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STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICE
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF FACT FINDING
BETWEEN

BEAVERTON RURAL SCHOOLS,)	MERC Case No:
)	L06 B-3009
the District,)	
)	
-and-)	FACT FINDING REPORT
)	AND RECOMMENDATIONS
)	
BEAVERTON EDUCATIONAL SUPPORT)	
PERSONNEL ASSOCIATION, MEA,)	
)	
the Association,)	
)	
Re: Fact Finding for 2006 Agreement))	
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Appearances:

For BESPAs:

Mr. Fred B. Baker,
UniServ Director

Ms. Candy Fisher,
BESPA President

Mr. Rodrigo Barassi,
UniServ Trainee
(January 25, 2007 only)

Ms. Shawnde Workman,
BESPA Member
(March 15, 2007 only)

For the District:

Mr. Tom Basil,
Consultant

Ms. Joan L. Cashin
Superintendent

Ms. Barb Woodruff,
Business Manager

Mr. Bill Johnston,
Board Member
(January 25, 2007 only)

FACT FINDER'S REPORT, FINDINGS OF FACT,
CONCLUSIONS AND RECOMMENDATIONS

STATEMENT OF PROCEDURE

Pursuant to Petition for Fact Finding dated August 30, 2006, I was appointed by the letter dated November 8, 2006, and received by me on November 20, 2006, from MERC Commission Member Nino E. Green advising me that I had been selected as Fact Finder for the parties in the above-reference case. The dispute involves the negotiation of a new collective bargaining agreement between the parties for the previous agreement that had expired

on June 30, 2006. The parties have not been able to reach an agreement on the new contract.

By letter dated November 22, 2006, I contacted the representatives to schedule a teleconference to discuss the matter. This teleconference took place on January 12, 2007, wherein the parties' representatives and I discussed the areas of agreement and disagreement between the parties and the scheduling of the hearing in this matter. We agreed to set the hearing for January 25, 2007, at the District's administrative offices in Beaverton, Michigan. In both the pre-hearing discussions and at the time of the hearing BESPA offered to agree that the Fact Finding Report would become binding between the parties and be adopted as a part of the collective agreement. On both occasions the District declined to enter into such a stipulation.

The parties met at 10:00 a.m., on January 25, 2007, in Beaverton, Michigan to permit each party to present its facts, evidence and witnesses and examine the facts, evidence and witnesses submitted by the other side. We were unable to conclude the matter that day. The parties agreed to meet for a second day of hearing on March 15, 2007, in the same location. At the second day of hearing each side was able to conclude its presentation and comment upon the presentation of the other side. At the conclusion of the hearing each side made closing oral arguments to me. The matter was submitted to me that day for my findings of fact and recommendations.

STATEMENT OF THE CASE

The Beaverton Rural Schools (District) constitutes an irregular shaped K-12 public school district located primarily in southern and eastern Gladwin County. In the fall of 2006 it had 1,482 students in its system. This compared with 1,563 students in the fall of 2005 and 1,670 students in the fall of 2004. District Exhibit 2. In the fall of 2006 there were 185 employees of the District, 90 of who were in the teacher bargaining unit and 81 in the bargaining unit represented by the Beaverton Education Support Personnel Association, MEA-NEA (BESPA) involved in this proceeding. The total staff of the District has shrunk from 246 employees in 2000-01 to the 185 employees this year. The bargaining unit represented by BESPA has similarly shrunk from 110 in 2000-01, to 108 in 2001-02, to 105 in 2002-03, to 87 in 2003-04, to 81 in 2004-05, then grew slightly to 86 in 2005-06, and then was reduced again to 81 this year. District Exhibit 13. BESPA reports that the corresponding reduction in the teachers' unit went from 116 in 2001-02, 113 in 2002-03, 105 in 2003-04, 100 in 2004-05, to 93 in 2005-06. Tab labeled ``Beaverton Cuts'' in BESPA Fact Finding Binder.

