IN THE MATTER OF FACT-FINDING

BETWEEN

TEAMSTERS LOCAL 957

AND

WRIGHT STATE UNIVERSITY

BEFORE: Robert G. Stein

FACT-FINDING: CASE # 03-MED-09-0851

PRINCIPAL ADVOCATE FOR THE UNION:

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INTRODUCTION

The bargaining unit is comprised of approximately 170 full-time and regularly scheduled part-time employees who are employed at Wright State University ("University" or "Employer"). There is a well-established bargaining relationship between the University and the Union. Teamsters Local 957 ("Union" or "Local 957") has negotiated three contracts with the University and its predecessor, Teamsters Local 450, who represented the same employees, negotiated three contracts. The bargaining unit contains a variety of maintenance and operational classifications (79 in all). A large segment of the bargaining units, some 34 employees who hold the classifications, are employed in the custodial area. The University has an enrollment of approximately 17,000 undergraduate and graduate students on two campuses. The bargaining relationship is one of the oldest among Ohio state universities. Under competent administrative leadership, the University is well managed and has survived remarkably well in spite of declining revenue from the State of Ohio during the past several years. In addition to Local 957, the University has collective bargaining relationships with a Dispatcher's unit and with its faculty represented by the AAUP. The contract with the AAUP expires on June 30, 2005.

The parties have been negotiating for a considerable period of time. The Collective Bargaining Agreement expired in November of 2003, and since the Fall of 2003 the parties have held thirty-five (35) negotiating sessions and three (3) mediation sessions with an FMCS mediator. After this extended period of bargaining, the parties have reduced their differences to four (4) issues.

Advocates of both parties clearly articulated the position of their clients, along with providing supportive data and testimony on the issues in dispute: parking, wages, shift differential, and duration. In order to expedite the issuance of this report, the Fact-finder will provide a summary of his rationale on all issues followed by detailed recommendations for resolution of each issue. In addition, the Fact-finder will summarize the position of each party and reference each party's Position Statement for those who seek greater detail.

CRITERIA

OHIO REVISED CODE

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C)(4)(E) establishes the criteria to be considered for fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

These criteria are limited in their utility, given the lack of statutory direction in assigning each relative weight. Nevertheless, they provide the basis upon which the following recommendations are made:

OVERALL RATIONALE FOR RECOMMENDATIONS

The University and its faculty are in the midst of uncertain financial times. State support for higher education is a major source of this uncertainty, causing in recent years academic institutions such as Wright State University to initiate a series of tuition increases. Fortunately, enrollment at the University has increased in spite of these tuition hikes. However, reason would dictate that continuing to increase tuition will at some point cause enrollment to level off or decline. That threshold point is a matter of speculation. However, in advance of having to deal with a financial crisis, it is reasonable to expect the University to be prudent in its expenditures and in projected costs of doing business.

While the University understandably must take some steps to be more cautious in it expenditures, there remain inequities in salaries among certain classifications of employees that need to be addressed. The parties do not disagree that there are classifications of employees who are below the market rate. Employers and employees both suffer when wages are markedly below average. Employees are working below acceptable wage standards, while morale suffers and turnover creates other types of costs for an employer.

There is hope that Ohio is beginning to recover from the economic downturn that began at the end of 2000. Nationally there appears to be growing evidence of an economic recovery, according to the most recent job creation reports, profit reports, retail sale reports, and confidence displayed by the Federal Reserve in continuing to raise interest rates to keep the recovering inflation in check. However, many people contend that Ohio is far from "out of the woods" economically, and for several reasons take the position that things may still get worse before they get better. However, as with most economic predictions, we simply don't know what form of economic recovery will manifest itself in Ohio in the future.

The new state biennium budget begins on July 1, 2005, and there is an anxiety about projected shortfalls in revenue versus current and projected expenditures. The figures being reported are in the neighborhood of a three to five billion dollar shortfall. Additionally, the temporary 1% state sales tax is scheduled to expire on June 30, 2005, which if not renewed or extended, will present even greater economic challenges to the state legislature and to the governor. Moreover, the K through 12 school funding dilemma remains a problem. Many of the state's unions will begin negotiating new collective bargaining agreements in late 2005 and early 2006, as well as a myriad of other competing demands for state expenditures, not the least of which is a major commitment to Medicaid funding.

