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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
MICHIGAN EMPLOYMENT RELATIONS COMMISSION  
FACT FINDING

In the Matter of the  
Fact Finding Between:

BRIDGEPORT-SPAULDING  
COMMUNITY SCHOOLS

MERC Case No. L93 H-1001

-and-

BRIDGEPORT-SPAULDING  
EDUCATION ASSOCIATION

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS  
COMMISSION  
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FACT FINDER'S REPORT AND RECOMMENDATIONS

APPEARANCES:

FOR BRIDGEPORT-SPAULDING  
COMMUNITY SCHOOLS:

G. Michael White, Attorney  
Gene F. Karrow, Superintendent  
Susan Dumala, MASB Consultant  
Marvin Hauck, Asst. Superinten-  
dent for Personnel  
Jeanne A. Priest, Director of  
Business  
Thomas Sowulewski, Member, Board  
of Education  
Mari McKenzie, CPA  
Donald E. Lee, Architect

FOR BRIDGEPORT-SPAULDING  
EDUCATION ASSOCIATION:

Willie Mathews, Jr., Uniserv,  
Chief Negotiator  
Pat Schopmeyer, Uniserv  
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Carolyn Cody  
Deborah VanKniken  
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Jan Tanner  
Corinne Edwards  
Jim Eickholt

The Bridgeport-Spauldning School District is located in Saginaw County, Michigan. The District employs in excess of 130 teachers at grade levels K-12, as well as adult high school teachers. The District is an in-formula school district, meaning that approximately 52% of the District's funds come from State aid. Throughout the years, the teachers of the District have been represented by the Michigan Education Association and have had a series of Collective Bargaining Agreements.

Approximately 85% of the District's teachers are at the top of

George T. Roumell, Jr.

Bridgeport-Spauldning Community Schools

their respective pay scales, whether it be B.A., M.A., or M.A.+30.

The parties' most recent Collective Bargaining Agreement commenced August 24, 1992 and expired on August 31, 1993. The parties engaged in bargaining for a successor Agreement. Even though aided by a State Mediator in their efforts to reach agreement, the parties failed to do so.

The District had proposed a two year agreement with no pay increase for the first year (1993-1994) and a cost of living increase for the 1994-1995 school year, or 5%, whichever was less.

The Association had proposed a one year agreement with a 4-1/2% across-the-board increase.

The Association had proposed a change in Article 10.21, "Association Conferences". The present language provides:

The Board of Education shall permit a person or persons designated by the Association a maximum of fifteen (15) days total absence, without loss of pay, to attend Association business. The Association shall make such request one (1) week prior to the date of such conference.

The Association proposed:

#### ASSOCIATION DAYS

10.21 Association Conferences -- The Board of Education shall permit a person or persons designated by the Association a maximum of ~~fifteen (15)~~ TWENTY (20) days total absence, without loss of pay, to attend Association business. The Association shall make such request one (1) week prior to the date of such conference. IN THE EVENT THE ASSOCIATION REQUEST DAYS IN EXCESS OF THOSE PROVIDED HEREIN, THE BOARD SHALL GRANT SUCH EXCESS DAYS WITH THE ASSOCIATION, REIBURSING THE BOARD THE DAILY SUBSTITUTE WAGE PAY RATE.

THE DAILY SUBSTITUTE WAGE PAY RATE SHALL  
BE DETERMINED BY THE BOARD IN SEPTEMBER  
OF EACH SCHOOL YEAR.

The Association had proposed a change in Article 16.2  
as to longevity. Article 16.2 provides:

After 14 years teaching - \$ 800 above salary step  
After 20 years teaching - \$1,000 above salary step  
After 25 years teaching - \$1,200 above salary step

The Association's proposal would provide:

LONGEVITY

16.2 Longevity

After 14 years teaching - 4.5% of the B.A. Minimum  
After 20 years teaching - 5.0% of the B.A. Minimum  
After 25 years teaching - 6.0% of the B.A. Minimum  
After 27 years teaching - 7.0% of the B.A. Minimum

Article 17 of the 1992-1993 Agreement is captioned  
"Non-routine Assignments." It provides for rates of pay in such  
areas as teachers who substitute during their preparation  
period, Adult High School rates, summer school rates, and rates  
of pay for other similar assignments. Article 17, in pertinent  
part, reads:

17.1 Teachers who agree to give up their  
preparation period to substitute in a class  
will receive \$8.40 per class. (The parties  
agree that no violation of this will occur  
when members of the administration substitute  
in class).

