

FF BAD AXE BOARD OF EDUCATION

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

2/7/77

In re Fact Finding:

BAD AXE BOARD OF EDUCATION

-and-

CASE NO.

BAD AXE EDUCATION ASSOCIATION

----- Elaine Frost

FACT FINDER'S REPORT

Appearances:

For the Bad Axe Board of Education: K. William Pietscher,
Superintendent
Thomas A. Basil, Consultant

For the Bad Axe Education Association: Janis M. Hagey, Executive
Director, MEA
Thomas W. Laity, President
BAEA
James A. Hicks, Chief
Negotiator, BAEA
John Olsen, Member
Negotiation Team, BAEA

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INTRODUCTION

Bad Axe is one of nine (9) school districts in Huron County, in the Thumb Area of Michigan. Total student enrollment is approximately 1700.

The bargaining unit consist of 74 teachers of whom six work on a part-time basis. Wages and conditions of teachers in the Bad Axe school district since 1968 have been governed by collective bargaining agreements negotiated between the Bad Axe Education Association (BAEA) and the Bad Axe Board of Education (Board).

Negotiations for the 1976-77 school year opened in May, 1976. Unable to reach accord over the summer, the parties continued their negotiations in August, 1976 with the assistance of a state mediator. When mediation proved unsuccessful, the Association petitioned the Michigan Employment Relations Commission for fact-finding and a fact-finder was appointed on November 12, 1976.

At the fact finding hearing on December 14, 1976 both parties provided a wealth of data through documentary exhibits. The parties were thereafter afforded an opportunity to file post hearing briefs. From these exhibits, together with testimony and arguments, the fact finder has drawn the data upon which the conclusions and recommendations of this report are based.

The issues in dispute are:

- (1) Salary.
- (2) Duration and Contract Expiration Date.
- (3) Insurance.
- (4) Extra duty pay.

- (5) School closings due to acts of God.
- (6) Calendar.
- (7) Layoff and Recall.

CONCLUSIONS AND RECOMMENDATIONS

Bad Axe's Financial Position:

The Saline district is in a fiscally sound position. Its 1975-76 total SEV was \$34,655,980. The SEV per pupil that year was \$20,172 and its operating millage that year, as it is for the current school year, was 20 mills. Although Bad Axe ranked eighth among the nine Huron school districts in both per pupil SEV and operating millage, it none-the-less enjoyed an equity fund balance of \$665,269 last year.

The Board has made it clear that it is not "pleading poverty" in the present dispute, and reasonably so; for the total difference in cost for full time teachers between the parties' last proposals is \$45,370--a sum well within the current resources of the Board.

Salary:

The present salary schedule in Bad Axe consists of seven "tracks". Each track represents a teacher's highest college degree and post-graduate credit. Each stipulates a base salary and nine automatic yearly increments. The tenth step in each track represents the maximum salary.

For the 1975-76 school year, the schedule was as follows:

<u>STEP</u>	<u>BA/BS</u>	<u>BA/BS</u> <u>20</u>	<u>BA/BS</u> <u>30</u>	<u>MA/MS</u>	<u>MA/MS</u> <u>15</u>	<u>MA/MS</u> <u>30</u>	<u>SPECIALIST</u>
0	9,212	9,462	9,992	9,862	10,062	10,262	10,462
1	9,669	9,919	10,119	10,319	10,519	10,719	10,919
2	9,994	10,244	10,444	10,644	10,844	11,044	11,244
3	10,345	10,595	10,795	10,995	11,195	11,395	11,595
4	10,724	10,974	11,174	11,374	11,574	11,774	11,974
5	11,177	11,427	11,627	11,827	12,027	12,227	12,427
6	11,686	11,936	12,136	12,336	12,536	12,736	12,936
7	12,239	12,489	12,689	12,889	13,089	13,289	13,489
8	12,835	13,085	13,285	13,485	13,685	13,885	14,085
9	13,760	14,010	14,210	14,410	14,610	14,810	15,010
10	14,550	14,830	15,030	15,230	15,430	15,630	15,830

The Association proposes a schedule which, from its view, is a modest attempt to recapture teachers' earning power enjoyed in 1972-73. With the exception of the first step in each track the schedule provides increases of approximately 9% for the BA/BS and BA/BS+20 tracks; 10% for the BA/BS+30 and MA/MS tracks; 11% for the MA/MS+15 track; and 12% for the MA/MS+30 track and Specialist track.

