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IN THE MATTER OF FACT-FINDING PROCEEDINGS  
BETWEEN

PERRY LOCAL SCHOOLS

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CASE NO. 95-MED-02-0118

)

AND

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FINDING AND RECOMMENDATION

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OHIO ASSOCIATION OF PUBLIC  
SCHOOL EMPLOYEES, LOCAL 367

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JAMES M. MANCINI, FACT-FINDER

APPEARANCES:

FOR THE UNION

Preston D. Moss

FOR THE BOARD

Timothy J. Sheeran, Esq.

## S U B M I S S I O N

This matter concerns fact-finding proceedings between the Perry Board of Education (hereinafter referred to as the Board) and the Ohio Association of Public School Employees, Local 367 (hereinafter referred to as the Union). The State Employment Relations Board (SERB) duly appointed James M. Mancini as fact-finder in this matter. The bargaining unit involved herein consists of the support staff. The fact-finding hearing was held on April 19, 1996 in Perry, Ohio.

These fact-finding proceedings were conducted pursuant to the Ohio Collective Bargaining Law as well as the rules and regulations of SERB. During the fact-finding proceedings, this fact-finder attempted to mediate the issue at impasse. The sole issue presented for this fact-finder's consideration is Health Insurance.

This fact-finder in rendering the following findings of fact and recommendation on the issue at impasse, has taken into consideration the criteria set forth in Ohio Revised Code Section 4117-14(G)(6)(7). Further, this fact-finder has taken into consideration all reliable evidence presented relevant to the outstanding issue before him.

## HEALTH INSURANCE

The Board proposes a monthly employee contribution for health insurance. Specifically, the Board is requesting a \$5 contribution for a single health insurance plan and a \$10 contribution for a family plan per month. The Union objects to any employee contribution.

The Board contends that the modest contribution towards health insurance by employees which it is proposing herein is justified on several grounds. First, the Board points out that Union members are the highest paid in the area. A wage comparison with other area school districts shows that bargaining unit employees are paid considerably more than other similarly situated support staff. For example, a custodian in Perry earns about \$582 or 26 percent more per month than custodians in the next highest paid district. Likewise, a Perry bus driver at the top of the scale earns over \$3 more per hour than drivers in the next highest paid district. Thus considering the substantial wages paid to bargaining unit members, it is certainly reasonable to request a modest employee contribution towards health insurance.

The Board further maintains that employee contributions for health care coverage are fairly common in both the public

and private sector. The Board cites SERB data which indicates that the average monthly employee contribution in 1995 for a single plan was \$19.70 and for a family plan it was \$53.21 for all Ohio public employees.

The Board further points out that the teachers' union has already agreed to the same employee contributions for health insurance. Historically, the Union and the Perry Classroom Teachers' Association (PCTA) have received the same health benefits package. The PCTA has agreed to a salary freeze for the 1996-97 through the 1998-99 school years. There is no reason that the Union herein should not be treated the same with respect to payment of a monthly \$5 or \$10 health insurance contribution.

The Board seeks the minimal contribution proposed herein due to a serious reduction in the district's tax base caused by the devaluation of the Perry Nuclear Power Plant. It is estimated that this will result in the loss of approximately 1.9 million dollars in property tax revenue for the district. Despite the significantly reduced tax base, the Board has attempted to balance its budget without reducing employees' salaries. Thus in order to avoid reducing wages, the district has chosen to seek the reasonable employee contribution towards health insurance.

The Union contends that it would be unreasonable to expect bargaining unit members to contribute towards health insurance when they have already agreed to a wage freeze under the new agreement. The Union submits that in the course of contract negotiations it made several concessions to alleviate the Board's alleged financial crisis. This included a wage freeze for both the current and next school years with a reopener in the third year of the agreement.

The Union points out that the district's teachers received a 5 percent increase in wages for the current 1995-96 school year. However for bargaining unit members here, they agreed to a salary freeze for the current year. The support staff would have agreed to contribute towards health care costs if they too had been provided with a 5 percent wage increase. The Union submits that there would not be any interruption in pattern bargaining if support staff were not required to contribute \$5 or \$10 per month towards health insurance.

The Union cites SERB data concerning employee contributions towards health insurance for support staff in other districts in the area. The Union points out that 100 percent employer paid health insurance is common for districts in the area.

The Union further contends that the Board is now trying to get through fact-finding what it failed to achieve through collective bargaining. At the time of the ratification of the tentative agreement by the Union on September 21, 1995, the Board failed to propose any employee contribution towards health insurance. As a result, the Union ratified the tentative agreement without giving any consideration to the current Board proposal. According to the tentative agreement reached, the Board was to maintain its current level of contribution. Under these circumstances, it would be unfair to now require support staff to contribute towards health insurance.