In the event unforeseen and emergency  
circumstances result in an elementary teacher  
being required to spend more than twenty-five  
(25) hours of instruction time in one week  
before students, the teacher will receive  
extra compensation in an amount equal to  
his/her hourly rate of pay as defined in  
16.4.2.

17.4 The following hourly teaching rate will  
be paid to teachers performing these  
assignments:

Adult High School	\$16.80
Driver Education	\$16.80
Summer High School Completion	\$16.80
Home Bound Teacher	Hourly Rate
Noon Hour Supervision	\$8.40/Supervised Period
Department/Grade Level	
Chairperson/Homebase Coordinator	1 Hour Released Time Or One Sixth Additional Salary

17.4.2 Adult High School teachers may accumulate sick leave on a ratio of one class session per semester per subject.

17.5 Any work provided by the teaching staff after school or during the summer will be voluntary and compensated at \$16.80 per hour.

The Association has proposed the following changes as to the rates of pay for teachers involved in non-routine assignments:

17.1 Teachers who agree to give up their preparation period to substitute in a class will receive ~~\$8.40~~ 0.083% of the B.A. Minimum per class. (The parties agree that no violation of this will occur when members of the administration substitute in class.)

(No change in second paragraph from the 1992-93 contract.)

17.4 The following hourly teaching rate will be paid to teachers performing these assignments:

Adult High School	\$16.80 0.083% OF APPROPRIATE STEP OF SALARY SCHEDULE
Driver Education	\$16.80 0.083% OF BA MIN
Summer High School Completion	\$16.80 0.083% OF BA MIN
Home Bound Teacher	Hourly Rate
Noon Hour Supervision	\$8.40 0.042% OF BA MIN/Supervised Period
Department/Grade Level	1 Hour Released Time
Chairperson/Homebase Coordinator	Or One Sixth Additional Salary

17.4.2 ~~Adult High School teachers may accumulate sick leave on a ratio of one class session per semester per subject.~~ ADULT HIGH

SCHOOL TEACHERS SHALL ACCUMULATE SICK LEAVE AT A RATE PROPORTIONATE TO THE AMOUNT OF TIME SPENT PROVIDING INSTRUCTION TO ADULT STUDENTS WHEN COMPARED TO THE TOTAL TIME COMMITMENT REQUIRED OF A REGULAR HIGH SCHOOL TEACHER.

17.5 Any work provided by the teaching staff after school or during the summer will be voluntary and compensated at ~~\$16.80~~ 0.083% OF THE B.A. MINIMUM per hour.

Coaching salaries are provided in Article 18.1, and read:

Coaching Salaries 1992-93 - Index Based on \$38,465.

The Association proposed that the flat amount listed for coaches be changed to reflect pay based upon a decimal equivalent of the listed index by the dollar value of the B.A. Maximum on the teachers' salary schedule.

Article 19 is entitled "Fringe Benefits." The Association proposed a number of changes in Article 19, including:

- a. Adoption Leave (19.1.3)
- b. Family Leave (19.2.8)
- c. Milage Reimb. (19.9)
- d. Increased Dental Benefits (19.10.2)
- e. Increased Life Ins. Benefits (19.10.2)
- f. Increased Vision Benefits (19.10.2)
- g. Increased LTD Benefits (19.10.2)
- h. Eliminate Current \$5/month Premium Co-Pay (19.10.2)
- i. Eliminate Limits on Board's Obligation to Contribute to Tax Sheltered Annuities (19.10.2)
- j. Increase Level of Board Contrib. to Tax Sheltered Annuities (19.10.2)
- k. Increase Rate of Daily Reimb. for Sick Leave (19.11).
- l. Increase Rate of Annual Reimb. for Sick Leave (19.11)

It would prolong this Fact Finding Report to list in detail each of the proposed changes under "Fringe Benefits",

except to note that among other proposed changes, the Association wished to eliminate the \$5.00 per month health insurance premium co-pay, to increase life insurance benefits and dental benefits, and increase the Board's contribution to a tax annuity.

