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IN THE MATTER OF FACT FINDING

BETWEEN

**HANCOCK COUNTY BOARD OF MENTAL AND DEVELOPMENTAL
DISABILITIES**

AND

**BLANCHARD VALLEY TEACHERS AND INSTRUCTIONAL ASSISTANTS
ASSOCIATION, OHIO FEDERATION OF TEACHERS, AMERICAN
FEDERATION OF TEACHERS, AFL-CIO**

SERB CASE # 10-MED-10-1633

Robert G. Stein, Fact Finder

ADVOCATE FOR THE UNION:

**Thomas J. Rose, Staff Representative
BLANCHARD VALLEY TEACHERS AND INSTRUCTIONAL ASSISTANTS
ASSOCIATION, OFT/AFT, AFL-CIO**

ADVOCATE FOR THE EMPLOYER:

**Steven Spirn, PhD, J.D.
29900 Saint Andrew Rd.
Perrysburg OH 43551**

INTRODUCTION

The parties in this matter are Hancock County DD Board (hereinafter “Board”, “Employer”) and the Blanchard Valley Teachers and Instructional Assistants Association, OFT/AFT, AFL-CIO (hereinafter referred to as “AFT” or “Union”). The bargaining unit represented by AFT consists of approximately thirteen (13) full-time Instructors (classroom teachers) and Speech Therapists, Adaptive Education Instructors, and Paraprofessionals (instructional classroom assistants). The current collective bargaining agreement (“Agreement”) expires on July 31, 2011. The fact finding in this matter is related to a contract re-opener. Hancock County DD Board is located in northwest, Ohio. The AFT bargaining unit represents approximately 10% of the total unionized employees working at the Board. Three other bargaining units, including two Teamster Local 20 units (approximately 34% of all unionized employees) and OAPSE approximately 12% of all unionized employees.

National/State/Local Economic Outlook: Cuts in spending and in existing programs appear to be of central interest at the national level and recovery appears to vary widely depending upon geographic location. The economy in Ohio is still experiencing the effects of a national recession and a very slow recovery. While officially considered to have reached an end, the impact of the recession upon Ohio’s revenue stream is plain and it is translating into cuts in services and personnel. Additionally, the Ohio legislature is close to passing a substantial overhaul of Ohio’s 27 year old public sector collective bargaining law that will have far reaching affect for all governmental entities who participate in collective bargaining. In Ohio, unlike many other states, there has historically been a substantial lag time between a declared end to a

recession and recovery from it. Yet, the current decline in revenue, caused by what many call the “Great Recession” is far deeper and broader than those of the past, and it is severely testing even the most resilient of Ohio’s public employers and employees alike. Many states in the United States are attempting to cope with declining revenues and increasing costs. Townships in Ohio that were already weakened by the loss of industry, commerce, and changes in revenue options in preceding years were particularly vulnerable as the events of the recession took hold. At this point in time it is difficult to know how and when Ohio’s economic recovery will take place. Every month on a national and state level there are mixed signals being provided by various sectors of the economy and by the public. In recently weeks, there have been dramatic international events that have impacted, at least temporarily, economic recovery efforts in the United States. The national unemployment rate is falling as is Ohio’s unemployment rate, and in Hancock County the latest reported unemployment rate is currently among the lowest in Ohio’s eighty eight (88) counties. In January it was 8.4%. However, the recent net gain in jobs both nationally and in Ohio, while encouraging, is still undermined in Ohio by severe structural unemployment. Conventional wisdom indicates that the economy will improve slowly, but will experience uneven progress and even occasional setbacks, as has been the case in the past few months. One of the more certain and troubling aspects of the current economic times are losses of high paying skilled jobs in Ohio. Jobs that sustained a viable middle class lifestyle are now being performed outside of the United States. They number in the tens of thousands and clearly underscore the existing structural problems of unemployment in areas such as manufacturing and construction. Most troubling is the prospect that the loss of these high paying manufacturing jobs is permanent. This altered employment pattern will require a recovery in Ohio to take a very different course than it has in the past, when industrial facilities creating these jobs were

still in the state. All the news is not negative; there are indicators of economic revival and some employers are doing well in this recession and its aftermath. The GM Lordstown Plant is one example of recovery and there are others around the state. The stimulus funds, while welcomed by many to sustain public services, were a temporary fix that buys public employers a little time. The Governor of Ohio issued his budget proposal on March 15, 2011 and it includes substantial cuts in revenue to local governmental jurisdictions in Ohio. The meaning of these dramatic cuts is still being absorbed and assessed by local jurisdictions, but it is clear local governmental employers and employees will be affected. To their credit public employee unions and employees in Ohio have, in the main, recognized and responded to their employers who continue to experience a shortfall in revenue while anticipating cuts in state aid. State employees and many county, city, and township public employees in and outside of Ohio continue to make unprecedented financial sacrifices in the form of layoffs, wage freezes, benefit givebacks, furlough days and in paying more for their medical coverage. And as mentioned above, collective bargaining in Ohio is currently on the precipice of dramatic change that if implemented, promises to be Sea change in the way collective bargaining is conducted.

The Employer, while not arguing ability to pay, is asserting that it must exercise prudence in a difficult economy and is looking to be able to sustain itself in the long run without having to reduce staff out of necessity. The extent of the state cuts announced by the Governor's proposed budget have yet to be passed by the Ohio State Legislature, so it is a bit premature to know for sure the impact of the new budget over the biennium. The AFT, responding to the economic difficulties faced by the Employer, agreed to accept no salary increase on the base in 2009, but step increases were unaffected.

