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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of

GROSSE POINTE BOARD OF EDUCATION
Grosse Pointe, Michigan

-and-

GROSSE POINTE EDUCATION ASSOCIATION

CASE NO. D73 F-2148

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

On September 19, 1973 the undersigned, Leon J. Herman was appointed by the Employment Relations Commission as its hearings officer and agent to conduct a fact finding hearing relevant 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 Commission's regulations. Accordingly, and upon due notice, hearings were scheduled and held on October 3 and 9, 1973 at the Offices of the Board of Education Grosse Pointe, Michigan.

William O'Connor, Chief Negotiator; Thomas E. Coulter, Attorney; Ray MacArthur, Director of Business and Finance; Lawrence F. Kennedy, Assistant Superintendent, Personnel; Jack M. Mahon, Principal, Barnes Elementary School; and Roger McCaig, Curriculum Assistant, represented the Board of Education.

Al Gaiss, Executive Director; Carl W. Lord, President; Rita Cary, Chief Negotiator; Stan Smith, Past President; Mary Better and David R. King appeared on behalf of the Education Association.

Grosse Pointe Board of Education

Over a period of many years the Board has sought to maintain the Grosse Pointe school system as well above the others in the State. To reach this high degree of excellence it has recruited a fine staff of teachers and has historically paid salaries higher than pertained elsewhere in the State of Michigan. The voting public has sustained the Board's efforts by consistent support of substantial millage votes, at least until 1970. In January of that year a request for 25.4 mills for operation was defeated. In March, however, a renewed request for 19.7 mills for three years of operation and 2.7 mills for one year of operation was granted. However, when the Board sought to renew 2.7 mills for a three year period in March, 1971 and to add 1.8 mills for one year of operation, the requests were denied by the electorate. Accordingly, the Board held a special election in September, 1971 for 2 mills for three years of operation which again was defeated.

The Board, now more cautious, requested 1.2 mills for operation and 1.12 mills for operation of the public library, both for a one year period, which won public acceptance.

In March, 1973 the Board requested 20.9 mills for one year's operation of the schools and 1.2 mills for three years' operation of the library, both renewal requests and both of which were voted in by a 3 to 1 majority. Additional requests of 6.6 mills for one year's school operation and 0.14 mill for public library operation for one year were also accepted but by close majorities.

The Association had asked the Board of Education to combine the 1973 propositions in one single request and to ask for more than did the Board. It insists that the financial position the Board now

faces is because it failed to heed the Association's proposals. The Association, composed as it is of both teachers and residents of the District, properly made its suggestions to the Board. Whether the Board acted wisely in presenting four separate proposals to the electorate is now a moot matter. I should point out, however, that it is the Board that has been elected to operate the schools and to arrange their financing. As elected officials they are, at least presumably, closer to the voting public than are the teachers. It may be assumed that they are better able to gauge the tenor of public support for public acceptance of taxation for the schools. Having made their decision, it is incumbent upon the teachers, and certainly upon this arbitrator, to accept their decision as made by people who are best able to determine what steps to take to obtain public support. I do not feel justified in recommending the amount of millage which the Board should seek in its next election, nor the manner in which it presents its proposals, since there is no indication that the Board acted or intends to act adversely to the interests of the teachers or the children in the school district.

It is unfortunate that the economic climate presently existing is creating considerable difficulty for both parties. The District is substantially built up. The school population is dwindling year by year. Year by year the Board finds itself forced to reduce its teaching staff. The senior teachers retained have resulted in a disproportionate number of instructors at the highest point in the teaching scale. In 1973-74, 370 of 570.1 teachers are at the top eleventh step in the placement schedule. The Association estimates that in 1974-75, assuming no further reduction in staff, 390.8 will be at the eleventh step. This

number will increase to 416.8 in 1975-76. In the 1974-75 and 1975-76 years no instructor will be on the first steps of the placement schedule. Admittedly, this will result in a well trained, experienced and educated teaching staff. Admittedly, also, the price for such excellence is high.

The Board must operate the 1973-74 year on a tax rate of 33.92 mills, an increase of 0.68 mill over the previous year. Total anticipated revenues are \$16,991,432, an increase of \$192,823 (cents omitted). Of this sum \$11,099,677 is allocated in the proposed budget for instructional salaries, inclusive of principals, consultants and supervisors, regular teachers and substitutes, school librarians, nursing staff, secretarial and clerical and other salaries, an increase of \$193,823.

The budget shows an unallocated surplus of \$262,173. Of this the Board plans to devote \$244,000 to the teachers, with the balance allocated for raises to other groups in the school. It is obvious that \$18,000 would not be enough to offer more than token raises to supervisors, secretaries and plant personnel. Despite its protestations, therefore, the Board apparently plans to either go into a deficit position or to revise its budget in other respects, so as to make monies available for these groups.

