

STATE OF MICHIGAN

LABOR MEDIATION BOARD

In the Matter of:

Battle Creek Public Schools

and

Battle Creek Education Association

REPORT OF FACT-FINDING HEARINGS OFFICER

APPEARANCES:

For Battle Creek Public Schools:

Harry R. Davidson, Superintendent
Robert Sellers, Director, Non-
Teaching Personnel
Neil VanDis, Director of Elementary
Education

For Battle Creek Education
Association:

Tom Patterson, MEA Staff
James Payson, Chairman, Professional
Negotiations Committee, BCEA
Harold Larson, PN Committee Member
Dick Hanlon, PN Committee Member
Robert Myer, PN Committee Member
Edward Zbiciak, PN Committee Member
John Ryor, PN Assistant, MEA

Michigan State University
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This is a fact-finding report under the provisions of Section 25 of
Act 176 of the Public Acts of 1939, as amended, which provides in part
as follows:

"Whenever in the course of mediation under Section
7 of Act No. 336 of the Public Acts of 1947, being
Section 423.207 of the Compiled Laws of 1948, it
shall become apparent to the Board that matters in
disagreement between the parties might be more
readily settled if the facts involved in the disagree-
ment were determined and publicly known, the Board
may make written findings with respect to the matters

Battle Creek Public Schools

in disagreement. Such findings shall not be binding upon the parties but shall be made public***."

In accordance with the Board's Rules and Regulations relating to Fact-Finding Procedures, the undersigned Hearings Officer was designated to conduct a hearing in the matter and to issue a report in accordance with Article V, Section 1, of the Rules and Regulations which provides as follows:

"After a hearing for the purpose of taking evidence upon a petition, the Labor Hearings Officer shall prepare a report. Such report shall contain findings of fact and the reasons or basis therefor. The Labor Hearings Officer shall file the original with the Board and cause a copy thereof to be served upon each of the parties. Within ten days from the date of service of the report, the parties may file written comments with the Board."

On June 22, 1967 the Battle Creek Education Association filed a Petition for Fact Finding in its dispute with the Battle Creek Board of Education. This request was made after several mediation sessions had failed to resolve a number of issues on which the parties were in disagreement. The Superintendent of Schools in Battle Creek joined with the Association in waiving all time limitations under the fact-finding process in order to expedite the proceedings. On June 23, 1967, the Labor Mediation Board appointed the undersigned to serve as Fact Finding Hearings Officer in this dispute. A hearing was scheduled and held on July 19, 1967 at the Willard Library Building in Battle Creek at which both parties were given full opportunity to present evidence, call witnesses and set forth their respective positions. Subsequent to the hearing, the parties submitted and exchanged closing statements. On July 24, 1967 the Hearings Officer requested additional information from the Superintendent of Schools, with a copy to be sent to the Association. This information was originally received on July 31, 1967 and a corrected version was received on August 1, 1967.

The Situation in 1966-67

In analyzing Battle Creek's salaries and other economic benefits, the BCEA used 28 school districts for comparison purposes in its exhibits and argument at the hearing. All but two of these districts -- Lakeview (Battle Creek P.O.) and Muskegon -- had at least 10,000 "total membership" (i.e. students). Battle Creek had 11,678 students in 1966-67. Lakeview (B.C.) with 5,065 students and Muskegon with 9,400 were included "because of their proximity and similarity in size, respectively." Omitted from the BCEA list are four school districts with more than 10,000 students -- Detroit, Dearborn, Grosse Pointe and Lincoln Park -- "because of their large size, SEV [State Equalized Valuation], or lack of salary information." The BCEA gave the following reasons for using this comparison group:

- (1) the Michigan Education Association classifies all districts with 10,000 or more membership into one category;
- (2) the average SEV of these districts is \$14,010 as compared with \$16,936 for Battle Creek;
- (3) except for Lakeview (B.C.), all the districts have similar school organizations, consisting of several elementary and junior high schools with at least one Class A high school;
- (4) all are part of or near to large metropolitan areas having populations of 50,000 or more.

The School Superintendent questioned the comparability of this group of districts, pointing out that Battle Creek has usually used the other 6-A schools (Ann Arbor, Jackson, Kalamazoo and Lansing) for comparison purposes. He noted that 25 of the districts have more students than Battle Creek and that 12 of them are Detroit suburban areas. The Hearings Officer does not consider these criticisms of the comparison group valid since (1) all of the other 6-A school districts also have more students than Battle Creek and (2) available information does not show that Detroit

suburban area schools differ significantly from those in other Michigan metropolitan areas with respect to teachers' salaries, salary increases negotiated for 1966-67 and other economic benefits. We intend to use both the 28 districts suggested by the BCEA and the 6-A schools (which are also included in the larger group) for comparison purposes.

