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MICHIGAN EMPLOYMENT RELATIONS COMMISSION

4/4/94
FF MSN

In the Matter of Factfinding

ROCHESTER COMMUNITY SCHOOLS
BOARD OF EDUCATION

MERC CASE D 92 F-1071

-and-

ROCHESTER SUPPORT PERSONNEL
ASSOCIATION, MEA/NEA

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
CLERK'S OFFICE
1994 APR - 6 AM 9 51

APPEARANCES

FOR THE BOARD

William G. Albertson
Attorney, For the Board
Hardy, Lewis, Pollard, and Page

FOR THE ASSOCIATION

Thomas P. Fette
Executive Director
Rochester Support
Personnel Association

PRELIMINARY STATEMENT

Pursuant to Section 25 of Public Act 176, the Michigan Employment Relations Commission appointed Richard E. Allen to serve as the Fact Finder in the matter between Rochester Community Schools, Board of Education and the Rochester Support Personnel Association, MEA/NEA. The affected bargaining unit is composed of all full time and regular part time secretarial and clerical personnel, but with certain specified exclusions for confidential employees.

HISTORICAL BACKGROUND

The parties to this Fact Finding procedure are the Rochester Community Schools, Board of Education, hereinafter referred to as the "Board" and Rochester Support Personnel Association, MEA/NEA, hereinafter referred to as the "Association". The parties entered into a collective bargaining agreement, (Agreement), which became effective July 1, 1992 and is to continue in full force and effect until midnight, June 30, 1994. The Agreement provides in Article 16, COMPENSATION, for salary schedules as follows:

"The hourly rates of members covered by this Agreement are set forth in Schedules A and B entitled "Members Salary Schedule", which is attached to and incorporated in this Agreement. Schedule A, "Members Salary Schedule" is an hourly rate schedule from which the members will be paid for the 1992-93 work year. Schedule B, "Members Salary Schedule" is an hourly rate schedule from which the members will be paid for the 1993-94 work year."

Schedule A is set forth in the Agreement and provides for specific hourly rates of pay for the 1992-93 school year. Schedule A has five progression steps for the four separate Pay Grade job Classifications. The four job classifications are designated by the letters, "B", "C", "D" and "E". Schedule A is detailed in the Agreement as follows:

SCHEDULE A 1992-93 MEMBERS SALARY SCHEDULE PAY GRADES

Steps	B	C	D	E
1	10.45	10.87	11.02	11.38
2	11.02	11.23	11.43	11.85
3	11.43	11.69	11.85	12.21
4	12.00	12.41	12.67	13.03
5	12.82	13.24	13.49	13.96

There is no detailed Schedule B for the 1993-94 Members Salary Schedule, however the Agreement does provide the "Board and the Association will open open negotiations for 1993-94 on Salary on or about 15 September 1993." However, the parties have failed to reach agreement on the 1993-94 Salary Schedule (Schedule B).

The Agreement further provides in Article 16, COMPENSATION, for Longevity Benefits. The payment of Longevity Benefits is set forth in section 16.3, which provides for a bi-weekly payment on the basis of the members hourly rate. The following "Table" is incorporated into section 16.3 and provides as follows:

YEARS	AMOUNT 92-93
7	.45
10	.55
12	.65
15	.80

The Agreement also provides that the "Board and Association will open negotiations for 1993-94 on longevity on or about 15 September 1993."

The parties have not reached an agreement with respect to the 1993-94 members salary schedule (Schedule B). The parties have not reached an agreement on the 1993-94 Longevity Benefits with regard to the years of service or the cents per hour for the years of service.

The Agreement contains no reference to either 1994-95 members Salary Schedule or to the 1994-95 Longevity Benefits. However, both the "Board" and the "Association" have placed before the Fact Finder their detailed proposals for settlement of not only the 1993-94 members salary schedule and 1993-94 Longevity Benefits, but

also, their detailed proposals for the 1994-95 school year with respect to the members Salary Schedule and Longevity Benefits. The representatives of the "Board" and the "Association" have stipulated that the Fact Finder is vested with the authority to make recommendations on the items in their respective proposals that pertain to both the 1993-94 and 1994-95 school years.

In addition to the secretarial and clerical employees, represented by the Rochester Support Personnel Association, the "Board" has entered into separate collective bargaining agreements with six other bargaining agents of the employees of the Rochester Community Schools. Among those bargaining units, the teachers representative, the Michigan Education Association, agreed to settle for salary increases of 3.9% for the 1993-94 school year and the a 4.5% salary increase for the 1994-95 school year.