As of August 30, 2006, the District noted that the 83 employees in the BESPAs bargaining unit consisted of six playground aides, ten food service workers, eleven custodians, four maintenance workers, one mechanic IV, one mechanic V, twenty-six paraprofessionals, five secretaries and nineteen bus drivers. District Exhibit 16. [The total number of BESPAs represented employees varies slightly from exhibit to exhibit depending upon when the snap-shot of the unit is taken. I find this variation inconsequential to my fact-finding and report the different number set forth on each respective exhibit mentioned.] The seniority of these employees range from the most senior with dates in September of 1971 to the most junior hired in October of 2006. The median seniority date is in early 1996. Only three employees have seniority dates in 2006, four in 2005, two in 2004 and one in 2003. Exhibit - Non-Certified Seniority List of October 2, 2006.

The parties' most recent bargaining agreement was effective from July 1, 2004 and expired on June 30, 2006. Joint Exhibit 1. This was the latest in a series of two year agreements between the parties over the last several years. The teachers' unit also typically has had two year agreements. The teachers' contracts have traditionally been negotiated on the odd years, with BESPAs and the District negotiating in the even years. The current teacher agreement is set to expire on June 30, 2007.

The bargain for the new agreement for 2006-07 school year began on February 1, 2006, when BESPAs representative, Mr. Fred P. Baker, Executive Director of the 12-B Coordinating Council of the MEA, sent the District a request to begin bargaining. Ms. Joan L. Cashin, the Superintendent of the District, responded by letter dated February 22, 2006, proposing that bargaining begin in April of 2006. MERC was duly notified on February 2, 2006, that negotiations were contemplated. MERC on March 3, 2006, acknowledged this notification and advised the parties that Mr. Thomas E. Kreis had been appointed the mediator of the matter. Bargaining Prep-Correspondence Tab, BESPAs Fact Finding Binder.

Thereafter, the parties met on April 27, 2006, for their initial bargaining session. The parties met for a second time on June 15, 2006. The third, fourth and fifth meeting were held on June 27, June 30 and July 25, 2006, respectively. Bargaining Session Summaries Tab, BESPAs Binder. At that time BESPAs called in the mediator to see if he could assist the parties in resolving the matter. One mediation session was held and apparently a second proposed session was cancelled. On August 30, 2006, BESPAs filed its petition for this fact finding which was acknowledged by the District the following day. Petition for Fact Finding, dated August 30, 2006. In due course I was

appointed the Fact Finder and the procedures set forth above occurred.

FINDINGS OF FACT AND CONCLUSIONS ON ALL MATERIAL ISSUES

I will set forth in this portion of the Report my findings of fact and conclusions on the material issues remaining between the parties as well as an explanation of my reasons for my recommendations in this regard. I note first for the record, however, that during this process the parties were able to resolve between themselves several of the issues that were outstanding at the beginning of this process. As a result the parties were able to reach agreement on various provisions in Articles 7, 9, 11, 12 and 14 that had been in dispute at the start of this fact finding. The parties are to be commended for their cooperation and good faith in these ongoing negotiations. I now turn to the remaining issues between the parties.

Article Eight - Layoffs

BESPA purposes that the third sentence of the first paragraph of Section A of Article 8 be eliminated and a new sentence added at the end of that paragraph. The current provision reads:

When layoffs are made, those with the shortest length of service in that classification affected will be laid off first, starting with probationary employees. An employee who gains seniority in more than one (1) classification may exercise his/her seniority rights in their former classification if laid off. However, such move may only occur during the first two years of employment in the ``new'' classification and the employee may only bump the lowest seniority employee in his/her former classification. A fifteen (15) working day notice will be given to any employee who is to be laid off.

The third sentence [However, such move may only occur during the first two years of employment in the ``new'' classification and the employee may only bump the lowest seniority employee in his/her former classification] is sought to be eliminated by BESPA because of the fear that future layoffs are to occur. In that event BESPA feels that existing bargaining unit members with seniority in other job classifications should be able to use that classification seniority indefinitely in the case of layoffs. During discussions over the possible elimination of this sentence

the District did not seem to object to it except for reasons of bookkeeping convenience. The parties had already mutually agreed, apparently in 2004, to this concept and had prepared a seniority list by classification with a column entitled ``Seniority Previous Classification 7/99 Forward.'' This was presented at the fact finding process hearing and is incorporated by me herein.