Issues: (Summary of positions are identified below, see position statements of the parties for details and rationale)

Issue 1, Article 18, Salary. The Employer proposes a lump sum payment of \$500 to each bargaining unit member, not rolled into base, the freezing of step increases. It argues this is what was accepted by the Teamster's Local 20 residential bargaining unit. (Mx. 11) The Employer claims that on average the lump sum payment represents a 1.9% salary offer. (Mx. 5) Moreover, when applied to current salaries, it is clear that a \$500 payment exceeds a one percent salary increase for all but one employee, asserts the Employer. (Mx. 4) The Employer claims that its lump sum salary offer when combined with health insurance is equivalent to a 2.5% to 3% increase. The Union is proposing a salary base and index increase of three percent (3%) retroactive to August 1, 2010. As previously stated the Union points out it accepted no salary increase for the 2009-2010 school year, and it argues the cost of its increase is affordable and justified in terms of external comparable data. (Ux. 3, and 4) The Union also points out that duties and responsibilities of its bargaining unit members are extensive and they provide a valuable service to the Board. (Ux. 12) The AFT bargaining unit received a two percent (2%) increase in 2008 and no increase on the base in 2009, but did receive annual step increases. Internal comparable data is significant in matters of fact finding, and in particular when it comes to matters of concession. Statements at the fact finding proceeding indicates that in 2008 and 2009 one of the Teamster Local 20 bargaining units received no increase, while the other unit (Transportation) received a two percent (2%) increase in 2008 and no increase in 2009. The OAPSE bargaining unit received no increases in 2008 or 2009. The Employer indicated that in contrast to the AFT bargaining unit, these three (3) units do not have step increases in their salary schedules. The parties generally agree that the CPI has risen approximately 1.5% in the last

twelve (12) months. (Ux. 6) The amount of economic and legislative uncertainty, including proposed budget cuts from the state call for prudence and caution. I find the Employer's position is reasonable under the current financial conditions and proposed budget cuts for the next biennium budget. Also, under the legislation being proposed in the State Legislature dealing with collective bargaining the issue of step increases may likely be governed by a new set of criteria, but that remains to be seen as events unfold. However, the Union should at least have the opportunity through bargaining for a next contract to include a lump sum increase as a permanent increase in the salary schedule. There needs to be recognition that employees as well as employers are being affected by increasing gasoline and food prices as well as the continuing effects of a recession and all of its effects families.

Issue 2, Article 17, Insurance. The Employer, as a member of the area school consortium, proposes to maintain the same benefit level of health care coverage with no increase in the monthly premium, but proposes to raise the co-pays, deductibles, and costs for prescription drugs for employees and will continue to reimburse bargaining unit employees to offset deductible costs at a level of \$300/\$600 at a higher rate. (Mx. 9 and 10) The Employer argues that the bargaining unit members on average contribute much less in monthly premiums for their health care coverage than does the average public employee in the state of Ohio. (Mx. 8) The Union proposes to extend the current benefit levels including the amount of deductibles, co-pays, and what bargaining unit employees pay for prescription drugs for another year (January 1, 2011 to December 3, 2011), including the reimbursement of the difference between the 2008 and 2009 deductible levels at the level of \$200/\$400. (Union's Pre-hearing Statement). As bargaining was extended over several months, the evidence indicates that the bargaining unit employees were not required to be subject to the changes in health care. In totality and considering the Employer

is willing to increase the amount it will reimburse employees for a portion of the employee deductible the facts support the Employer's position in preserving good health care coverage for its employees. And, while the bargaining unit will be paying a larger amount for both single and family coverage in terms of deductibles and co-pays, the monthly employee premiums are not being increased, which in and of itself is the exception and not the rule in most public sector jurisdictions. (Employer's Pre-hearing statement) Moreover, the one of the Teamster bargaining units already accepted the Employer's position regarding this plan. (Mx. 11) What is also unclear at this time is the effect of the legislative changes being proposed in the State Legislature that if passed in its current form would prohibit bargaining over health insurance.

Based upon the above the following determinations (in bold and italicized) are made:

Issue 1 Article 18 SALARY

DETERMINATION:

Sections 1 through 6 remain as current language.

Replace current Section 7 with following language:

Section 7. For the remaining year of the Agreement (August 1, 2010 to July 31, 2011) and within one full pay period following ratification, each bargaining unit member shall receive a lump sum payment of five hundred dollars (\$500.00) minus appropriate deductions. Said payment shall not be included in the base, but may be subject to being rolled into the base during the next round of bargaining for a successor agreement based upon mutual agreement of the parties. For the 2010/2011 school year all step increases shall be held at 2009/2010 levels.

Issue 2 Article 17 INSURANCE
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DETERMINATION:

Effective with the next full pay period following ratification, the Employer's changes in the healthcare plan, identified in Employer's Pre-hearing statement and in Mx. 9 and Mx. 10 submitted into the record on February 10, 2011, shall be implemented. The parties are directed to modify Addendum E if necessary and to agree to a Memorandum or Letter of Understanding that reflects the Employer's proposed position in this matter.

TENTATIVE AGREEMENT

During negotiations, the parties reached tentative agreements on several issues. These tentative agreements and any unchanged current language are part of the determinations contained in this report.

The fact finder respectfully submits the above recommendations to the parties this _____ day of March 2011 in Portage County, Ohio.

Robert G. Stein, Fact finder