966 Strehe 3/25/76 FF

FF EAST DETROIT PUBLIC SCHOOLS Fact Finding Opinions

STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF FACT FINDING BETWEEN:

EAST DETROIT PUBLIC SCHOOLS

-and-

CASE NO. D75 L 2491

EAST DETROIT EDUCATION SECRETARIES ASSOCIATION

INTRODUCTION

Pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's regulations, a Fact Finding hearing was held regarding matters in dispute between the above parties. Pursuant to adequate notice, the hearing was commenced at 10:00 in the forenoon at the Detroit Detroit Public Schools Building, 15700 Nine Mile Road, East Detroit, Michigan, on February 17, 1976, briefs being due on March 3, 1976. The undersigned, Mario Chiesa, is the Fact Finder herein.

The East Detroit Public Schools shall hereinafter be referred to as the Board and the East Detroit Education Secretaries Association shall hereinafter be referred to as the Association.

APPEARANCES

Mario Chisea

East Detroit Public Schools

Robert Benson

Michael O. Emlaw

East Detroit Education Secretaries Association

Joseph Golden

Carol Warner

Maxine Perry

Cecilia Belanger

HISTORY

East Detroit is a third-class school district located northeast of the City of Detroit in Macomb County. The district is surrounded by the districts of Detroit, Warren, Van Dyke, Warren Woods, Roseville, Lakeview and South Lake. East Detroit has an enrollment of approximately 11,034.

The unit herein consists of approximately 58 employees and is defined in the prior agreement as follows:

> ". . . for all personnel engaged in work related to secretarial and clerical duties including, but not limited to, secretaries, clerks, bookkeeping machine operators, machine operators, receptionists, switch-board operators, typists and stock clerks."

The prior agreement expired on September 30, 1975. The parties engaged in negotiations and employed mediation. Impasse was reached in certain areas and the Association filed an application for Fact Finding on December 9, 1975. The Board filed its answer on December 24, 1975.

Apparently the parties have enjoyed a good relationship. There has never been a grievance filed and prior Collective Bargaining Agreements have been arrived at pursuant to a somewhat informal procedure.

ISSUES

The issues in need of resolution appear as such:

1. Legal Holidays
2. Mileage Compensation (personal cars)
3. Basis for earning sick leave
4. Amount of sick leave bonus
5. Retirement: Amount per year of service

6. Compensation for accumulated sick days at termination
7. Longevity allowance
8. Hospitalization coverage - riders and options
9. Dental insurance
10. Long term disability
11. Vacation table for 16 thru 20 year employees
12. State retirement fund
13. Regular salary schedule

COMPARISON DISTRICTS

As in most Fact Finding hearings the parties have compared East Detroit with other districts in an attempt to support their respective positions.

Arguing that Macomb County districts are the most relevant because they represent the area in which East Detroit competes for labor, the Board has chosen Warren Consolidated, Utica, Roseville, Lake Shore, Warren Woods, L'Anse Creuse, Fraser, Van Dyke, Lakeview, Clintondale, Mount Clemens, Center Line, Romeo, Fitzgerald, Chippewa Valley, South Lake, Anchor Bay, Richmond, Armada and New Haven.

The Association has chosen Clintondale, Fitzgerald, Grosse Pointe, Lakeview, Mount Clemens, Roseville, Utica, Warren Consolidated and Warren Woods. The Association justifies its selection by stating that the comparison districts are much more relevant because they approximate the size of East Detroit. Also, the Association maintains that the districts are close enough to East Detroit to be considered within the area East Detroit must look to for labor.

When the Fact Finder refers to the Board's districts or uses other comparable terminology, he is referring to the Board's districts as listed above. Likewise, when the Fact Finder refers to the Association's districts, or uses other comparable terminology, he is referring to the Association's districts as listed above.

ABILITY TO PAY

At this point it is best to explore the element of ability to pay because it either directly or indirectly concerns each issue herein.

