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STATE OF MICHIGAN  
EMPLOYMENT RELATIONS COMMISSION  
DETROIT OFFICEFACT FINDING REPORT

EASTERN MICHIGAN UNIVERSITY

April 18, 1990

-and-

MERC Case No. D89 F-1591

MICHIGAN COUNCIL 25, AFSCME  
Local Union No. 1666

A single issue is presented for fact-finding in this proceeding: the amount of a wage increase to be awarded to the bargaining unit pursuant to a wage reopening provision in Article XXVII of the 1988-1990 collective bargaining Agreement.

The Employer offers a wage increase of four percent, across the board, effective July 1, 1989. The Union demands an increase of, alternatively, six percent, effective July 1, 1989, or seven percent, effective August 17, 1989. (The Union characterizes the first demand as "retro" and the second demand as "no retro".)

In support of its offer, the Employer urges these reasons: the already superior economic position of this bargaining unit in relation to actual average wages paid in the local market and at other State universities; the Employer's need to contain wage costs in order to make critically needed educational program enhancements.

In support of its demand, the Union emphasizes these points: the University has increased the wages of its other employee groups, the closest comparable, for 1989-1990, by five percent or more; the four percent offered is less than the increase in the Consumer Price Index between December 1988 and November 1989 (4.1 percent, for the North Central Region; 4.9 percent, Detroit - Ann Arbor area).

None of the facts relied upon by either party is in dispute. The parties exchanged extensive data prior to the formal hearing, and to the degree that the Union did not have possession of the University's materials earlier, the Union was granted time, if needed, to review and respond to Employer exhibits. At the close of the hearing, the Union waived that right.

FF 4/18/90  
HSA

Eastern Michigan University

### DISCUSSION

At the outset, preliminary comment on the nature of a wage reopening provision will be helpful as a framework in which to examine the parties' arguments and supporting data. Generally, a wage reopener is intended to permit a later look at overall wage levels in relation to conditions that may have arisen from the time of execution of the Agreement. That is, the parties at their negotiations scrutinize and establish a wage structure for the included classifications and wage levels. Thereafter, a reopener provides an opportunity to adjust wages according to circumstances occurring during the elapsed period. The most common of the factors is cost of living.

Several considerations persuade me that neither the Employer's offer of four percent nor the Union's demand for six percent "retro" or seven percent "no retro" can be recommended. This Opinion will attempt to explain my reasons.

First, the alleged overall "superior" position of this bargaining unit's wages, according to the Employer's data, is but three-tenths of one percent. \* Such a small difference does not support the claim that these employees are so far ahead of the local and University market that an increase of more than four percent would place the University in an unfair and burdensome posture in relation to its comparable "competitors", namely, other State-funded universities.

More specifically, further evidence undermining the assertion of "superiority" is found in a comparison compiled by the Union that is based upon data submitted by both parties at the time of the hearing and not challenged. The Union ranked EMU wages, incorporating the four cent increase proffered by the Employer, of several of the larger classifications, in relation to the wages paid the same grades at other State schools. In the Custodian classification--the largest group in the unit--EMU ranks fifth of ten; Cooks, third of ten; Groundspersons, fifth of nine. Skilled tradespersons--electricians, painters, carpenters--would earn \$2.63 less per hour than like trades at the University of Michigan.

Second, the Employer's stated concern with the possible adverse impact of a larger-than-four-percent wage increase upon the University's ability to enhance its educational program is undermined by its having given at least five percent to all of its employees in this relevant time period. And, it awarded an even larger raise

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\*Employer Exhibit 6 shows this figure as "0.3%". Its Brief shows the figure as ".03%" (page 6).

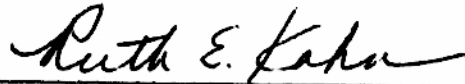
to some of its faculty. The latter could be deemed enhancement of its educational purpose, and hence, to that extent, some "enhancement" has already occurred.

Absent demonstration of an emergency with respect to its ability to conduct its academic program -- and such evidence is not present in this record -- I find no basis to justify at this time an increase lower than that afforded to other groups of employees of the University based upon an asserted need for the University now to turn its attention to its larger role.

Finally, the most persuasive reason to reject the Employer's offer and to recommend a figure less than that sought by the Union is found in the cost of living data. A four percent increase would not remedy the loss of purchasing power that has occurred in this geographical area since the beginning of the term of this Agreement. And, on the other side, the Union's demand for six (or seven, with "no retro") exceeds the increase in the cost of living. Also, the Union's demand appears in part to be directed toward an effort to remedy what the Union perceives to be an inequitable position of the skilled trades. An across-the-board increase at the occasion of a wage reopener is not the rational solution for this perceived problem. The cost of living has risen by more than four percent. Hence, a five percent wage increase, particularly considering that it is paid some ten months after the reopening date, redresses the erosion of this bargaining unit's wages.

#### RECOMMENDATION

The Fact Finder's recommendation to the parties is that a five percent increase in the wages of the Local 1666 bargaining unit is both equitable and consistent with the evidentiary record. The effective date of this increase should be July 1, 1989.



Ruth E. Kahn, Fact Finder

#### Case Data:

Fact-finder appointed:	January 3, 1990
Pre-hearing Conference:	January 23, 1990
Hearing:	March 7, 1990
Post-Hearing Briefs Exchanged:	April 6, 1990