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

NORTHVILLE PUBLIC SCHOOLS,

Employer,

-and-

MERC CASE NO: D06-C1251

WAYNE COUNTY MEA/NEA (NORTHVILLE),

Labor Organization

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BEFORE: Barry C. Brown, Fact-Finder

APPEARANCES:

For the Employer:

Fred Schwarze-Attorney

Also Present:

Gary King-Attorney

Mark Gallagher-Assistant Superintendent

Dave Bolitho-Assistant Superintendent

Don Thomas-Director, Human Resource

John Street-Director

For the Association:

Steve Amberg-Uniserv Director

Also Present:

Laurie Moore-Uniserv Director

Kim Edward-Uniserv Director

Tom Silak-Chief Negotiator

Ann Cook-Bargaining Committee

Al Rose-Bargaining committee

Sharon Pernia-Bargaining Committee

FACT-FINDER'S REPORT

The undersigned, Barry C. Brown, was appointed by the Michigan Employment Relations Commission to conduct a hearing and to issue a report in the matter captioned above. Hearings were held in the Northville School District Offices on June 11, 2007. Post hearing briefs were submitted by the parties and exchanged by the fact-finder on August 2, 2007, and thereafter, the record was closed.

## **STATEMENT OF FACTS:**

The Northville Education Association and the Northville Public Schools entered into a collective bargaining agreement on September 1, 2004. This contract expired on August 31, 2006. The parties used expedited negotiations in September 2006, but these negotiations broke off in March 2007. Then formal negotiations commenced in May 2007. The parties then met twelve times, and a state mediator assisted them in their negotiations. The employer's last offer was made on December 18, 2006. On January 9, 2007, the school district filed a petition for fact-finding. The employer asserted that publicizing the facts and the fact-finder's recommendations could assist the parties in modifying their position so as to reach an agreement. At the time of the petition, there were 19 issues which were unresolved.

On February 15, 2007, the parties agreed to the appointment of this fact-finder. Subsequently, he was appointed by MERC to hear this case. On April 16, 2007, the parties conducted a pre-hearing conference, and the hearing date was set as was the timetable for the exchange of exhibits and the witness list. The parties then met again in an effort to reduce the number of unresolved issues. As a result, many issues were resolved, and only those listed below remain:

### **“REVISED LIST OF UNRESOLVED ISSUES - 5/25/07**

1. Middle and high school day (Article VII, Section C.4 and 5)
2. Salary Schedule (Appendix A and B)
2. Community Blue 2 medical insurance with 2x mail order as base plan (Article VI, Section D)
4. Length of Agreement
5. Reduction in days of instruction and teacher work days
6. \$50,000 early retirement incentive”

**SCHOOL DISTRICT PROFILE:**

Northville Public Schools is a district which lies in Northwest Wayne County, and it is bordered by the following school districts:

- Farmington
- Livonia
- Novi
- Plymouth-Canton
- South Lyon

There are 11 schools in the Northville district: 1 high school, 2 middle schools, 6 elementary schools and 2 special education program centers. The SEP schools are funded by the state (28%) and the county (72%) and the teachers in these classes are in a separate bargaining unit. There are 519 employees in the bargaining unit involved in this case. This group includes teachers, social workers, registered nurses, psychologists, occupational and physical therapists and substance abuse counselors.

There are five separate bargaining units within the school district. The other units have settled their contracts, and only the association (NEA) has not resolved the issues remaining in its collective bargaining agreement. The following chart shows the Northville employee groups:

<b>NORTHVILLE EMPLOYEE GROUPS</b>		
<b>UNION</b>	<b>BARGAINING UNIT</b>	<b># OF MEMBERS</b>
<b>Northville Education Association</b>	<b>Teachers, Social Worker, Psychologists, Counselors, RN, etc.</b>	<b>423 K-12 93 Special Ed Program</b>
<b>Teamsters, Local 214</b>	<b>Custodial-Maintenance, Food Service, Transportation and Mechanics</b>	<b>172</b>
<b>Northville Federation of Paraprofessionals</b>	<b>Paras in the K-12 Program</b>	<b>71</b>
<b>Northville Federation of Para Educators</b>	<b>Para Educators in the Special Education Program (SEP)</b>	<b>96</b>

