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LABOR AND INDUSTRIAL
RELATIONS LIBRARY

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In Re: CHEBOYGAN AREA SCHOOL BOARD, and
CHEBOYGAN AREA EDUCATION ASSOCIATION

John Kiefer

FACT FINDING RECOMMENDATION:

The fact finding hearings were held in the library of the Junior High School in Cheboygan, Michigan, on August 26, 1970 and August 27, 1970, between the Cheboygan Area School Board and the Cheboygan Area Education Association. It is not unreasonable to say that considerably more than the usual number of issues were involved, both economic and non-economic. Present and participating in the hearing in various capacities from time to time were representatives from the School Board:

Stanley Noyce, President, Board of Education
Arthur Towe, Superintendent of Education
Philip A. Johnson, Assistant Superintendent of Education

Present and participating for the Association:

Carroll G. Schoch, President of Cheboygan Area Education Association
Leonard S. Staley, Consultant M. E. A.
Ray Olson, Negotiator Spokesman C. A. E. A.
Bernard Schiele, Negotiator Team Chairman C. A. E. A.
Gerald E. Bronson, Negotiator Member C. A. E. A.

The bargaining unit in question covers over 100 teachers, and the parties have been negotiating over an extended period for a new contract and have attempted mediation without final success. At the formal hearing, both testimony and numerous records were ably presented by both sides. In addition, this recommendation was delayed in order to give both sides an opportunity to present supplementary factual evidence concerning the estimated income and expenditures of the Board in the coming year.

Cheboygan Area School Board

Both sides have availed themselves of this opportunity by submitting factual data in support of their respective positions, and the Fact Finder has reviewed these along with the other exhibits submitted at the time of the hearings. The records include, among others, the following:

- Annual Financial Report,
- Court opinions regarding compulsory arbitration,
- Information prepared by the Board for the millage election,
- Cheboygan School District data,
- Cheboygan capital outlay,
- Cheboygan History of General Fund Expenditures,
- Cheboygan Millage History
- Communications from the Office of Superintendent,
- School District Profile of Michigan School Districts with
3,000-3,499 pupils,
- Cheboygan-State average salary comparisons,
- Cheboygan Distribution of Teacher Chart,
- Salary proposal cost charts,
- School budget for year 1969-1970,
- School budget for year 1970-1971, and
- Prior Contract between Board and Association.

A request for fact finding was made on August 5, 1970 when the Association filed a Petition.

Prior to engaging in the actual formal hearing, the Fact Finder attempted to act as a Mediator and urged the parties to close the gap between the demands of the Association and the offers of the Board, as well as to dispose of non-economic issues which were more amenable to voluntary settlement. These efforts proved successful in the field of some of the non-economic provisions of the contract such as lunch hour duration, layoff procedure, teacher assignments, and other similar matters, which the parties have reconciled and upon which appropriate language has been agreed for incorporation in the new contract.

However, the parties were not able to agree on the salary scale for teachers in the various qualification and experience categories, nor the amount of hospitalization to be paid by the Board. Nor were they able

to agree upon the Association's demand for compulsory and binding arbitration of grievances; on the Association's demand that the present provision in the contract for Negotiation Procedures which provides for negotiation meetings upon mutual consent, be amended to require such meetings regularly scheduled or upon the request of either party.

Neither were the parties able to settle the question of the duration of the contract.

We shall consider the economic issues first:

A. SALARY SCHEDULE

At the outset, the Fact Finder is compelled to observe that this case involves the classic conflict between school teachers who are making just demands for salaries commensurate with their professional abilities, training and experience, and the financial ability of an impoverished School District. The Fact Finder was genuinely impressed with the reasonableness of the Salary Schedule proposed by the Association in the light of today's cost of living, and the sincerity of the Board to meet such proposal if the funds were available out of which to pay the increased salaries. The role of the Fact Finder is not an enviable one where such a conflict exists. He does not wish to impoverish the deserving teacher nor, on the other hand, does he wish to recommend salaries where the Board would find itself powerless to provide the funding. In balancing these equities, however, the Fact Finder must be persuaded by human considerations and give them priority over planned expenditure for inanimate objects, however desirable the latter may be, to further the quality of education. One of the exhibits filed in this matter ably demonstrates that teachers' salaries are rated as the chief factor in providing a good education to the students.

A difference of opinion became readily apparent between the

respective views of the parties regarding the amount of money available in the up-coming school year, for increases in teachers' salaries. (that is, after estimating income from Federal, State and local sources and then subtracting last year's expenses and this year's planned expenditures for other things, the amount left for larger salaries). The Association opined, with supporting exhibits, that approximately Four hundred nineteen thousand (\$419, 000.00) Dollars would be available; while the Board presented impressive testimony and documentation that Two hundred twenty-three thousand (\$223, 000.00) Dollars would be a closer estimate. The offers of each party for salary increases seemed to fit in with its own estimate of the "surplus".

