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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In Re: Fact Finding

BOARD OF EDUCATION OF THE SCHOOL DISTRICT
OF GARDEN CITY

CASE #D76 F2154

-and-

GARDEN CITY EDUCATION ASSOCIATION

Bernard Klein

FACT FINDER'S REPORT

Background

On October 15, 1976 the Michigan Employment Relations Commission received an application for Fact Finding from the Garden City Board of Education. In the application it was stated that negotiations with the Garden City Education Association for a three-year contract covering 1976-77, 1977-78, and 1978-79 had been going on since May 4, 1976. State Mediator Edmund Phillips had assisted in the negotiation process and at the time of the application the parties had four unresolved issues:

- a. Salary schedules 1976-77, 1977-78, 1978-79
- b. Board-paid retirement
- c. Group insurance
- d. "Extra pay" provisions

By the time of the Hearing on February 3, 1977 the "extra pay" provision had been resolved by the parties, but still unresolved were the salary schedules, Board-paid retirement and group insurance.

The Garden City Education Association was very much opposed to submission of the issue to Fact Finding. It was quite obvious both in attempting to arrange a Hearing as well as during the Hearing itself that relations between the administration and the Association were extremely strained, adversarial and belligerent. Much of this condition predates the negotiations of the current contract but seemed to permeate the entire atmosphere. It is not the purpose of this Fact Finding to cast any blame or even render any judgment on the overall atmosphere about which I am not able to judge. Rather, it is my sincere hope that the recommendations resulting from this Fact Finding can provide a basis for the resumption of negotiations between the parties and perhaps even contribute toward the beginning of a new and improved atmosphere in the relations between the Garden City School administration and the Garden City Education Association.

The Hearing was held on February 3, 1976 at the Board Room of the Garden City Board of Education. Appearing in behalf of the administration were:

Ronald L. Wyszynski	Administrative Assistant for Personnel Garden City Schools
Richard L. Enos	Principal Garden City Schools
Michael Wilmot	Associate Principal Garden City Schools
John Miller	Assistant Principal Garden City Schools

Appearing on behalf of the Association were:

John Melchor	Chief Negotiator Garden City Education Association
Bob Draheim	President Garden City Education Association

Bob Thomas	Executive Director Garden City Education Association
Zita Shipman	Vice President Garden City Education Association
Karen Bunting	Teacher and Negotiator Garden City Education Association
William J. Miller	Teacher and Negotiator Garden City Education Association
Richard S. Mulholland	Teacher and Negotiator Garden City Education Association

Salary Schedules

The Garden City School District is typical of many which are currently witnessing declining enrollments. Indeed it appears that the zeal with which previous administrations of this district built new faculties was the result of some faulty assumptions. The current Board is faced with the thankless and impolitic task of closing some and consolidating other facilities.

The financial backing of the district (S.E.V. per pupil) is one of the lowest of the school districts in Wayne County as is also the total available revenues per pupil in the district. Yet this is not due to any lack of sacrifice on the part of the taxpayers since the millage paid by its taxpayers is tenth highest of all the districts in Wayne County. The pupil-teacher ratio is about midway of all the districts in the county and the amount of expenditures for instruction is nineteenth out of thirty-six. There is some disagreement between the parties as to what was included under instructional expenditures but that is not very relevant to the discussion.

What is most relevant to the discussion is the salary question. The instructional salaries on a per pupil basis (1975-76) place Garden City again directly in the middle (18 out of 36), up considerably from the position of the three previous years. This of course is due to a great extent to the lower enrollments rather than any exorbitant salary schedule. In fact, the average teacher's salary in the Garden City District ranks sixteenth in Wayne County. Fifty-seven percent of current operating expenses go into teachers' salaries. This was the same percent in the previous year (1974-75), though down five percent from the previous two years.

The Association readily admits that the district is in an unfavorable financial situation and of course considers their demands reasonable. Their quarrel is with the Board's priorities which they feel seem to cut back on teachers, traditional programs more than on administration and facilities costs. In addition the Association feels that the Board has not been active enough in seeking additional millage.

Briefly stated, the last offers of the parties on the salary question are as follows:

1. Board will pay 5% contribution to Michigan Public School Employees Retirement Fund starting as of September 1, 1976.
2. For 1976-77 salary increases varying from 4-1/2% to as high as 7%.
(The percentage appears to be lowest among those at the top of the experience scale in which the system has most of its members.)
3. For 1977-78 the salary schedule offered appears to contain increases of about 2%.
4. For 1978-79 the schedule contains increases of about 4-1/2%.

(These were not presented on a percentage basis but were computed by me on a sampled basis not on the total schedule. It was stated by the Board that each percent of salary increase costs the Board about \$80,000.)

Association Offer

It is interesting to note that the Association's demand for the first year is lower than the Board's offer.

1976-77	2% plus Board-paid retirement
1977-78	1% plus Cost of Living Adjustment with minimum of 7% and maximum of 10%
1978-79	3-1/2% plus Cost of Living Adjustment with minimum of 7% and maximum of 10%

It is quite obvious that the Association is attempting to establish the principle of C.O.L.A. for the second and third year of the contract. The Board prefers percentage increases not tied to the cost of living.

Recommendation

The reasoning behind the Association's request for a cost of living provision in the latter two years of the contract is understandable and I believe justifiable. The erosion of real income in recent years by inflation is too real for a group to be willing to project very far into the future without some such sort of provision. In fact, it is the possibility of such adjustments that has made multi-year contracts more feasible.

