

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

FITZGERALD EDUCATION ASSOCIATION,
Labor Organization

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FITZGERALD - BOARD OF EDUCATION,
Employer

FACT FINDINGS

Herbert V. Rollins,
Fact Finder

Appearances

Kenneth W. Burt, II, Esq.
For the Labor Organization

Dennis R. Pollard, Esq.
For the Employer

FACT FINDING RECOMMENDATIONS

Fact finding hearings were held at the Holiday Inn Hotel, Hazel Park, Michigan on the following days:

Wednesday, October 29, 1975
Friday, November 7, 1975
Saturday, November 8, 1975

Present and participating from time to time were:

For the Fitzgerald Public Schools (Board):

Dennis R. Pollard, Eq. - Attorney
Kenneth Kistner - Superintendent of Schools
James H. Tyler - Board Member
Kenneth V. Boogren - Assistant Superintendent
Richard J. Berryman - Asst. Supt. - Business
Anthony Galati - Supervisor Instruction
Bruce N. Florence - Director of Publications
Douglas C. Holbrook - Pres. Bd. of Education
William Gayde - Chief Negotiator
William Jackson - Board Trustee
Lawrence Kutella - Board Trustee

For the Fitzgerald Education Association (Association):

Kenneth W. Burt, II, Esq. - Attorney
Thomas Wojckiewicz - President
John Anderson - Negotiator
Pamila Wigglesworth - Vice-President - Association
William A. Galfron - Negotiator
Lynn Fitzgerald - Vice-President-Association
Rita Dates - Negotiator
John N. Moritz - Treasurer - Association

The bargaining unit covers approximately 234 teachers. The parties have been negotiating for five months seeking to reach a formal agreement which would be effective as of August 26, 1975. (Four months have already elapsed).

Being unable to resolve their differences, a mediator was appointed by the Michigan Employment Relations Commission.

Despite strenuous efforts by the mediator to bring about a settlement, progress was made on the non-economic provisions but a total package was never reached. The Association then petitioned for fact finding.

The Commission referred the matter to Herbert V. Rollins to act as Fact Finder. During three days of hearings, testimony was received from ten witnesses and some seventy exhibits were admitted into the record.

There were several recesses during the fact finding hearings during which the parties again made efforts at settlement, all to no avail.

At the conclusion of the last hearing the parties requested and were afforded an opportunity to file post hearing briefs. Thereafter, correspondence was received regarding state aid reductions, along with responses thereto. Your Fact Finder has reviewed the record, the post hearing briefs and the correspondence and herewith makes his recommendations as to resolving the matters in dispute.

The following pages contain my recommendations regarding provisions to be incorporated in the new contract, along with my comments.

NON-ECONOMIC PROVISIONS

My recommendations on the Non-Economic Provisions follow. The provisions represent, for the most part, the tentative agreements made therein by each of the parties during mediation. I appreciate that they reflect certain respective concessions that were made with the expectation they would be incorporated into the agreement only when the parties have agreed to all issues. Unfortunately, the economic issues were never resolved. Irrespective of that impasse, I am satisfied that such resolutions came about by the parties following the directions in our state's statute, M.S.A. 17.454 (32) after negotiating in "good faith", and that the provisions represent equitable results from "good faith" bargaining.

I call the attention of the parties to the decision of the United States Supreme Court in H.J. Heinz v. NLRB, 85 L ed 309, where the court concluded that refusal by an employer to sign an agreed upon contract was an unfair labor practice.

The following is also on point, Michigan Public Employment Relations Manual 16-05.2 George T. Roumell, Jr.

". . . The idea again of fact finding is that it is the terminal point in the bargaining process. When one is reaching the terminal point they normally do not revert back to their initial positions. This destroys the fact finding concept."

Accordingly, I will for the most part, adopt each of the parties last positions as my recommendations.

ARTICLE XII

(B-1) CHILD BEARING AND CHILD REARING

I recommend that Article XII (B-1) provide the following:

"It is agreed that the teacher who becomes pregnant may continue to work provided that she is physically able and the rights of the pregnant employee be pursuant to law. Further, the pregnant teacher wishing to take a leave of absence (child bearing) may do so by written request.

