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LABOR MEDIATION BOARD  
STATE OF MICHIGAN

In the Matter of Fact Finding Between:

BULLOCK CREEK SCHOOLS )  
 )  
-and- )  
 )  
BULLOCK CREEK EDUCATION ASSOCIATION )  
David Heilbrum )

FACT-FINDING REPORT

Introduction

Based on a petition for fact-finding filed by the Association with the Labor Mediation Board on June 12, 1968, hearings were held at the Bullock Creek School District High School near Midland, Michigan, on August 12, 1968, and August 13, 1968. The chief spokesman for the Association was Harry W. Bishop, MEA representative and the chief spokesman for the School Board was R. W. Barker, Board Secretary.

The Association and the Board were parties to a two-year Agreement that expired March 1, 1968. This Agreement was reopened as to economics for the second year of its term. The basic salary schedule that was established and implemented for the 1967-68 school year as a result of such reopening carried a B.A. minimum base salary of \$6,000.00 annually and was otherwise created in a framework of six academic columns and twelve (including 0 step) steps not all of which were applicable to each column. At 0 step a B.A. plus 15 carried \$150.00 added compensation or \$6,150.00 annually; a B.A. plus 30 carried \$300.00 additionally or \$6,300.00 annually; an M.A. carried \$600.00 additional or \$6,600.00 annually, an M.A. plus 15 carried \$800.00 additional or \$6,800.00 annually and an M.A. plus 30 carried \$1,100.00 additional or \$7,100.00 annually. The maximum for the various salary columns, including the B.A., were \$7,380.00 (Step 9), \$7,840.00 (Step 10), \$8,960.00 (Step 11), \$9,160.00 (Step 11) and \$9,740.00 (Step 12), respectively.

\* \$7,530.00 (Step 9),

Bullock Creek Schools

Based on the petition for fact-finding, the answer thereto and preliminary discussion at the commencement of the first date of hearing, the following issues remain for consideration:

- I. Introductory salary phraseology.
- II. Phraseology pertaining to extra duties (athletics).
- III. Phraseology pertaining to Master's Degree (M.A.) salary compensation.
- IV. Salary schedule.
- V. Health insurance.
- VI. Duration of agreement.

#### Facts

##### I.

The following represents the proposal between the parties as to introductory phraseology for the salary article:

"This article in its entirety, represents the [minimum] compensation to be paid for certified teaching personnel under this contract, excluding Superintendent; Assistant Superintendent; Principal; Assistant Principal; Counselor Coordinator; Department Heads; Director of Cafeteria and Director of Transportation."

The bracketed word "minimum" is a word contained in the Board's proposal while the Association would delete this word.

The Association contends that the existence of the word "minimum" would nullify contractual agreement as to compensation since it would imply that additional amounts could be paid at the discretion of the Board. The Board's position is that special, additional, or extraordinary duties might arise whereby faculty members are, or should be, compensated additional money by the Board and that the inclusion of the word "minimum" would allow the necessary flexibility in this regard.

##### II.

The parties have reached agreement that the cross-country coach shall be paid an additional \$500.00 for such extra duties during the school year. The Association desires to have language comparable to that which pertains to football and basketball coaching whereby the

coach receives an additional amount of \$75.00 for holding practices outside of the regular school calendar. The Board states that it has no intention of requiring the cross-country coach to report early for pre-school practice and so there is no need for further language beyond the statement of his flat extra-duty compensation for the school year. It is true that in past years it has been traditional for the cross-country coach to voluntarily report for pre-school practice a week before the actual commencement of school or the commencement of work by other teachers.

### III.

The parties' salary proposals each include an M.A. column. The Association also desires that the following language or understanding pertain to compensation for an M.A. degree:

"M.A. need not be in field assigned in order to receive pay from the M.A. column."

The Board's proposal for qualifying language is as follows:

"Master's Degree in field assigned -- otherwise automatically all go on B.A. plus 30 scale."

