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STATE EMPLOYMENT  
RELATIONS BOARD

2007 APR 23 A 10 32

April 19, 2007

Chief, Bureau of Mediation  
State Employees Relation Board  
65 E. State Street  
Columbus, Ohio 43215

Dear Sir or ~~Madam~~:

Enclosed you will find my Fact-finding Report and Recommendations in the case of involving the Madison Local Education Association and the Madison Local Schools, SERB Case No. 06-MED04-0562. I have also enclosed an invoice for my services.

Very sincerely yours,

Marcus Hart Sandver, PhD

Enclosure

STATE EMPLOYMENT  
RELATIONS BOARD

Factfinding Report and Recommendations

in the matter of Factfinding between

2007 APR 23 A 10:32

Madison Local Education Association

and

Madison Local Schools

(Richland County)

SERB Case No.: 06-MED-04-0562

Marcus Hart Sandver, PhD

Factfinder

Hearing Date: March 26, 2007

Recommendations Issued: April 19, 2007

Representing the School District:

Mr. Harry M. Welsh  
Attorney at Law  
Renwick, Welsh and Burton  
9 North Mulberry Street  
Mansfield, Ohio 44902

Representing the Education Association:

Mr. Don A. Williams  
Labor Relations Consultant  
Ohio Education Association  
50 Industrial Drive  
Lexington, Ohio 44904

I. Introduction.

This case grows out of a dispute involving the negotiation of a successor agreement between the Madison Local Schools (the Employer) and the Madison Local Education Association (the Union). The parties negotiated in the summer and fall of 2006 to resolve the issues which would lead to the signing of a new agreement. A tentative agreement was reached on October 31, 2006 but was not approved by the Education Association members. In January of 2007, the parties met in negotiations assisted by a mediator provided by SERB, but with no agreement. The matter was then submitted to factfinding as provided under O.R.C. 4117.1 et al. By mutual agreement of the parties, Marcus Hart Sandver was chosen as the factfinder from a list of qualified neutrals provided by S.E.R.B. Through mutual agreement of the parties, March 26, 2007 was chosen as the date for the factfinding hearing.

II. The Hearing

The hearing was convened at 10:00 AM in the conference room of the Mid-Ohio Service Center at 890 W. Fourth Street in Mansfield, Ohio. In attendance at the hearing were:

For the Madison Local Schools:

1. Mr. Harry Welsh Attorney, Chief Spokesperson
2. Ms. Robin Klenk Treasurer, Madison Local Schools
3. Mr. Dave Williamson Superintendent, Madison Local Schools

For the Madison Local Education Association:

1. Mr. Don Williams Labor Relations Consultant, Ohio Education Association

2. Mr. Mike Leeper President, Madison Local Education Association
3. Ms. Deb Hauserman Vice-President, Madison Local Education Association
4. Mr. Andy Jewell Ohio Education Association Research
5. Mr. Matt Godsil Madison Local Education Association Negotiations Team
6. Ms. Michelle Barr Treasurer, Madison Local Education Association

The parties were asked to place exhibits into the record. The following were marked as Employer Exhibits:

1. Employer Exhibit # 1 Tentative Agreement (not agreed upon) dated October 31, 2006.
2. Employer Exhibit # 2 Board of Education Position Paper on Negotiation, dated January 17, 2007.
3. Employer Exhibit # 3 Certificate of Coverage, Madison Local Schools. Group No. 418649-004 (Old Plan).
4. Employer Exhibit # 4 Certificate of Coverage, Madison Local Schools. Super Med. Classic Group No. 418649-001 (New Plan).
5. Employer Exhibit # 5 Madison Local Schools Super Med Plus Summary, Effective January 1, 2007.

The following were submitted as Association Exhibits:

1. Association Exhibit # 1 Multi-tabbed Loose Leaf Folder.

2. Association Exhibit # 2 General Fund Analysis (GFA Summary) Madison Local School District. Fiscal Year 2007.
3. Association Exhibit # 3 Foundation Settlement Report 2007.
4. Association Exhibit # 4 Salary Cost Simulator 2006-2007 Madison Local Schools.
5. Association Exhibit # 5 OEA Comp Builder Query 2005-2006 Madison Local.
6. Association Exhibit # 6
  - (a) Athens City School District Teacher Salary Schedule Effective January 15, 2007.
  - (b) Celina City Schools Salary Schedule, 2006-2007.
  - (c) Marietta City School District Teachers Salary Schedule, Effective July 1, 2006.
  - (d) Miami Trace Local Schools Teachers Salaries 2006-2007.
  - (e) Norwalk B-2 Salary Schedule 2006-2007.
  - (f) Ravenna Schools Salary Schedule, effective Beginning of School Year 2006.
  - (g) Tiffin Certified Salary Schedule 2006-2007.
  - (h) Wapakoneta City Schools Salary Schedule FY 2006-07.
7. Association Exhibit # 7 State Employment Relations Board Annual Wage Settlement Report 1997-2006.

