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STATE OF MICHIGAN
DEPARTMENT OF LABOR
LABOR MEDIATION BOARD

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

In the Matter of

CALEDONIA COMMUNITY SCHOOLS
Caledonia, Michigan

-and-

CALEDONIA EDUCATION ASSOCIATION

Leon Herman

On August 10th, 1967 the undersigned, LEON J. HERMAN, was appointed by the Labor Mediation Board as its Hearings Officer and Agent to conduct a fact finding hearing relative to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Board's Regulations. Accordingly, and upon due notice, a hearing was held August 18th and 19th, 1967 at Caledonia High School, Caledonia, Michigan. Appearing for the Schools were Ray Aley, Superintendent of Schools; William S. Reed, President of the Board of Education and Chairman of the Negotiating Committee; William Van Heyningen, George Rodgers, Miner Cook and John Hilton. Representing the Association were Patrick Dolan, of the Michigan Education Association; Stuart Randolph, Chairman of the Negotiating Committee; John Jacobitz, Don Babcock, Mark O'Neill, William Banaszak and John Soderman.

Of the demands made of the School Board in the petition for fact finding, Item i, Relief Time for Elementary Teachers, and Item j, Duty Free Lunch Period for Elementary Teachers, were settled by the parties before the hearing. Item g, Class

Caledonia Community Schools

Size, was fully discussed at the hearing, and agreement reached that classes in Kindergarten, First, Second and Third Grades would be limited for the coming school year to an average of 27 pupils. In the following year an effort will be made to reduce the class sizes to 24, subject, of course, to then current problems of financing, teacher availability and population increase.

On the issue of Teacher salaries for the ensuing year, the Association proposed that Non-Degree teachers be paid a starting salary of \$5200., increasing in ten annual steps to \$6200. To this the School Board had agreed.

For teachers with a Bachelor's degree, a starting salary of \$6500. was requested, with ten annual increases to a maximum of \$11,700.

Teachers holding a Master's degree asked for a beginning salary of \$7280., increasing in ten years to \$12,480 per annum.

The total cost of the package for the first year was estimated by the Association at \$781,560. In 1966-67 the School system paid \$532,112 for the same services, not allowing for seven newly hired instructors.

The School Board countered with an increase of \$500. for teachers with degrees, resulting in starting salaries of \$5800 for those holding Bachelor's degrees and \$6264 for teachers with Master's degrees.

In addition, the Association asked for extra pay for extra-curricular work in the schools' athletic programs, as well as the establishment of additional activities. The Board made an offer which was rejected. The proposal for additional activities was also rejected by the Board. The Association's proposed schedule of extra payments, with the offer made by the Board, is contained in the following schedule:

Activity	1966-67	Board Offer	Assn 67-68 Proposal
Athletic Director	\$250	\$450	\$780
Football Head Coach	500	560	683
Football Varsity Asst	350	390	488
Football J V Head	350	390	488
Football J V Asst	350	375	455
Football Freshmen		None	325
Basketball Varsity	500	560	683
Basketball J V	450	390	488
Basketball Freshmen	350	350	455
Basketball 8th	175	200	228
Basketball 7th	175	200	228
Track Varsity	350	390	455
Track Assistant		None	325
Baseball Varsity	350	390	455
Baseball J V		None	325
Tennis Varsity	250	275	325
Golf Varsity	250	275	325
Wrestling Varsity		None	585
Wrestling Asst		None	325

A similar schedule of non-athletic activities was proposed:

G A A Sponsor	100	150	228
Cheerleading H S	100	150	228
Cheerleading Jr H S	100	125	195
Band Director	400	450	520
Yearbook H S	100	250	455
Dramatics Coach	200	250	520
Newspaper, Annual Jr H S		150	195
Newspaper H S	New	None	325
Safety Sponsor El.		100	130
Choral Director		200	260

Exhibit 13 attached contains a proposed five step increase formula for teachers engaged in the above activities.

A number of exhibits were offered by the Association to show the depressed state of teacher income against comparably educated individuals in other forms of occupation. A chart of the background of the Caledonia Community Schools (Ex. 5) shows the growth of the community and its available income for school application. The proposed budget of the School Board for the coming year was cited by the Association as proof that the Board could afford to pay more salaries (Ex. 19). The salary increases agreed upon by neighboring schools for 1967-68 were listed in support of the Association's demands for increases in this system.

The School Board introduced its budget for the ensuing school year. As amended to allow for a starting salary schedule of \$5200 for non-degree instructors, \$5800 for teachers with bachelor's degrees and \$6264 for teachers holding master's degrees; and including the proposed increases in the schedule of non-curricular activities, the Board estimated that it would wind up the year with a net balance of \$3,065.