The Board argues that its financial position is indeed tenuous. Board Exhibit I contains, inter alia, a chronology of general fund condition from June 30, 1967 until June 30, 1976. It appears as follows:

June 30, 1967	General Fund Equity Balance	$12,087.83
September 11, 1967	Request for 8 additional Mills defeated	
March 4, 1968	Request for 8.5 additional mills defeated	
June 10, 1968	Request for 6.75 additional mills defeated	
June 30, 1968	General Fund Equity Balance	($468,811.06)
January 22, 1969	Request for 9.5 additional mills approved	
June 30, 1969	General Fund Equity Balance	($928,251.63)
June 30, 1970	General Fund Equity Balance	($525,016.73)
December 12, 1970	Request for 13.5 renewal mills defeated	
March 9, 1971	Request for 13.5 renewal mills approved	
June 30, 1971	General Fund Equity Balance	($390,280.00)
June 30, 1972	General Fund Equity Balance	($108,637.00)

October 2, 1973	Request for 23 renewal mills approved	
June 10, 1974	Request for one additional mill approved	
June 30, 1974	General Fund Equity Balance	$12,917.00
June 30, 1975	General Fund Equity Balance	($384,777.00)
June 30, 1976	Projected General Fund Equity Balance	($600,000.00)

Note: Figures in parenthesis represent deficit

The Board also pointed out that the past State aid reductions totalling 2.3% have caused the district to suffer a loss of revenue amounting to $319,000.00. Also, there currently is a dispute involving the use of the county equalized valuation, or the State equalized valuation. The district has suffered a $730,000.00 loss of State aid in the present fiscal year because of an adverse Court of Appeals ruling. The Board is hopeful that this money will ultimately be regained, but nevertheless, it argues that the controversy has inflamed an already tenuous financial position.

The 1974-1975 budget figures show that the Board has suffered a $387,878.00 deficit for the last fiscal year. The figures also show a June 30, 1975 fund equity of ($384,777.00), which the Board states could increase to $600,000.00 by the end of the present fiscal year.

The Association maintains that if the financial picture is bad, the Board has always ignored it when it came to granting wage adjustments to the other units. To support this proposition, the Association has introduced the wage adjustment history for the administrators, teachers, custodians and secretaries from 1971 to 1976. All figures excluded increments. The Board disagreed with some of the Association's figures, so its figures appear in parenthesis. The information appears as such:

	Administrators	Teachers	Custodians	Secretaries
1971-1972				
% of annual Wage Increase	7.82	3.7 min. 7.7 max.	7.16	5.8
% of budget	6.85	62.4	8.6	3.5
1972-1973				
% of annual Wage Increase	7.25	4.75 min. 3.26 max.	4.03	3.98
% of budget	7.28	65.1	9.3	4.3
1973-1974				
% of annual Wage Increase	4.55 (4.3)	4.0 (4.2)	6.3	6.7
% of budget	6.82	62.7	9.5	4.2
1974-1975				
% of annual Wage Increase	2.87 (2.26) +5% retirement	3.0 +5% retirement	2.0 +5% retirement	5.7
% of budget	6.91	62.7	10.0	4.4
1975-1976				
% of annual Wage Increase	8.2 (7.37)	6.5	6.0	
% of budget	6.93	59.6	9.2	4.3

The Board contends that the above figures are misleading, for most of the agreements were multi-year and the Board could not re-negotiate the second year of the contract. Thus, the Board was bound to pay a wage adjustment that was not, in its opinion, truly reflective of its depressed financial condition.

The Association further contends that the Board cannot expect the unit, which comprises the smallest budgetary portion of wage expenditures, to absorb the entire thrust of the Board's austerity program.

LEGAL HOLIDAYS

DISCUSSION AND RESOLUTION

At the beginning of negotiations the Association sought one additional holiday, the day after New Years. This was desired only for the contract to be negotiated and not any future contracts. The Association maintains that because of the nature of the calendar, the employees in this unit will lose two holidays during the next school year. This Association also states that while the day after New Years issue has become moot, the employees are still going to lose two holidays.

Association Exhibit II shows that the average number of holidays is 11.3, when using the Association districts. In the same exhibit the Association has listed East Detroit's holidays as 11. It is assumed that an adjustment was made for a lost holiday because the prior contract listed 12 holidays.

Board Exhibit II shows that the average number of holidays enjoyed by the districts in its comparison groups is 11.83. The Board maintains that this compares very well with the 12 days listed in the prior contract regarding this unit. Also, the exhibit shows that only one out of the total comparison group of twenty districts, eighteen of which are settled, offers the day after New Years as a holiday.

The Association has stated that the issue concerning the day after New Years is moot, but it has offered no alternatives aimed at suggesting how the two lost holidays may be regained. This, tied with the evidence which shows that East Detroit compares very favorably with both parties' exhibits, at least when considering stated language, leads the Fact Finder to conclude that no recommendation can be made altering the present list of holidays.