The "Board" settled with the other five bargaining units for a wage "freeze" for the 1993-94 school year and then a 3% wage increase for the 1994-95 school year. The five bargaining units that agreed to the 1993-94 wage "freeze" and then a 3% wage increase for the 1994-95 school year are listed as follows:

Rochester Administrators Association
Rochester Cafeteria Association
Supervisors and Coordinators
Rochester Custodial/Maintenance and Transportation Union
Rochester Para-Professional Association

At the Fact Finding Hearing there was some dispute and confusion as to which of the five bargaining units that accepted the wage "freeze", also, entered into a "most favored nation" clause with the "Board".

The "Board did present two unsigned documents that indicated the five units that accepted the wage "freeze" were listed under the following language:

"Salaries for the 93-94 school year will be frozen at the 92-93 compensation rate. If the compensation for any of the following unions is increased for 93/94, then the 93/94 compensation for this master agreement will be increased by the same amount."

The "Association" representing the secretarial and clerical employees rejected the wage "freeze" for the 1993-94 school year. The "Association" presented a Proposal for settlement, which included salary schedules for two years. Basically, the 1993-94 Salary Schedule (Schedule B) provided for a 3.9% salary increase more than the salaries provided for in 1992-93 Salary Schedule (Schedule A). The "Association" Proposal also provided for a second year salary increase of 4.5% for the 1994-95 school year. The proposal added a sixth Step to the salary progression for both the 1993-94 and the 1994-95 school years. The "Association" also proposed the Longevity Benefits be increased by 15¢ per hour for the 1993-94 year and then another increase of 10¢ per hour in Longevity Benefits for the 1994-95 year. The "Association" Proposal added another category of employees, namely employees with 18 or more years of service, to receive longevity pay of \$1.10 per hour for the 1993-94 school year, and then such employees would receive longevity benefits of \$1.20 per hour for the 1994-95 school year. The "Proposal" requested a "Settlement stipend of \$100.00 paid in July, 1994." The "Association" proposal called for a "Retirement Incentive" of \$6,000. This proposal by the "Association" is set forth below, in part, and indicates the impact of the a 3.9% and 4.5% increase on Step 5 of the salary schedule, along with the addition of a sixth Step in the salary progression. The "Association" Proposal reads in part as follows:

1993/94 Salary				
Steps	B	C	D	C
5	13.35	13.75	14.05	14.50
6 (new)	14.25	14.60	14.95	15.50

1994/95 Salary				
5	13.95	14.35	14.65	15.15
6 (new)	14.90	15.25	15.60	16.20

Longevity	1993/94	1994/95
7 years	.60	.70
10 years	.70	.80
12 years	.80	.90
15 years	.95	1.05
18 years (new)	1.10	1.20

Settlement stipend of \$100.00 paid in July, 1994

Retirement Incentive Plan - payment of \$6,000

The "Board" "Proposal" consisted of a wage "freeze" for 1993-94 and a 3% salary increase for the 1994-95 school year. The proposal reads in part as follows:

1993-94 Salary				
Steps	B	C	D	E
5	12.82	13.24	13.49	13.96

1994-95 Salary				
Steps	B	C	D	E
5	13.20	13.64	13.89	14.38

Increase all longevity amounts by 2 cents (94-95)
\$100.00 signing bonus

The "Association" and the "Board" were unable to reach an agreement during the 1993-94 "Reopener" on wages and longevity, consequently the "Association" petitioned the Michigan Employment Relations Commission for Fact Finding. The Petition states "unresolved issues in dispute relating thereto...on a salary and longevity reopener for fiscal year 1993-94..." As previously noted, the parties stipulated to allowing the Fact Finder to make recommendations relating to the 1994-95 school year.

The following Fact Finder's Report and Recommendations are based in part upon the history of the parties collective bargaining, including consideration to comparable settlements, both internally with other units within the Rochester School Community and with other school districts. Obviously, consideration must be given to the economic impact that results in any increase in wages and benefits, and while the ability to pay was not introduced as a factor by the parties, it must be weighed with other factors in arriving at any recommendation to increase the "Board" costs of operating a school district.

While there is no precise formula in arriving at a fair economic settlement, it is helpful to examine and consider the settlements of other successful negotiators. It is of some value to consider what others, in a similar situation, considered to be a fair and reasonable settlement. The format that I shall follow in my Fact Finding Report is first an analysis of the issue, second a recommendation for resolving the issue and finally my rationale for making the recommendation.

ISSUE: SALARIES

In arriving at my recommendations for an increase in salaries for the secretarial and clerical employees in the Rochester School District, I have dealt with a total salary increase over a two year period.

ANALYSIS

Five of the seven bargaining units that settled with the Rochester "Board" did accept a wage "freeze" for the 1993-94 school year. The "Board" took the position that the secretarial and clerical unit employees should do likewise. The "Association" has refused to accept the salary "freeze" and insists upon a retroactive salary increase which is equal to the amount received by the teachers, namely 3.9 %. If the secretaries received a salary increase for the 1993-94 school year, the "Board" claims the "most favored nation" clause would prompt the other bargaining units, that had previously accepted the wage "freeze", to now demand a wage increase retroactive for the 1993-94 school year.

