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St. Ignace

5/27/82

FF

STATE OF MICHIGAN
DEPARTMENT OF LABOR
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In The Matter of the Fact Finding Between:

ST. IGNACE AREA PUBLIC SCHOOLS,

v

ST. IGNACE EDUCATION ASSOCIATION.

MERC FACT FINDING

Case No: G81 J-1076

Robert Browning 5-27-82

APPEARANCES

For the School Board of Education

James J. Brown, Attorney and Board President
Jerry L. Gallagher, Superintendent
David R. Walker, Board Treasurer
Georgiana L. Gustafson, Board Member

For the St. Ignace Education Association

Sandra Walker, UNISERV Director-MEA
Patrick R. Duflo, SEA Negotiator
Jackie Wroblewski, SEA Negotiator
John G. Shuler, SEA President
Katheryn Schmidt, MEA
Dick L. Soczek, SEA Negotiator

Before Robert F. Browning, Fact Finder

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St. Ignace Area Public Schools

FACT FINDER'S REPORT AND RECOMMENDATIONS

I INTRODUCTION

The most recent collective bargaining agreement between the St. Ignace Board of Education and the St. Ignace Education Association was a one year agreement for the period July 1, 1980 to June 30, 1981. Article XIX thereof provides as follows:

ARTICLE XIX DURATION OF AGREEMENT

"This Agreement shall be effective as of July 1, 1980 and shall continue in effect until the 30th day of June 1981. This Agreement shall not extend orally and it is expressly understood that it shall expire on the date indicated."

Effective September 8, 1981 the St. Ignace Board of Education issued "Interim Work Rules and Procedures" which stated they would be in effect for teachers employed in the St. Ignace Area School District until a new collective bargaining agreement between the St. Ignace Education Association and the School District has been ratified by both parties.

Under the said "Interim Work Rules and Procedures" a number of the provisions of the 1980-1981 Agreement were continued by the Board; some were changed or stricken.

Pertinent to this Fact-Finding are several of the changes effectuated by the Work Rules:

Article II - elimination of authorized payroll deductions for the purposes provided in Article II, Section F.

Article XVIII - "Section D (Impasse) shall not include binding fact finding and all references to it in the agreement are inoperative."

Schedule A - "The same provisions as in the 1980-1981 Agreement except the salary schedule that shall be applicable is the 1980-1981 schedule, excluding the benefits of incremental increase. The salaries will remain the same as per the 1980-81 contract."

On October 16, 1981 the St. Ignace Education Association (the Association)

filed with the Michigan Employment Relations Commission a petition for fact finding in its contract dispute with the St. Ignace Area Public Schools (the Board). On January 28, 1982, the Commission nominated and appointed Robert F. Browning as the fact finder in this case "to exercise statutory powers in accordance with Section 25 of the Labor Mediation Act and to exercise such further powers as he may derive from the parties 1980-81 contract."

(underscoring supplied).

The Fact-Finder held a Pre-Hearing Conference at the Central Office, Portage Road, St. Ignace, Michigan on February 25, 1982. The Fact-Finding Hearing was held at the same location on April 2, 1982 from 9:30 a.m. to 11:30 p.m. All parties as listed in the "appearances" were present at both hearings, except for Dick L. Soczek, SEA negotiator who was present only at the fact finding hearing.

II FACT FINDER'S POWERS

At the Pre-Hearing Conference conducted on February 25, 1982, the parties confronted the Fact Finder with the threshold question of whether the fact-finding hearing when later conducted was to be binding fact-finding under Article XVIII Section D (Impasse) of the 1980-81 Agreement or advisory and non-binding fact-finding as provided in the statutory powers granted to the Fact Finder in accordance with Section 25 of the Labor Mediation Act.

Both parties offered their arguments in support of their respective positions, namely: Association - binding fact finding; Board - non-binding fact finding in accordance with the Labor Mediation Act.

This Fact Finder then advised the parties that in his opinion he does not consider this case to be binding fact finding and at the same time recognized that either party might at a future date seek to resolve said question in court.