MILEAGE COMPENSATION (PERSONAL CARS)

DISCUSSION AND RESOLUTION

The Association is seeking modification of the prior contract language which allows an employee thirteen cents for each mile that an employee drives his or her personal car for district business. The Association seeks an increase of five cents per mile, or in the alternative, the use of a district vehicle.

Starting with this issue and continuing with the remainder, the Association has compared itself with other units employed by the district as well as similar units employed by other districts. Speaking to the first nature of comparison, the Association shows that the administrators received thirteen cents per mile for 1974-1975, the custodians have access to district vehicles and the teachers are reimbursed per a fixed mileage schedule, or in the alternative, a tax letter with or without reimbursement. The Association's evidence also shows that the average reimbursement received in its comparison districts amounts to 13.2 cents per mile. Further, the Association argues that only six employees in this unit benefit from this provision and that even IRS allows fifteen cents per mile.

The Board's evidence shows that the average amount of reimbursement paid by its comparison districts is 12.5 cents per mile. It further argues that the Association's proposal amounts to a 38% increase over prior contract rates.

After examining all the evidence, it becomes apparent that the thirteen cents per mile now realized by the employees in this unit is very competitive with the amounts realized by other units and by units employed by different districts. The use of a district car does not appear to be the most common method of handling this problem. Therefore, it cannot be recommended. In fact, an increase in the present amount cannot be recommended. However, an employee may realize a tax deduction regarding the two cents per mile difference between the thirteen cent reimbursement rate and the fifteen cent per mile IRS allowance. Thus, the Fact Finder will not recommend an increase in the reimbursement, but does recommend that the Board issue an appropriate tax letter allowing the employee to take advantage of any deductions that may be forthcoming. It is true that if the standard deduction is taken, this portion of the recommendation may become worthless, but the evidence warrants no other recommendation.

BASIS FOR EARNING SICK LEAVE

DISCUSSION AND RESOLUTION

Presently, 52-week employees realize 13 sick leave days per year with one of those days going to the sick bank to be matched by one day contributed by the Board. Employees other than 52-week workers, of which there are 28, realize 11 days per year. The Association seeks an adjustment wherein sick leave shall be earned at the rate of 1.35 days for each 150 hours paid, or one day for each 125 hour paid. According to the Board, this amounts to an additional 4.5 days per year, or a 35% increase, for the Association's first proposal, or an additional 2.5 days, or a 20% increase, for the Association's second proposal. The Board maintains that the unit actually realizes 16 days when bereavement is considered.

The present sick leave provisions compare very favorably with the Board's comparative evidence, as well as the Association's comparative evidence. The Board's comparison districts average 13.2 days per year, while the Association's districts average 13 days for 12-month employees and 11 days for less than 12-month employees.

This being the case, the Fact Finder cannot recommend adoption of either of the Association's proposals.

AMOUNT OF SICK LEAVE BONUS

RETIREMENT (SEVERANCE)

ACCUMULATED SICK DAYS AT TIME OF TERMINATION

DISCUSSION AND RESOLUTION

The above three issues will be discussed together because they are related and interdependent.

The Association has proposed a change in prior contract languages regarding compensation for accumulated sick days at time of termination of employment. It seeks payment at the current rate of pay for 85% of an employee's accumulated sick days.

Presently, employees in this unit receive 85% of the 1960-1961 school year rate multiplyed by the number of sick days accumulated up to June 30, 1961.

The Board seeks to retain the prior contract language.

The evidence shows that only five out of the thirty districts offered for comparison have contracts which provide for some type compensation calculated upon accumulated sick days and payable upon termination. They appear as follows:

	District	Provision
From Association Exhibit 3		
	Roseville	1/2 pay for each remaining sick day.
	Warren Consolidated	Accumulated sick leave times 50% of current salary.
From Board Exhibit 6		
	Lake Shore	Ten (10) consecutive years 40% of accumulative sick leave paid at employee's daily rate for retirement; 20% for termination.
	Fraser	After 5 but less than 10 years; 1/2 total accumulated sick leave days multiplied by daily wage; after 10 years 3/4 of the daily wage.
	Van Dyke	1/2 daily rate of pay for each day of accumulated sick leave.

A number of the comparison districts provide some sort of termination compensation, but only the aforementioned districts utilize accumulated sick days as an element in determining the amount of termination compensation.