Exhibits submitted at the hearing show the following for 1966-67:

1. The minimum and maximum salaries on the BA and MA schedules in Battle Creek were below the average of the comparison group of 29 school districts (including Battle Creek). Compared to other 6-A schools, Battle Creek BA and MA minimum and maximum salaries were equal to or higher than those in Ann Arbor and Kalamazoo but lower than salaries in Jackson and Lansing.
2. With respect to 1966-67 salary increases (absolute and percentage), Battle Creek was below average on the BA minimum, above average on the BA and MA maxima, and about average on the MA minimum as compared with the 29 school districts group. Looking at the 6-A schools, Battle Creek's increases compared as follows:

	<u>BA</u> <u>Minimum</u>	<u>BA</u> <u>Maximum</u>	<u>MA</u> <u>Minimum</u>	<u>MA</u> <u>Maximum</u>
Battle Creek	300 (5.8%)	850 (10.9%)	400 (7.8%)	850 (9.7%)
Ann Arbor	300 (6.0%)	550 (6.9%)	400 (8.0%)	475 (5.5%)
Kalamazoo	400 (7.8%)	620 (7.8%)	420 (7.8%)	680 (7.8%)
Jackson	320 (6.0%)	805 (9.8%)	313 (5.5%)	1031 (11.7%)
Lansing	300 (5.7%)	745 (9.1%)	315 (5.6%)	958 (10.6%)

3. On fringe benefits, Battle Creek's health insurance contribution of \$9.10 per month was somewhat below the median for the 29 school districts but higher than the contributions in Jackson, Ann Arbor and Kalamazoo among 6-A schools. With respect to life insurance and terminal pay, Battle Creek's program was among the best in Michigan and better than in any of the other 6-A schools.

4. The National Education Association "Evaluation of 1966-67 Salary Schedules," which rates schools on eleven items, gave Battle Creek a net score of 54.0 out of a possible 100 points in 1966-67. This put Battle Creek second only to Jackson among 6-A schools, and tenth among the 29 school districts evaluated in Michigan. (This list includes 18 of the districts in the BCEA comparison group).

5. It is difficult to assess a school district's financial condition insofar as it affects ability to pay higher salaries and fringe benefits. On the basis of BCEA exhibits, Battle Creek appears to be above the average for all school districts with 10,000 or more students on "State Equalized Valuation (SEV)" and "Investment Per Membership Pupil." However, its "Total Operating Millage" and "Grand Total Millage" are well below the average for this group of school districts. Looking only at 6-A schools, Battle Creek's State Equalized Valuation is lower than the SEV in Ann Arbor and Kalamazoo, and higher than in Jackson or Lansing; its "Investment Per Membership Pupil" is lower than in any of the other 6-A school districts. Battle Creek is below all other 6-A schools in "Total Operating Millage" and "Grand Total Millage."

We recognize that there are other measures of salaries and fringe benefits, as well as of ability to pay. The parties have submitted data on measures other than those discussed above and we have given careful consideration to all of them. However, for purposes of this report, we consider the measures mentioned above as most useful and relevant.

The BCEA has charged that the School Board should have asked for more than the 2.5 millage increase voted on in the June, 1967 election. The Board has stated that it felt that a 2.5 mill increase was the maximum that voters would approve. In support of this view, the Superintendent of Schools pointed to the 1% city income tax effective July 1, 1967, the voters' expectation, at the time of the election, that there would be a state income tax, and to two defeated millage proposals in Ann Arbor and Jackson as well as defeats in other school districts.

It is not possible for anyone, least of all a stranger to the Battle Creek community, to say whether the BCEA or the School Board is right in its assessment of what the voters would have supported in the millage election. However, this difference of opinion suggests that in the future the parties should exert the greatest effort to reach an agreement before the millage election so that the voters will be fully aware of the School Board's needs when they vote on the millage proposal.

Recommendations

The Hearings Officer makes the following recommendations as a fair and equitable basis for settling the issues in dispute.

Salary Schedules

We recommend that the BA salary schedule start at a minimum of \$6,000 and go to a maximum of \$9,630 in Step 11 with equal increments of \$330 between steps. This represents an increase of \$500 to \$980 or 9.1 per cent

to 11.3 per cent over the 1966-67 BA schedule.

We recommend that the MA salary schedule start at a minimum of \$6,400 and go to a maximum of \$10,720 in Step 12 with equal increments of \$360 between steps. This represents an increase of \$600 to \$1,070 or 10.3 per cent to 11.1 per cent over the 1966-67 MA schedule.