The fact finder in offering the reasons for his decision distinguished the 1980-81 position of fact finder John Reed. The same contract language was present regarding

binding fact finding but in that case both parties stipulated to binding fact finding, as distinguished from the instant case. If both parties had stipulated to binding fact finding in this case, this fact finder would have likewise recognized it.

It is further noted that Article XIX of the 1980-81 agreement specifically states as follows:

ARTICLE XIX -DURATION OF AGREEMENT

"This Agreement shall be effective as of July 1, 1980 and shall continue until the 30th day of June 1981. This Agreement shall not extend orally and it is expressly understood that it shall expire on the date indicated." (underscoring supplied).

Further the Board in its "Interim Work Rules and Procedures" effective September 8, 1981 stated specifically with regard to Article XVIII of the 1980-81 Agreement "that Section D (Impasse) of the negotiation procedures shall not include binding fact finding and all references to it in the agreement are inoperative."

The fact finder further advised the parties of his research on the question and cited the case of Boston Printing Pressman's Union v Potter Press, 38 LRRM 2211 (U.S. Dist. Ct. Mass. May 29, 1956). In this case the plaintiff union sought a mandatory injunction enforcing the parties written agreement to submit to arbitration a new contract to govern employment conditions and scale following the expiration of the then collective bargaining agreement.

The Court in denying the injunction said it would not direct a prospective or quasi-legislative arbitration. It added furthermore the problems of quasi-legislative arbitral awards, as distinguished from quasi-judicial, have generally been thought by State Courts to be beyond the reach of a judicially enforceable arbitration statute, unless at any rate the Legislature spoke clearly in favor of the widest possible interpretation. This view was again supported in Mailers Union v Newspapers Inc., 55 LRM 2693 (5th Circuit, U.S. Cir. Ct. Appeals, March 31, 1964).

The Michigan Legislature to date has refused to enact compulsory binding fact finding arbitration language regarding public employee disputes, except specifically in Act 312 which only binds police and fire fighters.

Of interest is the fact that after I announced my decision, Sandra Walker, advocate for the Association stated that she had only petitioned the Michigan Employment Relations Commission for fact-finding in accordance with the Labor Mediation Act, Section 25 and that the issue of binding fact finding or non-binding was raised by Suprintendent Jerry Gallagher's letter to the Commission (MERC) dated December 16, 1981.

This fact finder points out that under the 1980-81 contract and under the Board's Interim Work Rules that the balance of Article XVIII remains in effect and vests this fact finder under Article XVIII Section D Impasse (2) as follows:

"The fact finder shall have the power to select (1) the total last offer by the Board. (2) the total last offer by the Association or (3) a compromise between the two last best offers."

III FACT FINDING HEARING

A hearing was held pursuant to the statute and the Commission regulations on April 2, 1982. Each party had full opportunity to present evidence, witnesses and arguments to the extent that they desired, in furtherance of their position on each of the issues. With the consent of the parties, recorded tapes of the hearing were made and a set (8 1/2 hours of recording) furnished the Fact-Finder. Post-hearing briefs were timely post-marked on or before April 18, 1982 and after receipt by the fact finder exchanged with the parties by mail on April 20, 1982.

The Association's exhibits and argument were presented by Sandra Walker and testimony was presented by Sandra Walker and witness Patrick Duflo. The Board's exhibits and argument were presented by Attorney James Brown.

At the beginning of the hearing both parties stipulated that four issues remained unresolved, namely:

1. Agency Shop
2. Binding Fact Finding

3. Salary
4. Fringes

A fifth issue surfaced in the parties opening statements, remained throughout the hearing, as evidenced in the parties offers and was argued by the parties in their post-hearing briefs. The Board's offer is for a single year contract. The Association's offer is for a multiple-year contract of two or three years duration. Consequently, the fact finder feels obligated to deal with issue number five:

5. Length of Contract

Background: St. Ignace is located in the south-eastern part of the Upper Peninsula of Michigan in Mackinac County. The present unemployment rate in Mackinac County is 33%, the highest in Michigan. Some of this unemployment is due to the seasonal nature of the tourism business in this area. The student enrollment is 771 pupils, when coupled with the adult education enrollment the count is 951.