The Association maintains that its proposal is necessary to adequately protect the employees that spends their entire employable life in East Detroit. Further, the Association maintains that it is willing to make substantial concessions in order to realize adoption of its proposal. The Association stated that it would not object to the complete elimination of the sick leave bonus, plus it would withdraw its demands regarding increases in the areas of retirement (severance) and longevity if its proposal regarding accumulated sick days was adopted.

The Board argues that in light of the sick leave bonus, retirement (severance pay) and available unemployment compensation, the present Association proposal is unnecessary. Further, the Board maintains that the employees are being compensated for all sick days accumulated up to June 30, 1961.

It would have been helpful if cost projections were placed in record.

The provision for payment of accumulated sick days is not common in the districts offered for comparison. There can be no doubt that it is a valuable benefit; however, it can also be extremely costly. Even if the Association's intra-district comparisons are given great weight, they clearly indicate that no other unit enjoys this or a comparable benefit. It is true that the Association has indicated that this proposal is new; however, the evidence in support of its adoption is weak.

After considering the evidence as it appears in this record, the Fact Finder cannot recommend that the Association's proposal be adopted.

Turning to the sick leave bonus, we have a situation where an employee is paid for accumulated sick days. The payment is made on June 30, the end of the fiscal year. Prior contract language provides for payment pursuant to the following schedule:

Amount	Days by June 30
$ 75.00	36 through 71
150.00	72 through 107
225.00	108 through 149

> 1/2 of employee's wage shall be paid each year for 150 through 159 days accumulated and not used, or $225.00, whichever is greater.
>
> 1/2 of the employee's wage shall be paid each year for 160 or more days accumulated and not used, or $300.00, whichever is greater.

The Association is seeking the following payment schedule:

Amount of Bonus	Days by June 30
$100.00	36 through 71 days
175.00	72 through 107 days
250.00	108 through 149 days
325.00	160 days or more

The only evidence introduced by the Association shows that the custodians receive the same benefits as are contained in the prior contract. The Board's evidence shows that out of all the districts it has offered for comparison, only two pay a bonus. Anchor Bay has a maximum accumulation of 120 days and for every 12 days after 120 days, the employee has the option of receiving a week's vacation, or money in lieu of vacation. Utica has a maximum accumulation of 100 days and pays one-half of the employee's current wage for days beyond 100.

After considering and analyzing the available evidence, the Fact Finder cannot recommend the adoption of the Association's proposal. The evidence does not support the increase sought by the Association. The benefit is not common in the comparison districts and there is no evidence indicating that an adjustment is appropriate at this point.

The last issue in this section is the proposal regarding the retirement (severance) increase. Prior contract language provides for retirement (severance) payments pursuant to the following schedule:

Years	Rate Per Year
For more than 10, but less than 15 years of service	$12.50 per year of service
For 15 years or more of service	$25.00 per year of service

The Association seeks to increase the $12.50 figure to $25.00 and to increase the $25.00 figure to $37.50.

The evidence shows that this type of benefit is rather common, with 13 districts out of the total number of districts offered for comparison providing some sort of retirement (severance) benefit. Most of the districts that do not tie this benefit to accumulated sick days have schedules that as a practical matter pay greater amounts than presently enjoyed in East Detroit. For instance:

District	Provision
Center Line	After 10 years - $40 per year of service

District	Provision
Mt. Clemens	After 10 and up to 20 years - $50 pear year of service
Richmond	Continuous 10 years - $60 per year of service; after 10 years Board will match up to $60 per fiscal year deductions for tax sheltered annuities; after 20 years Board will match up to $120 per fiscal year deductions for tax sheltered annuities.
Warren Woods	After 10 years up to 30 years - $75 per year of service
Fitzgerald	After 10 years - $60 per year of service

The Board argues that the Association's proposal represents a 100% increase for the first figure and a 50% increase for the second figure. This is mathematically correct, but the figures dealt with are small and the statement concerning percentage increase, while correct, is not as dramatic as it sounds. The Association contends that the cost to the district for those employees eligible to retire is only $937.50, using the new proposal.

After analyzing all the evidence, the Fact Finder recommends that the Association's proposal be adopted. The increase will make East Detroit much more comparable to the surrounding districts in the area of retirement (severance). It will also act as a greater incentive for employees to remain in the district and it presents a nominal cost to the Board.