<b>NORTHVILLE EMPLOYEE GROUPS</b>		
<b>UNION</b>	<b>BARGAINING UNIT</b>	<b># OF MEMBERS</b>
<b>Northville Association of School Administrators</b>	<b>Principals, Assistant Principals, Athletic Director and Building Supervisors</b>	<b>14</b>
<b>Office Support Personnel</b>	<b>Secretaries and Office Personnel</b>	<b>50</b>
<b>Central Office Administrators</b>	<b>Superintendent, Assistant Superintendents, Finance</b>	<b>6</b>
<b>Supervisors</b>	<b>Transportation, Food Service, Custodial and Maintenance</b>	<b>4</b>
<b>Miscellaneous</b>		<b>8</b>

**THE MICHIGAN ECONOMIC SITUATION:**

Since the passage of Proposal “A” in 1995, the state’s school districts no longer derive their revenue primarily from local property taxes. In the past as the value of property increased, so did the income to the school district. This approach did not depend upon the number of students enrolled in the district. Under Proposal A, taxable property values were capped, and the state sales tax was increased. Further, a local school district had few options to seek additional operating revenue from its citizens. The district receives its revenue from the state based on a per-pupil allowance. When the economy is depressed, as it is in 2007, retail sales drop, and the state sales tax is reduced and there is less money available for the per-pupil allowance.

The association has acknowledged that the state’s economic picture is dire. However, it notes that the legislature has not reduced school district funding, as it has threatened. The association states that school district funding is at risk, but it noted that the Northville District’s enrollment has increased from 5,238 students in the 1999-2000 school year to 7,057 during the 2006-2007 school year, and this will increase further in 2007-2008. The district received \$7,250 per pupil in the 1999-2000 school year, and this has increased to \$8,435 per pupil in 2006-2007.

The association asserts that with the anticipated new students, the district's state revenues will soon be more than \$3.6 million. The association asserts that the district has sufficient funds to grant the association's demands and still be financially viable. It contends that the administration has mismanaged its affairs, and this is the basis for the current reduced general fund balance.

**NORTHVILLE DISTRICT FINANCIAL SITUATION:**

The district emphasizes the decreases it has experienced in its general fund. It noted that revenues have increased, but expenses have increased at a greater rate, and as a result, the fund balance has decreased from nearly 15% of expenditures in 2001-2002 to less than 5% in 2005-2006. A complete analysis is shown below:

<b>NORTHVILLE PUBLIC SCHOOLS GENERAL FUND</b>					
	2001/02	2002/03	2003/04	2004/05	2005/06
REVENUE	\$45,878,727	\$48,861,394	\$51,902,428	\$55,219,047	\$59,032,726
EXPENSE	\$46,953,291	\$51,571,319	\$53,183,206	\$56,419,535	\$60,724,646
NET TRANSFERS	\$556,411	\$626,0232	\$686,928	\$755,018	\$29,495
NET CHANGE + (1)	\$(518,153)	\$(2,083,903)	\$(593,850)	\$(445,470)	\$(1,662,425)
FUND BALANCE					
BEGINNING	\$7,492,517	\$6,974,364	\$5,519,917	\$4,926,067	\$4,480,597
ADJUST 6/30/03 (SEE NOTE BELOW)		\$629,456			
ENDING	\$6,974,364	\$5,519,917	\$4,926,067	\$4,480,597	\$2,818,172
Fund Balance as a % of Exp	14.85%	10.70%	9.26%	7.94%	4.64%

**Note: Adjustment calculated due to change in accounting standards**

The district explained this reduction by showing that teachers' salaries have increased more than 20% since 1999, and fringe benefits had increased 41% in the 2006-2007 school year alone. The district attributed much of this cost to health insurance premium increases. It also

noted that the state mandated retirement rate had increased to nearly 18% of payroll in the 2006-2007 school year.

The association argued that the reductions in the district’s fund balance occurred when the district had increases in enrollment and increases in state aid. It challenged the board’s financial stewardship of the district. It asserted that as the fund balance declined, the board took no corrective action. The association maintained that the Northville Board of Education chose to ignore the growing problem of the decline in its fund equity. As long ago as 2001, there could have been a program to reduce costs, it stated, by hiring fewer new teachers and increasing class size.