Forty-five teachers are employed by the District in bargaining unit positions. Some positions are part-time making the Full Time Equivalency 42 1/3. This includes K-12 classroom teachers, industrial arts teachers, a guidance counselor, librarian and special education teachers, but excludes Title I teachers, supervisory, administrative and all other certified and non-certified personnel employed in non-teaching positions.

IV DISCUSSION

1. Agency Shop

Succinctly stated, the Association wants an agency shop (Union Exhibit 5) and the Board does not. To date, there has not been an agency shop clause in any of the prior contracts between the parties. The record indicates that several years ago all of the District's teachers belonged to the Association. Presently, several of the teachers do not belong to the union.

The Board points out that in Union Exhibit 34 they have listed 18 U.P. area schools or units, and that 12 of these do not have agency shop.

The union cites that in UE 30, 7 of 11 school districts have the basic agency shop clause. In Region 16-A, 7 of the 13 have achieved an Agency Shop Clause. In Zone 5 (UE 31), 34 of the 45 schools have an agency shop clause.

The Association in an attempt to overcome the Boards objections in (U 5) have offered a modified union shop clause and pursuant to Abood v Detroit Federation of Teachers, 431 US 209 (1977) have established a policy procedure regarding objections to Political-Ideological Expenditures.

The Board states that an Agency Shop service charge cannot exceed the actual cost of the negotiations and administration of the collective bargaining agreement. Any amount of such service charge in excess of such costs is illegal per se. The Board cites as authority for this Smigel v Southgate Community School District, Michigan Court of Appeals, Case #7298, May 28, 1970.

It is the Board's position that Agency Shop should only be considered in future negotiations after specific cost figures for representation are presented to the Board.

While this is a mandatory subject of bargaining, the fact finder from the record does not find any evidence of bad faith on the part of either party in bargaining on this clause and recommends that a union shop clause not be included in the new contract.

2. Binding Fact Finding

It is the Association's position to retain the present binding fact finding language in the new successor contract. (UE 7) The Board does not want binding fact finding to be included as a clause in the new successor contract.

Binding fact finding was bargained by the parties into the contract in 1979. The Board agreed to accept the Union's proposal of binding fact finding in the 1979-

80 contract. Unlike in the instant case, at the conclusion of the 1979-80 contract both parties stipulated to fact finder John Reed, that the binding fact finding clause of the 1979-80 contract would be agreed as binding on the fact finder's "recommendations" as to the successor contract.

The binding fact finding provision was continued in the 1980-81 Agreement between the parties. But in the present case as commented on at length in this matter under the "Pre-Hearing" Section of this opinion, the Union is willing to continue to be bound by binding fact finding. The Board is not.

The Union states that within a fifty mile radius, two other districts, Les Cheneaux and Detour (UE #38 and 39) have a binding fact finding provision in their contracts. The Board observes there are 529 K-12 school districts in Michigan and there are no more than four school districts with a binding fact finding clause in their contract.

As previously cited by this fact finder Article XIX "Duration of Agreement" of the 1980-81 Agreement between the parties states "This Agreement shall not extend orally and it is expressly understood that it shall expire on the date indicated" namely, June 30, 1981. Further the Board in its "Interim Work Rules and Procedures" specifically excluded the binding fact finding provisions of Article XVIII of the 1980-81 Agreement as being inoperative to the 1981-82 Interim Work Rules and Procedures.

To make a binding fact finding clause work it is necessary that both parties to the agreement consent to and observe it. The fact-finding provisions of our State law do not impose by statute binding fact finding on the parties.

Since the parties have not mutually consented or agreed to a binding fact finding clause in the new successor Agreement, it is the recommendation of this fact finder that a binding fact finding clause not be included in the new successor Agreement.

3. Salary

The Board proposes a one year wage freeze at the 1980-81 contract salary schedule with no 5.5 step increment for the contract year. In other words, the teachers would remain on the same salary schedule and there would be no step increment increases. The Board states that teachers in the St. Ignace system do have job security and are being asked to maintain the same 1980-81 salary schedule for 1980-82 and without a 5.5% step increment previously afforded under prior contracts.

The association seeks a multi-year contract for either 2 or 3 years and proposes an 8% wage increase in each of the 2 or 3 years; example 1981-1982; 1982-83; 1983-84.