As to the first step in each track, percentages are as follows, under the Association's proposal:

<u>BA/BS</u>	<u>BA/BS</u> <u>20</u>	<u>BA/BS</u> <u>30</u>	<u>MA/MS</u>	<u>MA/MS</u> <u>15</u>	<u>MA/MS</u> <u>30</u>	<u>SPECIALIST</u>
(.13%)	.40%	1.43%	2.41%	3.36%	4.2%	5.14%

The Association stresses in support of its schedule, that Bad Axe teachers contribute 5% of their salaries to the Michigan Public Employees Retirement System whereas most other area districts have, since 1975, implemented non-contributory retirement payments in their negotiated salary settlements.

The full schedule proposed by the Association is as follows:

STEP	BA/BS	BA/BS 20	BA/BS 30	MA/MS	MA/MS 15	MA/MS 30	SPECIALIST
0	\$ 9,200	9,500	9,800	10,100	10,400	10,700	11,000
1	10,529	10,829	11,129	11,429	11,729	12,029	12,329
2	10,893	11,193	11,493	11,793	12,093	12,393	12,693
3	11,276	11,576	11,876	12,176	12,476	12,776	13,076
4	11,689	11,989	12,289	12,589	12,889	13,189	13,489
5	12,183	12,483	12,783	13,083	13,383	13,683	13,983
6	12,738	13,038	13,338	13,638	13,938	14,238	14,538
7	13,340	13,640	13,940	14,240	14,540	14,840	15,140
8	13,990	14,290	14,590	14,890	15,190	15,490	15,790
9	14,998	15,298	15,598	15,898	16,198	16,498	16,798
10	15,860	16,160	16,460	16,760	17,060	17,360	17,760

The Board counters with the following schedule:

STEP	BA/BS	BA/BS 20	BA/BS 30	MA/MS	MA/MS 15	MA/MS 30
0	9,400	9,650	9,850	10,050	10,250	10,450
1	9,857	10,124	10,338	10,552	10,766	10,980
2	10,346	10,613	10,827	11,041	11,255	11,469
3	10,693	10,961	11,175	11,389	11,603	11,817
4	11,069	11,337	11,551	11,765	11,979	12,193
5	11,475	11,742	11,956	12,170	12,384	12,598
6	11,959	12,227	12,441	12,655	12,869	13,083
7	12,504	12,772	12,986	13,200	13,414	13,628
8	13,096	13,363	13,577	13,791	14,005	14,219
9	13,733	14,001	14,215	14,429	14,643	14,857
10	14,723	14,991	15,205	15,419	15,633	15,849
11	15,400	15,600	15,800	16,000	16,200	16,400

First, it is noted, and discussed infra, that the Board offer includes the addition of step 11 in each track, the elimination of the specialist track, and substitution of a BA/BS +22 track for the existing BA/BS+20. The fact finder also notes that the percentage increases over 1975-76, for the steps and tracks which are continued by the Board's offer, range as follows:

BA/BS	BA/BS 22	BA/BS 30	MA/MS	MA/MS 15	MA/MS 30
-.19% to 3.52%	.06% to 3.6%	.03% to 3.66%	.13% to 3.73%	.22% to 3.80%	.31% to 3.84%

The Board argues that Bad Axe teachers have received, at least since 1972-73, salaries that rank 1st or 2nd at the BA Minimum and Maximum and the MA Minimum and Maximum among comparative school districts; and that this favorable position is maintained by its proposal. For instance, among the twelve districts that the Board suggests for comparison, its proposal would afford teachers \$357 over the average at the BA Minimum, \$1338 over the average at the BA Maximum, \$400 over the average at the MA Minimum and \$1080 over the average at the MA Maximum.