Given all of these concerns, a state university must continue to provide quality educational services to its constituents and must find a way to recruit and retain excellent employees who have dedicated years of service to the University.

Issue 1 Articles 12 Parking

The current parking rate for all employees at the University is $90 per year. This rate was in effect during the last contract period and has not been increased for 2004 or 2005. The successor agreement for which this fact-finding is rendered will expire on November 29, 2006. In essence, what the parties are disagreeing over at this point in time is the rate of increase for the remaining months of the Collective Bargaining Agreement.

It was during the last contract negotiations that the parties agreed upon a cost cap for parking at $100 per year. However, the University has kept the cost of parking the same for the past twelve (12) years. It never raised the parking cost to the agreed upon cap. The Union is willing to allow the cap to rise to $110 or ten percent (10%) above the current cap of $100, and twenty-two percent (22%) above the current rate of $90 dollars per year. The University wants to eliminate the cap even though it just agreed to put a cap in place in the last round of negotiations.

Given the remaining months of a successor agreement, the bargaining history of the parties, and the position of the Union to raise the cap by a significant percentage, the Union has a more reasonable position regarding this issue.

Recommendation

Article 12, Section 13

Section 13. Parking. Bargaining unit employees shall pay for parking at the same rates as other University classified employees; however, in no event shall bargaining unit employees pay more than **one-hundred and ten dollars ($110)** per year for parking during the life of this Agreement.

Issues 2, 3, 4 Shift Differentials, Wages, and Duration

The shift differential for employees in the bargaining unit is currently thirty-five cents (.35) per hour. This is the same rate that is paid to other shift employees at the University. There was insufficient evidence to justify an increase in shift differential during the remaining period of the successor agreement, particularly when wages are factored into the equation. Therefore, the current shift differential should be maintained.

The issue of wages represented the most complex issue before the parties. Both parties are seeking to provide the bargaining unit with a reasonable and competitive increase in wages, but are facing inequity issues regarding certain classifications. The parties should be recognized for the serious approach they have taken regarding this issue. They began their focus on this issue during the last contract and agreed upon a Memorandum of Understanding that established pay groups. The University for its part approached this problem in a thoughtful and methodical manner. It employed a market analysis to determine which classifications fell below the market rate. However, no amount of substantive change comes about without issues of concern and differing opinions. It is part of the collective bargaining process.

The Union supports the concept of inequity adjustments, yet the parties disagree on four (4) job classifications: Carpenter 2, Grounds Maintenance Worker, Locksmith-Lead, and Maintenance & Repair Worker 2/L. These differences are overshadowed by the difference between the two parties in how the inequities and the wage increases should be funded. Without further data, it is recommended that for the life of the Agreement, the parties agree upon a temporary initial starting rate for Carpenter 2, Grounds Maintenance Worker, Locksmith-Lead, and Maintenance & Repair Worker 2/L that represents a position half-way between the parties' positions.

Although it is understandable from an employee's perspective that one desires to achieve the greatest increase in salary possible, I find the University's position in this matter to be persuasive, particularly as it relates to the first two years. The overall position of the University represents an earnest and research-based commitment to establish a rational benchmark for salaries. The evidence demonstrates the parties have agreed to establish a market-based foundation for all but the classifications previously listed above. Adherence to this system is necessary to maintain its integrity.

However, I find the third year salary proposal of the University falls somewhat short when compared to the first two years. The University's offer is tempered by an anticipated decrease in state funding in the next biennium budget. However, this is an unknown factor and the data suggests the University, unlike other state universities in Ohio, remains in sound economic condition. The current solid financial status of the University justifies a slightly higher increase in the third year that is more consistent with the first two years of wage increases. Nevertheless, the University needs to be recognized that it has backed its commitment to the market-based approach by reducing inequities in wages with a 26% increase in overall salaries during the life of the Agreement. Its proposed system of a combination of wage increases and lump sum dollar payments for employees above market rate is a vital component of maintaining the authenticity of the market wage structure.

The Union's position regarding changes in duration, which incorporates the provisions of ORC 4117.14 is reasonable and was not opposed by the University.

