

1077

FACT FINDING PROCEEDINGS

BEFORE THE

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

FF 274
11/30/72
LABOR AND INDUSTRIAL
RELATIONS
Michigan State University

In the Matter of:

BULLOCK CREEK SCHOOL DISTRICT,

and

BULLOCK CREEK EDUCATION ASSOCIATION

-----James McCormick-----

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

REPORT OF FACT FINDER

Representing Board of Education: Dalton O. Coe, Superintendent

Representing Association: Floyd J. Fitch, Executive Director

Following an impasse in negotiations of a new Master Collective Bargaining Agreement between the above captioned parties, the Association petitioned the Michigan Employment Relations Commission for the institution of Fact Finding proceedings in order that the facts surrounding the impasse might be made known to the general public in the School District. Thereafter the Chairman of the Michigan Employment Relations Commission appointed the undersigned to conduct a hearing and thereafter to issue a report summarizing the positions of the parties, the objective facts involved in the dispute, and to make a report to the parties, the Employment Relations Commission and the public concerning his findings and recommendations for solution of the dispute. A public hearing was held on October 27, 1972 at Midland, Michigan, at which time the parties had a full opportunity to present all relevant statistical information and argumentation in support of their positions. The undersigned Fact Finder has thoroughly

Bullock Creek School District

studied the voluminous data presented to him, has taken into consideration the arguments made by the two parties in support of their positions, and issues the following report and recommendations:

This School Board and Education Association have twice entered into salary agreements of two years duration, the last one operating from 1970 through the summer of 1972. The Board has made a proposal for another two years salary agreement and strongly advocates that any agreement reached should resolve the salary issue for at least two years in order to avoid the spector of negotiating for 11 months out of each year. It is a fact that these negotiations began very early in 1972 and are unresolved as of the date of this report. That is a good argument for multi-year salary agreements, but, as noted below, the Board has not made a realistic offer for the second year of a two year salary agreement. The Association has made its proposals in terms of a one year salary agreement but has indicated it is not vehemently opposed to a two year agreement if the figures were adequate. Since no realistic second year proposal has been made by either side, it will be my recommendation that the parties concentrate on a one year salary agreement in an effort to resolve these negotiations, unless the Board is willing to offer for the second year at least as much as it has heretofore offered for the first year. In that event I recommend that the Association accept a two year agreement in order to put these negotiations to rest for a decent interval. Otherwise it will be necessary for the parties to begin negotiations on a 1973-1974 contract within two or three months after finalizing this contract.

The 1971-72 salary schedule in this District began with a BA Minimum of \$8,000 and topped out with a salary of \$12,340 for a teacher with an MA plus 30 additional hours who had served at least

11 years. The undersigned has studied the statistics regarding statewide medians for various levels of teacher salaries and concludes that this District has historically been a little below statewide average at the BA and MA minimum levels (0 years of prior service) and has been as much as three or four thousand dollars below the statewide median averages for teachers having worked the maximum number of years. Within its own Region 12 area, it is possible to generalize that the District has competed fairly well with other schools of its size in terms of salaries at the various levels, although the BA maximum has been low for reasons which I find are legitimate. To be specific, the Board has operated on the philosophy that teachers with a BA should not be able to advance beyond approximately 6 or 7 annual steps in order that they might be encouraged to study to acquire at least 15 hours of scholastic work beyond the Bachelors degree. Accordingly, the Board has traditionally had a truncated BA schedule but has always maintained a BA plus 15 schedule which has permitted teachers to earn considerably more than teachers with a BA. Since the State now requires teachers to acquire at least 15 semester hours beyond the Bachelors Degree, (except those who have been grandfathered) the Board's approach is, I find, quite realistic. As a consequence, in justice to the Board, comparisons ought to be made in terms of the BA plus 15 schedule of this Board rather than with the maximum salaries at the BA level. Unfortunately, however the parties presented little in the way of comparative figures to the undersigned which would show the maximum salaries at the BA plus 15 level in other school districts.