Article 12 is captioned "Least Restrictive Environment" and, as the Fact Finder is informed, was first placed in the parties' Agreement in the 1992-1993 Agreement. The Association has proposed new language to replace Article 12, referring to this new language as Appendix C.

In addition to the proposed wage increase, most of the proposals, if not all, proffered by the Association have financial implications, including the proposed Appendix C.

As indicated, the 1992-1993 Collective Bargaining Agreement was one of a series of collective bargaining agreements negotiated between the Association and the District. As a result of this history of bargaining, certain patterns of compensation and fringe benefits have evolved in the Bridgeport-Spaulding School District. By the 1992-1993 Agreement, the wage scale at Bridgeport-Spaulding, as compared to 13 other school districts in Saginaw County, was as follows:

DISTRICT	BA Minimum	BA Maximum	MA Minimum	MA Maximum	MAXIMUM Salary
Birch Run	24,144	41,217	25,923	44,075	44,075
Bridgeport-Spaulding	25,431	40,411	26,655	45,491	48,350
Buena Vista	24,371	40,453	25,792	43,995	45,482
Carrollton	22,223	37,523	24,542	41,898	41,898
Chesaning	24,718	36,766	26,466	40,466	44,142
City of Saginaw	25,831	42,573	27,322	48,016	54,061
Freeland	23,042	38,249	26,037	41,244	41,244
Frankenmuth	24,619	38,983	25,386	45,762	48,569
Hemlock	23,424	38,399	25,381	41,680	41,680
Merrill	22,609	36,735	24,296	39,426	40,214
Saginaw ISD	25,831	42,572	27,322	48,313	54,061

DISTRICT	BA Minimum	BA Maximum	MA Minimum	MA Maximum	MAXIMUM Salary
Saginaw Twp.	24,248	40,615	28,855	45,223	48,132
St. Charles	22,653	38,950	24,376	40,091	41,186
Swan Valley	22,769	38,707	24,747	42,070	45,427

Approximately 85% of the teachers in Bridgeport-Spaulling are at the top pay scale in their various pay tracks. As the above chart indicates, Bridgeport-Spaulling, in terms of maximum salary, reached third among the 14 Saginaw County teachers and is either two or three in standing at the B.A. Minimum, B.A. Maximum, M.A. Minimum and M.A. Maximum. In addition, based upon average teacher salaries, only Saginaw City school teachers have a higher average than Bridgeport among the 14 Saginaw County school districts. This suggests that based upon bargaining history, the Bridgeport teachers indeed have compared most favorably with other teachers in Saginaw County school districts.

As will be explained below, this bargaining history suggests that Bridgeport teachers have made certain trade-offs in bargaining in order to obtain this favorable wage comparison.

For the 1993-1994 and 1994-1995 school years, some districts have given wage increases as much as 6% a year. Such districts either had pay rates lower than Bridgeport-Spaulling, and therefore are in a catch-up mode, or in 1993-1994 are coming off multi-year contracts negotiated before the current financial crisis in education in Michigan evolved. As to those districts who are in a catch-up mode that have given 6% pay raises for 1993-1994, such as Freeland, the above quoted chart illustrates that Freeland had not caught up to Bridgeport-Spaulling.

On the other hand, Chesaning is a school district that

for the 1993-1994 school year has settled their contract without an increase except for step increases. As the above chart illustrates, Chesaning at all levels, is behind Bridgeport-Spaulding. This Chesaning settlement lends credence to the Board's offer.