The St. Ignace Board proposal is set forth in Employer Exhibit E-1 set forth below.

1981-82 Salary Schedule

| <u>Step</u> | B.A. Scale | <u>Step</u> | M.A. Scale |
|-------------|---------------|-------------|---------------|
| | <u>Salary</u> | | <u>Salary</u> |
| 1 | \$11,475 | 1 | \$12,508 |
| 2 | \$12,106 | 2 | \$13,139 |
| 3 | \$12,773 | 3. | \$13,806 |
| 4 | \$13,474 | 4 | \$14,507 |
| 5 | \$14,214 | 5 | \$15,247 |
| 6 | \$14,946 | 6 | \$15,979 |
| 7 | \$15,768 | 7 | \$16,801 |
| 8 | \$16,637 | 8 | \$17,670 |
| 9 | \$17,553 | 9 | \$18,586 |
| 10 | \$18,516 | 10 | \$19,549 |
| 10+ | \$19,599 | 10+ | \$20,592 |

COST OF BOARD PROPOSAL

| | |
|-----------------------|-----------|
| Wages | \$732,524 |
| Health Insurance Inc. | \$ 10,000 |
| Cont./Ed. | \$ 20,756 |
| | <hr/> |
| | \$763,280 |

TOTAL COST

| | |
|-----------------------|-----------|
| Wages | \$732,524 |
| Health Insurance Inc. | \$ 53,465 |
| Retirement | \$ 37,982 |
| Extra Curricular | \$ 6,380 |
| Cont./Ed. | \$ 20,756 |

\$849,751

The Union Exhibit 10A shows a figure of \$811,583.05 as the cost for 1980-81 which includes salaries for teachers from the general fund including several teachers that were laid off plus the continuing education costs, but not the items of health insurance retirement and extra curricular costs. The disparity between the two figures of \$811,583.05 and \$849,751.00 of the Board, was reconciled by the parties and made clear to the fact finder.

The Association argues that an 8% salary increase for each of the years (UE #2, #3, #4) 1981 to 1984 is reasonable in view of an inflation rate of 8.9% for 1981. To support its argument the Association used two groups of comparables, the Athletic Conference (UE 18-19-20-21); and 50 schools of comparable size and within Zone 5 with enrollments between 420-1315 (UE 25-27C). St. Ignace has an enrollment of 771 pupils.

The Board presented Exhibits E-3, E-4 which portray the gains on teachers salaries per the Association Demand including the increment increases as being after step 1 of 8% an average of approximately 13.93. The Association argued that the increment increase of what the parties commonly referred to as 5.5% is not a salary increase, but a step increase leased on years of service. Both parties recognized however, that an increment increase represents a new cost to the Board.

The Board presents in its post-hearing brief a brief analysis of the Union's demands. The fact finder finds the figures to be correct, while recognizing that the dollar amounts and percentages cited by the Board are a combination of the 8% salary increase plus the step increment cost. According to Union Exhibit U-2 the Union demands for the

1981-82 wage schedule would call for an increase in the B.A. minimum of \$916. Thus a B.A. teacher going from the present schedule 80-81, to the second step 81-82, would receive a combined salary-increment increase of \$1,598 or 13.9%. This would be a direct new money cost for the District this year. Likewise a teacher going from Step 10 to Step 10+ would receive an increase of \$2,651, equaling a 14.3% increase.

Union Exhibit U-3, the proposed schedule for 1982-83 increases U-2 by \$992 at Step 1 and by \$1,693 at Step 10+, a teacher on Step 2 this year would receive a combined salary and increment increase of \$1,728 or 13.94%, and a teacher going from Step 10 to Step 10+ would receive a pay increase of \$2,796 or 13.94%.

Union Exhibit U-4 for the 83-84 school year calls for an increase at Step 1 of \$1,071 and at Step 10+ a raise of \$1,829. Therefore, a teacher going from Step 1 to Step 2 would receive a combined salary-increment increase of \$1,866 or 13.94%.

The Board argues that when one multiplies the pay and increment increases plus the added cost for retirement, health insurance, life insurance and the other fringes would seriously injure or even destroy the financial stability of the school district.

