

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

FACTFINDING PROCEEDINGS

In the Matter of

GRAND HAVEN PUBLIC SCHOOLS and
GRAND HAVEN EDUCATION ASSOCIATION.

FACTFINDER'S REPORT

LABOR AND MEDIAN

FALL

Hearings Held: November 14, 1972, at Grand Haven, Michigan.

Report Issued: November 21, 1972.

Factfinder: James R. McCormick.

Representing Board of Education: John Lepard, Attorney and Roger
Bolling, Member of the Board.

Representing Association: David Ratajik, Executive Director and
Carl Treutler, Professional Negotiations
Chairman.

I. STATEMENT OF THE CASE:

This matter came on to be heard before the undersigned Factfinder pursuant to a petition filed with the Michigan Employment Relations Commission by the Grand Haven Education Association, (hereinafter referred to as the Association) pursuant to Section 25 of the Labor Mediation Act and part 3 of the general rules and regulations of the Employment Relations Commission. The Factfinder has been directed to conduct a hearing and issue a report including recommendations with respect to the resolution of the issues in dispute between the parties. Such a hearing was held on November 14, 1972 at Grand Haven, Michigan, at which time the parties had full opportunity to present to the undersigned all factual information supporting their respective claims regarding the approximately twenty outstanding issues. The issues

Grand Haven Public Schools

involved proposals for change in the Master Collective Bargaining Agreement between the parties for the 1972-73 school year. Despite several months of negotiations, the parties ended in an impasse at the end of the summer of 1972 with approximately twenty matters unresolved between them. During their lengthy negotiations they managed to resolve almost nothing. Little if any of its numerous demands were ever compromised or abandoned by the Association and few if any concessions of even the most trivial nature were made by the Board of Education, with exceptions of a salary offer which would net the teachers less than they would be making if the last year's salary schedule were carried forward into the new year. This set of circumstances presents particular problems for the factfinding procedure, the purpose of which is in large part to make known to the general public of the district, in brief and comprehensible form, the basic positions of the two parties, the justification for those positions, and the evaluations and recommendations of a neutral Factfinder appointed by the state. This procedure, which has been provided by the legislature, assumes that there is an interested body of citizens who will better be able to understand the issues by virtue of the report and will thereupon exercise public pressure on the parties to reach an equitable settlement. In addition to considering the logic of the position of the two parties, it is my responsibility also to take into consideration that this procedure is in part provided by the state in lieu of the right to strike. Accordingly, I must take into account the relative power positions of the parties in an attempt to come to the kind of conclusions which should have been arrived at voluntarily by the parties had they bargained successfully.

II. THE BASIC ECONOMIC ISSUES:

The association is seeking a substantial salary increase at all levels over and above the salary schedule in effect during the 1971-72 school year. It is agreed that the increased cost of the salary schedule proposed by the association (including increases in hospitalization and other fringe benefits) would amount to approximately \$368,000.00. That figure does not include consideration of enlargement of the faculty this year. Nevertheless, the parties agree that it was the meaningful figure for these purposes. The best proposal of the Board of Education would result in a comparable increase this year of approximately \$82,000.00 over and above the teacher salary of the previous year, including fringe benefits. On the other hand it was agreed by the parties that if last year's salary schedule were merely carried forward with each teacher receiving one step increase (by virtue of an additional year of teaching experience) the increased comparable cost figure would be \$93,000.00. It can thus easily be seen that the proposal of the board is less generous than a mere carrying forward of last year's salary schedule without alteration. It is true that the teachers would receive their annual increment, but that is nothing more than recognition of increased value to the school district by reason of one additional year of classroom teaching experience. While Boards of Education customarily refuse to accept this concept, there is no doubt in the mind of this factfinder that the annual salary increments in teachers schedules are predicated upon the concept of increased value with increased years of experience. It is not a mere longevity payment for loyal service.

The association has made a number of other economic requests as to which the board has made no specific response, its position being

that its salary offer constitutes a fair and adequate adjustment in the overall pay package. The specific proposal of the board is that there be added a 2½% increase to each step of last year's salary schedule but that the incumbent teachers not receiving the benefit of a jump in their step on the salary schedule by virtue of their additional year of service. It appears that the result would be that most teachers would receive a little less than they would have received under the old salary schedule with credit for another year of service. This is reflected in the fact that the overall costs of the package offered by the board would be an additional \$82,000.00 while last year's salary schedule brought up to date would cost an additional \$93,000.00.

