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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of Fact Finding between:

Washtenaw County Education Association
Willow Run Education Association, MEA/NEA

Employee Organization (Association)

Case No. D05 J-1090*

-and-

Willow Run Community Schools
Board of Education

Public Employer (Employer)

Before Fact Finder:
Harry W. Bishop

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APPEARANCES:

FOR THE EMPLOYER

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***There were two petitions filed for fact finding. Both petitions bore the same Mediation Case Number DO5 J-1025. The first petition was filed by the Employee Association was dated July 28, 2006. The second petition was filed by the Employer on September 20, 2006. The purpose of the Employer's petition was to add one additional unresolved item. The Employer wanted the Fact Finder's recommendation relating to the duration of the contract.**

BACKGROUND

The last collective bargaining agreement between the parties expired August 31, 2005. Negotiations for a successor agreement began shortly before that date and obviously have not been successful. After the fact finding petition was filed, the undersigned was selected to preside over the fact finding hearing. The hearing was held on March 27, 2007 in the offices of the Willow Run School District. During the hearing the parties presented six contract issues to the fact finder that had not been resolved through negotiations. The resolution of the six issues should result in a new collective bargaining agreement. The unresolved issues and the position of the Association and the position of the Employer are stated as follows.

Contract Duration

Association Position

Contract covering the period from September 1, 2005 through August 31, 2007

Employer Position

Contract covering the period from September 1, 2005 through August 31, 2008

Teacher Salary Schedule By Year for the Duration of the Contract

Year 2005-2006

Association Position

Step increases for Steps 0-9,

Step 10 increased by .5%,

No salary increase

Employer Position

Step increases for Steps 0-9,

Step 10 Frozen, No salary increase

Year 2006-2007

Association Position

Step increases for all Steps

.75% salary increase retro-active to July 1, 2006

Employer Position

Pure wage freeze for all Steps

No salary increase

Year 2007-2008

Association Position	Employer Position
Step increases for all Steps, 2% salary increase	Pure wage freeze for all Steps
Increase longevity Steps:	No salary increase

- 15th year - a 2% increase over the salary schedule
- 20th year - a 2% increase over the 15th longevity step
- 25th year - a 2% increase over the 20th longevity step

Calendar

Association Position	Employer Position
173.5 teacher days Utilize Professional Development hours toward 1098 total hours of instruction required by the state. Minutes to be added to the day. (Note: everyone agrees that we must meet the 1098 hours of instruction requirement.)	2006-07 - 2 day reduction, Equates to 1.10% pay increase 2007-2008 - 181 days

Department Heads Extra Compensation

Association Position	Employer Position
No change	Eliminate extra compensation

Extra Curricular Pay - Schedule B

Association Position	Employer Position
No change	Point value reduced to $100 from $125

Health Insurance

Association Position

MESSA Choice II with 1020/Prescription Card

Employer Position

Flexible Blue 2 HSA

Cash, in lieu of insurance eliminated

DISCUSSION

The Association's argument in regard to maintaining parity for the wages of teachers with comparable districts is a compelling argument. The Association goes on to say that the Employer will attempt to claim financial hardship and an inability to pay for maintaining such parity. The Association's answer to a claim of inability to pay is that the Employer has the obligation to be good stewards of those funds received from the state. While this response is true, the excess spending in past years, in all probability, was shared with the Association. The only law violated was Act 94 of 1979 as amended (MCL 388.1702) which makes the Employer one of twenty-three school districts that must mend its ways and get about the business of eliminating the deficit.

There is no question, this makes for hard bargaining. As time goes on the problem only becomes more difficult. Although some of the services provided by local school districts are optional, many are mandated by State or Federal law and cannot be cut. Certainly, the Employer can lay off personnel, but eventually that is not a viable option. The methods used to finance Michigan schools is inadequate, and at the present time the State may well renege on their foundation grant per pupil for the current year.

