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EMPLOYMENT RELATIONS COMMISSIONMichigan State University
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In the Matter of Fact Finding Between:

ELKTON-PIGEON-BAY PORT SCHOOL DISTRICT

-and-

CASE NO. D78 K2541

TRI-COUNTY BARGAINING ASSOCIATION,
MEA/NEAWILLIAM M. LAMBERT, Fact FinderRECEIVED
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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
DETROIT OFFICE

Elkton-Pigeon-Bay Port School District

INTRODUCTION

Pursuant to section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's regulations, a Fact Finding hearing was held regarding matters in dispute between the above parties. Pursuant to adequate notice, the hearing was commenced at 9:30 a.m. May 18, 1979 at the District's high school. Both parties presented oral arguments and statements of issues, and submitted written exhibits in support of their respective positions.

The Elkton-Pigeon-Bay Port School District shall hereinafter be referred to as the "Board," and the Tri-County Bargaining Association shall hereinafter be referred to as the "Association."

APPEARANCES

For the Board:

Thomas A. Basil, Consultant and Chief Spokesperson
Harry J. Brunet, Superintendent
Fred Joles, Administrator

For the Association:

Edwin N. Shimabukuro, MEA staff, Chief Spokesperson
Douglas Schroeder, MESSA Field Representative
Janis M. Hagey, MEA staff
Holly Newell, TCBA Negotiator

MAKEUP OF DISTRICT AND HISTORY OF RELATIONSHIP OF PARTIES

The District is located in the northern part of the Michigan Thumb area in Huron County. Enrollment of students is approximately 1500 - kindergarten through 12th grade. The District

is in a primarily rural area which has rather successful farming operations. The District has a high state equalized value and receives no state aid to assist with financing of the District. This means all revenues come from property taxes raised within the District.

The Board operates its high school and intermediate school on a site located on State Highway 142, approximately midway between the villages of Pigeon and Elkton. It also operates elementary schools in the three villages of Bay Port, Pigeon and Elkton.

The Board and the Association have had a bargaining relationship for a number of years, and have extended by mutual agreement the most recent collective bargaining agreement which would have expired by its terms on June 30, 1978. The parties have had a number of negotiation sessions in an attempt to arrive at a successor contract, and have failed to do so despite the use of state mediators. The Association filed its petition for Fact Finding on February 27, 1979.

There were several unresolved issues presented for Fact Finding, and those will be hereinafter dealt with on an individual basis.

Both parties presented very well-prepared documents to support their positions, and articulated their arguments in support of those positions at the Fact Finding hearing.

COMPARISON DISTRICTS

As in most Fact Finding hearings, the parties have compared the Elkton-Pigeon-Bay Port School District with other districts in an attempt to support their respective positions. The Board has chosen the school districts which exist within Huron County, regardless of size, arguing that these districts are the most relevant in both makeup and proximity.

The Association selected certain school districts situated in "Group K," as those districts are categorized by the State Department of Education. It also used, for comparison purposes, a group of districts which it called the "Thumb" districts. These districts are in the neighboring five counties, including Huron, Lapeer, Saginaw, Sanilac and Tuscola. The group was selected on the basis of distance from the Elkton-Pigeon-Bay Port District. Also included in these comparison districts, which number approximately 28, are the members of the "Thumb B" athletic conference, in which the Elkton-Pigeon-Bay Port District competes. The Association contends

that athletic conferences are voluntary associations of schools generally organized on the basis of geography and similar characteristics. A map was submitted as Association Exhibit 27, showing the radius of the circle encompassing these comparison districts.

When the Fact Finder refers to the Board's districts, or uses other comparable terminology, he is referring to the Board's districts as listed above. Likewise, when the Fact Finder refers to the Association's districts, or uses other comparable terminology, he will refer to the Association's districts as either "Group K" districts, or "Thumb B" districts.

ISSUES

The issues in need of resolution as agreed upon by the parties are as follows:

1. Teachers' salaries;
2. Health insurance, and who carrier should be; and
3. Dental insurance, and who carrier should be.

ABILITY TO PAY

While the Association submitted extensive data and exhibits to support its position that the Board is able to afford the Association's economic proposals, at the Fact Finding hearing the Board stipulated that it possessed the ability to pay same, thereby eliminating that as an issue in the proceedings.

Accordingly, based upon the stipulation of the parties at the hearing, the Fact Finder assumes the District's ability to pay those economic proposals submitted by the Association.

DISCUSSION OF ISSUES

TEACHERS' SALARIES

Discussion and Resolution

Both the Board and the Association have been seeking a new two-year agreement which would cover the current school year 1978-79, and the upcoming school year 1979-80. The Board has offered to increase the 1977-78 salary schedule by 7% at each step for the school year 1978-79 and by an additional 7% for school year 1979-80.

