employer also asserts that the first year 1988-89 is already 75% over so a three-year contract would not extend very far into the future. It sees the Union's desire for a two-year term as putting pressure on the District to give in more readily to Union demands.

DISCUSSION

The historical precedent for three-year agreements on the part of this unit and its sister support unit, the secretaries, must be given considerable weight. Also, it is undesirable that the burdens of negotiating three contracts simultaneously are extremely stressful. The same situation obtains if a Union with similar administrative limitations must bargain contracts with three employers at the same time. In either case, careful consideration to the analysis and development of positions and thoughtful negotiation is jeopardized. A well-crafted agreement creating stable expectations is much less likely.

As discussed earlier, the Union's claim that a three-year contract would, in effect, "freeze in" wage inequities is not supportable. The presence of insurance caps may have the effect of eroding wage increases providing premium increases exceed the caps. Nonetheless, the application of caps is an equitable method to assure the impact of increases is shared, as argued earlier.

RECOMMENDATION:

Three-year contract.

4. SIGNING BONUS

The Union's proposal calls for a $50 signing bonus for 1988-89 and a $100 bonus for 1989-90. The Employer proposes no signing bonus.

In the hearing the issue of a signing bonus was touched upon very briefly by Karen Spencer, Union President. She linked it to the fact that the teachers had received one. No other support was given. The Union's brief made no mention of it.

The Employer explained why the teachers got a signing bonus. Their prior MESSA insurance plan had no deductible and they settled for a plan incorporating a $100 deductible provision. The change was effective for six months and the entire second year. The bonus was an exchange for the switch to the less expensive plan.

The change in MESSA plans proposed by the Union, Super Med I to Super Care I is not comparable. Both plans have a $100 deductible provision.

DISCUSSION

The reasoning supporting the payment of a signing bonus to the teachers does not exist for the Union members here. The fact situations are not parallel.

RECOMMENDATION

No signing bonus.

5. HEALTH INSURANCE FOR TRANSPORTATION EMPLOYEES

The Union proposal is to extend the health insurance benefit now provided food service personnel to transportation employees. In the prior contract this amounted to $350 per year given a demonstrated need and pro-rated on the basis of a 5 hour/day employee receiving the full amount.

The Employer proposes no change in the current contract.

The Union points to four neighboring communities that offer such a benefit.

The Employer argues that the transportation employees have historically not received such a benefit. The Employer also argues against the proposal because there is no basis on which to cost it. This poses special difficulties in view of the District's financial plight. Depending on how many employees would elect this benefit, the Employer estimates the cost could reach $5700 per year.

DISCUSSION

The Union points to four communities with this benefit. Kalamazoo will pay HMO single subscriber coverage capped at $85 per month in 1989-90. Portage provides a subsidy of 40% of the single subscriber rate for a plan comparable to MESSA Super Med I to be selected by the Employer. Comstock provides a subsidy of $300 that can be applied to the purchase of health insurance or an annuity. Galesburg pays the single subscriber rate for MESSA Super Care I. The Galesburg only covers special education drivers. The Employer claims there are only two of such drivers.

The Union presented data on six neighboring communities for most of its exhibits. Kalamazoo, on which data was not presented, would be seven. On this issue, three communities out of seven offers a comparable benefit. In addition, Galesburg offers it to a very small number of its drivers.

The data make clear that there is not a clear prevailing pattern for other communities to provide this benefit. While the data are equivocal, one must be sensitive to the District's financial position in making any conclusion regarding a recommendation.

RECOMMENDATION

Retain the current contract provision.

6. DENTAL INSURANCE

The Union proposal is to retain the Delta 60-60-50 plan for the first year of the contract and moving to the Delta 80-80-80 plan with a $1300 maximum for the second year.

The Employer proposes to retain the current Delta 60-60-50 plan for the entire three years.

DISCUSSION

The only mention of this issue during the hearing by the Union was testimony by the Union President, Karen Spencer. She supported the Delta 80-80-80 proposal for the second year by stating it was what the teachers had. The Union's brief made no mention of this issue.

This minimal expression of concern is not persuasive especially in view of the added costs involved and the Employer's tight financial picture.

RECOMMENDATION

Retain the current Delta 60-60-50 plan for the full term of the contract.

The fact-finder has presented all that is set forth above in the expectation that his findings and recommendations will provide the basis for settlement and the adoption of a new collective bargaining agreement. It would clearly be in the public interest if this matter could be settled promptly and amicably.

Respectfully submitted,

Gordon F. Knight

Gordon F. Knight
Fact-Finder

March 13, 1989