BESPA then offered to add a sentence at the end of the first paragraph that would provide:

``Seniority is established according to the list put together between the parties, dated 2004 [sic - October 2, 2006] and recognizing seniority established by July 1999.''

While I think that the parties can improve upon this language to make it more clear, I believe that there is no disagreement between the parties that an employee who is laid off after this date should be able to assert any classification seniority that he/she may have in another classification so long as that classification seniority was earned and recognized by the parties as of or after July of 1999. For instance, if K Sperry, who has classification seniority of August 2, 2004, in the custodial job classification, should be laid off that employee should be able to assert classification seniority as a bus driver since the employee has classification seniority in that category from September 10, 1996. I believe that the parties are in agreement of this aspect of classification seniority and that they should agree to formalize in the new agreement the changes noted above.

A second change in Article Eight that is proposed by BESPA is a modification in Section D that would extend the period of rehire from lay off to thirty-six months from its present twenty-four month limitation. The District notes that it has tried not to lay any employees off during the recent past, deciding instead to reduce the work force through attrition if at all possible. BESPA did not dispute this fact at the hearing. I understand the concern of BESPA that in these times of shrinking enrollments, decreased budgets and general financial uncertainties an extra twelve months of recall rights could be a valuable benefit. But this benefit must be weighed against the administrative cost of trying to keep abreast of a laid off employee's current location and availability to work.

For comparison purposes I note that of the eight collective bargaining agreements BESPA provided to me as comparables five of the agreements have the period of recall rights from layoff as twenty-four months. Meridian, Art. XXI, Para. P; Houghton, Art. XIII, Para. B.7.; Harrison, Art. XIV, Para. J.; Gladwin, Art.

VIII, Para. H.5.; and Coleman, Art. XV, Para. K. In two of the compared agreements the period of recall last for the length of service, which in most cases would probably not be more than two years, and often could be much less. Clare, Art. 4, Para. 4.3, and Bullock Creek, Art. VIII, Para. E(6). Only in one contract could the time of recall extend as far as four years, but in that case it was also limited to the time of service if that was less than four years. Farwell, Art. VII, Para. D. Suffice to say, BESPAs did not establish either a significant reason to need the twelve month extension or comparable contracts in other districts to establish a thirty-six month as the norm in the area. My finding and recommendation in this regard is that the parties continue with their agreement as it is with a limit of twenty-four months for recall rights.

Article Nine - J.7 [New}

BESPA requests that a new part 7 be added to Paragraph J of Article Nine that would provide:

During the school year if a bus route's mileage goes up three (3) pay brackets (15 miles), it will be put back up for bid on a seniority basis after ten (10) working days. This will not include road closure notices from the County Road Commission.

BESPA explained the necessity of this purposed addition to the contract because on occasion a lower seniority driver is able to make more money than a senior driver due to a change in the schedule due to some additional requirement to take a student or students to a distant location that was not known at the start of the school year. The District counters that the routes are already put up for bid on an annual basis pursuant to Paragraph 1 and that can be expanded to a winter break second route bidding in the event of retirement or quitting of one of the other drivers. The District is concerned that students need to know the drivers that take them to and from school and that there is a degree of certainty in a regular driver on the same route during the course of the school year.

While instances of the three pay bracket increase do not appear to happen often, I do understand drivers' concern that someone with less seniority may make more money than a more senior driver. But I find that the ability of the drivers to re-bid the positions annually and sometimes at the winter break alleviates any such injustice and limits it to a brief period of time in those few instances when this may occur. I find that the reasons given by the District to have driver continuity are relevant in that the drivers will know the students on the bus.

The children and parents will also have a degree of certainty in who is driving the bus. I find that there is no convincing reason why this proposal should be added to the agreement.

Articles Ten and Twelve - Fifteen Minute Increments

BESPA seeks to amend the two provisions in the current agreement in Paragraph B of Article Ten and Paragraph D of Article Twelve that restrict the use of personal days and sick leaves to increments no smaller than one hour on any occasion. BESPA proposed at the bargaining table that these limitations be reduced to a minimum of 15 minutes at the employee's election. During the course of the fact finding BESPA suggested that a one-half hour limitation would also be acceptable to its membership. The District response is that such a limitation is unneeded since on an occasion of such little time off a supervisor may, in fact, just permit the employee to come in a little late or leave a little early without the formalization of such time off. Moreover, the District is concerned that such a small period of time will increase its bookkeeping requirements as well as prove an inconvenience in trying to have someone cover for the absent employee for such a brief period of time.