Since the "Association" has not reached an agreement with the "Board" the "most favored nation" clause has no practical application to the negotiations between the "Board" and the "Association". The "Association" denies it has agreed to accept the "most favored nation" clause, therefore I conclude this clause has no applicability to the negotiations between the "Board" and the "Association". Despite the non-applicability of the clause, in my opinion, the best method of resolving the salary issue is not to grant a retroactive salary increase for the previous year. Rather than attempt to go back into the previous year, I believe it makes more sense to settle upon a future wage increase for the 1994-95 school year. This 1994-95 salary increase should take into consideration the fact that the "Association" will not accept the consequences of a salary "freeze" for the previous year. Therefore, I make the following recommendation.

RECOMMENDATION

I recommend the "Board" and the "Association" do not increase the 1993-94 salaries of the secretaries and clerical employees. However, the parties should grant a salary increase of 4.5% for the 1994-95 school year, but without the addition of the sixth Step in the Salary Schedule.

RATIONALE

It must be recognized that while the "Board" is not claiming an inability to pay, the cost of any salary increase has a great impact upon the financial stability of the Rochester Community Schools. An increase in salaries of 4.5% in the second year (1994-95), equates to approximately a 2.2% salary increase for each of the two years. Over a period of two full school years, that is 1993-94 and 1994-95, a 2.2% increase is not excessive or unreasonable. This increase is less than the two year cost of living. However, the addition of a sixth Step in the Salary Schedule does create an excessive percentage increase because a vast majority (90%) of the affected employees are currently eligible to advance into the sixth Step. The adoption of a sixth Step would result in a tremendous increase in the current hourly rates of the secretaries and clerical employees. For example, those employees in the "E" classification are currently receiving a hourly rate of \$13.96, however, under the "Association" proposal of a 3.9% increase for the 1993-94 school year, the hourly rate would increase to \$14.50 for the Step 5 employees, and the sixth Step would result in a \$15.50 hourly rate of pay for the 1993-94 school year. The addition of the sixth Step in the 1994-95 Salary Schedule, coupled with the 4.5% salary increase, results in a hourly rate of \$15.15 for the fifth Step employees and a hourly rate of \$16.20 for the sixth Step employees. The cents per hour increases for the proposals of the "Board", the "Association" and the Fact Finders Recommendation are set forth as follows:

1993-94 AND 1994-95 SALARY SCHEDULES

Steps 5 and 6

1993-94 Schedule	B	C	D	E	% inc.
Step 5					
Board Proposal	12.82	13.24	13.49	13.96	0 %
Association Proposal	13.25	13.75	14.05	14.50	3.9%
Recommendation	12.82	13.24	13.49	13.96	0 %

Step 6

Board	None	None	None	None	0 %
Association	14.25	14.60	14.95	15.50	11 %
Recommendation	None	None	None	None	0 %

1994-95 Schedule

Step 5

Board	13.20	13.64	13.89	14.38	3 %
Association	13.95	14.35	14.65	15.15	4.5%
Recommendation	13.40 A	13.84 B	14.10 C	14.59 D	4.5%

A is 4.5% from base rate of 12.82

B is 4.5% from base rate of 13.24

C is 4.5% from base rate of 13.49

D is 4.5% from base rate of 13.96

Step 6

Board	None	None	None	None	
Association	14.90	15.25	15.60	16.20	16 %
Recommendation	None	None	None	None	

footnote: This Table does not list Steps 1 through 4, which are recommended to receive a 4.5% increase in the 1994-95 school year

As noted in the Table the addition of the sixth step does have a great impact on the amount of the increase in hourly rates. The hourly rate for job classification "E" at the sixth step is \$16.20, or 16 % increase from the current hourly rate of \$13.96. A review of comparable settlements of similarly situated employers does not warrant such an increase. The the information on 1994-95 settlements is not complete because many districts have not yet settled, but the available information indicates the 1994-95 settlements are in the area of 4% increases. The Rochester teachers will have a 4.5% salary increase, which is slightly above the reported settlements. In light of a recommended wage "freeze" for the 1993-94 year, an increase of 4.5% increase is not unreasonable. Granted the 4.5% increase is above the agreed upon 3 % for the other five bargaining units in Rochester, but the fact remains that the "Association" has refused to settle for that amount of increase. A review of history indicates the "Board" has reached settlement with all it's bargaining units by agreeing to varying amounts of wage increases. Generally none of the bargaining units have settled for exactly the same percentage increase, except for the 1993-94 bargaining which was based in part upon an acceptance of the "most favored nations" clause by some of those units.