Yet even by the Association's own admission the Garden City School District is in a tight financial situation and is being required to make

some agonizing adjustments. I therefore recommend the Association's offer for the first year, namely 2% plus Board-paid retirement. I recommend the 2% across the board rather than skewing the percentages as the Board proposal seems to attempt.

For the second year (1977-78) I recommend a 1% increase plus a Cost of Living Adjustment but with a minimum of 4% and a maximum of 8%.

For the third year (1978-79) I recommend a 3% increase with a Cost of Living Adjustment subject to the same minimum of 4% and a maximum of 8%.

The establishment of C.O.L.A. for the district should not be difficult for the citizens to appreciate since many of them enjoy such provisions in private industry. It provides a more rational approach to multi-year contracts without forcing employees to gamble their future salary schedules. I recognize that it does make future financial planning somewhat more difficult for the administration, but the setting of a lower maximum than that requested by the Association narrows the gap significantly between the Board's own dollar offer and the Association's request. It would be my understanding that if the Consumer Price Index went down it would not result in a decrease in salary but should rather be treated as an improvement factor for the teachers.

Insurance

Life Insurance

The Association makes no request for any improved insurance coverage for the first year of the contract, nor does the Board offer any, and none is recommended. The year is over half over and the time would be better

spent by both parties seeking to achieve a more adequate insurance package at the lowest possible cost to the District.

For the second and third year the Association requests life insurance of \$24,000 for the member, \$24,000 for accidental death and dismemberment and \$4,000 for each dependent life. The Board offered \$20,000 coverage for the member, for accidental death and dismemberment and \$2,000 dependent life.

The Association's request is a modest one and I recommend its adoption. I do not believe it would be a very costly addition to the District though of course no cost figures on these were presented at the time of the Hearing, since they would be placed on bids.

Major Medical and Hospitalization

Again no change was requested by the Association nor any offer made by the Board for the first year of the contract.

The Board's approach is to define extent of coverage and then place the matter out for the lowest bid to the carriers. The Association's request is for a choice of two specific plans, either MESSA Super Med 2 or Blue Cross-Blue Shield MVF II with master med option N-4 and VST/FAE and \$2.00 co-pay drug rider.

I recommend that the parties continue to negotiate this issue in order to come up with a program that most closely approximates the Association's requested coverage but giving the Board the flexibility to place bids and utilize the other insurances to attain a lower rate for the Hospitalization insurance. The Association should perhaps forego such items as the drug rider which might benefit too few people in comparison to the costs that it imposes on the rest of the coverage. I readily understand the Association's

desire to upgrade the coverage in these areas but also believe that it can be worked out so that this costly insurance does not go out of all proportion in costs. In no case should the coverage be less than the Board's offer and the negotiation should produce something closer to the Association's request, though not necessarily with those carriers.

Dental Insurance

Again no change is asked for or recommended for the first year of the contract.

The Board offered a program with a cap of \$10.41 per teacher premium per month while the Association has requested a specific MESSA plan, the costs of which I am not familiar with.

I recommend increasing the cap to \$15 per month per member and allowing the Board to seek the best possible coverage for that amount. However, the cap should only be for the duration of this contract and subject to review in the next contract after which there would have been some more reliable experience.

Vision Care Insurance

The Association has requested MESSA's Vision I Plan while the Board has made no offer in this area. I would make a recommendation similar to that the parties agreed to in regard to the other insurances, namely no change for the first year of the contract. For the second and third year I recommend no specific plan but that the Board institute some program of Vision Care insurance but tied to the other insurance programs and therefore at a more modest premium cost. If the requested program is within range of the cost, that might very well be the best deal. But the Board should be given

some flexibility to work out such a needed program.

Summary and Conclusions

In summary my recommendations to the parties are as follows:

Salary

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|---------|---|
| 1976-77 | 2% increase with Board-paid retirement |
| 1977-78 | 1% increase with Cost of Living Adjustment with minimum of 4% and a maximum of 8% |
| 1978-79 | 3% increase with a Cost of Living Adjustment with minimum of 4% and maximum of 8% |

Insurance

No changes in any of these for 1976-77.

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|---------|--|
| 1977-78 | Life insurance - \$24,000 for member's life |
| 1978-79 | Life insurance - \$24,000 for accidental death and dismemberment |
| | \$4,000 each dependent's life |

Hospitalization and Major Medical

- | | |
|----------|--|
| 1977-78, | Continued negotiation to improve upon the Board's offer |
| 78-79 | and come somewhat closer to the coverage of the Association's request but giving the Board flexibility in seeking out the carrier. |

Dental Insurance

- | | |
|---------|--|
| 1977-78 | Best possible coverage available for a premium cap for these two years of \$15 per month per member. |
|---------|--|

Vision Care Insurance

1977-78, Institution of some type of vision care, but allowing the
78-79 Board to seek out one with reasonable costs tied into the
 other insurances.

I recognize that the above recommendations will not meet with the full approval of either party as such types of recommendations never can. However, I believe that they are workable and reasonable in respecting the positions of both sides. Hopefully, as the voters of the District begin to develop a sense of the reasonableness of the parties, they will vote additional millage and the District can move ahead to do those things necessary to improve the education of its students. Continued wrangling and combat by the parties can only succeed in "turning off" the voters. Past conflict, while it cannot be completely forgotten, should be laid aside and sincere negotiations should take place to bring about an era of peace and cooperation in the District, and begin the long process of regaining voter confidence. It is my sincere hope that these recommendations can be the basis of such an effort.

Bernard Klein

Bernard Klein
Fact Finder

Dated: March 2, 1977