This district has maintained a position of leadership in the three county area including the counties of Ottawa, Muskegon and Kent. The state equalized evaluation of property within the school district is approximately \$27,000.00 per child, which places it at or about the top among school districts in the three county area. As a result of this high property evaluation the district had been able to lead the area in school salaries and to provide a superior educational program. Within the last couple of years that program has been reduced to some extent because of unanticipated reduction in revenues. However, like most districts across the state, Grand Haven has benefited this year from a major increase in revenues. While this may be partly due to an increase in the state aid formula, it must also be largely due to re-evaluation of property upward within the district. This phenomenon has resulted in higher taxes even without millage increases.

For the last school year the operating revenues of the board were approximately \$5,000,000.00. This year the board has somewhere in

the vicinity of 5.8 million to work with, although the exact figure is disputed by the parties. I find that the differences between the parties as to the exact amount of board revenue for operating the district this year is irrelevant, since it is well established that there is enough money to pay the salary increase demanded by the teachers and still have three or four hundred thousand dollars or more to be used for program enrichment. The proposal of the teachers would cost approximately \$368,000.00 over last year's expenditures for salary and hospitalization and other fringe benefits. (This figure does not include the increase in the size of the faculty.) It is apparent therefore that the district is in no position to claim inability literally to pay the demands of the association. The issue here is whether the district is justified in its insistence upon making only very minor increases in salary and pouring most of the large increase in revenues into other forms of program enrichment. To illustrate the amazing increase in revenues, I note that the increase from approximately five million dollars last year to approximately 5.8 million this year is in the nature of an increase of 1/6th of total revenues in the course of a single year. Of the increase asked by the teachers, approximately \$59,000.00 would include increases in the hospital-medical plan and other forms of insurance. At present the board does not pay the entire premium for full family medical insurance. Each teacher must supplement the board's contribution to some degree. The association would eliminate that employee contribution.

I find that the district has some responsibility to remain in a leadership position in the area if for no other reason than the fact that it acquired its present faculty through maintaining top notch

salaries. Its advantage over other districts must be assumed to have resulted in the gathering of a particularly able faculty. To shrink back from that position of salary leadership would seem to be unfair to those who were attracted to this district in part because of its superior salaries. Since there is no question of literal ability to pay, I find that it would be equitable for the district to grant some increase over and above what teachers would have received were last year's salary schedule merely carried forward. That means that I recommend that there be some increase over and above the 2½% offered by the board. The offer of the board is somewhat misleading since it might appear that it is actually a 2½% increase. As a matter of fact most of the teachers would receive more than a 2½% increase just by the acquiring of one more year of experience and service with the district, were the contract of last year carried forward. In addition, since the cost of living during the last school year rose approximately 3½%, the increase offered by the board would result in a reduction of purchasing power on the part of the teachers from that which they had the previous year when they had one fewer year of experience on the job. Nevertheless, I find that the demands of the association are also excessive, since they are unnecessary in order to maintain leadership. I therefore propose that the current index of the salary schedule from last year be carried forward and that there be some increase over and above the levels of last year's schedule. I feel very strongly that the approach of the board, which would upset the rate of progression for all teachers from year to year and from B.A. to M.A., etc., is a mistake here. In light of the lateness of the hour for negotiating a salary for this school year, it would be disruptive to depart from the established rate

of progression, commonly referred to as the index. The board's approach would also work an obvious inequity in the case of teachers transferring into the district who would qualify for higher salaries than teachers with the identical amount of experience who already worked for the district. The reasons for that disparity are too complicated to recite herein, but the disparity was acknowledged at the hearing by the Board.