The Association has proposed a new salary schedule for the school year 1978-79 increased by the following percentages over school year 1977-78:

	<u>Minimum</u>	<u>Maximum</u>
B.A.	6.382%	8.552%
M.A.	6.0%	9.493%

In addition, for the first time, the Association is proposing that the District have a new column on the salary schedule giving increased compensation for those teachers having a bachelor's degree plus 20 additional college credit hours, and one for teachers having a master's degree plus 20 additional college credit hours.

The following exhibit (being Board Exhibit 6 at the hearing) shows the respective positions of the parties as to salaries for school year 1978-79.

<u>Step</u>	<u>Board</u>	<u>Assoc.</u>	<u>Board</u>	<u>Assoc.</u>
	<u>B.A. Schedule</u>		<u>M.A. Schedule</u>	
Base	\$10,058	10,000	10,700	10,600
1st	10,679	10,650	11,321	11,270
2nd	11,299	11,300	11,941	11,940
3rd	11,920	11,950	12,562	12,610
4th	12,540	12,600	13,182	13,280
5th	13,161	13,250	13,803	13,950
6th	13,782	13,900	14,424	14,620
7th	14,402	14,550	15,044	15,290
8th	15,023	15,200	15,665	15,960
9th	15,643	15,850	16,285	16,630
10th	16,264	16,500	16,906	17,300

The following shows the Association's bachelor's plus 20 and master's plus 20 column:

<u>B.A. + 20</u>	<u>M.A. + 20</u>
10,275	10,925
10,935	11,605
11,595	12,285
12,255	12,965
12,915	13,645
13,575	14,325
14,235	15,005
14,895	15,685
15,555	16,365
16,215	17,045
16,875	17,725

In terms of percentages, the Association's average proposal for the bachelor's and master's schedule is .0772% and .081% respectively. This represents the percentage increase over the schedule for 1977-78. Combined, the percentage increase under the proposal over the previous year would be .079%. This is without regard to the proposed bachelor's plus 20 and master's plus 20.

In support of its position, the Association presented exhibits tending to show that the percentage of total budget spent by the Board in recent years for teachers' salaries has been considerably lower than the state average, lower than the Group K district average, and has steadily declined. This particular evidence was not disputed at the hearing by the Board.

The Association also presented its Exhibit 31 showing that out of the fifteen districts in the Thumb B league and the districts in Huron County, eleven have bachelor's plus 20 stipends and ten have master's plus 20 stipends.

Association Exhibit 30 showed the percentage increases in teachers' salary schedule from years 1968-69 through 1977-78, both inclusive. This exhibit showed that the ranges in percentage increases varied from a low of "0" in 1972-73 when the Board was apparently having financial problems, and "0" in 1975-76 when the Board paid the mandatory 5% retirement towards the teachers' retirement fund, to a high of 16% in 1970-71. In its Exhibit 28, the Association showed a comparison of where the district would be in relation to the others in the Thumb B group for 1978-79 based upon the Board's proposed salary schedule and the Association's salary schedule. Except for the B.A. maximum where they would be four districts apart, the relative positions, based upon the parties' separate proposals, showed very little difference in rating or comparison.

The Board introduced its Exhibits 1 through 5 which showed a comparison of this District with the Huron County districts as to teachers' salaries for 1976-77, 1977-78 and 1978-79, and a comparison of where the relative positions of the parties would be in this group of comparison districts for 1978-79 based on the positions of the parties. The Fact Finder has considered this as well as the other exhibits referred to above.

In addition to its exhibits on comparative salaries, the Board states that the Board should adhere to the U.S. Government's anti-inflationary guidelines as much as possible, particularly because it is a governmental unit and because its latest intermediate school addition was built with federal funds. It also says that a salary schedule coming close to the guidelines would give the Board more credibility with the electors of the school district who are aware of said guidelines. At the hearing the Board pointed out

certain discrepancies in the makeup of the Association's Group K districts, showing that according to the State Department of Education Bulletin 1011, there were a number of districts which did not appear on certain of the Association's exhibits relating to Group K. This fact was not disputed by the Association at the hearing.

The Association argues that Exhibit 30 shows that teachers were willing to take low percentage increases and in fact none in 1972-73 when District finances were troublesome, and therefore in years when there is a good fund equity and no financial problems there should be some recognition by granting higher percentage increases. The Board refutes this argument by saying that despite the financial difficulties experienced in some of the earlier years no teacher cuts were made, and that the Association's argument, to be credible, should include some provision for reductions.

For school year 1979-80 the Association has proposed a cost-of-living formula with a minimum of 4% and a maximum of 6%, and with a 3% increase in the salary steps. A copy of this proposal is attached as Association Exhibit 1.