Both parties suggest that comparisons in salary should be made with Thumb area school districts beyond the boundaries of Huron. The Association suggests the fact finder consider three such groupings: first a statewide group of 52 districts selected for comparability in student population, operating millage and SEV per pupil. Second, the Association suggests consideration of certain districts within the counties of Huron, Sanilac, Tuscola, Lapeer & Saginaw. The third group proposed by the Association includes the nine Huron school districts along with six additional districts that are members of an athletic association in which Bad Axe participates. The Board suggests a single comparative grouping composed of twelve school districts--4 each in the three counties of Huron, Tuscola and Sanilac. Although the four groupings overlap in varying part, complete data as to all county school districts is provided only as to Huron.

Although the fact finder has noted and evaluated the positions of the parties in light of the data from their groupings,

as well as their underlying reasons for choosing those groupings, the undersigned believes that the strength of a salary schedule is better measured by in-county comparisons.

Recommendation of a 1976-77 schedule necessarily includes consideration of the dispute as to the number of steps and the presence of a specialist track. The Board proposes, without explanation, the elimination of the later, and also proposes the addition of a step to each of the remaining steps. The undersigned finds the comparative data in support of the added steps unconvincing. For that reason and the argument of the Association that this proposal merely increases the number of years a teacher must serve to reach the top of the schedule, I recommend that the present number of steps be continued. I further recommend continuation of the specialist track, there being no convincing evidence to the contrary.

At this juncture it is also appropriate to consider the Board's proposal that two credit hours be added to the BA/BS+20 track. The Board points out that this track was a BA/BS+15 track in 1972-73, became a BA/BS+18 track in 1973-74, and that the track level was finally raised to the present BA/BS+20 in the 1975-76 schedule. The Board argues that this pattern justifies its proposal.

In response, the Association argues that the addition of the two credits, particularly in light of the Board's position against "grandfathering" teachers who now have 20 but not 22 credits, is but a ploy to delay salary improvements. It contended at

fact-finding that the 20-hour provision was negotiated on the basis that it was two hours over those needed for certification. The Board countered on this point that two hours over certification was not the sole reason.

Although the track level has increased over the years the fact-finder finds no basis for a further increase, particularly when the Board's proposal would leave but an eight credit span to the next track. Accordingly, the fact finder recommends a salary schedule that continues the number of steps, tracks and track headings following in the 1975-76 schedule.

Within the parameters of the parties' positions, the fact finder recommends a 5.6% increase at all steps beyond Step 0. In light of the agreement of the parties that increases on the first steps should be less than the recommended increase, the fact finder endorses the Board's proposal for these positions along with an increase for the specialist track comparable to the increase the Board suggests for the MA/MS track, or 1.91%. The full salary schedule reflecting the recommended increase, would be as follows:

STEP	BA/BS	BA/BS 20	BA/BS 30	MA/MS	MA/MS 15	MA/MS 30	SPECIALIST
0	9,400	9,650	9,850	10,050	10,250	10,450	10,662
1	10,210	10,474	10,686	10,897	11,108	11,319	11,530
2	10,554	10,818	11,029	11,240	11,451	11,662	11,874
3	10,924	11,188	11,400	11,611	11,822	12,033	12,244
4	11,325	11,589	11,800	12,011	12,222	12,433	12,645
5	11,803	12,278	12,278	12,489	12,701	12,912	13,123
6	12,340	12,604	12,816	13,027	13,238	13,449	13,660
7	12,924	13,188	13,400	13,611	13,822	14,033	14,244
8	13,554	13,818	14,029	14,240	14,451	14,663	14,874
9	14,531	14,795	15,006	15,217	15,428	15,639	15,851
10	15,365	15,660	15,872	16,083	16,294	16,505	16,716

The following tables place the recommended settlement in perspective to the eight other Huron districts contracts for 1976-77.*

	<u>Recommended Schedule</u>	<u>% Increase of Recommended Schedule Over 1975-76</u>	<u>Huron Dist. Average 1976-77**</u>	<u>% Increase of Huron Average Over 1976- 77</u>
BA Min.	9,400	2.04%	9,362	3.31%
BA Max.	15,365	5.6%	14,140	5.75%
MA Min.	10,050	5.6%	9,988	3.34%
MA Max.	16,083	5.6%	15,094	5.06%

*Figures used for Elkton-Pigeon-Bayport and Owendale-Gagetown are last Board offers.