On the basis of relevant documentation submitted at the hearing, I find that the total voted and allocated millage in this district is reasonably good for its area of the State, although it is behind both Coleman and Meridian, two other comparable districts within Midland County. Cole and Meridian happen to have very low property valuations per pupil, which probably explains the very high millage rate in those

districts. The State equalized valuation per pupil in the Bullock Creek District is in the neighborhood of \$15,000, which is fairly typical within the state at large. In any event, it is clear from the record made at this hearing that this District had a comfortable surplus at the beginning of this school year and that it will receive at least \$130,000 more in revenue this year than it did last year. Accordingly, the Board is not "pleading poverty" but rather contends that its offer is fair and will maintain its position among comparable districts in its part of the State of Michigan.

I find that this School District expended approximately \$1,030,000.00 on teacher salaries for the last school year, and that it is now proposing a schedule which would result in a 1972-73 salary expenditure in the neighborhood of \$1,086,000.00, an increase of approximately \$56,000.00 or 5.5%. The Association in its demand has asked for a schedule which would cost approximately \$1,113,000.00, or approximately 8.2% over the salary costs of last year. The difference between the parties is approximately \$28,000, which in itself represents approximately 2.7% of last year's costs. Accordingly it appears that the Board has offered approximately 2/3 of the increase which the Association is demanding. There is no question but that the salary schedule sought by the Association could easily be afforded by this District within its 1972-73 operating revenues. In fact, the \$83,000 increase over last year's costs would still permit the District to add at least \$50,000 to its surplus. That is of course assuming that the District did not increase its expenditures in other areas. Realistically speaking, it must be assumed that some of that \$50,000 would be used towards other increases in non-teaching budget areas. Even so, the increases sought by the Association would not in any way cause the District to dip into its already substantial surplus.

The question therefore is whether the Board has any moral obligation to grant more than it has already offered. Were it not for the prohibition on teacher strikes, we would not be speaking in terms of "moral obligations" but rather pure bargaining power. Since the strike is prohibited as a bargaining weapon, it is necessary to attempt to come up with something which would be equitable as an alternative to the strike. The concept of maintaining its present standing among other school districts is one which has been widely adopted by Fact Finders in similar cases. Where the ability to pay is not in issue the most logical recommendation from a Fact Finder is that the District maintain its preexisting positions in terms of salary levels in comparison with comparable districts. While the teachers in this district have traditionally received something under the State median and average about the same as relatively unskilled employees at the local Dow Chemical Company complex, the undersigned finds that the best comparisons are to other districts in the Midland area. On the basis of the statistics provided to me, it is my finding that the offer of the Board is a little below what is necessary for this District to maintain its position in the area. I further find that the demands of the Association would elevate this District somewhat beyond its preexisting position among comparable districts. The difference between the demand and the offer is only about \$28,000, which is a "drop in the bucket" in terms of the overall budget of the school district.

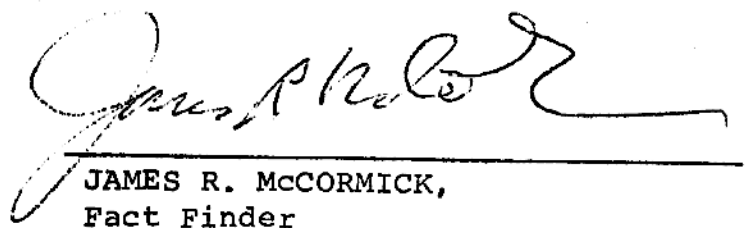
Having made the above findings, I am faced with the problem of making a recommendation for a settlement which will be somewhat above the last offer but somewhat below the last demand. I readily admit that there can be no scientific or mathematical precision in this business, since bargaining involves a great deal more than pure logic. However, within the general confines of the statements made above, it seems to me that this dispute ought to be readily settled

by splitting the differences of the parties exactly down the middle.

While that seems to be the "easy way out" for one in the position of the undersigned, in this case it also comports to the facts of the case and the realities of the bargaining position. Dollar differences are quite small and equity calls for a settlement somewhere between the present positions of the parties. I recommend the parties agree to a schedule along the lines of the schedule submitted in evidence at the hearing as Appendix D, but with addition at all levels calculated to add \$14,000 to the package. There is too little dividing these parties to merit further prolonged negotiations.

Dated: November 30, 1972.

Respectfully submitted,



JAMES R. McCORMICK,
Fact Finder