LONGEVITY

DISCUSSION AND RESOLUTION

The prior contract provided for longevity payments to be made pursuant to the following schedule:

6 years	$450.00
8	650.00
10	700.00
12	800.00
14	850.00
16	900.00
18	950.00
20	1,000.00

The Association seeks an increase of $100.00 at ea ch level. The Board proposes no change.

All the districts offered for comparison have contract provisions which deal with longevity payments. Board Exhibit 8 indicates that no other district offered for comparison, with the exception of Warren Woods, provides longevity payments that are superior in frequency and amount than those presently realized in East Detroit. The Association's evidence also shows that the longevity payments received in East Detroit are superior to those enjoyed by employees in the districts offered by the Association for comparison.

The Association maintains that the increase cost to the Board would equal $4,500.00. The Board maintains that the present longevity schedule is more than competitive with the other districts and should not be changed.

In light of the foregoing, the Fact Finder cannot recommend a change in this area. The longevity benefit received by employees in this unit is more than comparable to that received by employees in the comparison districts. The evidence does not support the Association's proposal.

HOSPITALIZATION COVERAGE - RIDERS AND OPTIONS

DISCUSSION AND RESOLUTION

The parties' respective offers appear in Appendix 1.

The Association is seeking in-hospital medical expenses and in-hospital consultation because "the administrators have it." The Association has introduced the medical benefits that exist in its comparison districts, but a comparison is impossible without further explanation.

The Board has introduced an exhibit showing the rising cost of hospitalization insurance.

The above is the total amount of evidence directed towards this issue. There were no benefit or cost analysis.

The Fact Finder will not make a recommendation on this issue because neither party has introduced sufficient evidence to support their respective proposals.

DENTAL PLAN

DISCUSSION AND RESOLUTION

The evidence indicates that the Association proposal as of November 13, 1975 was:

> "Effective January 1, 1976 the Board shall provide a dental insurance program with premiums not to exceed $12.00 per employee per month."

The Board's proposal as of November 13, 1975 was identical to the above.

At the hearing the Board stated that because of the time lag, it could not agree to making the dental plan effective on January 1, 1976.

The Association stated that it wants dental coverage equal to what the custodians are receiving and not as proposed above. Association Exhibit I states that the custodians have the following coverage:

> "Employees whose work day averages two (2) to three hours and fifty-nine minutes (3:59) per day will receive . . . . 25% coverage.
>
> "Employees whose work day averages four (4) to five hours and fifty-nine minutes (5:59) per day will receive . . . . 50% coverage.
>
> "Employees whose work day averages six (6) hours to eight (8) hours per day will receive . . . . 100% coverage."

Since both parties have argued upon the basic premise, i.e., there shall be a dental plan, the comparative evidence becomes irrelevant for it only shows which districts have dental plans and doesn't give details of the various plans.

The Association has stated that it wishes to procure Aetna Insurance Company's Comprehensive Insurance Plan 1. It further states the cost would be $898.70 per month.

The above is the total amount of evidence directed at this issue. There is nothing to guide the Fact Finder in deciding which proposal should be adopted or when the plan should become effective. Therefore, the Fact Finder is in the same position as he was on the last issue, he can make no recommendation.

LONG TERM DISABILITY

The Association's November 13, 1975 proposal sought a plan providing payment of 60% of current salary payable after six (6) months to age 65. The Board countered with a managed sick leave tied to an LTD program. (See Appendix 2)

At the hearing the Association indicated that it could not agree to a managed sick leave program. Thus, during negotiations, the Association withdrew its LTD proposal. However, the LTD issue was presented at the hearing.

The evidence shows LTD as a common benefit in the districts offered for comparison. In fact, 15 of the 29 districts have an LTD provision. The Association's proposal is very comparable when compared to the districts which have the details of their plans appearing in the evidence. However, the cost of the Association's proposal has not been presented.

The Fact Finder was inclined to recommend the adoption of the Association's proposal; however, the lack of cost data makes this impossible.

VACATION TABLE FOR 16 THROUGH 20 YEAR EMPLOYEES

DISCUSSION AND RESOLUTION

The prior contract provides the following vacation schedule for 52-week employees:

Years	Vacation Days
1st-5th	10
6th	11
7th	12
8th	13
9th	14
10th	15
11th	16
12th	17
13th	18
14th	19
15th	20

The Association seeks to add the following to the basic vacation schedule:

16th	21
17th	22
18th	23
19th	24
20th	25

The Association maintains that it is only seeking what the custodians have had since 1971-1972. However, it should be noted that intra-district comparisons are not universally accepted and that the classical comparisons are made between similar employees working for different but similar employers. Nevertheless, if weight is given to the Association's comparison, weight should also be given to the fact that administrators would receive less vacation time than the present unit if the Association's proposal was adopted.

