

1151  
RE: Ferndale School District  
-and-  
Ferndale Education Association

MERC CASE NO. D82 E-2704

Richard Strachartz

REPORT AND FINDING OF FACTFINDER

Michigan State Union

LABOR AND

RELATIONS

INTRODUCTION

Pursuant to Petitioner for Factfinding submitted by the parties requesting binding factfinding, I was appointed on October 7, 1982. A preliminary meeting was held on October 18 to discuss the issues to be presented in the hearing scheduled for November 3 and then reset to November 12. The parties agreed to exchange exhibits and the procedure for the conduct of the hearing was determined.

The Factfinder has benefited from being able to study the exhibits prior to the hearing and from the careful preparation by the parties.

DISCUSSION

Following opening statements by the parties, the Association presented its case on salary and longevity through its exhibits and witnesses.

Association Exhibits 1 and 2 are typed and handwritten copies of the prior factfinder's recommendations for 1979-81. The emphasis at that time was on the effect of three consecutive years of a deficit which had accumulated to almost \$600,000. The climate for negotiations between the parties at that time does not appear to have been a positive one. That situation has changed for the better. The Board's position on salary and longevity was accepted by the factfinder in the 1979 hearings. Association Exhibit 3 was the Board's presentation at those hearings.

In Association Exhibits 4 and 5, the effect of various proposals on the salary schedule was projected for the B.A. and M.A. at each step. Association Exhibit 6 shows the salary schedule for the B.A.

Ferndale School District

and M.A. for each step in increments starting at 5 percent [the Board's proposal for the salary schedule] and increasing by 1/2 percent up to 7 1/2 percent [the Association's proposal for the salary schedule]. Association Exhibit 7 indicates the cost of the various salary proposals using \$74,000 as the cost for each 1 percent of the salary schedule, plus increment. The Board agreed with this figure as the basis for calculation.

A letter from Mr. LoCicero was presented as Association Exhibit 8 in which he referred to a 1970 opinion of his in a different school district where he felt step increases should not be used to calculate percentage increases.

Association Exhibits 9 and 10 were introduced to show the fiscal condition of the District and the operation of the state aid formula [which was explained by John Meeder of the MEA research office] and the General Fund Balance for the District as compared with the percent increase in salary received by the Association for 1977-78 through 1981-82 [7.5 percent increase projected]. These exhibits together with Association Exhibit 11 [also duplicated in Board Exhibit 18]--the financial statements prepared by the Board's auditor, Doern Mayhew Co., describe a school district which has eliminated a deficit and has accumulated a substantial balance in the General Fund.

Association Exhibit 12 showed that teachers salaries as a percentage of the budget has declined from 50 percent in 1977-78 to 44.1 percent in 1981-82. The ranking of the District for salary of a teacher with an M.A. at maximum for the period of 1972-73 through 1976-77 [range from 12-16] dropped after longevity was adopted in 1977-78 through 1981-82 [range 18-22]. The next Association Exhibit, number 14, then compares salary for the District with the top district in Oakland County. Again salary ranking for the B.A. maximum and the M.A. maximum is described in a different form in Association Exhibit 15 to show what would be needed to reach the salary level.

There is doubt that the citizens of Ferndale continue to support their schools as is evident in Association Exhibit 16 since it is number one in millage rate and eighth in SEV per pupil in a selected list of comparative school districts in the metropolitan area. These

same districts are ranked by salary for the B.A. maximum and the M.A. maximum and Ferndale is fifth and seventh respectively [Association Exhibit 17]. For Oakland County settled districts [17 out of 28] a table was prepared showing the ranking of Ferndale for the B.A. maximum and the M.A. maximum using a range from 5 percent to 7 1/2 percent increase [Association Exhibit 18].

Association Exhibits 19 through 22 compared Ferndale teachers earnings with Hazel Park.

During the course of the hearings the Factfinder asked the parties to present the longevity issue together with salary. Association Exhibit 23 showed that 176 teachers were not on longevity [payable after 16 or more years of service] although the indications are that this figure would decline by 20 in 1983-84. In Association Exhibit 24 the point is made that the Association's plan for longevity in 1982-83 would cost "only \$6,177.90 above the Board's proposal."

Various proposals to slow down the increase in the cost of longevity are considered in Association Exhibit 25 but the parties have not come to agreement on this issue. The Association wishes to retain the present contract language which gears the payment to a percentage of the M.A. maximum [see 1981-82 Agreement Schedule A, page 1A] while the Board proposes to freeze the longevity payments for future years by making it a fixed dollar amount. Association Exhibit 26 shows the effect of the costs of longevity payments if distributed in salary schedules.