Table I compares the minimum and maximum salaries and the absolute and percentage increases recommended for Battle Creek with those of the seven school districts in the comparison group, including three 6-A districts, for which the MEA has reported 1967-68 salary schedules as of August 1, 1967. These districts are not considered representative of the 28 in the comparison group but are the only ones which have settled their 1967-68 agreements to date. Table I also shows the School Board's and the BCEA proposed salary schedules.

Analysis of Table I indicates that if the parties accept these recommendations, Battle Creek's BA minimum of \$6,000, on which the parties were in agreement, will be equal to the BA minimum in Ann Arbor and Kalamazoo, within \$100 of the minimum in Lansing, Flint and Wayne, and \$200-\$350 below the minimum in Utica and Warren. Battle Creek's BA maximum of \$9,630 will be higher than in Kalamazoo and Flint and lower than the maximum in the other five districts. The Battle Creek MA schedule will be higher than in Ann Arbor and Kalamazoo at the minimum of \$6,400, which was requested by the BCEA, and above Kalamazoo and Flint at the maximum of \$10,720. Five school districts will have higher MA minimum and maximum salaries than those in Battle Creek.

Because the recommended increases are higher than those negotiated in most of the other school districts, the recommended schedules would significantly improve Battle Creek's position relative to the other

districts as compared with 1966-67. The Battle Creek BA increases of \$500-\$980 (9.1% - 11.3%) are equal to or exceed the increases at the BA minimum and maximum in five of the seven other districts. The recommended increases in the MA schedule of \$600-\$1,070 (10.3% - 11.1%) exceed the increases in four districts at the MA minimum and five districts at the MA maximum. Only in Ann Arbor are the 1967-68 salary increases consistently higher than those recommended for Battle Creek, and this is explained by the inordinately low salaries in that district in 1966-67.

The recommendations are the same as the BCEA proposal at the BA and MA minima. They are higher than the Board's offer but lower than the BCEA proposal at the maximum of the BA and MA schedules. The BCEA proposed maximum salaries would represent increases of 17.9 per cent and 16.1 per cent over 1966-67 levels and (except for the BA maximum in Warren) would put Battle Creek above every other school district in the comparison group for which salaries are available. The Board's proposed maximum salaries, on the other hand, are too low relative to other comparable school districts.

We make no recommendation on the issue of the establishment of an Educational Specialist schedule, or the MA +30, MA +60 and Doctorate schedules. There are only a few teachers in these schedules and we are confident that, once agreement is reached on the BA and MA schedules, the parties will have no difficulty in settling these other schedules.

Remuneration for Hours Beyond BA

According to the MEA "Teacher Salary Schedule Study 1966-67," only about half of the comparable school districts with more than 10,000 students offered any remuneration for credit hours beyond the BA degree. Those that did pay for such hours did so at a rate of from \$10 to \$15 per semester hour. Among 6-A school districts, Jackson, Kalamazoo and Ann Arbor paid

TABLE I
Battle Creek Proposals and Recommendation and
Salary Schedules Negotiated for 1967-68 in
School Districts with more than 10,000 Membership
as of August 1, 1967

	<u>1967-68 Salary Schedules</u>				<u>Increase over 1966-67</u>			
	BA Min.	BA Max.	MA Min.	MA Max.	BA Min. (%)	BA Max. (%)	MA Min. (%)	MA Max. (%)
Ann Arbor	6,000	10,140	6,300	11,070	700 (13.2)	1,590 (18.6)	800 (14.5)	1,995 (22.0)
Kalamazoo	6,000	9,300	6,300	10,200	500 (9.1)	775 (9.1)	525 (9.1)	850 (9.1)
Lansing	6,100	9,760	6,588	10,980	500 (8.9)	800 (8.9)	708 (12.8)	1,012 (10.2)
Flint	6,050	9,575	6,544	10,356	325 (5.7)	516 (5.7)	352 (5.7)	550 (5.6)
Utica	6,200	10,099	6,634	10,806	600 (10.7)	977 (10.7)	634 (10.6)	1,033 (10.6)
Warren	6,350	10,541	6,731	11,176	450 (7.6)	747 (7.6)	477 (7.6)	792 (7.6)
Wayne	6,100	9,882	6,527	10,797	500 (8.9)	1,182 (13.6)	527 (8.8)	1,472 (15.8)
Battle Creek (Recommendation)	6,000	9,630	6,400	10,720	500 (9.1)	980 (11.3)	600 (10.3)	1,070 (11.1)
School Board's Offer	6,000	9,500	6,300	10,500	500 (9.1)	850 (9.8)	500 (8.6)	850 (8.8)
BCEA Proposal	6,000	10,200	6,400	11,200	500 (9.1)	1,550 (17.9)	600 (10.3)	1,550 (16.1)

no remuneration for hours beyond the BA and Lansing paid \$140 for 23 term hours. (The BCEA Survey, Exhibit 22, shows Ann Arbor paying \$100-\$365 for up to 30 hours and Lansing offering no remuneration beyond the BA.)