The teacher wishing to take a leave of absence for the purpose of child care shall request such leave within two weeks of the date of birth of the child or of the date of adoption of the child. Such leave shall be granted for up to one (1) year with a one (1) year extension if requested by the teacher."

FACT FINDER'S COMMENTS

The above language and provisions contain fair and equitable procedures in dealing with working conditions during the mother's pregnancy and time of rearing. Her rights are strengthened by incorporating a provision that the same are "pursuant to law."

The leave of absence is likewise extended to cover child adoption.

ARTICLE XII

(D) RETURN FROM LEAVE

I recommend that Article XII (D) provide the following:

"Upon receipt of notification from the teacher of intent to return to work at the conclusion of a leave, a determination shall be made by administration if an appropriate vacancy is available. In the absence of an appropriate vacancy, then a teacher with less seniority may be released from employment subject to layoff and recall provisions as contained elsewhere in this agreement, provided, however, that the released teacher shall receive an extension of Blue Cross/Blue Shield coverage in the amount of one additional month for each year of service except that such extension of coverage shall be for not less than three (3) months.

FACT FINDER'S COMMENTS

The above language and provisions contain fair and equitable procedures in reference to teachers returning from leave.

An effort is made to relieve the economic burden of the teacher being relieved by providing certain extended Blue Cross/Blue Shield coverage.

ARTICLE XVIII

(C-3 and C-4 INSURANCE PROTECTION)

I recommend that Article XVIII (C-3 and C-4) provide the following:

3. "Leave of absence due to personal illness or personal injury: the premium shall be paid for one month for each year of contractual service as a certified employee commencing on the effective date of the leave.
4. Leaves of absence for reasons other than personal illness or personal injury: the premium shall be paid up to but not beyond the end of the month during which the leave becomes effective except that for leaves commencing at the end of the school year the premium shall be paid up to but not beyond September 1 of that year."

FACT FINDER'S COMMENTS

The above language and provisions provide fair and equitable insurance coverage for teachers on leave.

The same represents an improvement in the language of the prior contract by clearing up certain ambiguities and giving broader benefits.

The Association argued that to exclude people on maternity leave from being on a disability status was contrary to law. This is a legal issue which will have to be determined not by the Fact Finder, but by the courts.

ARTICLE XVIII

(D-1 and D-2) TERM LIFE INSURANCE FOR EARLY RETIREES

I recommend that Article XVIII (D-1 and D-2) provide the following:

"D. Retirement Benefits - for teachers retiring prior to age sixty-four (64) and after September 1, 1975, the following will apply:

1. The Board will provide and pay the premiums for group term life insurance and accidental death and dismemberment benefits as follows:

For the retired teacher from
ages 55 through 59...\$8,000 life & \$8,000 A.D. & D.
ages 60 through 64...\$6,000 life & \$6,000 A.D. & D.
ages 65 through 70...\$4,000 life & \$4,000 A.D. & D.

2. Except that those persons who retired prior to the effective date of the 1975-77 Agreement shall continue to receive the same benefits they were otherwise receiving under the 1973-75 Agreement.

FACT FINDER'S COMMENTS

The above provides a substantial improvement in the benefits for early retirees. In addition, coverage is continued for those who retired prior to this contract. The coverage appears equitable.

ARTICLE XVIII

(D-2) HEALTH CARE INSURANCE FOR EARLY RETIREES

I recommend that Article XVIII (D-2) provide as follows:

- "2. The Board will pay, to those retirees who enroll in the Michigan Public School Employees Retirement System Master Health Care Plan and who enroll in Medicare Parts A & B (when eligible), an amount equal to the amount deducted from the retiree's monthly retirement check for coverage up to and including full family. Except that those persons who retired prior to the effective date of the 1975-77 Agreement shall continue to receive the same benefits they were otherwise receiving under the 1973-75 Agreement.

FACT FINDER'S COMMENTS

The Association asks for retention of the Blue Cross/Blue Shield coverage as provided in the current contract. The Board's proposal, as above contained, is administered by Blue Cross/Blue Shield and offered by the Michigan Public School Employees Retirement System.