I find that BESPA has not made a sufficient case to modify the already short period of one hour to even a shorter period of only fifteen or thirty minutes. I am familiar with many contracts that require at least a half day or even a full day of absence in order to charge the appropriate employee leave account. I note that in the contracts provided me by BESPA most of the agreements do not appear to address this issue. One contract (Harrison, Art. VII, Para. C) does contain a half-hour minimum. A second contract does contain the one hour minimum as set forth in the instant agreement, but it provides that this cannot be done more than six times a year. Farwell, Art. XII, Para. F. A third contract provides that leaves may be taken in full day or half day increments. Clare, Art. 10, Para. 10.1. The rest of the contracts do not appear to contain any notation as to time, although my quick perusal may have missed a clause or two. I find that the one hour limitation without a greater presentation by BESPA as to why it should be limited even further seems to be reasonable in a bargaining unit such as this. I find that the limitation should remain at the one hour minimum.

Article Eleven - Holidays

I note in the Summary of Bargaining Position submitted by BESPA in one of its binders that it has a proposal of the addition of the Friday before Labor Day as an additional paid

holiday. While I do not have that notation crossed-out, as I do for several of the proposals agreed to by the parties during the course of this fact finding, I do not find any reference to this request in my notes of the proceedings and do not independently recall a discussion in this regard. I am not sure whether the parties reached agreement on this issue or whether it remains on the bargaining table.

In the absence of any facts concerning the addition of the Friday before Labor Day as an additional paid holiday, I refer the matter back to the parties for their consideration. I do observe, however, that in only one contract (Coleman, Art. XXII, Para. D) do the parties agree to provide the Friday before Labor Day as a holiday and this is only for those workers in the Custodial/Maintenance classification. I did observe, however, that several of the contracts did provide for one or two more holidays than the eight and seven holidays BESPA and the District provide in this contract for the BESPA represented employees. Whether an additional holiday is warranted is a cost item that the District has calculated to cost between \$6,700 to \$6,800 a year. District Exhibit 16.

Article 12 - Rate of Reimbursement for Unused Sick Leave

BESPA has requested that the current 30% rate of annual reimbursement of unused sick leave once an employee has reached the maximum bank of sick leave or upon retirement be increased to 40%. The language of the parties in Article Twelve, Paragraph B, of the current agreement provides:

Upon retirement, all employees shall be paid 30% for all unused sick days to a maximum of hours equivalent to 180 days for full-time and a maximum of hours equivalent to 90 days for part-time employees. Once the employee has reached his/her maximum bank of sick leave they will be paid annually for any unused sick leave above the stated limit at the 30% rate.

It was noted that in the teachers' bargaining unit the rate of reimbursement was 30% of substitutes' compensation. There was not extensive discussion of the parties as to the need for the increase, except as it is considered part of an increase in the compensation package provided the employees. The comparable contracts indicate a wide variation from one district (Meridian) that does not appear to include any such language in its agreement on payment of unused sick leave to one (Harrison, Art. VII, Para. F) that pays 75% of up to 95 days of unused sick leave for employees who retire with at least 18 years of service. A number of the districts pay \$15 to \$22 per day of unused sick

leave, some with caps on the number of days (35 days in the case of Gladwin, but at a 75% rate of the Step 1 pay rate - Art. XVIII, Para. A.3). Another district pays only 20% of the daily rate, but with no cap on the number of days (Coleman, Art. XIX, Para. A).

Based upon this record I do not find that an increase from 30% to 40% is warranted as a requirement to keep the District employees current with those employees in other districts. In light of the fact that this request of BESPAs is monetary in nature I find it more appropriate to address the issue in my discussion of a rate of increase in pay discussed later in this report. The increased in cost in this area only exacerbates the economic picture faced by the parties in any increase in wages or benefits.

