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STATE OF MICHIGAN
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SCHOOL DISTRICT OF THE CITY OF BAY CITY,

Public Employer

-and-

BAY CITY EDUCATION ASSOCIATION,

Public Employee Organization

FACT FINDER'S REPORT

For the Public Employer: William M. Lambert, Attorney;
Elwyn J. Bodley, Sup't. of Schools;
Mark E. Bascom, Ass't. Sup't. for Elementary
and Intermediate Education

For the Public Employer Organization: Albert Hoffman, Chief Negotiator;
James L. Ryan, President;
James A. Janowicz, Past President;
Curtis E. Lather, Executive Director

The above-captioned matter came on for hearing at Bay City, Michigan, on September 16, 1969, before the undersigned fact finder, duly appointed by the Michigan Employment Relations Commission, pursuant to a joint petition for factfinding filed by the parties on September 8, 1969.

On the basis of exhaustive evidence presented at the hearing, including comparative statistical data and other documentation, the undersigned submits to the respective parties and to the concerned public of the Bay City area the following findings of fact and recommendations for a fair and equitable resolution of the impasse

James H. Connick

Bay City Public Schools
Curtis E. Lather

which has developed in negotiations for a 1969-1970 master contract covering teacher salaries and working conditions.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Based upon my analysis of the Bay City dispute, I find that both parties have bargained in substantially good faith in a sincere effort to reach a workable solution. With regard to the sole issue remaning unsettled, that of salaries, my findings are that:

1. Bay City's S.E.V. (State equalized valuation of taxable property) per membership pupil is fairly close to the state-wide mean average but is relatively low when compared to the nearby communities of Saginaw and Midland, its primary competitors for teaching talent.

2. On the other hand, Bay City's local effort to support its public schools, as measured by its allocated and voted operational millage, is also relatively poor when compared to the adjacent communities.

3. The final salary offer of the Board of Education, commencing at \$7,100.00 for a first year teacher with a B.A. degree, is below the contract settlements in the adjacent communities by at least \$300.00 at the B.A. base and approximately \$700.00 at the M.A. maximum.

4. The said offer is below the contract settlements in comparable school districts around the State by at least \$250.00 at the B.A. base and approximately \$600.00 at the M.A. maximum.

5. While Bay City class sizes, being somewhat larger than those in adjacent communities, may represent an adverse working condition militating for higher pay, this is not by itself an adequate justification for awarding higher pay, since there are innumerable other unexplored factors which all contribute to the relative desirability of

working conditions in any given school system.

6. While Bay City "fringe benefits" are substantial, they have not been shown to be so high compared to comparable communities as to justify a lower base salary.

7. The salary schedule proposed by the Association, a so-called "ball park" schedule of \$7,500.00 B.A. base to \$13,643.00 M.A. maximum, with special increments for B.A. plus 15 credit hours, B.A. plus 30, M.A. plus 15 and M.A. plus 30, can not be met out of anticipated revenue of the district, the best estimate of which is \$11,445,000.

8. The district has an accumulated operating deficit of nearly \$400,000, which can not be reduced out of the 1969-1970 budget without a serious reduction in program.

9. When the estimated cost of operations for 1969-1970 with no wage increase for any employees (\$10,710,000.00) is subtracted from the anticipated 1969-1970 revenue (\$11,445,000.00) there is \$735,000.00 which could be devoted to raises for employees, if no reserve for emergencies were provided and no debt reduction were made.

10. If 77% of that amount (comparable to last year) were devoted to teacher pay raises, \$566,000.00 would be available, being \$253,000.00 more than included in the board of education's \$7,100.00 offer (which would cost \$313,000.00).

11. This additional \$253,000.00 would be enough to raise the schedule another \$250.00 at the base level, since it is found that an additional increase of \$100.00 would cost \$98,000.00.

12. Use of all available moneys for salary increases, as set forth above, would allow a salary schedule beginning at \$7,350.00, retaining the present annual increment of .055 and adding no new increments for additional academic hours.

13. The salary schedule outlined in paragraph 12, above, is within the bare means of the anticipated revenue, is sufficiently competitive to protect Bay City from loss of teachers to surrounding districts, and is generally fair and equitable.

DISCUSSION OF FINDINGS

Factfinding concerning optimum salary schedules of teachers is not an exact science, to say the least. Traditionally we have considered the tax structure of the area, the ability to generate tax money, conflicting demands for available resources, the nature of the employment, past practice, and comparability of pay to that received by individuals doing comparable work in the private sector and in other governmental jurisdictions. This approach has been endorsed recently by the state legislature, which has set forth similarly worded guidelines for interest arbitration in police and fire department salary disputes. Act 312, Public Acts of 1969, signed by Governor Milliken on August 14, 1969, Section 9 of the new statute may well be used by factfinders in their deliberations. To the extent each of these factors is relevant hereto, the undersigned has weighed it in the balance.

I am not making a specific recommendation for the raising of addititonal taxes, since it is not absolutely necessary for the \$7,350.00 settlement I am recommending to the parties. However, it is apparent to an objective observer that the Bay City community must increase school operating millage or else condemn its children to mediocre schooling, since the present tax rate, a relatively low one for such an area, leaves no room for improvement and invites an annual school crisis.

I wish to point out to the Board of Education that I have taken seriously its injunction to look at the whole salary structure at all levels, not just at the sometimes misleading B.A. minimum figures.

Having done so, I still find that the Board's offer is inadequate at all levels. And a community should not be heard to plead low S.E.V. per child as a defense for its noncompetitive salary schedule if it is not paying as high a rate of tax as neighboring communities or other cities of comparable size and type.

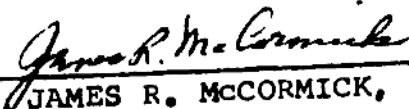
There follows a list of districts which the Board of Education considers comparable to Bay City. As can be seen, the salary schedule recommended by the undersigned will put Bay City approximately where it belongs.

City	1969 - 1970 Bachelors Degree		Masters Degrees	
	Min	Max	Min	Max
Ann Arbor	7000	11835	7630	13200
Battle Creek	7100	11660	7630	13130
Grand Rapids	7200	11300	7800	12400
Jackson	7350	12017	7865	13097
Lansing	7375	11800	7965	13423
Midland	7500	12206	8250	13283
Muskegon	7300	11882	7738	12994
Pontiac	7500	12106	8250	13283
Port Huron	7238	10841	7960	12739
Saginaw	7387*	11612*	7919*	13038*

*Average for year.

Respectfully submitted,

Dated: September 22, 1969.


 JAMES R. MCCORMICK,
 Factfinder