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STATE OF MICHIGAN
DEPARTMENT OF LABOR
LABOR MEDIATION BOARD

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In the Matter of
GROSSE POINTE BOARD OF EDUCATION
-and-
GROSSE POINTE EDUCATION ASSOCIATION

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OCT 7 - 1968

LABOR MEDIATION BOARD
LABOR RELATION DIV.

On September 3, 1968, the undersigned, Leon J. Herman, was appointed by the Labor Mediation Board as its Hearings Officer and Agent to conduct a fact finding hearing relative to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Board's regulations. Accordingly, and upon due notice, hearings were scheduled and held on September 5, 11, 17 and 18, 1968, at the offices of the Board of Education, Grosse Pointe, Michigan.

Thomas Coulter, attorney; Lawrence F. Kennedy, Assistant Superintendent; Richard W. Kay, Director of Community Services; William Mogk, Principal of Pierce Middle School; and Roy MacArthur, Director of Business and Finance, represented the School Board.

Morris D. Andrews and Richard A. Gray of the Michigan Education Association; Willis Brown, President GPEA; Donald J. Keith, Vice-President GPEA; Virginia A. Downs, Past President GPEA; Don Richards, Past-President GPEA; Maynard A. Leigh, Vice-President; Bob Coleman, MEA; and Ed Wernet appeared on behalf of the Association.

Grosse Pointe Board of Education

The contract between the parties has been opened for the adjustment of the following factors:

- Salary schedule
- Hospital, medical and surgical insurance
- Life insurance
- Dental insurance
- Extra pay for extra duty
- Pay for summer school for the year 1969
- College course tuition
- Longevity
- Levels of training

The primary subject of the negotiations between the parties revolved about the salary schedule. In 1967-1968 the bachelor salary began at \$6,475.00 and increased to \$10,300.00 in twelve steps. The master's schedule began at \$7,075.00, going up to \$11,700.00 in thirteen steps. Provision was also made for bachelors with 20 hours, masters with 10 to 60 hours in ten hour steps, and doctorates. Nurses and librarians are also in the bargaining unit and are included in the Board's salary structure.

For 1968-69 the Board has proposed a beginning bachelor salary of \$7,300.00 for the first two years, increasing to \$11,000.00 in 11 steps. The master's index would begin at \$8,000.00 and increase to \$12,500.00 in twelve steps. With increases for other classifications, for summer school and for substitutes, the total increase would amount to \$548,609.00.

The Association has proposed a bachelor index of \$7,200.00 to \$11,520.00 in 11 steps, and a master schedule of \$8,064.00 to \$13,320.00 in 11 steps. It estimates the cost of the increase,

adding in the other extras as the Board has done, at \$1,210,868.85.

In arguing for its proposed salary increases, the Association contends that Grosse Pointe has been a leader historically on salaries and fringe benefits among the schools in the Detroit area. It insists that Grosse Pointe should remain a leader. It has the money to maintain such leadership. To do better than the other area schools, it would have to pay bachelors in a range from \$7,254.00 to \$11,437.00 and masters from \$8,001.00 to \$13,348.00. The Board's proposal is, of course, well below these figures.

To prove the Board's ability to finance its proposals, the Association points to excess funds available to the Board: an increase of \$672,114.00 in SEV at 97 per cent collectability; 4-1/2 mills voted by the public on September 12th last, which will provide \$1,657,288.00 at 97 per cent collectability; \$45,335.00 in increased state aid; and \$1,553,963.00 in its general fund equity. On the basis of ability to pay, this Board has the funds and should devote a good share of them to improving the financial status of the teachers and other workers in the system.

The Board argues that ability to pay is not a factor in these negotiations. It contends that it should pay salaries comparable to those paid in the surrounding area. It does not feel it has to exceed those salaries and benefits just because it can afford to. In addition, much of the moneys which the Association wishes

applied toward its membership is already committed to other purposes. \$1,000,000.00 of the receipts from the increased millage is reserved towards next year's expenses. The remainder of the millage receipts will be applied to reduction of the anticipated deficit of \$671,161.00 in the 1968-69 budget.