**ISSUES:**

The association listed the outstanding issues in its April 2007 response to the district’s listing of the unresolved issues in its petition for fact-finding. That list presented the following:

<b>EMPLOYER ISSUES</b>	<b>ASSOCIATION ISSUES</b>
1. The District has proposed an amendment to Article V of the Contract, Grievance Procedures, which would establish a three-person panel of arbitrators.	Association’s response is to maintain current contract language requiring the parties to submit the matter to the American Arbitration Association.
The District has agreed to the expansion of the definition of vacancy as proposed by the Association.	2. The Association seeks revisions to Article XI (B), Vacancies, Promotions and Transfers, by expanding the definition of vacancy to include openings created by the dismissal or non-renewal of staff. In addition, the Association seeks the filling of vacancies within 45 days and that current teaching staff be given the first opportunity to fill a vacancy before external candidates are considered.
3. The District seeks a revision to Article VII (C) (3) regarding a reduction in collegial planning time for kindergarten teachers to two 30 minutes periods/week while maintaining a total of 300 minutes/week.	The Association seeks an increase in planning time to 330 minutes/week at the elementary level. The Association seeks the deletion of recess duty for elementary teaching staff. The Association proposed a definition for collegial planning time.
4. The District seeks a revision of Article VII (C)(4) and (5) regarding the middle school and high school day and scheduling for teachers, currently a block schedule. The District seeks the right to change these provision based on its financial condition and that the current contractual provisions, establishing the parameters of the current block scheduling would expire June 30, 2008.	The Association seeks to maintain current language unless the District can guarantee no reduction ion force through lay-offs would be implemented should the middle and high school schedule be changed from the current block scheduling.
5. The District seeks to delete those provisions of Article VII (E) (7) which would result in the loss of pay	The Association seeks to maintain current contract.

for Department Heads.	
6. The District seeks to reduce the number of sick days available to teachers each year, Article VIII (A) and to deny the availability and accumulation of unused business days currently available to teachers pursuant to Article VIII (C) (2).	The Association seeks to maintain current contract language.
7. The District seeks to expand the right to demand a physician's statement whenever it has a reasonable suspicion of abuse of sick days Article VIII (A) (5).	The Association seeks to maintain current contract language.
8. The District is seeking revision of Article VII (C) (5) seeking reimbursement for the full costs of the release time of the Association President.	The Association seeks to revise current contract to provide full time release with the cost borne by the School District.
9. The District has proposed the following salary schedule:  06/07 step increases for those eligible. Add a Step 12 to the K-12 and SEP schedules which would be 2% higher than current Step 11. If the parties had ratified before January 20, 2007, the 2% offered at Step 12 would have been retroactive to the beginning of the school year.  07/08 freeze step increases and provide a 2% increase in the salary schedule retroactive to the date of ratification only.	The Association has proposed the following:  2006/07 2% plus steps 2007/08 2% plus steps 2008/09 2% plus steps 2009/10 2% plus steps  This would result in a corresponding increase, 2%, for all pay rates included in the contract, including but not limited to the extra-curricular schedule and instructional/non-instructional rates (Article VII (B)(4) and Appendix E) and also provide a 2% increase for duties contained in Article VII (B)(4)(e) and (E)(7).
10. The District is offering Community Blue #2 (PPO) with 2x mail order prescription. This would result in a reduction in the scope of coverage and benefits currently provided. Those teachers electing to maintain current coverage would pay the difference between the cost of current coverage and Community Blue #2.	The Association seeks to maintain current coverage set forth in Article VI (D). This includes Community Blue #1 (PPO), HAP or for those teachers hired prior to 1998/99 BC/BS MVF-II with master medical.  All plans contain a \$10/\$20 prescription drug program. Members electing HAP or Community Blue #1 pay ¼% (.0025) of annual salary to offset the costs of insurance. Members selecting BC/BS MVF-II pay ½% (.005) of annual salary to offset the cost of insurance.
The District seeks a contract term of two (2) years ending August 15, 2008.	The Association seeks a four (4) year term ending August 31, 2010. The August 31 date is consistent with current contract.
District seeks current contract.	12. The Association seeks a reduction in calendar for the 2007/08 school year providing 178 days of student instruction, 185 teacher days with two (2) days of professional development counted towards instruction.
The District has not responded to the proposal.	13. The Association has proposed an early retirement incentive giving the District the option of selecting one of two alternatives. The proposal is attached.
The District asserts the providing of this information can't be done.	14. The Association is seeking the revision of Article VIII (A) to incorporate the provision of the Letter of Understanding on sick day allocations and accrual (page 100 of current contract). These include showing the days provided on a yearly basis by the District on the employee's paycheck at the start of the school year.
The District has not responded.	15. The Association seeks class size (Article VII (D) and (K)) limited in those classrooms requiring work stations to the number of work stations available in the

	room. The Association proposes class size limitations (Article VII (D)) definition for assignments (Article VII (E)) and clerical assistance for elementary teachers.
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On May 25, 2007, the parties mutually agreed to the following resolution of six of the issues then in dispute. The statement of the terms of this tentative agreement is as follows:

“The parties hereby tentatively agree to this package in order to settle the following outstanding issues:

1. Article XI, Vacancies, Promotions and Transfers –
  - A. Add the phrase “dismissal or non-renewal” after the word “retirement” in line 3 of Section B-1.
  - B. Proposals regarding openings filled within 45 days to be withdrawn.
  - C. Add the following to the existing language in Section B.5:  
 “The vacancy will be posted internally for five (5) school days consistent with the posting provision set forth in Paragraph B.1, above. Certified and qualified teachers within the bargaining unit shall be given the first opportunity to apply for and be interviewed for the vacancy. After the internal applicants are interviewed, the District may post the vacancy for external candidates.”
2. Article V, Grievance Procedure – The proposal regarding an arbitration panel is to be withdrawn. Article V shall remain as current contract.
3. Article VII, Working Conditions –
  - A. Section B.4.d, Non-Instructional Duties – Increase by same percentage raise that is applied in establishing the salary schedule (to be determined).
  - B. Section D, Teaching Loads and Section K, Combination Classroom – The proposal regarding work stations are to be withdrawn. Sections D and K shall remain as current contract.
  - C. Section E-2 – The proposal regarding assignments it to be withdrawn. Section E-2 shall remain as current contract.
  - D. Section E-7 – Revise the last paragraph on page 27 to read: “The pay for these activities will be increased by the same percentage raise that is applied in establishing the salary schedule” (to be determined).
4. Article VIII, Leaves – Proposals regarding front-loading sick leave business days, doctor’s statement, bereavement (previously withdrawn) and President’s release time are to be withdrawn. Article VIII shall remain as current contract except for Section M where the parties have previously agreed to add the following sentence to Section M after the first sentence:  
  
 “All FMLA requests will receive a response as to the employee’s eligibility within two (2) business days after the employee’s eligibility is determined in accordance with applicable FMLA regulations.”



NOTE: Letter on page 100 to remain unchanged.

5. Contract Expiration Day – the contract shall expire on the 25<sup>th</sup> of August or at the end of the SEP calendar whichever occurs later in the last year of the contract.”

“LETTER OF UNDERSTANDING

The elementary preparation time and recess duty set forth in Article VII, Section C-3, shall be revised for the life of the new agreement to provide the following:

1. The collegial planning periods for kindergarten teachers shall be two 30-minute periods weekly.
2. The in-building collegial planning periods for humanities teachers shall also be 30 minutes. When there are at least two (2) in-building collegials scheduled in a two-week period, one (1) of the in-building collegials may, at the team’s discretion, be used for other planning activities as scheduled in advance with the principal.
3. As for classroom teachers in grades 1 through 5, when at least four (4) collegials are scheduled in a two-week period, one (1) of the four (4) may be used for other planning activities, at the discretion of the team, as scheduled in advance with the principal.
4. As for special education resource and categorical teachers, learning consultants and teachers for speech and language, when at least four (4) collegial are scheduled in a four-week period, one (1) of the four (4) may be used for other planning activities, at the discretion of the team, as scheduled in advance with the principal.
5. It is understood that collegial planning involves professional learning community work, which may include school improvement/NCA activities.
6. Elementary teachers will not be required to supervise any recess.
7. The February 9, 2005, Letter of Understanding regarding elementary prep time will remain in effect until August 25, 2008, unless otherwise agreed to be the parties.”

**REMAINING ISSUES:**

**A. Length of Agreement:**

The district labeled this issue as a “red herring,” as it was considered a resolved matter until the union’s last best offer on January 7, 2007. The employer maintained that the union had proposed a two-year contract in its several proposals presented during the summer of 2006. The association countered with its concern that the parties would have to resume bargaining in 2008 without respite form the current round of negotiations. The parties’ relationship would improve, it was argued, if more time would pass before negotiations resumed.

**Recommendation:**

There are too many imponderables to settle on a four-year contract at this time. The state financial situation is in flux, and the district's projected enrollment estimates are proving to have been too high. Many of the contentious issues of 2006-2007 have been resolved, and so the next round of negotiations will be focused on economic issues which are closely tied to the district's fiscal conditions and its growth. For all of these reasons, the fact-finder recommends that the length of the agreement be two years.

**B. Wages:**

The school district's final offer in 2006 was to add a step 12 to both the BA and MA salary schedule. This step would have been 2% higher than the current step 11. The district now offers a freeze to the steps on the salary schedule in 2007-2008 while increasing the salary schedule by 2%. This raise would start on the date of the association's ratification of the agreement.