ANALYSIS - This fact-finder after carefully reviewing the evidence and arguments presented would recommend that the Board's proposal for employee contribution be adopted and included in the bargaining agreement. This fact-finder does not find any evidence in the record before him to show why the health care contribution for this particular bargaining unit should be any different than that of the teachers' unit. For the current school year, the Perry Classroom Teachers' Association agreed to the individual monthly contributions for health insurance of \$5 for single coverage and \$10 for family coverage per month. It was also established that in the past,

both the support staff and the teachers' bargaining unit have received the same health benefits package. There was no compelling reason established for not continuing the past practice of applying the same health benefit provision to both units. As such, like the teachers' unit, the support staff should also pay its fair share towards health insurance as the Board proposes.

It should be noted that the teachers' union like the support staff's bargaining unit herein have agreed to a wage freeze under the terms of their newly negotiated agreement. The teachers' union agreed to a salary freeze for the 1996-97 through 1998-99 school years. The Union herein agreed to a wage freeze for the current school year and the 1996-97 school year with a reopener in the third year of the agreement. The fact that both units have agreed to a wage freeze under their newly negotiated agreements once again demonstrates that both units should be treated the same with respect to health insurance employee contributions.

Moreover, this fact-finder finds that the amount of employee contribution for health insurance proposed herein is modest and reasonable. Comparable SERB based data shows that in 1995, 62 percent of public employers required employee

contributions for family health insurance plans. With respect to school districts, 79 percent of districts received an average of approximately \$49 per month for family coverage from employees. Among all school districts statewide, even including those who require no contribution, the average employee contribution was about \$9 per month for single and \$35 per month for family coverage. Thus the recommended monthly contributions of \$5 per month for single and \$10 per month for family coverage is certainly reasonable in comparison with statewide health insurance data.

This fact-finder has reviewed the comparable insurance data submitted by the Union for area school districts. As the Union correctly indicates, in general, support staff employees do not contribute towards health insurance in most of these other neighboring districts. However, there are exceptions. For example in the West Geauga Local School District, employees must contribute up to 40 percent for health coverage. Employee contributions are also required in the Kirtland Local, Newbury and Painesville Township school districts. Moreover, the reasonableness of the employee contribution considered in this case is shown by a comparison of the wages of the bargaining unit members to the employees in these other districts.

Comparable wage data shows that the top wage in each of the major classifications in the bargaining unit is the highest of any district in Lake County. The top wage for secretaries, bus drivers and custodians are all well above the highest wage paid to comparable employees in any other area school district. Considering the fact that Union members are the highest paid in the area, it is apparent that the monthly employee insurance contribution proposed herein of \$5 and \$10 is quite modest and reasonable.

This arbitrator further finds that the Board established a need for employee contribution towards health insurance. The school district is facing a serious reduction in its tax base as a result of the devaluation of the Perry Nuclear Power Plant. In 1996, the Lake County Auditor estimated that the district's income from property taxes will suffer a loss of approximately 1.9 million dollars. As a result, the Board has reduced its spending by about 1.5 million dollars. There has been no reduction in the relatively high wages of either the support staff or the teachers' bargaining unit. Considering the school district's financial difficulties, it was certainly reasonable for the Board to seek a modest contribution from its employees for health insurance.

This fact-finder has determined that it would be reasonable to provide for an effective date of August 1, 1996 for the new employee contribution towards health insurance. There simply was no basis established by the Board for making the new employee contribution retroactive to January 1, 1996. Although that was the effective date for the parties' current agreement, the parties agreed to submit the one remaining issue regarding employee contribution for health insurance to fact-finding. In that the fact-finding proceeding will not be completed until near the end of the current school year, it would appear to be appropriate to make any new provision regarding health insurance effective at the beginning of the next school year. Thus under the circumstances, it is recommended that the employee contribution for health insurance be effective at the beginning of the next school year or August 1, 1996.

In summary, this fact-finder would recommend effective August 1, 1996, employees shall submit a monthly contribution of \$5 for single and \$10 for family health insurance. Past collective bargaining history supports the conclusion that the health care contribution for this particular bargaining unit should be the same as that of the teachers' unit. Evidence of

comparable health insurance contributions by employees in other school districts further indicates that the \$5 and \$10 monthly employee contributions recommended herein are modest and reasonable. Moreover, the school district which is facing revenue loss due to the reevaluation of the Perry Nuclear Power Plant established a need for the employee contribution towards health insurance. For these and other reasons elaborated herein, this fact-finder would recommend that the employee contribution provision be included in the Hospital-Medical Provision set forth in the parties' agreement.

RECOMMENDATION

It is the recommendation of this fact-finder that the following monthly contribution for health insurance be included in the parties' agreement as proposed by the Board:

Effective August 1, 1996, there shall be a monthly employee contribution of \$5 for a single health insurance plan and \$10 for a family plan.

 5-16-96  
JAMES M. MANCINI, FACT-FINDER