What does the record show as to the financial ability of the school district?

Mr. Pat Duflo a teacher and member of the union negotiating team testified that he had prepared exhibit U-16 and came up with a figure of \$30,353 in over budgeting by Superintendent Gallagher because of underspent budget items. The fact finder does not find this figure to be reliable since Mr. Duflo did not consider every budget item and did not consider budget items which had been overspent, as was brought out on cross examination.

Superintendent Gallagher who prepares and supervises the budget for the Board testified that the final result in the 1980-81 budget was a negative \$7,000 (E-28) Audit, June 30, 1981, which was within 1% of budget and that previous budgets

he had prepared had been similar with small plus or minus balances.

The Superintendent, per the Board's post hearing brief and as cited in the record has been within five tenths of one percent of the audited expenditures in each of the previous five years he has been involved in budget preparation.

Mr. Gallagher's testimony showed a possibility that there may be a positive balance of \$68,000 this year. But it is doubtful that \$22,000 of that figure will be paid by St. Ignace Township, since its Treasurer has stated they cannot pay the obligation. Boyne City Community schools have made a claim for \$10,530.42 as shown in Employer's Exhibit 19A and must be paid. There are building maintenance costs to be met and window replacement. Another \$35,000 is due to money borrowed from the building and site fund. The Board's position is that there is no surplus. The Board points to declining enrollment and that a settlement beyond their wage freeze and no increment offer will place the district in deficit financing or further delay critical repairs and result in program and personnel cuts.

Board E-7 shows a comparative salary schedule for school districts in Michigan with 751-1000 students as compared to the 80-81 salaries of St. Ignace School Teachers.

| <u>STATE AVERAGE</u> | | <u>ST. IGNACE</u> |
|----------------------|-------------|-------------------|
| B.A. Minimum | \$11,677.00 | \$11,475.00 |
| B.A. Maximum | \$17,607.00 | \$19,599.00 |
| M.A. Minimum | \$12,644.00 | \$12,507.75 |
| M.A. Maximum | \$19,661.00 | \$20,591.75 |

The St. Ignace salaries are lower at the minimum scale but higher at the top. St. Ignace has 11 teachers with Masters teaching in their field (9% base) and 5 teachers teaching out of their field (8% base). The majority of the teachers are beyond step 5 of the increment scale and 17 1/2 are at step 10++ (beyond the increment scale).

Board E-16 shows the Fund Equity to be \$91,907 as of 6/30/81. When one deducts non liquid assets-delinquent taxes of \$55,726 and bus costs-net of amortization of \$66,597 the liquid fund balance for school year 1981-82 is a negative \$30,416. This cash position makes it necessary to borrow \$200,000 each year and interest on this year's loan is in excess of \$20,000.

This is a tough economic time, but it is likely that the greater portion of the delinquent taxes will be paid in the opinion of the fact finder.

Union Exhibit U-13 from the Superintendents report in 1981 shows the fund equity to be 127,407 which reflects the \$91,907 in E-16 plus \$35,500 due to the Building and site fund.

The same U-13 shows the proposed budget of 1981-82 sets forth a fund equity of \$198,284 (\$162,784 plus \$35,000 due the Building and site fund.

Board Exhibit 21 shows that the state equalized value per pupil is one of the lowest in the area with a figure of \$26,967 per pupil. The District's millage is 25.3. Mr. Gallagher testified that the Board feels it is not feasible to ask for additional millage at this time.

The fact finder based on a review of the exhibits and listening to the tape record of the hearing does not believe upon all the facts that the union's demand of an 8% salary increase for 1981-82; 1982-83; 1983-84 is justified. It may reflect the 8.91% 1981 inflation rate but the fact finder is convinced that the Board and its budget cannot afford it, nor can the citizens of St. Ignace who support the school system.

The fact finder does believe that the Board can afford the 5.5% step increment increase for the 1981-82 contract year. The cost of the increments for the 1981-82 year is approximately \$13,000 (per Association brief) when applied to the existing teachers eligible for a step increment increase. The fact finder agrees with the

opinion of John Reed, St. Ignace Fact Finder 1981, who said that the increment step increase is a cost to the Board but did not consider it to be a salary increase. The longevity experience was acquired in 1980-81 and eligible teachers would have received it had there been no increase in the salary schedule, if the Board had not instituted its Interim Work Rules and Procedure following the expiration of the 1980-81 contract, thereby excluding the benefits of the incremental increase.