The association proposes a 2% increase in both 2006-2007 and 2007-2008, plus the existing step increases. It notes that the employer could not impose a freeze on the salary steps in 2006-2007 because of the passage of time. The teachers' purchasing power would be reduced, the association asserted, as it has been in the past three years. This impact is magnified, the union said, by the employees' contribution to their health insurance. The union also pointed out that a freeze of step increases is a career pay loss of \$3,770 at step 10 to a career pay loss of \$38,965 at step 0. The association maintains that the impact of the teachers' salary increase would be mitigated by the adoption of its proposed Early Retirement Incentive and the savings that would result.

The employer responded that the teachers' purchasing power has more than kept pace with inflation when one considers the annual step increases the teachers have enjoyed. The district also noted that step freezes in salary schedules have been negotiated in four other Detroit area school districts. The district also stated that the MA salary step for Northville is higher than all but one of the Wayne County districts. The employer also indicated that all of the internal comparable bargaining units have agreed to wage settlements in keeping with that offered to the NEA.

**Recommendation:**

The fact-finder concludes that the district must take steps to control its costs. Just as the association has charged the district with overspending in the past, it must now recognize that current spending must be restrained, and that 70% of the district's expenses are tied to personnel costs. The Northville teachers are well paid in comparison to neighboring districts. Other districts have had to adopt step freezes and lesser wage increases to control costs. For these reasons, the employer's proposal on wages is recommended.

**C. Health Insurance:**

To better understand the parties' proposals, the following explanation is provided:

**"NORTHVILLE HEALTH INSURANCE  
UNDER CURRENT NEA CONTRACT**

**The District offers three health care plans: Blue Cross/Blue Shield Traditional MVF-II, Blue Cross/Blue Shield Community Blue 1 PPO and Health Alliance Plan (HAP), and an HMO. The Traditional MVF-II plan is only open to teachers hired prior to 1998-99. All plans come with a \$10 generic/\$20 brand prescription drug plan, with one deductible for 90-day mail orders.**

**Traditional MVF-II Plan**

**Teachers hired prior to 1998-99 are grandfathered on the old MVF-II Traditional Plan (\$100/\$200 deductible; \$90-\$10/co-pay on Master Medical expenses) with \$10/\$20 prescription, 1x mail order.**

**Teachers taking the MVF-II plan pay ½% of their annual salary.**

For a teacher at the maximum step, the average cost is \$397 per year (i.e., \$79,464 x .005).

There are currently 74 K-12 and 19 SEP teachers on the Traditional Plan.

**PPO1 Plan**

The Blue Cross Community Blue 1 Plan provides for preventative care services at 100%, hospital costs, surgical expenses, etc., are all covered at 100%, there is no front-end deductible and doctor office visits have a \$10 co-pay.

Teachers who choose the CB1 pay ¼% of salary. For the teacher on steps, the average cost is approximately \$145 per year (i.e., \$58,157 x .0025).

There are currently 273 K-12 and 33 SEP teachers on Community Blue 1.

**HAP**

The District also offers Health Alliance Plan (HAP).

The HAP plan has no deductibles or co-pays, including doctor office visits.

Teachers who choose HAP also pay ¼% of salary for the plan. The average cost is approximately \$145 per year.

There are currently 53 K-12 teachers and 6 SEP teachers on HAP.”

The other Northville district employees have the following health insurance coverage:

EMPLOYEE GROUP	MEDICAL INSURANCE	YEARLY EMPLOYEE COST FOR CB1
Teamsters 214 (Custodial, Maintenance, Food Service and Bus Drivers)	\$10/\$20 2x mail order drug; PPO2 base 1/1/07; employee pay difference for all other medical plans; remove ¼ + ½% employee contribution.	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08
Federation Para Pros (K-12)	\$10/\$20 2x mail order drug; PPO2 base 1/1/07; employee pay difference for all other medical plans; remove ¼ + ½% employee contribution.	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08
Supervisors	\$10/\$20 2x mail order drug; PPO2 base 1/1/07; employee pays difference for all other medical plans; remove ¼ + ½% employee contribution.	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08
Central Office Administrators	\$10/\$20 2x mail order drug; PPO2 base 1/1/07; employee pays difference for all other medical plans; remove ¼ + ½% employee contribution.	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08
NASA (Principals)	\$10/\$20 2x mail order drug; PPO2 base 8/1/07; employee pay difference for all other medical	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08

	plans; remove ¼ + ½% employee contribution.	
Office Support (Secretaries)	Settled-Like NASA	
Federation ParaEducators (Special Ed)	Not Settled	
NEA (Teachers) DISTRICT FINAL OFFER	\$10/\$20 2x mail order drug; PPO base 3/1/07; employee pays difference for all other medical plans; remove ¼ + ½% employee contribution.	1-Person \$ 481.56 2-Person \$1,083.60 Family \$1,792.08
NEA FINAL OFFER	Keep current coverage (no PPO 2); teachers on Traditional continue to only pay ½%; teachers on PPO and HMO only pay ¼%.	PPO and HMO – Approximately \$145 (Avg) [Traditional - \$397 (Avg)]

The association proposes a status quo in this benefit. That is there would be no Community Blue 2 PPO and no 2x mail order prescription drug plan. The current \$10/\$20 co-pay for drugs would be continued, and Traditional and CB1 subscribers would continue on their ¼% and ½% premium contributions.