**All Huron districts except Bad Axe have non-contributory retirement system payments, the 5% amount of which is included in the salary figures.

The above chart reveals that the recommended schedule would place Bad Axe teachers \$38 over average on the BA Minimum; \$1225 over average on the BA Maximum; \$62 over average on the MA Minimum and \$989 over average on the MA Maximum. Comparative "dollars over average" figures for 1974-76 are as follows:

	<u>Bad Axe 1974-75</u>	<u>Average 1974-75</u>	<u>Dollars Over Average</u>
BA Min.	8,850	8,633	217
BA Max.	13,500	12,455	1045
MA Min.	9,400	9,212	188
MA Max.	14,100	13,321	779

	<u>Bad Axe 1975-76</u>	<u>Average 1975-76</u>	<u>Dollars Over Average</u>
BA Min.	9,212	9,062	150
BA Max.	14,550	13,370	1180
MA Min.	9,861	9,665	196
MA Max.	15,230	14,367	863

As to rank, the recommended schedule would place Bad Axe 6th at the BA Minimum, 1st at the BA Maximum, 4th at the MA Minimum and 1st at the MA Maximum. Comparative data for 1974-76 reveals the following:

	<u>Recommended Schedule Rank 1976-77</u>	<u>Bad Axe Rank Within Huron District 1975-76</u>	<u>Bad Axe Rank Within Huron Dist. 1974-75</u>
BA Min.	6	3	2
BA Max.	1	1	1
MA Min.	4	2	2
MA Max.	1	2	1

In addition to the foregoing county comparisons, the fact finder notes that the recommended increase falls within the range of 4% to 8% by which the 1975-76 schedule was increased over the previous year.

Finally, the recommended 5.6% salary increase corresponds to the August-to-August increase in cost of living. Since it is

within the Board's fiscal means and since it does not dramatically elevate the teachers' relative salary position, the recommended figure is, if anything, conservative.

The new salary schedule should of course, be retroactive to the start of the 1976-77 school year.

Duration and Contract Expiration Date:

Since 1968 the parties have negotiated contracts covering two school years. The Board proposes to continue the 2-year pattern and offers, for the 1977-78 salary schedule, that the Board pay 5% retirement on top of the 1976-77 schedule plus increments.

The Association counters that the 5% retirement will become mandatory, non-contributory before the 1977-78 school year. Second, it strongly criticizes the Board for treating teacher increments as raises. Finally, it opposes continuation of the two-year contract pattern unless a cost of living factor is applied to 1977-78 salaries.

The school year is nearly two-thirds over and the vital economic issues remain unsettled. It would be to the advantage of both sides and it would serve the public interest in stabilizing employer-employee relations if the parties would now address themselves to the next year as well as the present one. The fact finder therefore recommends a two-year contract.

It goes without question that Board-paid retirement shall be an additional, substantial cost of employing teachers. But

this, of course, is the case for all Michigan school districts. Nor does that cost justify, in the opinion of the undersigned, the Board's proposal for 1977-78 salaries.

To the Association proposal, the Board voices the objection that a cost of living provision would add a potentially burdensome item to its budget for which the Board cannot plan.

While mindful of the Board's reservation, the fact finder believes that a cost of living provision is the most constructive and equitable approach to teachers salaries for 1977-78. The fact that teachers happen to be earning annual increments does tend to mitigate the devaluation of their salaries. But it bears repeating that step increments are not meant to be an offset against inflation or a substitute for salary improvements. They are intended, rather, as a quid pro quo for the increased experience and skill acquired by the teacher, which redound to the benefit of the students and the community. The fact finder therefore recommends that the Board accede to the Association's proposal for the 1977-78 schedule.

The final issue is that of contract expiration date. The Board proposes to shift the expiration month from August to June so that the contract will run concurrently with the Board's fiscal year. The Association proposes to maintain the August expiration date, as has been the case in previous years. Neither party has addressed the question of the further strain, if any, that eliminating the summer months from under an existing contract might cause. The fact finder therefore recommends that the traditional expiration month be continued.

In summary, I recommend a two-year contract to expire in August, 1978 which will include a 1977-78 salary schedule based on the increase in the cost of living to be applied to the 1976-77 schedule.