8. Association Exhibit # 8 Consumer Price Index for all urban consumers (CPI-U) 1990-2007.
9. Association Exhibit # 9 E-mail from Don Williams to Mike Leeper, Subject: BOE Revisions to MLEA Draft of Contract Language, date November 27, 2006.

The following was submitted as a Joint Exhibit:

1. Joint Exhibit # 1 Contract between the Madison Local Education Association and the Madison Local Board of Education, effective through July 31, 2006.

### III. The Issues.

#### A. Issues One – Wages, Article IX Regular Salary Schedule.

##### 1. Association Position.

The association position on this issue includes 3 sub issues.

##### (a) Salary Schedule.

The Association is proposing a new salary schedule effective August 1, 2006.

The Base Rate will be twenty-six thousand four hundred sixteen dollars (\$26,416.00).

##### (b) New Step 25.

Effective August 1, 2007, step 25 will be added. The index will be as follows:

BA	BA+15/5	MA	MA+15	MA+30
1.67	1.81	2.01	2.04	2.05

(c) STRS Pick Up.

Effective August 1, 2007, the STRS pick up amount shall be increased to six and five tenths percent (6.5%).

In support of its position, the Education Association asked their research consultant, Mr. Andy Jewell, to make a presentation on the finances of Madison Local Schools. Mr. Jewell directed the factfinder's attention to Association Exhibit # 2, p.13 lines 12.01 and 15.01. These data are forecasts the district is required to develop under state law. The data indicates that the district will have a reserved fund balance of \$3,587,861 in 2006, \$3,586,260 in 2007 and \$1,869,951 in 2008. On page 14 of Association Exhibit # 2 Mr. Jewell asked the factfinder to note that the District had underestimated its actual revenue for 2006 and overestimated its expenses leading to a surplus in the budget. Mr. Jewell asked the factfinder to consider also that the teachers in the Madison Local District have had a wage freeze for the past two years. Based on the analysis of the district's financial data, Mr. Jewell concluded that the District could finance a wage raise in excess of 2% for 2006-2007.

2. District Position.

(a) Wage Schedule.

The District's position was to propose a 2.61 percent raise; a 2.25 percent raise on the base and a 0.36 increase based on

premium savings from the new health insurance program bringing the base salary to \$26,416.00. The District's wage proposal is contingent upon the savings from the new (lower) health insurance premiums. Because these new lower premiums have not been implemented yet, the District salary increase will decrease every month that the new health insurance plan remains unratified by the Association. The Board is offering a wage raise to \$26,370.00 if the contract is ratified in March, \$26,354.00 if ratified in April \$26,339.00 if ratified in May and \$26,323.00 if ratified in June.

(b) New Step 25.

For the school year 2007-2008, the District proposes to add a step 25 at 0.04% above step 20. Effective August 1, 2007, step 25 will be added. The index will be as follows:

BA	BA+15/5	MA	MA+15	MA+30
1.67	1.81	1.99	2.02	2.05

(c) Base Salary.

Reopen negotiations on base salary for the 2007-2008 school year based on savings realized by the changes in insurance plans.

(d) STRS Pick up.

Effective 2006-2007 school year, increase the Board's payment of the member's contribution to STRS from 5.75 percent to 6 percent.

In support of its position, the District Representative asked Ms. Robin Klenk to review the District finances with the fact-finder. First, Ms. Klenk asked the fact-finder to note that since 2002, the history of wage raises for the Teachers in the Madison Local Schools has been 4 percent in 2003, 4 percent in 2004, 5 percent in 2005 (added step 15 and 20), zero percent in 2006, and zero percent in 2007. Ms. Klenk pointed out to the factfinder that the District is in a lean financial state and that it will not be possible for the District to operate without cut-backs if the 6.7 mil school levy is not passed in the Fall of 2007.