The employer proposes that the only medical insurance plan for this unit will be Community Blue 2 PPO with a 2x mail order prescription drug plan. Employees who do not elect to take the CB2 coverage will be charged the difference in cost compared to the CB2 costs. This proposal would discontinue the ¼% and ½% employee premium payments.

The association provided a comparison of the health insurance and prescription plans for other Wayne County school districts. The comparisons are as follows:

**INSURANCE CARRIER AND PRESCRIPTION PLANS  
OF COMPARABLE DISTRICTS**

DISTRICT	CARRIER	Rx	CAP
Allen Park	MESSA Choices II	\$5/\$10	No
Dearborn Hgts	MESSA Super Care 1 Choices II	\$5/\$10	No
Flat Rock	PPO-1	\$5/10	
Gibraltar	MESSA Super Care or Choices	\$10/\$20	Member pays the difference between Choices and Super Care
Garden City	Self-funded BC/BS PPO Plan 1 with rider to equal Choices II	\$5/\$10	No
Grosse Ile	BC/BS Community Blue	\$7/10	
Grosse Pointe	BC/BS Community Blue	\$7/\$15	No

Huron	MESSA Super Q	\$2.00	No
Lincoln Park	BC/BS	\$5/\$10	No
Livonia	BC/BS PPOM Self Insured	\$5/\$20	No
<b>DISTRICT</b>	<b>CARRIER</b>	<b>Rx</b>	<b>CAP</b>
Northville	Community Blue PPO#1, Health Alliance Plan, BC/BS MVF-II w/Master Medical Option II (Traditional) \$100/\$200 deductible for Teachers hired prior to 98/99 School year (Self-insured for BC/BS Plans)	\$10/20	For HAP & BC/BS PPO ¼% (.0025) of annual salary – For BC/BS MVF-II (Traditional) ½% (.005) of annual salary
Plymouth Canton	Preferred Choices PPO, Community Blue PPO, BC Traditional	\$10/20	Community Blue \$52/\$104.37/\$143.51 BC Traditional – \$121.69/\$243.24/\$334.64
Redford Union	BC/BS	\$5/\$10	No
River Rouge	BC/BS tenured teachers – HAP for non-tenured	\$5/\$10	
Riverview	BC/BS	\$10/20	
Romulus	BC/BS	\$5/\$10	No
Southgate	Self-funded BC/BS PPO Plan 1	\$5/\$10	No
South Redford	MESSA SC1/Choices/TriMed	\$5/\$10	SC \$1,200 co-pay; Choices \$500 co-pay, TriMed fully paid.
Trenton	BC/BS PPO	\$5/\$10	No
Van Buren	MESSA SC or Tri-Med	SC- \$10/\$20 Tri-Med- \$5/\$10	Members pay differences between TriMed and SuperCare (\$3,000)
Wayne Westland	Super Care 1	\$10/\$20	Members pay differences between SCI and CHOICES. No premium if takes Choices with 10/20 or Tri-Med with 5/10
Westwood	MESSA Choices II	\$10/\$21	No
Woodhaven	MESSA PAK Choices	\$10/\$22	SC1 pays difference between composite rate of MESSA Care Choices – No CAP on HMO
Wyandotte	BC/BS	\$5/\$10	No

The association asserts that the plan offered by the employer has many co-pays and deductions, which will constitute a substantial income reduction for bargaining unit members. For example, under Community Blue PPO 2 a mammography “out of network” will cost the member 30% of the charge for the service after the deductible. Similarly, office visits or hospital ER care are both more costly under PPO 2, especially if out of network. Mental health care is only 50% covered, and the deductible can be as high as \$500 per family.

The district raises an alarm about the cost of health insurance, and its solution is to offer less coverage and more deductibles and co-pays by its employees. There is no doubt that the cost of this insurance has risen appreciably over the last seven years. The association did not dispute that full family CBI has gone up 81.5% since the year 2000. However, the changes sought by the district are too severe, and they have too great an impact on the NEA members.