The Board introduced an Exhibit entitled "Comparison of Insurance Plans, Health Care For Retirees". After weighing the advantages and disadvantages of the two plans, as outlined in the comparison, I find the benefits in the Board's proposed plan superior to the present plan. While it may be possible that the few dollars deducted and then paid to each retiree may result in some tax liabilities, I believe the amounts are too modest to be of any consequence. Since the new plan represents a savings to the Board, both parties will ultimately benefit therefrom.

ARTICLE XXI

GRIEVANCE PROCEDURE

I recommend that Article XXI provide the following:

1. Eliminate step 4a of the prior contract.
2. Add the following language to the Grievance Procedure:

"It is expressly understood that a grievant shall not have been denied due process by virtue of the Board's taking action and then subsequently reviewing that same action when later aggrieved through these steps, provided that prior to that original board action, the grievant has been afforded the opportunity of presenting his position to the Board in executive session with involved administration and FEA representation present."

FACT FINDER'S COMMENTS

The insertions of the above provision affords the grievant an opportunity to present his grievance to the Board. This represents an interesting departure from the normal grievance chain. Hopefully, it will resolve more grievances and reduce the time and expense spent in arbitration proceedings.

ARTICLE XXIII

(B) ASSOCIATION DAYS

I recommend that Article XXIII (B) provide the following:

- "B. The Board shall provide the Association with an annual allowance of twenty-two (22) absence days and further, the Association may purchase an additional ten (10) days at the current substitute teacher rate; subject to the following provisions:

FACT FINDER'S COMMENTS

The above represents a fair resolution of the requested and offered Association Days.

SCHOOL CALENDAR

1975-1976
1976-1977

The Board proposes

180 student days
186 teacher days

The Association proposes

180 student days
183 teacher days

FACT FINDER'S RECOMMENDATIONS AND COMMENTS

Since the 1975-1976 calendar is already in effect, it would not be prudent to disturb it. However, the Association has some valid suggestions regarding the 1976-1977 calendar.

- a. Students should attend classes on election days. There appears to be no valid reason for closing schools for elections and interrupting the school week.
- b. The calendar should be restructured. Ideally it would be better planning to devise a calendar which does not include a week with one day of school. I agree with the Association that a one day of the week schedule is of "little or no relevance" to the students.
- c. I recommend no changes in either the number of present student or teacher days.

REINSTATEMENT
OF
SCHOOL SOCIAL WORKER
AND
ELEMENTARY COUNSELORS

The Association proposes reinstatement of the elementary counseling program and one elementary social worker during the first year of the Agreement 1975-1976.

According to the Association's summary, "Fitzgerald ranks dead last in School Social Work." If this accusation is true, then it is a sad commentary of Fitzgerald's inability to give its students (particularly those who desperately need help with their emotional and sociological problems) a meaningful quality education. While the hiring of staff is an inherent right of management, the Board in this instance should heed the recommendation of the Association. In order to furnish a quality education to all students, those with special problems require more personalized professional attention and services than can be furnished by even the most competent teaching staff.

It should be called to the attention of the parents that among the adjoining school districts (as represented by the Association), East Detroit has one social worker for every 1,637 students. The exhibit goes down the line to last place; then, Fitzgerald has one social worker for every 5,049 students.

There may be some state aid for the purpose of alleviating the cost burden. In any event, if the residents of Fitzgerald School are apprised of this lack of service, they should furnish the funds and insist upon the Board's taking action. Unfortunately, as a Fact Finder, I cannot take it upon myself to invade the prerogatives of the management which are inherently and peculiarly theirs.

THE ECONOMIC PACKAGE

Introduction

In addition to the dispute over the proposed salaries for the first and second year of the contract, there are other economic issues to be resolved, such as dental insurance, life insurance, etc. The outlines on the next two pages give some history and movement of the positions of the parties.

During and after the formal hearing information continued to be forthcoming from the governor and legislature regarding the effects of the changes in the new budgets and tax laws and the resultant reductions in aid to education. No favorable news has been received to date.

Upon receipt of such reports the Board contends its ability to pay continues to deteriorate, and that its offer must of necessity continue to precipitously decline as it anticipates less and less funds. Despite the Association's objections, the Fact Finder permitted post hearing introduction of information concerning the reductions in state aid. Obviously, the Board could not produce this information at the hearing, and to disregard it would be a totally unrealistic attempt to determine the truth. Further, in fairness to the Association, it was given an opportunity to respond, which it did in writing on December 24, 1975.