Likewise, there are school districts that have settled in the 3% range for 1993-1994, namely, Swan Valley and Birch Run. Yet, these school districts, even with these settlements, will not have caught up with Bridgeport-Spaulding. This analysis suggests that though there may be a basis for the Board's position for 1993-1994, if one were to follow Chesaning and recognize that most school districts in Saginaw County who gave raises in the 1993-1994 school year are in a catch-up mode with Bridgeport-Spaulding, it still would seem that some increase for 1993-1994 and thereafter would be necessary to continue Bridgeport-Spaulding teachers in their comparable position.

As to longevity, there are districts in Saginaw County that based longevity payments on a percentage basis rather than a fixed amount as in Bridgeport-Spaulding. Similar comments can be made as to coaching salaries. There might also be instances where there are other school districts in Saginaw County that have higher stipends for various non-routine assignments than Bridgeport-Spaulding.

But, in most cases, the districts who base longevity on percentages, pay coaching salaries on higher percentages, or have higher stipends for non-routine assignments, are districts that do not enjoy the same favorable salary schedule (as compared to other Saginaw County school districts) as does



Bridgeport-Spaulding. This means that in bargaining over various contracts, the Association with the Board made certain choices in bargaining.

The choice was to obtain a favorable salary schedule as contrasted to a more favorable longevity, coaching salary or stipends for non-routine assignments. This bargaining history suggests that there was a give and take between the parties reaching certain results that both, at least through the 1992-1993 school year, believed was favorable to their respective positions.

In other words, the parties put priorities on the salary schedule versus longevity, coaching salaries and stipends for non-routine assignments. This bargaining history suggests to a fact finder that he should not disturb this bargaining relationship and the priorities of the parties. A fact finder should not disturb the bargaining history, particularly when it has produced, from the teachers' point of view, based upon the results in the other 13 Saginaw County school districts, a favorable salary result. There is no reason now to change this priority.

To put in another way, whereas, for example, the longevity rates at St. Charles are based upon percentages, in 1992-1993 the M.A. Maximum was \$40,091 versus the Bridgeport-Spaulding maximum of \$45,491. Furthermore, there is no reason, based upon the above analysis, to add a longevity step. The parties, in their long history of negotiation, have saw fit not to place a priority on adding such a step. It is for these reasons that the Fact Finder believes there is no basis to make

changes as to longevity, coaches salary, or non-routine assignment stipends.

As to the fringe benefits, particularly insurance, it is noted, for example, under Plan B, Bridgeport-Spaulding's provision for \$40,000 of life insurance is only surpassed by five other Saginaw County school districts who were paying \$50,000. This means that the parties, in negotiating the \$40,000 life insurance package for employees not taking health insurance, have still arrived at an insurance package that is above average among the Saginaw County school districts. Therefore, there is no reason at this time to change this amount.

As to the co-pay for insurance, the amount of co-pay (\$5.00 per month) is indeed modest when the Fact Finder recognizes that there have been increases in health care premiums. In some cases, such as in 1988-1989, the premiums increased 36.72%. In the last three years, the premiums have remained relatively stable. But even then, in 1991-1992, the premiums increased 5.53%, .05% in 1992-1993, and there is a premium increase for 1993-1994 of 5.15%. Though not all districts in Saginaw County require their teachers to contribute to health care premiums, there are districts that do so. Even though the premiums in Bridgeport-Spaulding seem to be relatively stable, there are increases. Thus, it would seem that with these increases and the bargaining history that led to agreement on a modest \$5.00 co-pay, there is no reason to change what the parties themselves arrived at previously in negotiations.

Similar comments can be made about the other fringe

benefits. The benefits set forth in the Agreement have come about based upon bargaining between the parties. They are comparable with other school districts in Saginaw County. There are districts that may provide some higher benefits in some areas. Other districts provide lower benefits. It is sufficient to note that the comparables are not so overwhelming as to require any changes in the fringe benefits.

The bargaining history impacts on the analysis as to the Association's proposal concerning Appendix C, Least Restrictive Environment. A similar proposal has been presented by the teachers on at least three previous occasions. As a result, the Board responded with the current Article 12, language.