Recommendations for Teachers' Salaries

School Year 1978-79:

In this particular case, the Fact Finder is not basing his opinion in the salary area as much on comparison districts as on what is reasonable and fair in the light of past salary increases, the ability of the District to pay, and consideration of federal anti-inflationary guidelines. The Fact Finder does feel that the Association's Thumb and B conference comparison districts are the most reliable and relevant comparison districts. Group K, with its discrepancies, would not seem to form the basis for reliable comparisons. By the same token, the Fact Finder believes that the Board has chosen too small a group of districts, and that many of them are of much smaller size and not as comparative.

While the Board relies for part of its position on the federal anti-inflationary guidelines, it recognizes that its own salary proposal exceeds those guidelines. Also, the Fact Finder can take judicial notice that recent labor settlements around the country have certainly tortured said guidelines and employed some rather unusual mathematics to find compliance therewith. The Fact Finder believes that he is not bound by the specific percentages

mentioned in the guidelines, however, he recognizes that they have a bearing on what is reasonable, and the goal toward which the Administration is striving. He further believes that we all have an interest in trying to stem the inflationary tide.

After considering all of the relevant factors, the Fact Finder recommends the parties adopt the salary schedule proposed by the Association for school year 1978-79 without including the columns for bachelor's plus 20 and master's plus 20. The Fact Finder does, however, believe that some form of stipend for a bachelor's plus 20 and master's plus 20 is prevalent, not only throughout the comparison districts presented in this hearing but statewide, so some form of stipend should be adopted in this District. The Fact Finder recommends a flat stipend of \$200 for each teacher acquiring a bachelor's plus 20 hours, and a \$300 stipend for the teacher with a master's plus 20 hours. The number of teachers who would apparently qualify for these stipends would not aggregate such an amount so as to place an undue financial burden on the District.

The recommended salary schedule will not exceed the federal guidelines by such an amount as to be unconscionable, and will not place the District out of line with its relative position with the Thumb and B Conference districts or the Huron County districts used by the Board.

School Year 1979-80:

Based upon the evidence presented at the hearing, the Fact Finder concludes that only a minority of districts in either of the comparison districts presented by the parties possess a cost-of-living clause in their salary schedule. The Fact Finder believes that the evidence does not indicate any definite trend towards this salary concept in properly compared districts. For these reasons, the Fact Finder finds that the Association's salary schedule proposal for 1979-80 is not warranted by the evidence and is not realistic.

With reference to the anti-inflationary guidelines upon which the Board partially relies, the Fact Finder is aware that the guidelines provide for a maximum increase in any second year of a multi-year contract of 8%. While steps are technically to be included in the percentage, it is noted that the Board has not done so with respect to its own proposals.

The Fact Finder believes the teachers' request for an increase in the salary steps for the second year of the agreement is unwarranted.

It is the Fact Finder's recommendation that the parties increase the salary schedule as recommended herein for 1978-79 by the amount of 8% for the bachelor's and the master's schedules for school year 1979-80. There would be no change in the recommended stipend for bachelor's plus 20 or master's plus 20. The Fact Finder feels that this increase will maintain the District's relative position in the most pertinent comparison districts, and will be fair to the parties.

While it is recognized that the salary increases recommended herein do not equal the present rate of inflation, they will go a long way in assisting with the purchasing power of the Association members, and hopefully will equal or exceed the rate of inflation over the coming months.

FRINGE BENEFITS

Health Insurance

For the past several years the Board has provided Association members with fully paid Blue Cross-Blue Shield health care insurance through the Michigan Hospital Service. From facts presented at the hearing, prior to the execution of the current collective bargaining agreement, the Board provided such health care through Michigan Education Special Service Association (MESSA), an insurance company apparently affiliated with the Michigan Education Association. According to evidence presented by the Board, and unrefuted by the Association, the strikeable issue in the last negotiations between the parties was the replacement of MESSA health care insurance with Blue Cross-Blue Shield.

The Association has proposed that MESSA Super-MED I health care insurance be provided by the new agreement in place of Blue Cross-Blue Shield. It presented premium rates to show that MESSA rates currently are approximately 8.9% lower than the current Blue Cross-Blue Shield rates. However, the Association admits that there will be some rate change for MESSA Super-MED I effective July 1, 1979, but that the amount is not known at this time. Similarly, the Blue Cross-Blue Shield premiums will be up for review on July 1, 1979, and the amount of any increase or decrease, if any, is unknown at this time.