THE ECONOMIC PACKAGE

The economic issues as represented in the Association's Application For Fact Finding line up as follows:

First Year

<u>Board</u>	<u>Item</u>	<u>Association</u>
5.9%	Salaries	7% increase
\$25,000	Dental	\$45,000
6,200	Life Insurance	6,200
3,500	Longevity	20,000
13,000	Long Term Disability	13,000
1,000	Girls Coaching	1,000
500	Service Squad	500
None	COLA	1/2 of CPI increase in excess of 7% over \$9,645

Second Year

2% increase	Salaries	8% increase
	Girls Coaching	\$800 more
	COLA	100% inflation rate of base over 8%
5% paid by Board	Paid retirement	

THE ECONOMIC PACKAGE

The economic issues as represented by the Board
in its Exhibit 11 line up as follows:

First Year

<u>Board</u>	<u>Item</u>	<u>Association</u>
\$231,000	Salaries	\$231,000
25,000	Dental	36,600
6,200	Life Insurance	6,200
13,000	Long Term Disability	13,000
3,500	Longevity	12,700
1,000	Girls Coaching	1,000
<u>500</u>	Service Squad	<u>500</u>
\$280,200		\$301,000

Resume - First Year

Association's demand of \$301,000	
represents an increase of 7.7%	
plus built in increments	
Board's proposal of \$280,000	
represents an increase of 7.7%	
plus built in increments	
Difference in the two positions	\$21,000
Percentage difference .7%	

Resume - Second Year

Association's demand of \$361,000	
represents an increase of 8.2%	
Board's proposal of \$308,000	
represents an increase of 7%	
Difference in the two positions	\$53,000
Percentage difference 1.29%	
All economic packages include the built in increment increases.	

DISCUSSION OF THE ECONOMIC PACKAGE

The economic package presents a myriad of separate issues. In addition to the salary raises, there are other economic items such as dental insurance, life insurance, long term disability, longevity, etc. Each presents a complex problem in itself. For example, a dental insurance plan requires an analysis of the varied types of coverage, with each having different corresponding benefits and costs. The Board's proposed plan would cost \$25,000, the Association's \$45,000. There are difficult problems in choosing the type of life insurance coverage. The respective longevity proposals are so far apart, that the counter offers appear irreconcilable. In one summary, the Board's plan would cost \$3,500 to the Association's \$20,000; and in another summary, the costs are \$3,500 to \$12,700. In the COLA (Cost of Living Allowance) proposal, there is no sound way to project the possible cost in the second year. The Board refuses to be tied into any possible COLA escalation formula.

The following are summaries of some of the items discussed above.

COST OF LIVING (ASSOCIATION POSITION)

The Association insists that any salary increases take into account the rise in the cost of living, so that increases in earnings will represent a realistic improvement in purchasing power. They insist upon catching up with the losses in purchasing power suffered over the years. Many

technical exhibits were introduced. In the main, they reflect the Association's argument that a minimum increase of 8.6% is necessary merely to avoid a loss in purchasing power, that only an increase of a greater amount would represent a realistic raise, and finally, any raise less than 8.6% would actually represent a loss in the real wages. They mentioned other items which are not represented in the C.P.I. calculations contributing to the erosion of real income, such as increases in Social Security taxes, Michigan income tax, Federal income tax and costs peculiar to teachers such as tuition, books and additional credit hours of education. Further, teachers are entitled to a standard of living commensurate with the responsibility of their profession. Present salaries are totally inadequate.

The Association contends that merely to keep pace with spiraling inflation, the BA maximum should be \$19,157 rather than the requested \$17,577 and the maximum \$22,766 rather than the requested \$20,103.

Finally, only a built in escalator clause can protect the teachers purchasing power.

COST OF LIVING (BOARD'S POSITION)

The Board did not contest the obvious, that the C.P.I. has been dramatically increasing. They contend that in comparison with teachers in adjoining communities and

even with teachers throughout the state, the increases for Fitzgerald teachers have always been in the highest rung. For example, if you compare Fitzgerald against the Metro Detroit teachers for the years 1967-1975, the Metro teachers received raises totalling 55.6% and Fitzgerald teachers 97.99%. Obviously, this is greater than the 42% rise in the C.P.I. for the same period.