Duration of the Agreement - One year or Two

The penultimate issue to discuss, and also the second most important issue to decide, is the length of the new agreement. BESPAs desires to have a two year agreement as it has had in the past, as well as what the teachers' bargaining unit in the District also enjoys (although it expires this June 30th). The District only wants a one year agreement. The District denies that the purpose of moving from a two year agreement to a one year agreement has anything to do with a strategy of negotiating both the BESPAs and the teachers' agreement at the same time. It relies solely upon the uncertain financial status of the State of Michigan, as well as its own, to justify the one year limitation.

In many respects this issue has become moot over the period of time from when these negotiations began in April of 2006 and the issuance of this Fact Finding Report, now in the middle of April of 2007. The school year has less than two and one-half months to go, it would appear to be too late for any reduction in state funding for this year and the revenue stream of the District for this year appears to be nearly complete, or at least within eyesight. The good news is that the light at the end of the tunnel is actually daylight and not a train coming at the parties. But upon completion of this year the parties will enter into another tunnel of uncertainty.

The State of Michigan as of this writing has a deficit projected from between \$600 million to over \$900 million with no real prospects of how the deficit is to be met. Some of the politicians urge a cut in the state support of public education while others assert that this will not be done. It would be foolhardy to predict how this will be resolved. But I am satisfied that since this school year is almost over it will not

be a hardship upon the District to negotiate a two year agreement with BESPAs retroactive to July 1, 2006. The District will begin bargaining with its teachers' bargaining unit in the near future, if it has not already done so. I find it is in the best interests of all involved, the District, BESPAs, the public, and the parents and students to resolve this matter and put to bed the BESPAs contract as soon as possible so that the District can turn to resolving that agreement with the teachers. I find that based upon this record, and the financial information discussed below, a two year agreement for the period of time between July 1, 2006 and June 30, 2008 is the more appropriate way to proceed with this matter. It provides certainty to the parties with a limited and acceptable degree of financial risk to the District.

Wage Increase

The last part of this puzzle involves the parties' respective proposals for a wage increase for the BESPAs bargaining unit members. The District has proposed a one percent increase for the 2006-07 school year. It has made no proposal for the 2007-08 year since it sought only a one year agreement. BESPAs has proposed what it calls as a two percent increase for the 2006-07 school year and a twenty-five cent per hour increase for each classification for the 2007-08 school year, with a caveat that if state funding is reduced it will reduce the amount of the increase proportionally with the amount of any reduction in state funding. The details of this proposal are set forth in the Table Positions-Wages provided by BESPAs at the hearing and found at the last page of the materials found in the tab entitled Detailed Table Positions contained in the binder submitted by BESPAs at the hearings. I incorporate that chart herein by this reference.

For the purpose of discussion, however, I will refer to this proposal as a two percent increase since this is how the parties label it in bargaining and at the fact finding hearings. In summary, then, the parties' positions are that BESPAs seeks a two percent increase across the board for the 2006-07 school year and a twenty-five cent per hour increase across all of the classifications for the 2007-08 school year, while the District is agreeable to only a one percent increase for 2006-07 and has no proposal for 2007-08.

The parties disagree only slightly as to the comparable school districts to be used for comparison purposed. BESPAs submits that I look to those districts in the Jack Pine Conference for athletic competition. These districts include Clare, Harrison, Meridian, Roscommon, Houghton Lake, Gladwin and Farwell. BESPAs adds to these districts Bullock Creek and Coleman as districts in close proximity to this District. The District

feels that only contiguous districts should be used for comparison purposes and would exclude Harrison, Houghton Lake, Farwell, Bullock Creek and Roscommon from the mix. The District would add to the comparable group Pinconning, Standish, Sterling, West Branch and Rose City. District Exhibit 1.

Each of the parties submitted extensive evidence as to the comparables between the District and their respective comparison districts. I did not find a comparison of the District's wages with those of the other districts particularly helpful because of the wide variation of how compensation is paid by the various districts. BEPSA and the District have established wages based upon a set hourly basis, except for bus drivers who are paid on a mileage basis. All employees in the same classification receive the same hourly pay.