Considering the history of the Association making "least restrictive environments," the fact that finally in 1992-1993 agreement was reached on the issue, it is doubtful, with so many issues on the table and the parties reaching impasse that, if left without the availability of fact finding, the parties would have reached agreement on Appendix C. This follows because there are cost implications in the proposed Appendix C language. What caused the impasse here is the Board's concern over costs. In order to arrive at an agreement where cost was an issue, some priorities would have surfaced at the bargaining table. It is suggested that under a pressure of settlement, considering the bargaining history just discussed, Appendix C would not have been adopted. For these reasons, the Fact Finder will not recommend the adoption of Appendix C.

Underlying the comparables and the bargaining history is the financial resources of the District and the ability to

pay. As already noted, the District receives 52% of its income through State aid. State aid is formulated based on student enrollment. Bridgeport-Spaulding, for the last several years, has been experiencing a decline in student enrollment, which impacts on the monies the District receives in State aid.

The State aid calculation of students has been recently modified so that the student enrollment calculation is based upon current enrollment, and not as in the past, on the previous year's enrollment. In Bridgeport-Spaulding, this means that with a declining enrollment, which the Board expects to continue in the 1993-1994 school year, the District's State aid will be premised on current lower student enrollment figures. Thus, the District will not have the luxury it once had in a declining student enrollment situation to rely on receiving current State aid on figures of a previous higher enrollment.

It is common knowledge that there is uncertainty as to future State aid because of the looming change in the State's method of financing education, as indicated by the passage of the so-called Senate Bill No. 1. Though for 1993-1994, there is still property tax, the recently passed State aid bill for 1993-1994 does represent some decrease in revenue for the District based both on the decline in student enrollment, some decline in the revenue for Adult High School, and a requirement that 25% of FICA be paid by the District, whereas previously the State has paid the full FICA amount. There have also been some changes in the monies to be received in categorical accounts.

Although the money calculated to be received from the State for the 1993-1994 school year is based upon an estimate, including such unknowns as to the exact number of students, it

is a reasonable assumption that the District will receive less State aid monies for the 1993-1994 school year than in the 1992-1993 school year, impacting on the District's financial health.

Under the present Board leadership, the District has been engaging in cost cutting in order to cope with the realism of its current financial resources. During the last three years the District has cut administrative staff and services, and reduced the number of teachers employed by ten. Through these efforts, the District has maintained an approximately 5% fund balance of about \$780,000. The District's certified public accountants have recommended, particularly since the District relies heavily on State Aid and Senate Bill 1 has brought the issue of Board finances in the future into question, that a 5%-10% equity fund balance be maintained to assure that Bridgeport-Spaulding can financially survive the 1994-1995 school year.

Against this fund balance, the Board's architect has noted that the middle school roof is in need of replacement, at an estimated cost of over \$300,000; that there are questions of ingress and egress that must be repaired at an estimate cost of \$250,000. As a result of the passage of the Americans With Disabilities Act, the architect has estimated that the school must spend approximately \$75,000 for adjustments in the buildings. This total amount of needed repairs that the architect has testified should be done within two years comes to approximately \$650,000. Even with no increase in teachers' salaries, these needed repairs would seriously infringe upon the fund balance.

In addition, in June of 1992, the Board attempted to obtain a Headlee override, but that effort was defeated by the citizens four to one. Thus, considering all the circumstances, the finances of the District is limited to say the least.

To its credit, the Board has followed a course of fiscal responsibility, being concerned with the District's financial health and the ability to finance a reasonable educational program, consistent with the available financial resources. The Board has labored long and hard and has proceeded with caution in addressing the financial needs of the District. The Board, therefore, consistent with this concern, presented an offer to the teachers designed to keep the teachers in a comparable financial position with other Saginaw school districts and yet consider the financial resources of the Bridgeport-Spaulding School District. The public should appreciate this.