Health Insurance:

Article XXVII of the 1974-76 master agreement provides in pertinent part for health insurance coverage either by Blue Cross/Blue Shield or MESSA.* In lieu of health insurance a MEA option program is offered. The Board has historically paid a fixed amount toward each teacher's choice of health insurance or a different, fixed amount toward the option programs. The fact finder notes that in the first year of the 1974-75 contract the Board's contribution increased by 22%. The second year of that agreement included an 8% increase.

Both parties propose continuation of the fixed payment concept, with the Board offering an 11% increase for 1976-77 and that Association demanding a 61% increase. Thus the Board proposes that its 1976-77 contribution be raised from the present level of \$55.90 to \$62.00 while the Association proposes an increase to \$90.00. The Association makes no demand for 1977-78 in view of its position on a one-year contract. The Board on-the-other-hand, offers \$69.00 for 1977-78--an 11% increase over its proposal for the current year.

*During fact finding, the Board proposed elimination of MESSA coverage entirely. The Association objected on the ground that this position had never before been taken during negotiations. In light of the fact that the Board presented no evidence in support of this position, the fact finder has not considered it in her recommendation. And it is therefore unnecessary to rule upon the objection.

The Association proposal also includes a demand to increase the Board contribution from \$15.00 to \$22.50 for teachers who opt for a MEA option plan rather than health insurance. As to this aspect of the Association proposal the Board offered neither evidence in opposition nor an alternative. The fact finder therefore recommends adoption of this portion of the Association's proposal.

Since the contract has traditionally provided a fixed dollar contribution to health insurance premiums, and further, since both parties propose implementing a fixed amount in the 1976-77 contract, the fact finder believes it is both logical and reasonable to anticipate premium increases. Thus the undersigned takes notice of the Association statement that Blue Cross/Blue Shield rates will increase 28.5% in April, 1977. Notice is also taken of the undisputed statement that MESSA premiums increased 20% last July. Although the fact finder is dissuaded by these figures from recommending the Board's 11% increase, I am equally dissuaded from recommending the 61% increase proposed by the Association. Rather, I recommend that the Board's contribution be increased to the fixed amount of \$72.00 in 1976-77 which correlates to the anticipated 28.5% increase.

The matter of health insurance, while of course important, is distinctly secondary to the issue of salary, and therefore should not obstruct a settlement if agreement can be reached on the larger question. I recommend acceptance of the foregoing increase on the basis that its value to the teachers is great

while its cost to the Board is manageable. In light of the amount of this recommendation and the fact that the Association provided no proposal as to 1977-78, I remand the question of 1977-78 rates to the parties for further consideration.

Extra Duty Pay:

In addition to salary, many Bad Axe teachers receive special pay for extra duties as set forth in Schedule B of the 1974-76 master agreement. The Association proposes changes in Schedule B which would cause a dollar increase of approximately \$3,671 during the current school year. The teachers contend that their schedule attempts to bring extra duty pay in line with the non-discriminatory prescription of Title IX of the Federal Education Act

At the fact finding hearing the Board proposed an increase of \$2,000 over the schedule for 1976-77, with the suggestion that further negotiation be undertaken to revise the schedule to bring it into compliance with Title IX. As guidance for these negotiations the Board submitted a "Value of Activities Guide."

The Association vigorously objected to the Board's position and the offered guidelines on the basis that they had never been previously discussed and were, in fact, contrary to the Board's position during negotiations.

The undersigned finds that the Board's position was changed at the fact finding hearing. However, the fact finder is convinced that the parties have not fully explored this

difficult area, and I therefore remand the issue with the following suggested guidelines. The parties should rely on the federal regulations issued under Title IX, as well as to the criteria set forth in Brennan vs. Woodbridge School District, 21 WH Cases 966 (D.C. Del. 1974); and an increase of no less than \$2,000 should be implemented for 1976-77. Absent the parties' ability to resolve their dispute along these lines, the fact finder recommends adoption of the Association's proposed schedule.