I do believe the recommended salary increase of 4.5% for the 1994-95 school year is reasonable and in line with the teachers settlement. The fact the 4.5% increase is 1.5 % higher than the settlements reached by the other five units is not contrary with past variations in settlements between the various bargaining units. As a means to settle the present impasse in bargaining, I recommend the parties adopt the second year increase of 4.5%.

ISSUE: LONGEVITY

The second issue listed in the Petition for Fact Finding was Longevity Benefits. The "Agreement" provides the "Board" and the "Association" would open negotiations for the 1993-94 school year on longevity on or about September 15, 1993. That was done, but the parties were unable to reach an agreement and thereafter filed a Petition for Fact Finding.

ANALYSIS

The "Association" proposed a 15¢ per hour increase in Longevity Benefits for the 1993-94 school year for all eligible employees in the 7 years, 10 years, 12 years and 15 years service brackets and the addition of a 18 years bracket. The "Association" proposal requested a 10¢ per hour increase in benefits for the 1994-95 school year. The "Board" countered with a 2¢ per hour increase in longevity benefits for the 1994-95 school year, but without any 18 years bracket.

The "Association" presented an Exhibit #41, which stated it's source was the Employer. There was no objection to this document, therefore it is set forth before to indicate the approximate number of eligible employees in each of the years of service brackets.

Secretarial Longevity Placement 1993-94

10 and 10/5 month employees

12 month employees

7 years	24	6.5
10 years	1	0
12 years	5	1
15 years	19	8

According to this exhibit there are over 60 employees eligible for longevity benefits, ranging in the 7 to 15 years brackets. The comparables introduced by the parties indicate the the Rochester Community Schools rank near the top in the payment of Longevity Benefits. The current 18¢ per hour for the 15 years of service employees compares favorably with other area school districts that offer such a benefit.

Based upon the Recommendation that the parties adopt a salary "freeze" for the 1993-94 school year, I recommend that "freeze" in compensation also apply to the Longevity Benefits as well. However, I believe it is appropriate to make a modest increase in the longevity benefits for the 1994-95 school year. The "Board" offered a 2¢ per hour increase in benefits for those eligible employees in the 7 to 15 years of service brackets. The "Association" has proposed considerable more cents per hour increase in benefits. I believe the comparables indicate the Rochester school district ranks in the top 5 or 6 in the Oakland County area, and a modest increase would allow the Rochester schools to maintain their high ranking in Longevity Benefits. With these considerations as a background, I make the following recommendation on increasing the Longevity Benefits.

RECOMMENDATION

Commencing with the 1994-95 school year, I recommend an increase of 5¢ per hour for all the secretarial and clerical employees eligible for longevity benefits for their length of service ranging from 7,10,12, and 15 years of service. I further recommend the adoption of a new 18 years of service bracket which will pay 90¢ per hour for those employees with 18 or more years of service.

RATIONALE

A 5¢ per hour increase in the Longevity Benefits beginning in 1994-95 will represent the parties recognition of the service rendered by the long term secretaries and clerical employees of the Rochester Community Schools. The increases in longevity benefits will maintain the high ranking in benefits that has been enjoyed by the employees for the last several years. This increase is not based upon the proposals of either party, but does take into consideration the fact that the Rochester School District currently ranks very favorably in comparison with other school districts in the area of longevity benefits and also recognizes the "Association" is taking a "freeze" on compensation for the 1993-94 school year. The following Table lists the Recommended Longevity Benefits for the 1994-95 school year.

LONGEVITY BENEFITS 1994-95

7 years	50¢ per hour
10 years	60¢ per hour
12 years	70¢ per hour
15 years	85¢ per hour
18 years	90¢ per hour

CONCLUSION

Finally, it should be recognized the Petition requests the Fact Finder's recommendations on two issues, salaries and longevity benefits. As Fact Finder, I have specifically addressed these two issues. Other issues, raised by the parties proposals, such as an Early Retirement Incentive Plan and a signing bonus are not a part of my Fact Finding Recommendations. Such issues remain as subjects to be discussed by the parties and hopefully their resolution, along with the recommended salaries and longevity benefits, will be incorporated into a final economic settlement that is mutually satisfactory.

I have attempted to consider the respective positions of both parties and evaluate the arguments offered in support of those positions. I realize my recommendations do not precisely conform to the proposals of either party, and this was done so by deliberate design. As a practical matter, after months of unsuccessful negotiations, the parties must recognize that neither is going to succeed in convincing the other to accept their position in total. I urge each party to reconsider not only their own position, but also, the position of the other party in arriving at a settlement that is fair and reasonable for all concerned, including the students, the employees and the school district in general.

A handwritten signature in cursive script, appearing to read "Richard E. Allen".

Richard E. Allen,
Fact Finder

Dated: April 4, 1994