The fact finder understands the Board's position in not choosing to implement the step increment while bargaining negotiations for a new contract were being conducted by the parties and consequently, the costs and outcome undetermined.

The fact finder does not recommend a salary increase for those teachers who will receive the increment step increase for the 1981-82 contract if this fact finder's recommendation is accepted by the parties.

Board Exhibit 2 shows that 17 1/2 teachers are an increment step 10++ and consequently do not receive an increment. The Association's post-hearing brief states that these teachers average seventeen years experience. The Association proposes an 8% salary increase for these teachers. The fact-finder believes that these seasoned teachers, who are not entitled to an increment, since they are at the top increment step, should receive a salary increase of 5.5% for the 1981-82 contract year. The B.A. maximum salary per the 1980-81 salary schedule is in round figures 19,600. A 5.5 increase amounts to \$1,078 and times 17 1/2 teachers totals \$18,865. The fact finder recommends this as being fair to these senior teachers and believes it to be within the Board's ability to pay. Teachers with Masters would receive slightly more when applied to their 1980-81 salary base.

The Fact Finder makes these increment and salary recommendations under Section D2 Article XVIII of the 1980-81 contract which empowers him to select a compromise between the last best offers of the parties. This power was continued

in the Board's Interim Work Rules and Procedures.

4. Fringes

(a) Super Med II

The teachers are presently covered under Super Med II. So far any increase in premiums has been paid by the Board. The record shows that as a result of recent negotiations the Board has already agreed to pay the increased cost of health insurance for the 1981-82 school year. This year's premium increase is in excess of 22% and the increased cost of premium is \$10,284.20. A further 25% in insurance premiums is projected for the 1982-83 school year. The Board maintains that the existing language should remain in the contract so that there will be a protective cap on premium cost. The Association proposes in its final offer to remove the existing cap language.

The Association final offer on fringes U-6 is as follows:

ARTICLE XX - INSURANCE BENEFITS

1. The Board agrees to provide at no cost to the employee Super Med II. Employees not utilizing the subsidy for health coverage shall be provided with the single subscriber rate to be applied to the options available in the Variable Options Package available through MESSA, plus the MEA Deferred Annuity Plan.
2. No change (Life Insurance).
3. The Board agrees to provide at no cost to employees the MESSA Auto + Plan including Ride 008.

The fact Finder for clarification to the reader points out that item 3 is a proposed dental coverage for teachers and the rider 008 pertains to orthodontic coverage.

The Association explains that the variable options plan is a new item. For example, if any employee that has coverage from another source feels that if they don't utilize the Health subsidy they aren't receiving their rightful benefits, they won't receive the maximum benefit from an important and costly budget item. Rather the District provides a \$25.00 a month option. The Association is asking for their recognition as an individual employee entitled to the same benefits as any other employee.

The Association proposal also provides parity for couples employed in the District. They want the same coverage for the other spouse, namely the single subscriber rate. Presently one of the spouses is covered as a dependent.

Board E-25 shows the 81-82 increase for a single employee only is \$65.10 a month versus an 80-81 cost of \$53.24, a 22.2 increase. For an employee and spouse the 80-81 cost was \$116.32 per month; for 81-82 the cost per month is \$142.60 per month a 22.6 increase. For a full family the 80-81 cost was \$131.12; for 81-82 the cost per month is \$160.82 a 22.6 increase.

To date there has been no check on rapidly rising health insurance costs. The day may come when the Board cannot pay the whole premium cost of Super Med II and the employee may have to assume part of the premium cost to maintain the coverage.

The employee spouse is covered. The fact finder is not convinced that the employee dependent spouse (husband or wife) should be likewise covered as a single subscriber.