The Association contends generally that any advanced degree enhances an individual's ability to work with children and should be recognized as to compensation. The Board believes that advanced academic training should be related to the field assigned before additional compensation is merited. The Board notes and agrees, however, that it is frequently difficult to determine whether a specific assignment is in the field of a person's advanced study and it proposes to use liberal and flexible rules of interpretation should an agreement be reached as it has proposed.

The evidence also shows that one individual in the system holds a Master's Degree in administration and in at least one past year has been compensated at the M.A. level. However, for at least the past school year this individual's compensation was based on the B.A. plus 30 salary column since the Board did not consider that this degree was sufficiently related to the teaching of a sixth grade class to warrant Master's Degree compensation.

### IV.

The parties have reached agreement on compensation to be paid individuals with either three or four years of study completed.

Commencing with the B.A. column the Association's last known salary proposal is as follows:

<u>STEP</u>	<u>BA</u>	<u>BA+PERM. OR LIFE</u>	<u>BA+15</u>	<u>BA+30</u>	<u>MA</u>	<u>MA+15</u>	<u>MA+30 OR ED. SPEC.</u>
0	6700	X	6900	7100	7300	7500	7700
1	6900	X	7120	7320	7530	7730	7930
2	7100	X	7340	7540	7770	7970	8170
3	7300	7400	7560	7760	8020	8220	8420
4	7500	7600	7780	7980	8280	8480	8680
5	7700	7800	8000	8200	8550	8750	8950
6		8000	8220	8420	8830	9030	9230
7		8200	8440	8640	9120	9320	9520
8		8400	8660	8860	9420	9620	9820
9		8600	8880	9080	9730	9930	10130
10		8800	9100	9300	10050	10250	10450
11				9520	10380	10580	10780

The Board's last known salary proposal is as follows:

<u>STEP</u>	<u>BA + PROV. CERT.</u>	<u>BA + 15 GRAD. HRS. + PERM.</u>	<u>BA + 30 GRAD. HRS. + PERM.</u>	<u>MA</u>	<u>MA + 30 GRAD. HRS. + PERM.</u>
0	6700		7000	7300	7900
1	6825		7125	7425	8025
2	6950		7250	7560	8160
3	7110	7260	7410	7740	8340
4	7270	7420	7570	7930	8530
5	7430	7580	7730	8130	8730
6	7590	7740	7890	8340	8940
7	7750	7900	8050	8560	9160
8	7910	8060	8210	8790	9390
9	8070	8220	8370	9030	9630
10	8230	8380	8530	9280	9880
11		8540	8690	9540	10140
12		8700	8850	9810	10410
25		9000	9290	10210	10810

The Association's main contention is that funds exist to compensate teachers of this school district at the salaries which it has proposed as suitable professional compensation for teachers during the coming school year. The Association presented evidence to the effect that the Board's estimated 1968-69 total revenue of \$1,271,505.13 will actually be more likely to be \$1,303,598.13 based on the following apparent adjustments:

A. State equalized valuation (SEV) for the school district of \$26,587,300.00 rather than \$26,400,000.00.

B. A probable tax collection rate of 92.5% or more rather than the projected 90.0%.

C. Total revenue from operating millage of 21.3 mills of \$523,836.00 rather than \$500,168.00 (resulting in reduced state aid of approximately \$3,300.00 based on the "deductible millage" formula.)

D. A probability of interest income based on delinquent taxes nearer \$1,600.00 than the estimated \$200.00.

E. Anticipated transportation aid from the State of approximately \$10,000.00 more than the estimated \$43,200.00.

The Association advanced evidence tending to show that the Michigan Department of Education classifies the District as an (L) District defined as a "large fourth-class district outside of corporate limits." The Association superimposed certain information available as to expenditures of the School District during the school year 1966-1967 which tended to demonstrate that the percentage of total expenditures stemming from instructional salaries or instruction generally and the dollar amount spent per pupil was lower than the average of other similarly classified districts.