Further, the Board cannot speculate by having salary increases accrue beyond its sources of income. Future salaries can only be tied in closely to the Board's realistic estimate of future income. The Board's estimates have historically been accurate to within about 1%. Salary increases must be realistic and only within the extent of available funds and proven sound budgeting. With the governor's already announced reductions, the estimates of available funds will have to adjusted further downward.

The Board contends that teachers should temper their wage demands when they consider that they receive many other costly benefits not provided to all other employees, for example:

- 2 months of vacation
- Sabbatical leaves
- Relatively no lay-offs
- Blue Cross
- Dental
- Long Term Disability
- Track Step Increments
- Tenure
- Retirement
- Maternity leave

Longevity
Military Service Benefits
Coaching, etc. jobs
Possible summer employment, etc.

SALARY COMPARISONS (BOARD)

In reference to analyzing the salary comparisons, I previously mentioned the pages and pages of innumerable charts, graphs, comparisons, reports and studies. The following are incapsulated summaries of only a few of the presentations:

By the Board:

Comparing Fitzgerald's teachers average salaries with school districts throughout the state, the rankings were:

1971-1972	56th	out of 587
1972-1973	39th	out of 587
1973-1974	19th	out of 587

A comparison of the B.A. maximums with neighboring districts:

Troy is first at	\$16,112
<u>Fitzgerald is second at</u>	16,105
Warren Woods is last at	15,391

A comparison of M.A. maximums:

Utica is first at	\$18,820
Warren is second at	18,798
<u>Fitzgerald is third at</u>	18,791

A comparison of the rises in teacher's salaries for the years 1967-1975:

Metro Detroit area teachers - increase of 55.6%

Average Fitzgerald teachers - increase of 97.9%
(This is 42% greater than the rise in the C.P.I.)

SALARY COMPARISONS (ASSOCIATION)

The Association contends comparisons to only the adjoining school districts are not realistic. The comparisons should include the entire Macomb County. Further, if there is to be comparisons out of the county, then it should include comparisons to salaries in other major metropolitan areas like Chicago, Toronto, New York, etc. Charts were introduced including those showing Fitzgerald in 1973-1974 as seventh in beginning B.A. salaries and among the leaders in B.A. steps in Macomb County. However, under the Board's proposals, they will in some steps drop down to anywhere from sixth to twelfth positions. In the 1974-1975 M.A. steps, Fitzgerald placed from third to eighth. It concludes that any established salaries should be such wherein Fitzgerald would continue to maintain its historically high status.

ABILITY TO PAY (BOARD)

The Board presented extensive testimony and exhibits that it does not have the ability to pay more than its last offer. In fact, in view of the governor's proposed budget cuts, it will undoubtedly have to pay considerably less. Its

representatives then presented the following additional facts describing what the problems are in operating schools in a depressed financial area with an ageing population.

The City of Warren has a 6.8 percentage of unemployment. Two of the CETA Tracts in the Fitzgerald area have a 9.7 percentage of unemployment. The district contains 8 mobile home parks, and one of every five residential dwellings is a mobile home. The school enrollment has declined by 943 students in three years. The number of children receiving free Federal funded lunches has increased from 2,400 in 1974 to 4,414 in 1975 (the eligibility requirements have recently been liberalized). An unusual high number of the families are on a fixed income, 12.5% of the families are on Social Security, 2.4% are on A.D.C., .3% are on welfare and 5.2% receive other benefits.

In 1973:

79% of the residents had no pre-school children,
68% had no elementary school children,
82% had no junior high school children,
75% had no high school children,
36% had no children.

These facts indicate that Fitzgerald is an ageing district with an almost certain continuing decline in school population. With government assistance dependant on the number of enrollees, this aid will continue to decline further.

Of 587 school districts in Michigan, Fitzgerald per pupil cost was the 29th highest in 1972, 38th in 1973 and 38th in 1974. This was accomplished with sound fiscal practices and despite the voters in the Fitzgerald district having rejected millage proposals for the past four years.