The comparable districts submitted by BEPSA, however, all have step increases based upon the number of years in the classification. Some of the districts increase wages in each classification for only three years, while others extend the classification step increase to ten or as much as twenty years. Thus, it is hard to compare a Paraprofessional in BEPSA with twenty years on the job with other district's Paraprofessionals with equal length of service when the Paraprofessional in the BEPSA unit with only one year of experience receives the same hourly wage as the person with twenty years. This is not to criticize the equality of treatment of the BEPSA contract of employees with different lengths of service in the same classification since they all do similar work. It is reasonable that all employees who do the same work should receive the same compensation. But it is hard to compare a food service worker in the BEPSA unit who has twenty-six years of service with one who has less than one year of service and at the same time compare that person with employees in other districts who are paid for food service work at different pay levels based upon years of service.

It is a disservice to the experienced BEPSA employee with twenty years of service to compare her with an employee in another district who is at the first step of the pay scale for food service employees. Similarly, it would not be fair to the District to compare only those persons at the top of the pay steps in the respective classifications with entry level employees in the District who may have just begun as food service employees, paraprofessionals or in other classifications.

But my inquiry need not resolve this pay step comparison quagmire since I find that the eminently fair proposal of BEPSA to seek only an approximate two percent increase this year and only a twenty-five cent per hour increase for all but the bus

drivers the second year, together with a one dollar per category increase for the bus drivers that year. I note that this request of BESPA for the 2007-08 year is identical with what the parties agreed to do for the 2005-06 school year in the last contract. See Pages 21 and 22 of the 2004-06 agreement between the parties.

The parties spent much time presenting their respective positions of whether the District had sufficient funds to pay the requested increases of BESPA. BESPA suggested that the District could use a portion of its General Fund Balance (GFB) to pay the requested increases. It also suggested that the District could go to the voters and seek to bond capital improvements, instead of using the GFB thus saving it for improvement in salaries. The District countered in that it needed to maintain the GFB at a significant level in case of emergencies such as a state reduction in student funding. The District noted that its GFB had been reduced from \$1,946,096 (15.2% of budget) in 2004-05 to \$1,656,534 (13.6% of budget) in 2005-06 and then to \$1,429,018 (11.2% of budget) in 2006-07. It argued that this fund balance was not excessive. It also noted that it had failed in 2000 to convince the public to permit a ½ mill increase when it was voted down and that the District was reluctant to go to the voters for an increase at this time.

The parties both presented numerous charts and graphs each arguing that their respective proposals were appropriate. BEPSA argued that the administrators of the District were relatively well paid as compared to other districts, while the BESPA work force was toward the bottom of the comparables in nearly every job classification. The District on the other hand argued through its charts that when salary rates are compared at appropriate step levels the BESPA employees are not as poorly paid as BESPA argues. I find that both sides make valid points on compensation and the ability to pay the requested increases, while each also overstates their respective cases in certain respects. The important fact to me, however, is that the difference in actual money is very small when the actual financials of the proposals of each side are compared.

I should first note for the parties that BESPA's proposal of two percent is actually two percent of the highest paid employee in the bargaining unit, the Mechanic V. That classification was paid \$17.32 in the 2005-06 school year. A two percent increase for this classification would be a little more than 34 cents per hour. However, for the lowest paid classification of Playground Aides, who were paid \$10.12 an hour for the 2005-06 year, a 34 cent increase actually represents nearly a 3.36 percent increase. So to actually figure what a two percent raise would be over the entire per hour wage scheduled contained in the 2005-06 school year the average of the eight hourly classification needs to be

determined.

The eight classification rates (excluding the bus drivers who are paid on a daily mileage basis) are:

Playground Aides	10.12
Food Service	10.57
Paraprofessional	10.63
Custodian	11.15
Secretary	12.59
Maintenance	12.82
Mechanic IV	15.40
Mechanic V	17.32

The average of these eight hourly rates is \$12.575. A thirty-four cent per hour increase for this average rate represents an actual increase of a 2.70 percent. But it must be considered further that there is only one employee in each of the two top paid classifications of Mechanic IV and Mechanic V. Fifty-three of the sixty-four employees in these eight classifications work in the four classifications in the bottom half of the pay scale. This effectively lowers the weighted salary scale even further. To provide a thirty-four cent per hour increase across all of the pay classifications would effectively provide the bargaining unit with an increase not of two percent, but 2.7% average increase with most of the employees receiving even a higher percentage increase.