The Battle Creek School Board has offered to pay \$150 per 15 semester hours beyond the BA degree completed after September 1, 1962. The BCEA proposal calls for \$150 per 10 semester hours completed beyond the BA up to 20 semester hours. We recommend the Board's schedule.

Remuneration for Hours Beyond MA

The MEA "Teacher Salary Schedule Study 1966-67," shows that only eleven of the 28 school districts in the comparison group paid remuneration beyond the MA degree. No clear pattern emerges regarding the amount of these payments which varied from \$10 to \$15 per hour of credit. However, most school districts paid for credits beyond the MA at the same rate as for credits beyond the BA. Among 6-A school districts, the MEA Survey indicates that Ann Arbor, Jackson and Kalamazoo did not pay for hours beyond the MA, while Lansing paid \$280 for 45 term hours. (The BCEA Survey, Exhibit 22, shows 20 school districts paying varying amounts for hours beyond the MA. Ann Arbor is shown as paying \$100-\$425 for up to 30 hours while Lansing is shown as paying no remuneration.)

The Battle Creek School Board has offered no increase beyond the present rate of \$100 per 10 semester hours beyond the MA. The BCEA proposal calls for \$200 per 10 semester hours. We recommend no change in the present schedule which rewards hours beyond the MA at the same rate as hours beyond the BA degree under the Board's proposal.

Longevity Pay

According to BCEA Exhibit 20 only 9 of the 28 school districts in the comparison group provide for longevity payments. On the other hand, Battle

Creek provides pay for accumulated sick leave up to 90 days at retirement which amounts to about half of a teacher's annual salary. In the comparison group of 28 school districts, only Livonia, which pays up to 100 days accumulated sick leave at retirement, has a higher benefit than Battle Creek. At the hearing there was some discussion of the relative merits of longevity pay and retirement benefits. We recommend that the parties explore the possibility of trading off some or all of the accumulated sick leave retirement benefit for an agreed-upon system of longevity pay.

Credit for Out-Of-District Teaching Experience

Battle Creek now offers up to five years for previous teaching experience except in "unusual circumstances." This is less than most of the school districts in the comparison group which offer up to ten years. Among 6-A school districts, Lansing is the only other system which offers only five years for outside experience. We recommend that Battle Creek allow up to six years for previous experience in 1967-68 and up to seven years in 1968-69. However, with this liberalization, there should be a provision in the agreement to guard against teachers coming from relatively poor school systems where teaching experience is not worth as much as in Battle Creek. This can be taken into account by permitting the School Board to offer less than the full experience allowance in "unusual circumstances" after consultation with the BCEA.

Hospitalization Insurance

The BCEA has asked for full coverage for the teacher and his dependents including major medical. Battle Creek now provides full coverage for the teacher only, excluding major medical. This is an important but very costly benefit. While desirable as a long-term objective, the additional cost for dependent coverage is too large to be incurred in one year along

with the higher salary schedules which have been recommended. We recommend that the Board increase its monthly payment from \$9.10 to \$15.00 per month for those teachers who are prepared to pay the additional amount necessary for dependent coverage. If at all possible this increased contribution should become effective in September, 1967. However, if budgetary difficulties make this impossible, we recommend the increase be negotiated to become effective no later than September, 1968.

Life Insurance

Battle Creek's present provision of 50 per cent of salary for life insurance is already among the best in the comparison group. The BCEA proposal calls for an increase to 100% of teacher's salary. We recommend no change in the existing arrangement.

Financial Considerations

As a result of a more favorable distribution of teachers among "years of experience" steps in the BA and MA schedules than was anticipated by the School Board, the Board over-estimated the increased cost of its proposed salary schedules. This was entirely unintentional and could not have been foreseen until a clear picture emerged with regard to resignations and new teachers hired for the coming school year. Our analysis of data furnished by the Superintendent of Schools, as of July 28, 1967, indicates that the more favorable teacher experience distribution in 1967-68 will make available unanticipated funds in an amount sufficient to cover a substantial proportion of the increased costs entailed in the recommendations contained in this report. This is a fortuitous development which should enhance the prospects of the parties reaching an early agreement on the basis of this report.

August 4, 1967

Jack Stieber
Hearings Officer