The only classical comparisons that have been offered were presented by the Board. Its evidence shows that out of all of its comparison districts only 3 provide more than 20 days of vacation, Lake Shore provides 21 days at the 11-year level, while Utica and Van Dyle each provide 25 days at the 20-year level.

A study of the available evidence shows that the present vacation schedule compares very favorably with those in surrounding districts. Therefore, the Fact Finder recommends no change.

RETIREMENT AND SALARY SCHEDULE

DISCUSSION AND RESOLUTION

The last two issues have been combined because of their similarity.

The Association's proposal includes 5% paid retirement plus a 10% across-the-board increase to all employees of the bargaining unit.

The Board's position is 5% improvement to the existing salary schedule or 5% Board paid retirement.

The Association has introduced comparisons based on its chosen districts in the areas of secretary to superintendent, secretary to assistant superintendent, secretary to payroll, secretary to High School principal, secretary to Junior High principal, secretary to Elementary principal, library clerk and clerk/clerk typist. The following is a summary of that evidence:

Position	Ranking Begin Hourly	Ranking Max. Hourly
Secretary to Superintendent	3 (6)	3 (6)
Secretary to Assistant Superintendent	5 (7)	4 (8)
Secretary to Payroll	7 (8)	5 (8)
Secretary to High School Principal	8 (10)	5 (10)
Secretary to Junior High Principal	8 (10)	6 (10)
Secretary to Elementary Principal	7 (10)	5 (10)
Library Clerk	6 (9)	2 (9)
Clerk/Clerk Typist	7 (9)	1 (9)

Note: The numbers in parenthesis indicate the number of comparison districts including East Detroit. It also appears that 1975 East Detroit's figures are being compared to 1976 figures for the other districts with the exception of Roseville which is apparently unsettled.

The Board has also introduced comparisons based on its chosen districts. These were made based upon the entire secretarial salary schedule and the Elementary secretaries salary schedule. In both cases East Detroit was compared using 1974-1975 rates to districts with

1975-1976 rates. In both cases there were 19 comparison districts including East Detroit. A summary appears as follows:

	Min. Hourly	Max. Hourly	Board Offer Min. Hourly	Board Offer Max. Hourly
Secretarial Salary Schedule	6	1	5	1
Elementary Secretaries Salary Schedule	10	7	10	3

Of course, the Association also introduced the evidence illustrated under the previous heading of Ability to Pay. Further, the Association has introduced the usual consumer price index information for the Detroit Metropolitan Statistical Area. The increase in the cost of living is rather well known and will not specifically be analyzed.

The Association has calculated the costs of wage increases equally 5%, 10% and 15%. They appear as such:

5%	10%	15%
$24,066.33	$48,419.71	$75,751.77

The Association argues that historically it has been short-changed when compared to the other units. Further, it maintains that the smallest unit in the district should not be the only target for the Board's economy measures especially when the other units received Board paid retirement in 1974.

The Board argues that its economic situation is extremely gloomy. Further, it states that its 5% proposal is extremely fair, competitive and equitable. The Board further maintains that the increases received by the other units were arrived at in the context of multi-year agreements and thus in the latter years of the agreements the Board was locked into increases that had no reasonable relation to its economic status at the time the increase was realized by the various units.

Looking first at the Board's ability to pay, it becomes apparent that its financial situation leaves much to be desired. However, there is no universally accepted principal which envisions a bargaining unit, such as the present one, having to subsidize the operation of a school district. While the Board's financial situation must be considered, it cannot be controlling when dealing with the only unsettled unit in the district, especially when the unit represents the smallest budgetary wage cost of all the units.

The comparative evidence is moderately conflicting. It would have been very beneficial if historical rankings were introduced and thus establishing East Detroit's movement in the rank of districts offered.

Nevertheless, when the cost of living increase is examined along with the comparative evidence and ability to pay, the Fact Finder concludes that the Board's offer is lower than what is equitable under the circumstances.

However, the Association's proposal is overly inflated. A 15% increase is definitely not warranted by the evidence and in light of the evidence, cannot be considered realistic.