As to the other economic demands, I strongly recommend that the association abandon all except the proposal for full family medical coverage. That benefit is becoming more and more commonplace in private industry, and these teachers should be granted something in the form of fringe benefit increase. Full family coverage without employee contribution will not add much to the overall cost of employing teachers. I recommend the Board grant that in addition to reaching agreement on a salary schedule a little higher than the 1971-72 schedule (but considerably less than the schedule sought by the association) Such a settlement will not in any way interfere with the desire of the Board to pour its unexpected increase in overall operating revenue into program improvements. Not all of the proposed improvements will be possible within this year's budget, but the \$1,500,000 worth of staff and administration program proposals reads like a shopping list in an ideal world. Many of these improvements can be made if the board accepts my recommendations. Furthermore, I am confident the teachers would be able to gain a settlement comparable to my recommendations were they legally entitled to strike. The statutory ban on teacher strikes is meant to protect the public interest, but is not designed as an excuse for less than equity in salaries.

The Board asks that the "non-economic" demands of the association be abandoned and possibly renewed next spring at the commencement of 1973-74 negotiations. While I believe many should be dropped (and should have been dropped months ago as a compromising gesture) I find that a few should be granted in the interests of meeting legitimate needs of teachers and making the bargaining process worthwhile. As indicated earlier, the Board, for all practical purposes, has turned thumbs down on all such proposals. Few counter-proposals were ever made by the Board in an effort to reach a compromise. In collective bargaining in the "real world" this would seldom occur. Indeed, I am at a loss to understand how so little was accomplished over so many meetings. Some of the teacher demands are of minor impact on the Board. In a true bargaining situation they would have been granted, perhaps with modifications.

I recommend that the calendar be adopted as put forth by the Board. The compulsory in-service programs should be accepted by the association even though it feels in principle they ought to be voluntary.

The proposal for strengthened protection of the right of teachers should be dropped by the association. The language of the proposal appears to go too far in the direction of becoming part of management. This proposal should be rewritten and negotiated further next year. I believe present language is adequate to handle problems encountered to date, if enforced.

The proposal regarding additions to Article V G should be granted. The board made no valid objection to this modification and I find the association established its desirability. No cost is involved and it would increase accountability of both regular and substitute teachers.

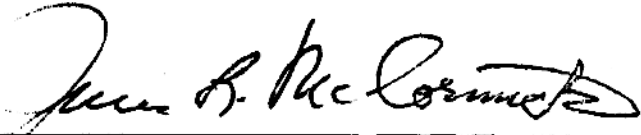
The present pay options should be left unchanged for this year, since the board may have good reasons for opposing paying out a lump sum to teachers in June when it had no reason to anticipate the need for the cash. I find that the Board should agree to the minor change proposed in Article XI K regarding special teaching assignments. Again, no argument was made at the hearing against this change. It follows that it is not obnoxious to the Board. It will also aid in a settlement.

The final item which I find should be granted by the board is the proposal (Article XII F) for final and binding arbitration of unsettled grievances by a neutral person selected jointly by the parties. I am perhaps vulnerable to the accusation of bias in this regard, since I function as a labor arbitrator. If that point be valid, then it would be hard to find an unbiased fact finder. In truth, this entire contract is no better than (1) the good faith of the parties in trying to live up to it, and (2) the ability of a party to effectively enforce its terms through carrying a case to arbitration. Regardless of how many or how few grievances have gone unresolved in past years, this contract needs grievance arbitration. In its absence, coupled with the legal ban on teacher strikes, the contract is only as good as the employer's word. While that is presumed to be very good, it is not enough. If the board is willing to agree to abide by the contract it has negotiated, it should be willing to entrust to an impartial arbitrator the matter of calling the shots when the parties are occasionally unable to reach a solution to a question of the proper meaning or application of the words of the contract. This very minor form of delegation of authority to the arbitrator in no way undermines the board's duty to run its own shop. The arbitration

of grievances is looked upon favorably in the courts and has been accepted by hundreds of Michigan school districts without apparent adverse effect. It provides a method of adjudicating controversies which arise under the agreed-upon contract. This process puts to rest festering disputes and is equally fair to all concerned.

In order to "get" a labor organization traditionally has had to trade off other demands and it would be realistic for the association to abandon all of its not discussed above in turn for an arbitration clause.

It is recommended that the parties return to the table at once and reach a settlement expeditiously and along the lines recommended herein. It is further recommended that, in the event one or the other party fails to do so, that the nature of these findings and recommendations be made known in the community in order that the public may have the benefit of evaluation of the situation from a neutral source. This report is hereby made to the parties, the Employment Relations Commission and to the people of the Grand Haven area.


JAMES R. MC CORMICK,
Fact Finder