3. Discussion.

I have looked over the financial data provided by the District and by the Association, and conclude that the District can finance a raise in the 2.6 percent range and still live within its financial limits for the 2006-2007 school year. In addition, the STRS pick up also falls within the District's ability to pay. Although not much time was spent on the hearing debating the issue of comparability, I did notice that the starting base wage at Madison Local was less than that for all 10 of the comparable districts the OEA computed in Association Exhibit # 6. The computations calculated by the OEA show Madison Local to be on average about 10 percent below the base B.A. minimum salary in the comparable school districts. In addition, the SERB summary data, Association Exhibit # 7, show that statewide teachers' salaries increased about 2.62 percent in 2006. Finally,

the CPI data for December 05-December 06 show an increase of 2.5 percent.

4. Recommendation.

(a) Wage Schedule.

Effective 2006-2007 a raise in base salary of 2.61 percent to bring the base B.A. wage rate to \$26,416.

(b) Wage Schedule.

For the 2007-2008 school year, a reopener on salaries.

(c) Step 25.

For the 2007-2008 school year, a 25 year step will be added to the wage schedule at a 4 percent index to bring the index up to.

B.A.	B.A+15/5 yrs	M.A.	M.A.+15	M.A.+30
1.67	1.81	2.01	2.04	2.05

(d) STRS Pick up.

Effective with the 2006-2007 school year, the District will pick up 6.5% of the members STRS contribution.

B. Issue two – Health Insurance.

1. District Position.

The District position on this issue was to move the teachers in the district into the same health insurance plan that is currently in place for the OAPSE employees of the district. The District estimates that it can save \$134,000 annually by uniting the two plans. There would be some changes with the new plan; a PPO for physicians, an increase in the

premium co-pay for participants and the loss of the prescription card. There would be some positive changes too, especially cost savings which the District has indicated a willingness to share through wage increases.

2. Association Position.

The Association had some misgivings about the new health insurance plan. The reservations to the plan seem to involve two issues; the establishment of the PPO for physicians was felt by some association members as unduly restrictive as some providers may live more than 20 miles from the 44905 zip code and restriction on occupational, physical therapy and chiropractic visits to 40 per year.

3. Discussion.

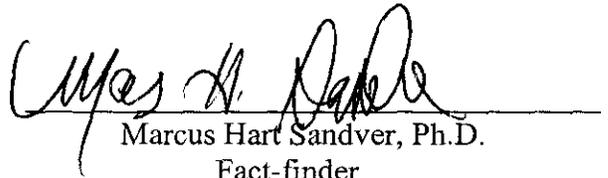
There is certainly an advantage to an employer to have one health care plan that covers all of his or her employees as contrasted with a number of plans that differ in coverage's, co-pays, deductibles, and so forth. If possible, I usually recommend that the employer purchase a health care package that covers as many employees as possible for the purpose of ease of administration, internal equity, and cost savings through increased "risk-pooling". In discussions with the parties, it seems to me that the parties are pretty close to what would be a mutually agreeable health insurance system. The Association doesn't seem to object to the increase in premium share which is usually the biggest source of disagreement between the parties.

4. Recommendation.

That the District's new health insurance plan be recommended effective 2006-2007. In the first year of the new plan (school year 2006-2007), the District would modify the new plan to include unlimited occupational therapy, physical therapy, and chiropractic visits. A special labor management health care committee is recommended to be chartered to resolve the issue of occupational therapy, physical therapy, and chiropractic visits for the 2007-2008 school year. That a waiver be allowed for patients to visit physicians outside the 20 mile radius of the 44905 zip code with the district paying the difference between the covered and non-covered amounts provided the member files the appropriate paperwork with the provider. Anyone receiving medical treatment for a potentially life threatening medical conditions shall be allowed to maintain their current non-PPO network services at the network rate for the duration of the current treatment.

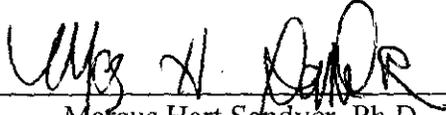
IV. Certification.

This Factfinding Report and Recommendations is based upon evidence and testimony presented to me at an factfinding hearing conducted by me on March 26, 2007. It is the intention of this recommendation that all issues tentatively agreed by the parties in previous negotiations should be incorporated into this report.

  
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Marcus Hart Sandver, Ph.D.  
Fact-finder  
Columbus, Ohio  
April 19, 2007

V. Certificate of Service.

This Factfinding Report and Recommendations was transmitted electronically to the parties on April 19, 2007. A paper copy was mailed by regular U.S. Mail to Mr. Harry Welsh at 9 North Mulberry Street, Mansfield, Ohio 44902 and to Mr. Don Williams at 50 Industrial Drive, Lexington, Ohio 44904 on April 19, 2007.

  
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Marcus Hart Sandver, Ph.D.  
Fact-finder