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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

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In the matter of

VASSAR PUBLIC SCHOOLS

-and-

VASSAR EDUCATION ASSOCIATION

STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
LABOR RELATIONS DIVISION  
Michigan State University  
LABOR RELATIONS LIBRARY

On September 28, 1970, the undersigned, Leon J. Herman, was appointed by the Employment Relations Commission as its hearings officer and agent to conduct a fact finding hearing relevant to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Commission's regulations. Accordingly, and upon due notice, hearings were scheduled and held on October 23, 1970, at Vassar High School, Vassar, Michigan.

Phillip Kullman, Superintendent, represented the Board of Education.

David Stafford, MEA Area Executive Director; John F. Voss, Professional Negotiation Chairman and George Maleck, President, appeared on behalf of the Association.

Vassar Public Schools

The Vassar Public School system with 2176 pupils and 80 teachers has completed negotiation of a contract with the Vassar Education Association for the year 1970-1971 with respect to all items except medical insurance coverage. To finalize the agreement, the parties entered into the following stipulation:

The Board of Education of the Vassar Public Schools and the Vassar Education Association agree that the health insurance benefit for the 1970-71 school year shall be at least \$20 per month.

The parties further agree to present to the Fact Finder appointed by the Michigan Employment Relations Commission the following questions:

1. What amount of health insurance can the Vassar Public Schools afford to pay per month in view of the revenues it will receive during the 1970-71 school year?
2. What amount of health insurance should the Vassar Public Schools pay to its teachers in view of the total assets and revenues of school district. Both the Board and the Association agree to be bound by this latter decision of the Fact Finder. Provided, however, the Board shall not be obligated to pay the teachers more than \$25.00 per month nor less than \$20.00 per month.
3. All benefits under this agreement and the other provisions of the collective agreement between the parties will be retro-active to the beginning of the 1970-71 school year, regardless of when the Fact Finder's decision may be rendered.

This is an interim arrangement since the parties have already stipulated in writing that for the year 1971-72 the school will pay the full cost of full family insurance.

There is no problem with single subscriber insurance since the cost of health insurance for single persons is less than \$20.00 per month. Also eliminated from the payment list are the teachers

whose spouses already cover them for such insurance. There remains a total of 34 teachers who require full family insurance. In addition, the Board has agreed to pay the same amount it pays for the teachers on behalf of 9 custodians and secretaries.

For the Board to pay the full \$25.00 per month asked by the Association, it would incur an additional expense of \$170.00 per month or \$2,040 per year for the teachers and \$45.00 per month or \$540.00 per year for the custodians and secretaries for a total cost of \$2,580 per year. The questions submitted by the stipulation to the factfinder are what amount the Board can afford to pay and what amount it should pay for health insurance for the teachers.

The Board's original budget called for receipts of \$1,230,100 as against disbursements of \$943,441.98. The figure for gross income was updated after the fourth Friday count which showed an increase in pupil population to \$1,249,965. The Board estimates a general fund equity on an accrued basis of \$101,071 and on a cash basis of approximately \$45,000.

It would appear that on the basis of estimated receipts and expenditures, the Board will close its fiscal year with a surplus. It also appears that the Board is conservative in its estimate of income. From the year 1965-1966 through 1969-1970, it ended the year with a surplus except for one year. The accumulated total surplus in this period was \$7,474, an average of approximately

\$1,495 per year.

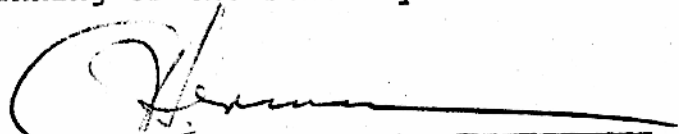
To grant the teachers an additional \$5.00 per month would cost the Board \$170.00 or a total for the year of \$2,040. The additional cost for custodians are \$540.00 would bring the total package increase to \$2,580. In light of the Board's conservative budget position, its increase in State aid of approximately \$20,000 and its general fund equity of some \$45,000, it would appear that this total is well within the capacity of the Board to pay.

I therefore find as a fact that the Vassar Public Schools can afford to pay an additional \$170.00 per month on account of health insurance premiums for the teachers on its staff for the year 1970-1971.

The tendency throughout the State in both the private and public sector is that the employer pay the major, if not the full, cost of family insurance for its employees. The practice has found substantial acceptance among the schools in this State. It is obviously acceptable to this Board as well since it is contributing at least in part, for the current year, and intends to contribute in full in the next succeeding fiscal year. With the Board already predisposed towards payment of full family insurance, in view of its assets and revenues, I find that the Board should pay \$25.00 maximum on account of health insurance for its teachers during the current school year. The total cost, including the custodians and secretaries, is \$2,580 for the year. I recommend

that the Board of Education pay this sum.

Under the contract, all benefits and other provisions of the collective agreement are retroactive to the beginning of the 1970-1971 school year regardless when the fact finder's decision may be rendered. I therefore recommend that the Board reimburse those teachers now carrying full family insurance at the rate of \$5.00 per month from the beginning of the school year.



Leon Herman, Fact Finder

Southfield, Michigan,

November 13, 1970.