The Fact Finder believes, in applying the bargaining history criteria, the financial ability criteria, and the comparable criteria, as discussed in this Report, that in order to keep the teachers in their relevant comparable positions that has come about through years of bargaining, the offer of the Board and the offer of the teachers as to wages must be carefully balanced.

In order to arrive at a reasonable balance, namely, the Board's concern over the financial integrity of the School District's finances and its obligation to the public, and the concern that the teachers be adequately paid consistent with what other teachers in Saginaw County are being paid, as reflected in the long bargaining history of the parties, it

would seem that there be a two year Agreement; that in the first year of the Agreement (1993-1994), the wage increase should be 1% across-the-board; and that in the second year of the Agreement (1994-1995), the wage increase should be 4% across-the-board. In this way, the fiscal integrity of the District will be protected and, likewise, the teachers will continue, comparable-wise, to be among the better paid teachers in Saginaw County.

The public may raise the question of the reason the Fact Finder is emphasizing the need to keep Bridgeport-Spaulling teachers at their relatively favorable wages as compared to other Saginaw County school districts. The answer is simple. As explained in this Report, there is a bargaining history. The bargaining history has placed the teachers in this favorable, comparable position. The Fact Finder has also used the bargaining history not to change fringe benefits or any other compensation as well as Association Days. The bargaining history has been applied here, both in favor of the Association and in favor of the Board. It is a two way street.

Furthermore, there is the "art of the possible." With only one district out of 14 districts in Saginaw County having a zero increase for the 1993-1994 school year and some districts having increases as high as 6%, it would seem that some increase is mandated for the 1993-1994 school year or there would be a significant impact on morale. Again, the bargaining history, as well as the comparisons, would suggest some increase. A two year Agreement with a wage increase of 4% in the second year (1994-1995) is consistent with the comparables with the other school districts as to the wage increases these districts are

given as well as the overall bargaining history in Bridgeport-Spaulding.

This recommendation takes into consideration all the other proposals on the table and leaves the contract language and the other provisions as they were in the 1992-1993 Agreement. To do so leaves the Bridgeport-Spaulding teachers in the same comparable position they had been as to these proposals in the 1992-1993 school year, while at the same time continuing, as just pointed out, their relatively favorable pay scale.

The recommendation set forth below of a 1% increase for the 1993-1994 school year "at all salary levels" and for the 1994-1995 school year of 4% "at all salary levels" is not intended to apply to the longevity step set forth in Article 16.2. As with all the other language in the 1992-1993 Agreement, this longevity language and fixed amount shall be carried over into the 1993-1995 Agreement.

The Fact Finder has also set forth the duration of the Agreement. The parties have agreed on a calendar. If the calendar requires teachers to begin performing services prior to September 1 of each of the two school years, then it is the intention of the Recommendations that the teachers will be compensated based upon the 1993-1994 and 1994-1995 wage scale, respectively. The District has stated that, via a Letter of Understanding, it will agree to this statement.

The recommendations that follow reflect the above analysis.



## R E C O M M E N D A T I O N S

It is hereby recommended that:

1. The Collective Bargaining Agreement between Bridgeport-Spaulding School District and the Bridgeport-Spaulding Education Association shall be for a two (2) year duration, commencing September 1, 1993 and ending August 31, 1995.
2. For the contract year commencing September 1, 1993, the wage increase shall be one (1%) percent across the board at all salary levels on the salary schedule.
3. Commencing September 1, 1994, there shall be a wage increase of four (4%) percent across the board at all salary levels on the salary schedule.
4. There shall be no other changes in the aforesaid 1993-1995 Agreement; that the terms and conditions, except as hereby recommended as to wages, that existed in the 1992-1993 Agreement shall be carried over into the 1993-95 Agreement.
5. The calendar for the 1993-1994 school year and for the 1994-1995 school year shall be as agreed to between the parties.
6. The meaning of all salary levels on the salary schedule is as discussed in the Report.
7. The impact of the calendar duration and dates of the Agreement on wages is as discussed in the Report.

  
GEORGE T. ROUMELL, JR.  
Fact Finder

September 13, 1993