Instead, a twenty-five cent per hour increase would better reflect a two percent increase across the salary schedule with the vast majority of the bargaining unit receiving a higher percentage increase than two percent. The following chart helps illustrate this:

Number of Ees	Job Classification	Current wage	\$.25/hour % increase
6	Playground Aides	10.12	2.47%
10	Food Service	10.57	2.37%
26	Paraprofessional	10.63	2.35%
11	Custodian	11.15	2.24%
5	Secretary	12.59	1.99%
4	Maintenance	12.82	1.95%
1	Mechanic IV	15.40	1.62%
1	Mechanic V	17.32	1.44%

As it turns out this figure of a \$.25 hour increase is the identical increase received by BESPA members for the 2005-06 school year and what BESPA suggests to be the appropriate increase for the 2007-08 school year. Accordingly, I find that

an increase of \$.25 an hour, instead of the \$.34 suggested by BESPA, is more appropriate for the 2006-07 year.

The question then becomes whether the District has the financial resources to pay such an increase without placing it in economic danger. I find that it does.

A good place to start this discussion is the chart that the District prepared on August 30, 2006, of the cost analysis of the BESPA proposals and its own proposal of a one percent increase. District Exhibit 16. At one percent the District calculated its one percent to cost it \$13,202.10 in wage increase and \$1,009.96 in increased FICA contributions. It also included a figure of \$20,629.11 for increased retirement contributions, but it was established at the hearing that about \$18,000 of this amount was attributed to an increase in the State of Michigan's contribution requirement and not collective bargaining. In order to keep the comparisons consistent I will only use the wage and FICA calculations.

The District had calculated BESPA's proposal of thirty-four cents an hour to cost it an additional \$38,296.90 in wages and \$2929.71 in FICA. As discussed above, however, such an increase would actually be a 2.7 percent increase across the average hourly rate of \$12.575. My finding of a more appropriate increase of twenty-five cents per hour, which is closer to an average of two percent, is nearly double of what the District proposed or an increase of \$26,404.20 in wages and \$2019.92 in FICA increases. Under this scenario the parties are only \$13,202.10 apart in wages and \$1,009.96 in FICA increases. This total of \$14,212.06 between the two proposals is certainly something that the District can afford without difficulty while still being fair to the employees represented by BESPA in these times of shrinking enrollments and limited funds. The District has sufficient resources to permit it to make this moderate increase.

I am satisfied that a similar increase of \$.25 cents per hour for the 2007-08 school year is something that the District can afford as well. This, of course, will mean that the employees represented by BESPA will receive the same increase for this year and next that they received the last school year of agreement that expired on June 30, 2006. But I find that this modest increase is appropriate as long as the enrollment of the District continues to decline and the funding from the State of Michigan is problematic because of the state budget. Only after enrollment levels off, or starts to increase, and the state begins to recover economically will it be prudent to discuss further increases.

The District is be commended for its strict monitoring of its resources and desire to "pay as it goes" and not mortgage its future on its current expenditures. Several school districts have done so and are now in serious trouble. But at the same time there has to be enough flexibility in the budget to permit small increases to the employees represented by BESPAs to help offset some of the reduction in their real spending power reduced by inflation. I believe that my findings and recommendations walk this tight rope with the interest of both parties in mind.

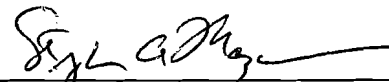
RECOMMENDATIONS

Based upon the findings of facts and conclusions on all the material issue presented to me in this fact finding hearing I recommend as follows:

1. The parties continue the status quo of their past collective bargaining agreement as to the contractual language that remains in dispute, except for the items noted above.
2. The parties should agree to a two year collective bargaining agreement for the 2006-07 and 2007-08 school years commencing on July 1, 2006 and expiring on June 30, 2008.
3. The parties should increase all of the wage classification hourly rates by the sum of \$.25 per hour for the 2006-07 school year, and an additional \$.25 per hour increase for the 2007-08 school year, with corresponding increases for the daily mileage rates for the employees in the bus driver classification. These sums for the 2006-07 school year should be paid retroactive to July 1, 2006.

Dated: April 17, 2007

Respectfully submitted,



Stephen A. Mazurak,
Fact Finder