Recommendation

- Maintain current shift differential at $0.35 per hour

- For the life of the Agreement the Parties shall adopt temporary rates of pay as follows:

Carpenter 2	$15.58*
Grounds Maintenance Worker	$10.25*
Locksmith-Lead	$13.25*
Maintenance & Repair Worker 2/L	$14.00*

*These rates will sunset (expire) at the end of the Agreement and will need to be re-established for a successor Agreement. The parties shall jointly study and gather data on the four classifications with the intent of agreeing upon a proper rate of pay. If agreement cannot be reached, the parties agree to submit their dispute to binding arbitration no later than ninety- (90) days prior to the expiration of the Agreement.

- **Year 1** Upon the ratification date of the contract, each employee shall receive one or more of the following –

  - A raise of $0.422 per hour to the employees current hourly rate effective

  - If the newly calculated hourly rate remains **below** the job rate, then the employee will move to the job rate

  - If 3.6% of the employees current hourly rate is **greater** than the $0.422 raise, then the employee's hourly rate will increase $0.422 and the employee will receive the difference in a one time, lump sum payment to make up the difference.

  - The lump sum payment shall be based upon the actual hours worked by the employee in the first contract year

Year 2 Each employee shall receive one or more of the following –

- A raise of $0.431 per hour to the employee's base hourly rate

Then,

- If 3.5% of the employee's current hourly rate is greater than the $0.431 raise, then the employee's hourly rate will increase $0.431 and the employee will receive the difference in a one time, lump sum payment to make up the difference

- The lump sum payment shall be based upon the employee year of 2080 hours, prorated to their FTE status

Year 3 Each employee shall receive one or more of the following

- A raise of $0.397 per hour to the employees base hourly rate effective November 30, 2005

Then,

- If 2.9% of the employees' current hourly rate is greater than the $0.397 raise, then the employee's hourly rate will increase $0.397 and the employee will receive the difference in a one time, lump sum payment to make up the difference

- The lump sum payment shall be based upon the employee year of 2080 hours, prorated to their FTE status

- All bargaining unit members (BUM) employed after the ratification of the contract would be placed on a hire step equal to 90% of the hourly Job Rate for the position. After one (1) year of employment, the employee's hourly rate would raise to 95% of the established Job Rate. Beginning with the 3rd year of employment, the employee would be placed at the job rate of the position being worked. As established Job Rates change, the hourly rate of pay would also change appropriately.

If a promotion of a current employee does not provide a 5% raise to the individual, the University will provide a lump sum payment of the difference to the individual based upon a full year (2080 hours) and their full time employment status (100% FTE, 63% FTE, etc). In the case of a demotion, the University would place the person at the new, lower job rate. In the case of employees hired subsequent to the ratification of the Agreement when either a promotion or demotion takes place, the employee would be placed at the same relative position s/he held prior to the Promotion or Demotion. That is, if the employee were at the "90% of Job Rate" level prior to the action, they would move to the "90% of Job Rate" level for the new position.

Article 23

Duration

Section 1. Effective Dates. This Agreement shall be effective from **November 30, 2003 until and including November 29, 2006.**

Section 2. Negotiation for New Agreement. Not less than one-hundred twenty (120) days prior to the termination of the Agreement, either party desiring to terminate, modify, or negotiate a successor collective bargaining agreement shall serve written notice upon the other party of the proposed termination, modification, or successor agreement. Not less than ninety (90) days prior to the termination of the agreement, the parties shall meet for the purpose of discussing the terms and conditions of a new Agreement. Thereafter, the parties shall follow the provisions of Chapter 4117.14 of the Ohio Revised Code. Voting on acceptance or rejection of the fact-finder's award shall be in accordance with the provisions of O.R.C. § 4117.14(C)(6).

Section 3. Impasse. In the event the parties have not reached a new Agreement by the termination date, the Union and its members shall have the right to strike in accordance with the provisions of Chapter 4117 of the Revised Code, provided that the Union shall give ten (10) days prior written notice of any intent to strike to the University and the State Employment Relations Board.

TENTATIVE AGREEMENTS

During negotiations the parties reached tentative agreement on several issues. These tentative agreements are part of the recommendations contained in this report.

The Fact-finder respectfully submits the above recommendations to the parties this 8th day of February 2005 in Portage County, Ohio.

Robert G. Stein, Fact-finder