The Board took issue with various Association exhibits since they emphasized the differences in the salary schedule rather than the Board's offer. Thus, the Board says to compare 7 percent [5 percent plus 2 percent] with 7 1/2 percent rather than the 5 percent Board offer as to the salary schedule. By doing this for Association Exhibit 6, the Board suggests the differences between the parties are very slight ranging from \$72 at the B.A. minimum to \$124 at B.A. maximum and \$80.00 at M.A. minimum to \$142 at M.A. maximum.

There is little doubt that the heart of the dispute between the parties is not the 1/2 percent which separates them but whether an amount over 5 percent should be included in the salary schedule. The

Board says that the Association Exhibits 13-15, 19, 20 do not include longevity payments and are not meaningful. Board Exhibits 8A and 8B add longevity for B.A. maximum and M.A. maximum and this results in the District ending up in second place and fourth place respectively. However, Board Exhibit 9 shows that 122 teachers receive these longevity payments but 176 teachers do not receive longevity payments. The extent of longevity payments in other districts is presented in Board Exhibit 7 which shows that Ferndale School District has by far the best longevity arrangement in any Oakland County school district and most have little or nothing.

It should be noted that the Board's salary proposal would institute a 5 percent increase at the beginning of the current school year and back-load the 2 percent lump sum payout in June 1983.

The Board Exhibit 3 shows a decline in enrollment of 20 percent while teaching staff has declined by only 11 percent. Board Exhibit 5 compares median family income of Ferndale residents with that of teachers in the District and shows that for teachers at the maximum there is a slightly lower percentage increase over the decade or the same, but entry teachers are much higher now.

The General Fund equity position is shown in Board Exhibit 10 for the period of 1975-76 through 1981-82. A disturbing feature is the excess of expenditures over revenues of over one million dollars for the 1982-83 budget year. There are always uncertainties in formulating a budget and these are reflected in conservative estimates of revenues. However, the Board agrees that it is not arguing inability to pay. It feels it must act responsibly and not unduly inflate the salary schedule and place a dollar limit on the longevity payment. The Association recognizes the expanding costs for longevity as more teachers become eligible for payment. It says it sacrificed something in salary in acquiring this fringe and requires some quid pro quo.

## FINDING

### 1. Salary

A number of teachers do not receive longevity payments. It would

be unfair to the majority of teachers not to recognize this fact and the salary position of the district in relation to other Oakland County districts. Therefore, the current salary schedule shall be increased for 1982-83 by 7 percent at each step and level and the pay increment [approximately 1 percent] per expired agreement.

2. Longevity.

While the longevity benefit is an excellent one, it resulted in 1977 from a trade-off between salary and this benefit. A convincing case has not been made that it should be modified at this time. The parties recognize that it poses a problem for the future and should make this item a priority in the collective bargaining which will commence in just a few months.

Therefore, the longevity pay shall continue as in the expired contract.

The other issues did not take the time for presentation or the fervor of the two prior issues.

#### HEALTH INSURANCE

The Board agreed to the continuation of Blue Cross/Blue Shield and is willing to have a teacher exercise an option for MESSA Super Med I. However, the Board resists payment for the MESSA coverage in excess of the Blue Cross/Blue Shield rate. Since this is a new benefit it is reasonable to cap the MESSA rate by requiring the Board to pay the cost of Blue Cross/Blue Shield coverage with the Board paying the full premium. I recognize this is not done in most other Oakland County school districts [Association Exhibit 29] but the Board needs more experience with this coverage in view of MESSA's control over changes in coverage which may lead to an escalation in rates.

FINDING:

The Board position is accepted and teachers exercising the MESSA Super Med I option are limited to the premium paid for Blue Cross/Blue Shield coverage.

## VISION CARE

The Board resists vision care insurance coverage on the ground that those who presently have the coverage [54] have elected this benefit in lieu of health coverage. The Board indicated that if MESSA Vision 2 were given to all the members of the bargaining unit that they were being whip-sawed. Many districts do grant vision care insurance and a program of this nature is considered important by the teachers.

## FINDING:

MESSA Vision Care I should be granted to those members of the bargaining unit who are not covered by having elected MESSA Vision Care II.

## PROFESSIONAL IMPROVEMENT

While it is acknowledged that the cost of tuition for graduate credit has increased [Association Exhibit 38], it is to be noted that the expired contract provides [page 3A] for full reimbursement for 30 hours credit beyond the bachelor's degree. After the M.A. level, payment is received by the teacher for each hour at a rate of \$24.00 from the first hour. It continues throughout the employment of the teacher. Other districts may require completion of all the 30 hours prior to payment. A modest adjustment in the rate is warranted when compared with other districts [Association Exhibit 37].

## FINDING:

The Board is to pay annually to each teacher the sum of \$27 per semester hour for each credit hour between the Master's Degree and Master's Degree plus 30 hours.

  
Richard Strichartz