The district's built in increments for track increases are abnormally costly, since 50% of its staff is already at the B.A. and M.A. maximum. The increments last year cost the district \$104,000. These represent real gains to teachers and should not be lost sight of during negotiations.

CONCLUSION

Both parties introduced voluminous evidence to buttress their respective positions. It is apparent that literally weeks of strenuous research and preparation must have been consumed to amass such a complete range of evidence. Prior to drafting my recommendations, I studied each of the some 73 separate exhibits. It is my candid conclusion, they are not only very persuasive, but more importantly they represent the truth. I find nowhere even an inkling of a misrepresentation. This has only compounded the difficulty of my task. How does one choose between the two? It is much easier to draw conclusions favorable to one side after you have exposed a crafty sly fox on the other. This is not the case here.

Prior to proceeding further, while there were many

outstanding presentations, I wish to single out those made by John N. Moritz for the Association and Kenneth Kistner for the Board. They were excellent.

It would be easy to reach a prompt conclusion by merely taking the two opposing figures, and then striking an arbitrary middle position. While this might be expedient, it would not represent a good faith approach to the problem on my part.

I am convinced that both positions have considerable merit, i.e., the teachers of Fitzgerald are not being offered their total just reward, and that the Board is unable to raise sufficient funds to meet the Association's demands.

Teachers are constantly being pressured to teach larger classes, handle the rising number of discipline problems, perform their functions with less material and aides, improve their own academic background, yet despite yearly raises, their financial status remains relatively stable, and the value of their dollars in savings and purchasing power diminish.

School Boards having equally serious dilemmas finding inflation eating away at their operating budgets and revenue failing to keep pace with the increased demands of their teaching staffs. Fitzgerald's financial plight even prohibits it from making the necessary and normal improvements and re-

pairs to its facilities. To continue such a policy could lead to a total collapse of its system.

To compound the problem even further are the soon to be finalized budget cuts to be ordered by the governor. All during the hearings and while I have been working on this report, reports have been emanating from Lansing ordering cuts to the school districts, each in an increasing amount. To analyze the budget at any one time is like attempting to grasp a hand of mercury.

The amazing fact to arise from all of this, is that the passing of only a small mill millage by the Fitzgerald residents would have cured almost all of the present problems. In this regard I throw the major fault directly at the residents in the Fitzgerald District. It is apparent, that, for the most part, they are not sufficiently concerned with their school's problems. In 1975, of 22,000 residents only approximately 8,000 (37%) were registered to vote. Of the 8,000 eligible voters, only 1,645 (21%) actually voted. Then only 601 of the 22,000 residents voted in favor of millage.

I am aware of the constant changes in the Michigan tax laws and state aid so that the Board can never be certain of its anticipated revenue. However, when only 21% of the registered voters or 8% of the residents were even concerned enough to vote on a millage, then the residents are abandoning

their concern for childrens education. While Fitzgerald is not an area with residents of predominantly high income, they should have been aware that a small additional millage would not have inflicted a heavy personal burden. 75% of an approved millage would have been paid by industry and 25% of those owning real estate. The individual costs would have been minimal.

It should not be expected that teachers should be singularly exempt from suffering from inflation. Unfortunately, this is a problem that affects everyone. I can offer no panacea to totally solve the parties' respective financial problems. My authority is limited to only making recommendations as to what I conclude is a fair, proper and feasible solution under the facts in this record.

After reviewing the Board's estimated budget and anticipated revenues, I find the following:

1. The Board Fund Equity (assets over liabilities) has declined in 5 years from \$433,501.52 to a deficit of \$69,220.00. By law, this deficit must be eliminated.

2. Prior to the latest reduction in state aid (this changes day by day) the estimated revenues over expenditures would be \$158,358.00.

The Board's budget included:

a legislative reduction of \$42,000.00
reserve for a further cut of \$65,000.00

Total \$107,000.00

The latest legislated cut is now 2.3% or a total cut of \$161,000.00. The available funds are now reduced by an additional \$54,000.00 to \$104,358.00.

Now Fitzgerald's estimated net revenue leaves only \$104,358 for raises in teachers salaries, retroactive to August 25, 1975. This represents an increase of 2.6% for the first year of the contract.