This will cause the Employer even greater difficulties in its requirement to submit a deficit reduction plan to the State. When we look at Michigan's declining population, loss of jobs, and other downward economic trends it appears that Michigan is rapidly becoming a candidate for third world status.

A major issue in the present dispute is <u>health insurance</u>. I note that in a prior Fact Finding for the Willow Run School District and the Willow Run Education Association health insurance was also a key issue

(Fact Finding Case No. D03 B-0208, dated April 6, 2004). Fact Finder Kathleen R. Opperwall, made the following statement: "It is also my recommendation that the parties recognize now that more significant changes in medical coverage will need to be on the agenda for the next contract. The parties should begin now with seriously considering other alternatives, including premium cost-sharing under a Section 125 cafeteria plan arrangement. It is not clear to me that switching to a partially self-funded arrangement would generate substantial savings. If the medical benefits match the MESSA benefits, and another layer of administration is added, there is no obvious place for savings. Nonetheless, the parties need to find a solution which provides relief from the very high expenses in connection with the parties' next contract, instead of being a source of further delay in achieving a contract now."

Although the Association has amended its former position on the issue of health insurance, the change would not allow the Employer to hold the policy. This is a key issue. By not coming to an agreement, the Association has maintained the continuation of MESSA Super Med I in place. Only MESSA defines what benefits are included in MESSA Super Med I health package, as well as the price of the package. Because there are no price limits in the contract for this health insurance package, the Employer is subjected to MESSA definitions in the policy as well as MESSA price increases without the opportunity to bargain. It is also true that there have been no salary increases for Association members--proving that loyalty to MESSA Super Med I as the health care provider has had its price.

First and foremost, it is noted that the Employer is in a deficit financial position. Further, for the 2007-2008 school year the Employer is required to submit a deficit reduction plan to the State. There is no easy way out of a deficit financial position. There is no question in my mind that teachers deserve good salaries and good health coverage. To provide those things, the Employer must have money in the bank. Unfortunately, there is only a negative balance in the bank. There is no question this makes for hard bargaining. As time goes on the problem only becomes more difficult.

The parties were well prepared for this Fact Finding hearing. The exhibits and briefs were extensive and informative.

RECOMMENDATIONS

ISSUE 1 - DURATION OF THE CONTRACT

At this date in time, the Fact Finder recommends a three year contract. This gives the Employer a basis for submitting a deficit reduction plan for the 2007-2008 school year.

ISSUE 2 - SALARY SCHEDULE FOR THE DURATION OF THE CONTRACT

Year 2005-2006

The Fact finder recommends step increases for Step 0-9, Step 10 frozen; no salary increase.

Year 2006-2007

The Fact Finder recommends a wage freeze on all steps and no salary increase.

Year 2007-2008

The Fact Finder recommends each step increased by 1%, and in the 25th year of service to the district, a 2% increase over the salary schedule.

ISSUE 3 - CALENDAR

Year 2006-2007

The Fact Finder recommends a reduction of two days in the school calendar.

Year 2007-2008

The Fact Finder recommends a school calendar based on 181 days.

ISSUE 4 - DEPARTMENT HEADS EXTRA COMPENSATION

The Fact Finder recommends extra compensation to be reduced to 2% of contracted salary.

ISSUE 5 - EXTRA CURRICULAR PAY- SCHEDULE B

The Fact Finder recommends no change in this schedule.

ISSUE 6 - HEALTH INSURANCE

The Fact Finder recommends that the employee health insurance subsidy be limited to the cost of the Employer proposed BCBSM Flexible Blue 2 HDHP and that any cash paid in lieu of insurance be eliminated from the contract.

As previously stated, these recommendations place a great sacrifice on the teachers in Willow Run Community Schools. Willow Run's teachers standing among the schools they normally compare with will suffer. It is hoped that deficiencies in the funding of Michigan's schools will be corrected in the near future.

Harry W. Bishop

Harry W. Bishop, Fact Finder

Dated: May 4, 2007