In regard to contract settlements of MEA Region 12 in which this School District is located, and on a state-wide basis generally, the Association advanced its most currently available data tending to show that the salary ratios proposed by the Board were less favorable than those obtaining from these settlements. The following is an extract from an exhibit containing this information:

	X*	B.A. Min.	M.A. Min.	B.A. Min.	B.A. Min.
	Y*	<u>M.A. Min.</u>	<u>M.A. Max.</u>	<u>B.A. Max.</u>	<u>M.A. Max.</u>
Region 12		1.07	1.44	1.41	1.54
State-Wide		1.07	1.47	1.45	1.57

The Association contends generally that expenditure control will allow balanced operations during the school year and that in addition Public Act 316 of 1968 expressly authorizes borrowing provisions whereby school districts can complete their fiscal year by borrowing up to 15% of current or expected state aid in the event it appears that such will be necessary to conclude school operations.

The Association's secondary evidence included exhibits tending to show a rise in the cost-of-living over a recent 12-month period of approximately 4.8%; a comparison of career earnings of teachers vs. other occupational groups, taking into account the cost and lost income of a college education and showing generally that teachers achieve lower total career earnings than certain unskilled occupations and substantially lower career earnings than certain skilled occupations.

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\* Ratio of factor X to factor Y.

The Board presented the recent compilation of the Michigan Association of School Boards showing that in approximately 240 school districts known to have settled as of a recent date the Board's salary proposals in the four key guide areas were substantially above average, after adjusting for some uncertainty as to whether or not the B.A. and M.A. maximums of the compilation represented compensation for those degrees only or for those degrees plus additional course completion. As to the B.A. minimum proposal, the Board's salary offer were nearly in the 90th percentile of this group. As to the B.A. maximum proposal, this was approximated as being around the 36th percentile. As to the M.A. minimum, this was in the 90th percentile. As to the M.A. maximum this was approximately in the 40th percentile.

As to tentative budget distribution, the Board projected that approximately 80% of its total revenue would be expended on overall instructional purposes and that costs of administration would remain relatively low as they had been shown to be even by exhibits of the Association.

The Board calculated its own proposal as one that would require at least 68.6 per cent of its 1968-69 budget to be allocated for instructional salaries using the accounting guidelines and classifications of the Michigan Department of Education. The Board contended that its instructional outlay was higher than regional or national averages and that the District had one of the highest total millage amounts of the vicinity.

As to certain specific points, the Board demonstrated that with the new school year the high school will now have a new full-time Assistant Principal and the school system will also have an Elementary Supervisor to coordinate activities at that level and special programs. This, coupled with normal compensation increases, accounted for the proposed rise in administrative salaries from \$50,000.00 in 1967-68 to \$74,500.00 in 1968-69. As to delinquent taxes and interest thereon, the Board asserted that the irregular character of this subject and the fact that County officials might allocate interest and delinquency payments to funds other than operating revenue made it unwise to estimate revenue beyond that contained in the official revenue projection.

The Board noted that school operations for 1967-68 had ended with a \$23,000.00 deficit even though a \$51,000.00 surplus had existed at the start of that school year. The Board contended generally that the budget and expenditure projections and salary proposals were fair and equitable, allowed suitable professional compensation and represented fairness to the school district and its tax payers.

#### V.

As to health insurance, the Association's last known proposal is as follows:

"During the 1968-69 school year the District will pay fifty per cent (50%) of the cost of single or family coverage for hospitalization, medical or surgical insurance of the major medical or super-medical variety as is available from MESA or Horace Mann Insurance Companies."

The District's last known proposal is as follows:

"There shall be an employee option of \$200.00 less than the above scales, which would include employee's payment of hospitalization insurance in the amount of \$200.00 annually in twelve installments of \$15.00 and one installment of \$20.00."

The Association presented data taken from 319 reporting school districts as to insurance subsidy indicating that of 82,500 teachers covered by the study over 40,000 were subsidized in the amount of \$100.00 to \$199.00 for health insurance and the two other largest groups of teachers, 12,000 and 14,000, were subsidized \$200.00 to \$299.00 and \$300.00 to \$399.00, respectively. The Association also demonstrated that municipal employers down to a population of 4,000 covered employee health insurance in an amount of 95% to 83% of cost and dependent coverage in parallel counterpart amounts running from 70% down to 54%. The Association characterized its insurance proposal as one based on need and providing a fuller equity for teachers since all would be covered..