3. Certain funds have been invested by the Board awaiting settlement of this dispute. To January 1, 1976, I estimate this should produce interest earnings of approximately \$2,000.

4. There is no certainty that the Board may, during the first year, have increased revenues from passage of millage, teacher attrition, operational savings, and a turnabout in state aid.

I trust the following recommendations represent both a projected sound fiscal policy for the Board, and its concern for the welfare of the teachers and students. Most everyone agrees that able and satisfied teachers working in well organized educational operations and in well maintained facilities offer the best preventive medicine for avoiding many of the ills of our society. I am within the limits available to me, attempting to provide assistance for that cause.

Hopefully, the implementation of the recommendations will supply the wherewithall to continue the quality education at Fitzgerald, and not materially dislodge its teachers from

the much better than average position it now maintains in comparison with other teachers in Michigan and Macomb County. To assist in alleviating the problem, residents of Fitzgerald should join in this cause by immediately taking a more active interest in their schools and assist in providing the means to avoid further impasses.

The economic dispute is, in the final result, a package which will include both salaries and certain fringe benefits. My recommendation is by necessity less than the total amount of dollars the parties have previously been discussing. Therefore, it would be an almost impossible task to take prior reported costs of varied insurance coverage and attempt to refigure the reduced coverage, or even decide the types of coverage, and fit those figures in along with the salary figures and come up with a set dollar amount package. To accomplish this would require reopening the hearings and prolonging this matter for at least another month, with additional expenses incurred for the services of the personnel of both sides. It is to the best interest of the public and all parties concerned that I avoid further delays by fixing the gross dollar package now. The parties should without further delay, be able to make the necessary divisions thereof.

There is no question that Fitzgerald teachers are entitled to more than what I have recommended, however, this employer is not in private industry where it can raise prices

to produce any needed additional revenue. Fitzgerald's income and inability to deficit spend is limited by law. It cannot pay more than it has or can be assuredly anticipated. Its problem is further compounded by the Fitzgerald residents apparent unconcern with their deteriorating school buildings and refusal to pay a small percentage of a millage to better operate the system and meet the needs of the teachers. It appears to me that the Board would be willing to negotiate on a "willingness to pay", but it cannot overcome the indifference of the district's residents and the reduction in state aid.

Based upon all facts of funds presently available and budgeted, those reasonably anticipated, plus a reasonable expectation that the Board can by operational savings, persuasion, lobbying, "attrition savings" or other means obtain some additional monies, that the state aid cuts may be reversed in the future, I recommend the following additional salaries and benefits (over and above the cost of existing increments)* be paid the Fitzgerald teachers.

During the First Year
of the Contract

\$106,358.00

Beginning in 1976 the state will operate under the single Business Tax Act, and the ad valorem tax on inventory will be eliminated. With inventory representing 2.5% of Fitzgerald's present tax basis, Fitzgerald will suffer appreciably.

*(\$104,000.00 1975-1976)

Further, the state aid is calculated on a per pupil basis. With Fitzgerald's declining enrollment, it will suffer even further.

During the 1976-1977 term, the track increases will total \$115,000.00. The anticipated state aid will be approximately \$72,000.00, leaving a deficit of \$43,000.00, or no funds for raises. The Board is urged to somehow find additional funds either from millage or reducing other expenses. The teachers are the basis of the educational system and should not singularly sustain the total deficit.

Accordingly, I recommend the following additional salaries and benefits (over and above the cost of existing increments)* be paid to the Fitzgerald teachers.

During the Second Year
of the Contract

\$50,000.00

Should the state aid in the second year of the contract exceed the presently estimated \$72,000.00, the surplus shall be applied to teachers salaries, until such payment equals \$106,358, the total raise recommended for the first year.

The division between salaries and fringe benefits are to be agreed upon between the parties.

*(\$115,000.00 1976-1977)

I have one final recommendation. This matter might have been resolved earlier if more of the non-economic matters were not left to obfuscate the economic package. The new contract should provide for negotiations on non-economic matters to commence no later than three months prior to the termination date.

I will retain jurisdiction for 30 days to correct any clerical errors.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stuart J. Green", written over a horizontal line.

Fact Finder

January 6, 1976