One employer proposal which is excessive is the plan for prescription drugs. The other districts generally have a \$10/\$20 co-pay plan. The 90day mail order drug program requires two co-payments. Further, HAP does not even offer the MOPD plan. The fact-finder concludes that the \$35,000 in purported savings does not outweigh the disadvantages of the plan offered by the district.

Currently, the district is required to subsidize 93 teachers who have been grandfathered under the old traditional MVF II health plan. This costs the district \$42,000 annually, and it is a benefit that no other district provides and no other group of Northville employees enjoy. For these reasons, the employer's subsidization should be discontinued. The best way to accomplish this is to discontinue the MVF II health plan and to make Community Blue Cross PPO 1 the basic health program for all the bargaining unit employees. Health Alliance Plan can still be a HMO alternative. Even though other Northville bargaining units have adopted Community Blue II, the teachers' unit had more health benefits to begin with and costs can be reduced without the extreme cutbacks proposed by the employer.

The fact-finder recommends the elimination of MVF II coverage. He also recommends the continuation of the current \$10/\$20 prescription co-pay and a continuation of the ¼% and the ½% annual salary payments toward the cost of their health insurance.

**D. Middle School/High School Day:**

The existing contract language states the following:

“Art. VII (C)

4. **Middle School Day** – The normal scheduled teaching load in the middle school will be twenty-five (25) teaching periods and five (5) unassigned preparation periods and five team planning periods. No deviation from these norms except in cases of emergencies will be authorized without prior consent of the teacher and the Association.
5. **High School Day:**
  - a. Each full time teacher will be responsible for teaching five (5) eighty-seven (87) minute classes during a consecutive two-day period (five (5) classes each semester). In addition, teachers will be responsible for monitoring students and/or providing assistance in the Seminar periods (nine times during a four-week period). Both seventh period and the second period will be eight-eight (88) minutes to allow for announcements.”

The district would retain the existing contract language until the end of the 2007-2008 school year, and then this language would be eliminated. The association proposed the following changes:

*“Revised Article VII C-4 to read as follows:*

*Middle School Day – The normal scheduled teaching load in the middle school will be twenty-five (25) teaching periods and five (5) unassigned preparation periods and five (5) team planning periods. (The following is crossed out: No deviation from these norms except in cases of emergencies will be authorized without prior consent of the teacher and the Association.) THE ASSOCIATION WILL BE CONSULTED PRIOR TO ANY ADJUSTMENT TO THE MIDDLE SCHOOL DAY. ANY ADJUSTMENT TO THE MIDDLE SCHOOL DAY SHALL NOT RESULT IN THE LAYOFF OF ANY BARGAINING UNIT MEMBER WHO IS EMPLOYED BY THE NORTHVILLE SCHOOL DISTRICT AS OF SEPTEMBER 1, 2008.*

*Revise VII C-5-g to read as follows:*

*Teachers and administrators will have the ability to recommend adjustments to the Block Schedule. Any adjustments TO THE BLOCK SCHEDULE SHALL NOT RESULT IN THE LAYOFF OF ANY BARGAINING UNIT MEMBER WHO IS EMPLOYED BY THE NORTHVILLE SCHOOL DISTRICT AS OF SEPTEMBER 1, 2008. FURTHER, THE ASSOCIATION WILL BE CONSULTED PRIOR TO ANY ADJUSTMENT TO THE BLOCK SCHEDULE.”*

The district opposes the association having a “veto power” over schedules in the high school and middle schools. It maintained that the administration should be able to deliver



educational services with fewer teaching staff so as to reduce costs. It also asserted that preventing teacher layoffs would defeat the primary purpose of making changes in the first place.

The association recognized that “block” scheduling does require more staff to operate. It does not oppose changes, but it believes that too great a reliance on reductions in force is a misplaced emphasis. It again proposed a reliance on the early retirement incentive as a better way to reduce costs.

The associations’ proposal does not give it a veto power in changes in Block scheduling in the secondary schools. Rather, it eliminates the requirement that there be association approval, and in its place, the district need only consult with the association. Further, the limitation on layoffs does not restrict transfers, reassignments and vacancies created by attrition. The fact-finder does not believe it is appropriate to eliminate the association’s role in the secondary school day scheduling in 2008. Therefore, it is his recommendation that the association’s proposal be adopted.