The Board demonstrated that the community is highly influenced by the effect of a dominant employer having a substantial and comprehensive health insurance plan under which some of the teachers of the school district are already covered. The Board doubted that more than 50% of the district's teachers would have any need for such insurance and, therefore, urged that such insurance as might be offered should only go to those whom it would benefit.

## VI.

As to the duration of the contract, the Association urged that a one-year contract to expire June 15, 1969, was appropriate because of the many changing facets of collective bargaining in the school field and the need to avoid teacher dissatisfaction were they to be unable to reopen a contract on major noneconomic aspects or to bargain for newly evolving principles. The Board contended that annual contracts constituted a burden on school board members and the community because of the time and expense involved and urged that a three-year contract be entered into with a termination date of June 1, 1971.



## Recommendations, Reasons and Basis

### I.

The principal purpose of a collective bargaining agreement is to establish, as far as practical, definite understandings as to wages, hours and conditions of employment. For this reason it would be best to avoid any ambiguities or unnecessary uncertainty. An example that was given concerning the Board's desire to have "minimum" as a qualification to the statement of the compensation schedule was that the librarian was traditionally compensated for a week of extra duties prior to the start of the school year. This is precisely the type of traditional arrangement which is designed to be embodied in a collective bargaining agreement. For this reason I believe that the use of the word "minimum" would have an undesirable effect on the achieving of a fixed and certain understanding between the parties. Accordingly, I recommend that the Association's proposal be adopted on this point.

### II.

This issue is practically an academic one, providing no unforeseen development arises whereby the school district would choose to, or by now have chosen to, utilize the cross-country coach. While it could concededly involve a slight surplusage in the writing of the Agreement, I believe that at this stage in the bargaining relationship it would be better to crystalize the precise understanding of the parties that this coach was to have received additional compensation in the event he is required to work on pre-season practice the week before school starts. Accordingly, I recommend that the Association's proposal be adopted as to the additional qualifying language it seeks.

### III.

As to limiting M.A. compensation to those who are assigned in the field of their degree, I am not persuaded that this would be a wise idea. Many imponderables exist in regard to teaching competence and it cannot be safely said that merely because advanced study is in a nonsubject matter field that the teacher is clearly without additional value to the students and the school system. Within broad professional fields it seems more likely to understand that any related academic achievement will in some indirect manner have a beneficial effect on the person who undertakes its completion. Evidence received shows that the nearby Midland School District does not draw a distinction and I am not familiar with this limitation being generally imposed in regard to teacher salary schedules. Accordingly, I recommend that the Association's proposal be adopted in this regard.



and that M.A. compensation be paid to any teacher of this school district holding such a degree. This recommendation should not be construed to be any expression of opinion on the past situation of compensating at least one Master's Degree holder of the District on a salary schedule lesser than that for M.A.

#### IV.

I have carefully considered the evidence dealing with the important matter of salary schedule. Among the factors taken into account were:

1. Comparability information.
2. Budget and expenditure history and projection.
3. Traditional percentage of budget spent for teacher salaries.
4. Character of revenue sources and the school district's present overall millage situation.
5. Need for school expenses, operations and improvements in areas other than instructional salary expenditures.
6. Necessity for current adequate professional compensation.

These and other miscellaneous factors adduced during the course of these hearings persuade me that a salary schedule somewhat higher than that proposed by the Board would be appropriate. From the distribution of teachers in this District it is clear that over half will for the coming school year be in the first three steps of the schedule. The next most predominant group of teachers is the experienced group at Step 12 or above. Much of the evidence dealing with salaries was intended to highlight the need for improving the salary schedule at the maxima, particularly for the Bachelor's Degree with or without additional academic attainment. While there is some merit in this it would also appear that the percentage increase over the salaries of last year, both as a matter of overall school district expenditure and at individually selected points on the salary schedule represents; (1) a substantial increase more than enough to offset increased living costs; (2) expectable professional salary improvement; and (3) an overall salary schedule which seemingly meets the test of adequacy in terms of this important profession.