Unfortunately, ability to pay is an essential factor in any school salary settlement. The majority of school districts are not well fixed financially. Many of them expect to wind up this fiscal year with a substantial deficit. They have, nevertheless, been compelled to pay substantially the going rate of teacher's salaries in the Wayne County area because they must meet competition in order to get and hold teachers; and they must pay a salary which gives teachers a reasonable living wage.

The fact, however, that this Board now has funds available to it over and above the amount needed for teacher's salaries does not per se mean that the teachers should be the sole recipients this year of every cent the Board has. I can appreciate that the Board and the Association have been proud of the fact that this school is one of the finest in the district and that it has paid in the past salaries at or close to the top for the area. This, no doubt, has been a source of considerable satisfaction to both teachers and administration. But if I may be permitted to paraphrase Proverbs, I would remind the Association that pride goeth before a deficit. They should be proud, rather, that their school has the public support to pay their salaries and give them income equivalent to those paid in the surrounding areas.

The package proposed by the Board is very much in line with the settlements that have been made in the area. The \$7,300.00 starting salary is to my mind slightly on the high side and might be better dropped somewhat so as to allow an increase at the second step, and perhaps allow small increases along the scale to the master top of \$12,500.00. This latter figure is comparable to and in many cases, better than that paid in other schools. I do not recommend it be increased.

I am mindful that the GPEA has emphasized that salaries in business, industry and other professions are higher than those in the teaching profession, and that teachers' income should be equalized with those in other forms of livelihood. I agree wholeheartedly that teachers have for years been underpaid. They are entitled to earn a decent wage for themselves and their families, and the public must be educated to this fact. Moreover, the years they have spent in preparing themselves for their chosen profession should be compensated by a fair and reasonable income. That income, however, should be governed by their needs and the value to the community of their services, not by contrast with the incomes of those who choose to enter other potentially more profitable fields. By the same token, the community cannot arbitrarily refuse them their reasonable demands because it has been callous to their worth in the past. The teacher is worthy of his hire, and should be compensated accordingly.

I find that the Board in this case has been fair and reasonable in assessing teacher salary schedules. It is offering voluntarily

salaries that are consonant with those which other Boards in the area have paid through pressure and compulsion. It has opened its books to the Association without reserve.

I find as a fact that the salary schedule offered by the Board is fair and reasonable, and conforms to the salary pattern found acceptable by both the MEA and the Federation in the area. I recommend that it be accepted by the Association.

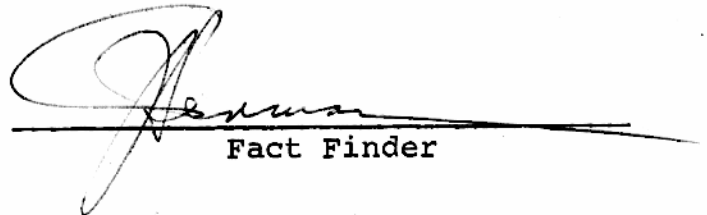
I make no recommendation as to increased life insurance. The Board presently pays for \$3,000.00 life insurance coverage for each teacher. The severance fund now in effect will contribute an additional sum up to approximately \$7,000.00. This fund will be permitted to expire in another year, at which time the question of increased life insurance per teacher should be considered. I do not recommend dental insurance because of its high cost.

The Association has proposed that the Board assume the cost of tuition for college courses taken by the teachers, because of the rising costs of college training. I am of the opinion that this cost should be borne by the teachers. In effect the Board repays the cost of advanced education by paying higher increments to teachers with advanced training.

The nature of the higher levels of training for which the teachers seek reimbursement was not explained.

I am in disagreement with the Board, however, as to its Blue Cross-Blue Shield program. It is usual in industry, and finding increasingly greater acceptance in the various school districts,

that the Board assume the full cost of full family coverage. Its present program is to my mind inadequate. I recommend that the Board undertake to pay full family hospital, medical and surgical insurance under the Blue Cross-Blue Shield plan. The Board estimates the additional cost of such insurance to be \$46,473.00. Added to the proposed salary and fringe benefit package, the total increased cost to the Board would be under \$600,000.00.



Fact Finder

Detroit, Michigan,
October 4, 1968.