The fact finder recommends that the present contract cap language not be changed. It has been demonstrated that the Board will meet any additional premium costs if it is financially able to do so. The Fact Finder recommends that the present contract cap language be retained and that the Association proposed language on Insurance Benefits proposing other spouse coverage and the Variable Options Package plus the MEA Deferred Annuity Plan be denied as contained in the Association final offer.

b. Dental Plan

The Association proposes inclusion in the contract of a fringe provision for dental insurance - MESSA Auto + Plan including Rider 008. The Association estimates the cost to be \$195.00 a year per teacher. The added cost for dental for the present

staff of teachers would be approximately \$8,385 using a count of 43 teachers. The Association states that the Plan could be retroactive for 1981-82 and that a two year no change in premium rate is guaranteed for two years, which based on present staff would be the same premium cost for 1982-83.

Union Exhibit 33 shows that 85% of the schools in Region 16-A have dental insurance. Union Exhibit 36 shows that 100% of the schools in the St. Ignace Athletic Conference (the Association's term for the list of comparables) have dental insurance.

The Board believes they are not in a financial position to offer dental insurance and states this does not preclude the Union from proposing this at a more financially favorable period.

If comparables were the sole issue this Fact Finder would readily recognize the Association's proposal. However, in view of the fact finders increment and salary recommendations, the fact finder is not convinced of the Board's further financial ability to pay. If the dental plan was granted, once installed in the contract, it would be difficult to discontinue if economic conditions worsened and would create further pressure on the imminent 1982-83 contract bargaining which the parties are confronted with. It is the fact finder's recommendation that the Dental Insurance request of the Association be denied.

5. Length of Contract

The Board's position is a one year contract. The Association's position is a multi-year contract of two or three years duration.

The Association in its brief comments on the strained nature of the collective bargaining history of the Board and the Association.

As testified to in the hearing, there has been only one contract in effect when school started in the past ten years and that was the second year of a two year contract.

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The 1980-81 contract was resolved by Fact-Finder John Reed in April of 1981. It is before this fact-finder now and the 1981-82 contract and school year will be over on June 30, 1982.

The Board states that due to the uncertainty of school revenues for next year, the uncertainty of millage renewals and the uncertainty of all the estimated costs of running the school district make it impossible for the Board to deal with a multi-year contract.

Under the terms of the 1980-81 contract, bargaining was to commence in March for the ensuing year 1981-82 or years. No bargaining has occurred at this date for the 1982-83 year, since no contract was arrived at in bargaining for 1981-82.

The fact finder is not unsympathetic to the plight of the parties, but does not have a reliable crystal ball to predict the economic future and the financial ability of the School District to pay for 1982-83 let alone, successive years. State aid to education has been cut and future cuts are threatened. The ability of the State to borrow money is in jeopardy. School and payments to school districts will be delayed due to the revenue crunch. Schools, both districts and officials and employees face difficult months ahead.

For these reasons, the fact-finder is constrained to recommend a one year contract for the period July 1, 1981 to June 30, 1982.

V. RECOMMENDATIONS

The fact finder hereby recommends:

1. Agency Shop. There shall be no agency shop provision in the contract.
2. Binding Fact Finding. There shall be no binding fact finding provision in the contract.
3. Salary. It is recommended that the customary 5.5% step increment increase be granted to those eligible employees for the 1981-82 contract year. This


is to be figured and applied as the practice was under the 1980-81 contract.

It is recommended that the 17 1/2 teachers who are at step 10++ and consequently not entitled to an increment receive a salary increase of 5.5% for the 1981-82 contract year over the B.A. maximum salary of \$19,599. This amounts to a \$1,078 increase.

It is understood by the Fact Finder that the scale for teachers with Master's degrees is derived from the Salary Step scale by a formula agreed upon by the parties. It is the intent and recommendation of the Fact Finder that employees with Master's Degrees, who do not receive an implement, receive a 5.5% salary increase over their 1981-82 salary.

4. Fringes. The fringe language of the 1980-81 contract shall remain applicable. The Association's proposed change in the Insurance Benefits Language is denied. There shall be no dental insurance provision in the contract.

5. Length of Contract. The parties' contract shall be for a one year period, July 1, 1981 to June 30, 1982.


Robert F. Browning, Fact Finder
1000 Washington Square Bldg.
Lansing, Michigan 48933

Issued at Lansing, Michigan
May 27, 1982