The Board argues it is philosophically against the Michigan Education Association, with which the Tri-County Association is affiliated, having its own insurance carrier or one closely affiliated therewith, providing the insurance. It states that Blue Cross-Blue Shield is a statewide, highly regarded health insurance carrier, and that there have been no complaints regarding service by Association members. At the hearing, the Association did not complain about benefits provided under Blue Cross-Blue Shield, or that its service was faulty. The Association's only claim was that the members wanted the better claim service that it felt it could get from MESSA.

After considering all of the arguments, the Fact Finder's recommendation is that the present health care coverage with Blue Cross-Blue Shield be continued in the present agreement. In the Fact Finder's opinion, the rate difference presently is negligible, and these rates may be up or down in the coming year and he cannot rely on the present rate difference as a substantial enough reason for making the change. This is particularly true in the light of past bargaining history where the Board was ready to take a strike and negotiated its present coverage in place of MESSA. There being no argument about benefits or present service from the Association, the Fact Finder is not convinced that conjectural improved service is sufficient basis to change carriers.

Dental Insurance

Under the most recent collective bargaining agreement, the Board agreed to pay a total of \$8000.00 a year towards mutually agreed upon dental insurance. A program was agreed upon and has been carried by Crown Insurance Company. The Association again has not complained of the benefits of Crown or its service, however, it again wants the benefit of dental insurance through Delta Insurance, which is an affiliate of MESSA and in turn the Michigan Education Association. It has presented the Fact Finder with a guaranteed dental insurance rate of \$13,026.12 effective July 1, 1979 and guaranteed for two years, but with a cancellation penalty if canceled after the first year.

The Board has proposed to pay an additional \$4,000.00 towards improved dental insurance for the current year and \$4,000.00 for school year 1979-80. Any amount not spent thus far for this year's premiums would only be prorated, and if none is paid out before July 1, 1979, then a total of \$4,000.00 would be used for the upcoming school year 1979-80.

Again, the Fact Finder believes that no compelling reasons have been presented by the Association for changing the insurance program as presently existing, and the Fact Finder believes that the Board's proposal to spend the additional sums for benefits and increased premiums is fair and reasonable.

For these reasons, the Fact Finder recommends that the present dental coverage be continued and that the Board's proposal with respect to expenditure of additional funds be incorporated in the new agreement. The Fact Finder recognizes the various comparison data presented by the Association shows that MESSA plans are in force in the majority of the comparison districts. However, this reason alone and without any other convincing arguments, it is not enough for this Fact Finder to recommend a change for the reasons above indicated.

TEACHERS' MILEAGE STIPENDS

At the opening of the Fact Finding hearing, among the list of issues was that of the retroactivity of mileage driven by teachers during the current school year. During the course of the hearing the parties reconciled their differences on this issue and it was settled and therefore the Fact Finder makes no recommendation with respect to this matter.

CONCLUSION

Both parties to these Fact Finding proceedings are to be commended for their clear and concise presentation and for the compilation of all relevant facts. The Fact Finder has carefully analyzed the evidence before formulating the above recommendations. It is believed that the recommendations can serve as the basis of a settlement.

Respectfully submitted,

DATED: May 31, 1979


WILLIAM M. LAMBERT, Fact Finder

Teacher Salary Schedule

1979-1980

The 1979-80 teacher salary schedule shall be computed as follows:

A. On July 1, 1979, each Step of the 1978-79 teacher salary schedule shall be increased by a cost-of-living (C.O.L.) factor to be computed as follows:

1. Divide the June, 1979 Consumer Price Index (C.P.I.) by the June, 1978 Consumer Price Index. The factor shall be rounded to the nearest one-thousandth.

2. Example:

June, 1979 C.P.I. = 181.8

June, 1978 C.P.I. = 170.1

$181.8 \text{ divided by } 170.1 = 1.0687 = 1.069$

1.069 times each step of the 1978-79 teacher schedule yields the 1979-80 teacher salary schedule.

B. The Consumer Price Index is defined as the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised), U.S. Cities Average," published monthly by the Bureau of Labor Statistics, U.S. Department of Labor.

C. In addition to the above C.O.L. increase, on July 1, 1979 an amount equal to three percent (3%) of each step of the 1978-79 teacher salary schedule shall be added to the step as schedule improvement.

D. In no event shall a reduction in salary occur as a result of this article.

E. If the Consumer Price Index in its present form and calculated on the same basis shall be revised therefrom or discontinued, the parties shall attempt to determine an appropriate C.P.I. figure by agreement, or, if agreement is not reached, the parties shall request the Bureau of Labor Statistics to make available a Consumer Price Index in its present form for the appropriate dates and calculated on a comparable basis.

F. Any scheduled salary increases delayed by lack of C.P.I. data shall be retroactive to the appropriate calculation date.

G. In no case shall the cost-of-living increase as defined in this article be less than four percent (4%), nor more than six percent (6%) for the 1979-80 school year.