The Fact Finder determined as a matter of fact that the projected moneys available for salary increases is actually somewhere between the two opinions. Since both parties agree that the salaries should be increased within the limits imposed by the realities of the School Budget, the Salary Schedule recommended by the Fact Finder is as follows; with the additional recommendation that the contract cover two years in order to bring a measure of stability to the School Administration and to assist it in its planning and budgeting as well as to save precious time next year:

First Year Of Contract:

| <u>Degree Held</u> | <u>Limits of Experience</u> | <u>Annual Salary</u> | <u>Number of Steps</u> |
|--------------------|-----------------------------|----------------------|------------------------|
| BA | Minimum | \$7, 300.00 | 11 |
| BA | Maximum | \$11, 150.00 | |
| BA plus 15 hours | Minimum | \$7, 500.00 | 11 |
| BA plus 15 hours | Maximum | \$11, 500.00 | |
| MA | Minimum | \$8, 050.00 | 12 |
| MA | Maximum | \$12, 500.00 | |
| Non-Degree | Minimum | \$6, 000.00 | 8 |
| Non-Degree | Maximum | \$7, 000.00 | |

Second Year Of Contract:

| <u>Degree Held</u> | <u>Limits of Experience</u> | <u>Annual Salary</u> | <u>Number of Steps</u> |
|--------------------|-----------------------------|----------------------|------------------------|
| BA | Minimum | | |
| BA | Maximum | \$7,600.00 | 11 |
| BA plus 15 hours | Minimum | \$11,450.00 | |
| BA plus 15 hours | Maximum | \$7,800.00 | 11 |
| MA | Minimum | \$11,800.00 | |
| MA | Maximum | \$8,350.00 | 12 |
| | | \$13,200.00 | |

Since the Board will not employ or re-employ non-degreed teachers after the up-coming year, no salary is recommended for non-degreed teachers in the second year of the contract.

It is recommended that teachers with no degrees be granted 1/2 credit for each year of experience up to a total of four years credit in changing to the AB scale.

In recommending this Salary Schedule, the Fact Finder took note of the contents of the various exhibits entered in this matter which give mute testimony to the obvious fact that the current teachers' salaries in Cheboygan are substantially below other comparable northern Michigan School Districts, (especially for the more experienced teachers) as well as below State Medians. The Fact Finder is convinced that simply because a given School District happens unfortunately to have a low tax base, the teachers should not be made to bear a disproportionate amount of that misfortune, since the cost of living is approximately the same as in a neighboring School District which is blessed with a higher tax base. In order to accommodate this higher salary schedule recommended above, the School Board must rearrange its priorities and considerations, for example, the wisdom of increasing the number of teachers in a District which is losing student population. Difficult though these decisions might be for a conscientious School Board (which the Fact Finder is convinced exists and operates admirably in Cheboygan), there would appear to be no alternative to this agonizing re-appraisal, and the Fact Finder strongly recommends this re-examination of the budget.

B. INSURANCE

It is further recommended that the Board's offer regarding hospitalization insurance in which the Board shall pay fifty (50%) per cent of the premiums this year and one hundred (100%) per cent next year for the most desirable coverages available, be accepted and included in the contract. This will delay by only one year the inclusion of this fringe benefit in order to bring it up to par with a large number of comparable School Districts.

C. COMPULSORY ARBITRATION

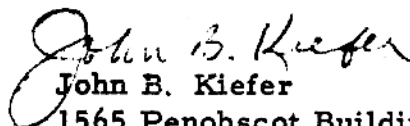
The Fact Finder was favorably impressed by the arguments and presentation in regard to compulsory arbitration, and agrees that the modern trend is for its adoption as the final step in grievance procedures. Binding arbitration is more readily available, speedier in execution, less costly, more private, and has the advantage of the utilization of experienced people as Arbitrators, in contrast to the remedies available in a court of law if mediation fails. The Fact Finder was not persuaded by the objections raised by the Board that the knowledge of binding arbitration would cause the litigant to skip lightly over the mediation step. This view under-estimates the professional and practical qualities of the teaching profession. Therefore, it is recommended that compulsory and binding arbitration be included in the contract.

D. MEDIATION BY MUTUAL CONSENT

The present contract provides that matters not specifically covered therein shall be subject to negotiations conducted by mutual consent. The Association objects to the phrase "by mutual consent" and proposes that such negotiations be regularly scheduled. It would seem to the Fact Finder

that the Association should have the burden of showing that the present provision in the contract is either unworkable or unjust. He feels that the Association has failed to meet the burden and that historically, the Board has never refused to negotiate when requested so to do by the Association. Accordingly, it is recommended that the language of the existing contract remain unchanged in the new contract.

Respectfully submitted,


John B. Kiefer
1565 Penobscot Building
Detroit, Michigan 48226
Wo. 1-8080

Dated:
September 3, 1970