A schedule issued by the Michigan Education Association, of which this Association is a member, lists 20 schools in the area which settled upon salary schedules before August 10th, 1967. The salaries range from \$5600 to \$6300, with eight at \$5800, and fifteen below \$6000. Other schools have since settled in a spread of \$5800 to \$6600. Of these one settled for \$6600, one for \$6300, one for \$6020, two for \$6000, and the remaining six under \$6000.

The Board argued that its proposed salary schedule was in line with comparable school districts in the area. It was explained that a tight and conservative budget had been prepared in contemplation of increases in operating expenses and a reduction in state aid. Its transportation budget had been cut by \$25,000 through doubling up of bus runs and not replacing older buses. Maintenance and capital expenditures had been cut by \$16,000. A surplus of some \$58,000 at the beginning of the last fiscal year had been consumed, and the new year was starting with a deficit in its General Fund Budget of \$1682. Nevertheless, and after considerable negotiation during the hearings, the Board increased its offer to the teachers with degrees as follows:

Bachelor Degree	\$5950, increasing in 10 steps to \$8776.25
Master Degree	\$6426, increasing in 10 steps to \$9252.25

Non-degree teachers were offered \$5100 to start, with annual increments of \$100 for ten years.

Extra duty pay was amended to a slight degree:

Choral Director	\$240
Newspaper, Annual Jr H S	180
Safety Sponsor	150

Other extra duty items were continued without change.

In addition the Board proposed to increase each step in the salary index, as shown in their letter of August 21st, 1967, attached hereto, over the original proposal, and to pay \$9.30 per month towards hospital insurance for each head of a household on the teaching staff.

The proposal of the Board was predicated upon a two year contract, with a base bachelor degree salary of \$6300 for the second year.

The Association refused to accept the Board's last offer. Its latest counter-proposal is a base of \$6100 for a one year contract or a two year contract at \$6000 and \$6600 per year, plus a higher ratio for master's degree.

I am satisfied that the Board has done all in its power to conserve its assets and administer them conservatively. It has done all it could to increase the millage allowances available to it. Last January it sought a millage vote for this coming year and received six mills. In July another public vote resulted in an additional 2.9 mills, but by a scant 52 vote majority.

There is no doubt that with the implementation of its proposed salary schedule it will wind up the year with a deficit, unless the State provides further aid, which presently is not indicated. It is suggested by the Association that the Board could borrow against future state appropriations, but the effect of such action, on top of borrowing the Board has done and must still do to meet current cash requirements, would put the District further on the red side of the ledger.

I agree with the Association in its contention that teachers are a depressed group economically, and that their education warrants a higher rate of return than they have been receiving. I do not agree that they should receive the same annual return as is paid to people of equivalent education in private industry, unless the teacher salary rate is adjusted to reflect the greater

number of hours of work per year that industry expects of its employees. At the same time, the teachers must consider the amounts and sources of funds available to their employer, and the remuneration of other teachers similarly situated in the surrounding and neighboring communities, in determining the compensation which they should receive for their services.

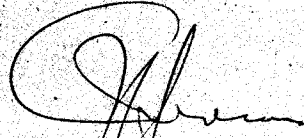
The Association charges that some \$35,500, equivalent to \$408 for each of the 87 teachers on the staff, is available for additional payment of salaries. These figures include "unusually" high taxes receivable of \$15,000 (which is delinquent, and thus presently unavailable for operating expenses); "unusually" high inventory of \$10,000 (primarily books, which will be needed during the school year, and for which parents advanced \$5.00 each to finance their purchase); and an actual year end cash balance shown in the Annual Financial Report (Ex. 20) of \$9100. (which does not necessarily controvert the fact that the District ended the year with a negative cash balance). Nor do other suggested sources of revenue pointed out by the Association seem to meet the basic fundamentals of sound financial practice.

In the light of all the facts presented, and after consideration of the exhibits submitted by the parties and the brief forwarded to me by the petitioner, I am of the opinion that the offer last made by the respondent CALEDONIA COMMUNITY SCHOOLS to its employee teaching staff through petitioner CALEDONIA EDUCATION ASSOCIATION is fair and reasonable, and consonant with salaries negotiated throughout the immediate region in similarly situated

school districts. I strongly urge petitioner to accept the offer on behalf of the teachers. I further suggest that should additional state aid be forthcoming, that a fair proportion of the additional fund be utilized to increase teacher salaries.

Detroit, Michigan,

August 25th, 1967

A handwritten signature in dark ink, appearing to read 'Leon J. Herman', written over a horizontal line.

Leon J. Herman, Hearing Officer