School Closings Due to Acts of God:

Article XII of the 1974-76 master agreement provides in pertinent part as follows:

"In any instance where weather or other disaster causes the cancellation (SIC) of classes in the entire District, teachers likewise shall be dismissed without deductions of salary or leave time. Where classes are cancelled in an individual school, teachers may be assigned responsibilities in the area of in-service activities (i.e., visits to other schools, department meetings, curriculum meetings, etc.). A teacher shall not be required to be in a classroom if the temperature cannot be held at or above 60° F."

The Association proposes to retain this contract language. The Board proposes to change this provision to require teachers to make up the first five snow days--assuming a 186 teacher work day calendar, or in the alternative, to require teachers to make up days after the first five snow days--assuming a 188 teacher work day calendar. In support, the Board argued that teachers should, absent waiver by the Board, work the full number of days set forth in the calendar as teacher work days. The Association responded with data based on an MEA survey to the effect that such a proposal is rare if not non-existent. Further, its argument that the number of snow days over the past 10 years

has averaged 2.6, was unrefuted.

The fact finder is not persuaded as to the necessity nor as to the basis of the Board's proposal and therefore recommends that present contract language be maintained.

Calendar:

The Board proposes that the provisions of the 1974-76 master agreement for 182 student instruction days and 188 teacher work days be retained. The teacher's propose that the new contract should require 2 fewer student days and two fewer teacher days. It argues that Bad Axe teachers work more days than do employees of other, comparable districts.

The fact finder agrees with the Board. Although Huron district schools require on the average 180.8 student days and 184.9 teacher days, there is no evidence that these averages are decreasing or increasing. Absent such information, the undersigned recommends retention of current contract language.

Layoff and Recall:

Both the Board and the Association seek amendments to the present contract language governing layoffs and recalls. The first such amendment--to delete the 2nd sentence of Article XXV, thereby extending recall rights beyond the duration of the contract--is uncontested and should therefore be adopted. A second amendment, professed by the Association, would broaden the definition of departments under current section (b) to the following:

ArtK-12
Physical EducationK-12
MusicK-12
Special Education (as
governed by certificate)K-6
Secondary.....7-12 by subject area

The Board argues that the K-12 definitions would be unworkable because they would place teachers in departments that include subjects and/or levels beyond their certifications. The teachers respond that the provision, should be interpreted to mean that a teacher must have the appropriate certification to teach at a given level within a K-12 department. The fact finder is persuaded that the Association suggestion should be implemented and I so find

The final Association amendment would be to include a new provision (c), to state as follows:

"An involuntary transfer to another department will enable the employee to carry his/her district wide seniority into that department for purposes of department seniority."

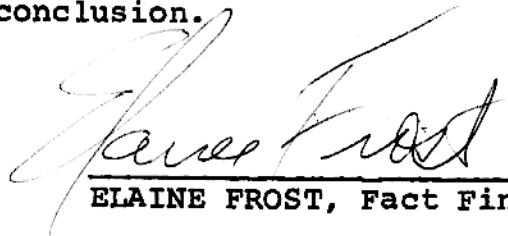
The Board provided no specific basis for opposing this language and its adoption is therefore recommended.

Rather than presenting separate amendments, the Board submitted a revised version of Article XXV at the hearing. The Association objected, at that time, that sections A, C, and E were presented for the first time and contained provisions that had never been proposed to the teachers. The fact finder concludes that the objection should be sustained as to the first part of section A and as to sections C & E, and these provisions are not therefore viewed as properly before the undersigned. The portion of the Board's suggested section A excluded from this ruling concerns its recommended language to explain qualifications. This area was explored during negotiations and is opposed by the Association on the basis that Article VIII of the agreement fully and fairly covers the subject of qualifications. The fact finder

agrees with the Association to the extent that amendments with respect to qualifications would be more appropriately directed to Article VIII. I therefore recommend that the Board's section A language not be included in the agreement.

Two other proposed amendments, Board's Section B and D are not covered by the foregoing, as to neither suggested section has the Association raised objection or argument. For that reason I recommend that Board's proposed sections B and D be included in the agreement.

In conclusion, the fact finder expresses her appreciation to both parties for the quality of their presentations. I hope that this report will be of help in bringing this year's negotiations to a fair and amicable conclusion.


ELAINE FROST, Fact Finder

Dated: February 7, 1977