Accordingly, I recommend the following basic salary schedule for the 1968-69 school year in this District.

	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>MA</u>	<u>MA+15</u>	<u>MA+30 OR ED. SPEC.</u>
0	6,700	6,850	7,000	7,300	7,550	7,800
1	6,825	6,975	7,150	7,475	7,725	7,975
2	6,950	7,100	7,300	7,650	7,900	8,150
3	7,125	7,275	7,475	7,850	8,100	8,350
4	7,300	7,450	7,650	8,050	8,300	8,550
5	7,475	7,625	7,825	8,250	8,500	8,750
6	7,650	7,800	8,000	8,475	8,725	8,975
7	7,825	7,975	8,175	8,700	8,950	9,200
8	8,000	8,150	8,350	8,925	9,175	9,425
9	8,175	8,325	8,525	9,175	9,425	9,675
10	8,350	8,500	8,700	9,425	9,675	9,925
11			8,875	9,675	9,925	10,175
12				9,925	10,175	10,425

#### V.

As to health insurance, it is clear from the facts that it can easily be demonstrated that municipal employers in the State generally and a great number of school districts offer substantial and largely noncontributory insurance provisions.

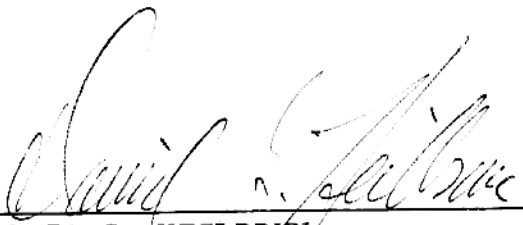
On the other hand, there is no strong showing that there will be heavy faculty participation in this insurance and it is still unclear as to the impact of the comprehensive coverage by the vicinity's major employer and the extent to which this might eliminate further health insurance needs on the part of many of the faculty. I believe that the best interim approach to this situation is to adopt a "head-of-the-household" principle which is becoming prevalent in labor agreements of private industry. While a distinction along these lines is not free from some unfairness in individual cases it does seem to be an approach that would provide better future guidance in this important area. I recommend that a plan be established whereby the Board pays 50% of the cost of family coverage for major hospital medical and surgical insurance on an agreed plan for an employee qualifying as a head-of-household, as that term is customarily interpreted, and that the District pay 25% of the cost of similar single coverage in a group for other members of the bargaining unit desiring to participate. This recommendation is also affected by the treatment of Issue No. VI. below.

#### VI.

I do not agree with the Association that teacher collective bargaining is still at such a stage that substantial subject matter fields cannot be thoroughly negotiated and concluded against the background of the past three years. I think the point is well taken that

only important and substantial reopener provisions should justify the extreme and complex undertaking of reaching or modifying a collective bargaining agreement covering professional employees. On the other hand, the Board's proposal for a three-year contract also seems to overlook the fact that some reasonable middle ground should be sought. I believe that a two-year agreement would be suitable for this school district in view of the substantial period of negotiations which have led to the once proposed master agreement. I, therefore, recommend on all matters as to which the parties are now in agreement and on any matters in dispute (whether or not resolved in accordance with the recommendations of this Fact-Finding Report) that these devolve to a two-year collective bargaining agreement between the parties to terminate June 15, 1970. In addition, and drawing in part on a last known proposal of the Board, I recommend that the contract be reopenable from and after January 1, 1969, in any of the following three areas:

1. Compensation (basic and supplementary).
2. Health Insurance.
3. Any other single Article selected by either party as a subject for reopening.

  
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DAVID G. HEILBRUN  
Hearings Officer

Dated at Southfield, Michigan  
this 29th day of August, 1968.