**E. School Calendar:**

The collective bargaining agreement, which ended in 2006, set forth the work year in Article VII, Section B (1), as follows:

**“1. The District and the Association agree that the 2004-05 and 2005-06 school years will not constitute more than 189 teacher work days and that teachers will be in the classrooms with the children for instructional purposes not less than 182 days. The SCI/SXI calendar will constitute no more than 223 teacher work days (unless the current waiver of instructional time is no longer valid) and said teachers will be in the classroom with students for instructional purposes not less than 215 days from July 1<sup>st</sup> through June 30<sup>th</sup>.”**

In the negotiations, the union sought a reduction in both student days of instruction and in the teacher work days. The mediator’s proposal regarding the work year was adopted on September 14, 2006, as follows:

**“1. 180 days of instruction; 187 teacher attendance days with continuation of the obligation for two (2) teacher days built into two evenings or late afternoons for parent-**

teacher conferences in the fall and two (2) evenings or late afternoons for parent-teacher conferences in the spring, plus six (6) one-hour blocks of professional development, for a total equivalent of 190 days. The six (6) one-hour blocks will be scheduled at least 30 days in advance by the principal/supervisor, after consultation with the faculty, including the Association building representatives.”

The 2006-2007 school year was implemented by the district based on this agreement. Then in the union’s final offer it proposed that the number of student instruction days be reduced to 178 and the number of teacher work days be reduced to 185. The district sought to make the calendar agreement of 2006 the permanent contract language.

The calendar year issue seemed to have been resolved in 2006. The fact-finder recognizes that the association had originally sought 183 teacher work days and 176 student days, and so the current proposal is a reduction from those numbers. The fact-finder also notes that changes in the school laws would allow the association’s proposal to be adopted. The district’s proposal already has decreased the number of teacher work days by two. The district’s proposal also is consistent with the calendars in other Wayne County districts.

A part of the association’s proposal is that some student days should be used for professional development. The district philosophy opposes the use of instructional time in this manner. It has argued that the instruction of students occurs only when teachers are in front of and working with students. The association has shown that many other districts do count many hours of professional development toward student instruction. They note that there is a savings when the school buses and cafeteria are not used.

The fact finder concludes that the issue of the school calendar was resolved in 2006, and the association’s current proposal on this topic should not now be adopted. He also concurs with the district’s position on student days. There are already seven days for professional

development. There is no need to reduce teaching days and to add more professional development days.

**Early Retirement Incentive:**

The association has proposed that an early retirement incentive be established which would pay \$50,000 per participant paid in five annual equal installments. The association said that the adoption of this ERI proposal would help the district to finance any increases in costs or reductions in revenue in the 2007-2008 school year. The possible eligible employees are at step 11 and these 154 teachers have a MA degree or higher. If many of these teachers were to retire early and they were replaced by a BA step 0 teacher, there would be a great savings which would exceed the \$50,000 outlay (only \$10,000 in the first year). Additionally, some secondary teachers would not be replaced due to modification of the school day. The association also surmised that many former secondary teachers would not be replaced due to modifications of the school day. The association also suggested that many new teachers would be single subscribers for health insurance, and this would represent an additional savings. The association contended if 25 employees at the higher pay levels were to take early retirement in 2007-2008 the savings would be \$1,135,668.

The district responded that it would not hire all replacement teachers at the lowest pay step of the salary schedule. It contended that most new teachers are hired at the BA step 2 level, and then they progress rapidly to the MA level. Secondly, the district noted that the normal number of retirees each year is ten. Under the NEA plan, these ten teachers would now get \$50,000 that they normally would not receive. Finally, the district argued that when the effects of the ERI are spread over ten years, the plan actually represents a loss of over \$2.2 million.

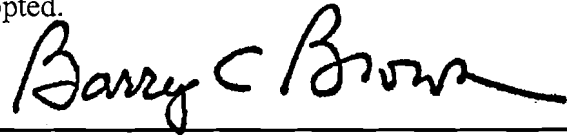
The fact-finder is convinced by the employer's arguments. Even though some other districts have adopted the ERI approach, the fact-finder believes that in the long run, this plan would not provide true savings for the district.

## SUMMARY OF RECOMMENDATIONS

The fact-finder recommends that the parties resolve the remaining issues as follows:

- A. The length of the agreement is to be two years.
- B. The salary schedule shall be according to the district's proposal.
- C. Community Blue 1 shall remain the base program, but the MVF II plan shall be discontinued. The current \$10/\$20 drug co-pay shall continue. The teachers' premium contributions shall continue.
- D. The middle school/high school day shall be governed by the association's proposed new language.
- E. The school calendar teacher work days and student days shall follow the employer's proposal.
- F. The early retirement incentive is not adopted.

August 25, 2007



Barry C. Brown, Fact-finder