After much consideration, the Fact Finder recommends an increase of 6.5%. This figure can be realized as 5% paid retirement plus 1.5% across the board, or as a straight 6.5% increase in wage. Interpolating from the Association's data, this figure would represent a cost increase of approximately $31,300.00. Even in light of the Board's financial condition, the cost should not be disastrous.

Of course, the recommendation will increase the rankings of the unit in the various comparisons offered by the parties. Also, the increase will go a long way in maintaining the purchasing power of the unit employees in light of the staggering increase in the cost of living.

There is no doubt that the citizens of East Detroit have been doing a good job of supporting their school system. However, in light of the State's financial plight, the local citizenry must now assume a greater burden. No one likes the situation, but it exists.

CONCLUSION

The Fact Finder has carefully analyzed the evidence before formulating the above recommendations. It is believed that the recommendations can serve as the basis of settlement.

Mario Chiesa

MARIO CHIESA

Dated: March 25, 1976

APPENDIX 1

EAST DETROIT BOARD OF EDUCATION
E. D. E. S. A.
NEGOTIATIONS

ARTICLE XIV - INSURANCE

Current Contract

A. Hospitalization - Major Medical

The Board of Education shall pay the premium for hospital coverage for the member of E.D.E.S.A. who is head-of-the-household and his/her family, or those members not covered by a comparable hospitalization plan through their spouse and provide a carrier with insurance benefits comparable to Blue-Cross MVF - out-patient and lab. cost improvements-transplant-$50.00 deductible per family, or $25.00 for the un-married member.

After July 1, 1971 hospitalization insurance will be available for those who meet the above criteria and who are regularly scheduled to work in excess of 25 hours per week.

The Board shall not be required to provide hospitalization for an employee during extended periods of leave, except when the extended leave is due to the illness of the employee.

The selection of the carrier shall be by mutual agreement of the employer and representatives of all employee bargaining units.

Union Position - November 13, 1975

Add the following options:

Major Medical - 10/90 - Deductible - $25.00 unmarried
$50.00 family

Add the following riders:

Full Coverage in Intensive Care
Medical Emergency
Catastrophic (with $500 maximum per person per calendar year)
No limitation on out patient - Psychiatric
In Hospital Medical Expense - Reasonable and Customary
In Hospital Consultation - Reasonable and Customary

Board Position - November 13, 1975

Hospitalization improvement to include the following:

Full coverage for intensive care
Medical emergency
Catastrophic
Out-patient psychiatric
Major medical
Deductible $25 single; $50 family
90/10 co-insurance

APPENDIX 2

EAST DETROIT BOARD OF EDUCATION
E. D. E. S. A.
NEGOTIATIONS

NEW

Union Proposal - November 13, 1975

ARTICLE XIV - INSURANCE

F. Long Term Disability

A plan providing payment of 60% of current salary payable after six (6) months to age 65.

Board Position - November 13, 1975

F. Managed Sick Leave (L T D)

1. Sick leave may be used for bona fide incapacity to report for and discharge duties, to provide care for a member of the immediate family who is ill when no other immediate arrangements are possible, or for emergency visits to the doctor or clinic.

2. As of June 30, 1976, all employees with more than twelve (12) days accumulated sick leave will be frozen at their total accumulation.

3. Present employees with more than twelve (12) days accumulated sick leave may use their accumulated days in conjunction with the Managed Sick Leave Plan (13th and/or 14th day) provided that there is no re-insuring benefit available.

4. All full time employees with less than twelve (12) days leave will be credited with additional sick days to give a total of ten (10) days as of July 1, 1976. The Twelve (12) days will be non-accumulative.

5. All full time employees entering the system shall be credited with twelve (12) days sick leave (accumulating at the rate of one (1) day per month, but not to exceed twelve (12) days) and be eligible for the Managed Sick Leave Plan.

6. A "pool" of days shall be available for employee utilization during the possible days that they are not covered under the twelve (12) sick leave days granted. The pool shall be established by drawing off one (1) day per employee of the frozen accumulated sick leave of all employees covered under the Plan.

7. The Board shall provide to all full time employees Managed Sick Leave Program with benefits beginning on the 13th sick leave day (provided it is part of a three (3) consecutive day period of disability) at a rate of 70% of their contractual pay rate continuing to June 30th of the ensuing year. Benefits shall continue beyond the year at a rate of 60% of the employee's annual salary for the period of disability, but never beyond age sixty-five (65).