The Association insists that its premium position in salaries throughout the State should be maintained. It points out that of 1973-74 salary settlements in Wayne County, Allen Park pays a BA beginning salary of \$9,965 as against the present Grosse Pointe salary of \$9,405. In BA maximum Dearborn now pays \$15,550 against last year's Grosse Pointe salary of \$15,480. In MA beginning salaries Allen Park pays \$11,150 as against the current Grosse Pointe \$10,810. At the MA maximum

Grosse Pointe presently pays \$17,655. Ten schools now pay more than this salary for 1973-74, the highest being River Rouge at \$18,100.

The principal problem in comparing Grosse Pointe salaries with those of other school districts is that in presenting their proposals in this proceeding the Board and the Association considered only the gross amounts to be paid per year. In reciting comparable salaries in other districts, the specific salaries in the various groups were listed. There is no showing of how many instructors in Dearborn are at the top of the salary scale as compared to the unusually large number at the top in Grosse Pointe. The only feasible method of resolution, as I see it, is to come to a determination of what Grosse Pointe should pay as against what it has paid in the 1972-73 year.

In so doing some composition must be reached between the steadily deteriorating financial position of the Grosse Pointe schools and the primary position which Grosse Pointe salaries have maintained throughout the years. Following the hearing the Board submitted a proposed salary scale, in which the instructors at the highest steps were offered salaries which exceeded those offered in other Wayne County districts. The schedule appears to be lower at the beginning steps, but this is not of serious import to a school system which is eliminating the initial steps as a result of attrition in the staff. Copies of the Board proposals for each of three years are attached hereto.

The Board has proposed salary increases of 1% for the first year, plus \$3,000 in additional life insurance. For the year 1974-75 it has offered a salary improvement of 3.65%, plus ML-Rider and MVF-1

Drug Program of Blue Cross/Blue Shield. In the third year of 1975-76 it has offered a salary improvement of 5.13%. The total for the three years, including increments, professional growth and longevity increases, comes to \$1,455,913.

The Association requests salary improvement of 1.3% in the first year, 5.5% in the second year and 5.5% in the third year. It also asks that an additional life insurance package of \$3,000 be given in the first year, the Blue Cross MVF-2 Drug Program in the second year and a further increase in life insurance of \$5,000 in the third year. The total package as computed by the Association is \$1,759,715.

I understand that the Association, at its last meeting with a mediator, reduced its proposal to \$1,718,000.

The Board proposal, as computed from the attached schedules would cost \$1,577,465, including all costs over the three year period.

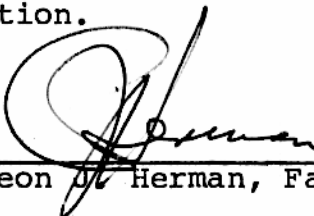
I recommend that the attached 1973-74 schedule, as proposed by the Board, and which I understand which has been approved by the Association, be adopted. I further recommend that the parties agree on a three year package of \$1,627,000 as the total package for three years.

I would further recommend that the Association reduce its insurance claims to that offered by the Board and that the monies so saved be applied instead to salaries. The additional benefit will thus accrue in cash payments to all instructors rather than to the few who may benefit by the additional insurance. If the Association rejects this suggestion, insurance should be furnished as and when requested by the Association.

As to how these monies shall be distributed between salaries, increments and fringes (apart from insurance) I make no recommendation. Once the total package has been accepted, I believe that the parties would agree upon the distribution with a little difficulty.

I realize that my comments on the data and information submitted at the hearings are brief, and that I have omitted discussion of a number of exhibits submitted by both parties. In explanation, I have been asked by both to expedite my report as rapidly as possible, and I have done so. If I have omitted any reference which either thinks deserving of specific mention, I offer both my regrets and my assurance that I have carefully studied all offered documents before reaching my conclusions.

I want to thank the representatives of both the Board and the Association for the painstaking efforts and cordial atmosphere in which their presentations were made. I sincerely hope that they can reach a satisfactory conclusion within the confines of the foregoing recommendations with the same friendly cooperation.


Leon J. Herman, Fact Finder

Southfield, Michigan
October 25, 1973

1	9450	9904	10131	11000	11227	11454	11681	11908	12135	12362	12702
2	10380	10834	11061	11550	11777	12004	12231	12458	12685	12912	13252
3	11235	11689	11916	12345	12572	12799	13026	13253	13480	13707	14047
4	11790	12224	12471	12915	13142	13369	13596	13823	14050	14277	14617
5	12320	12774	13001	13730	13957	14184	14411	14638	14865	15092	15432
6	12840	13294	13521	14230	14477	14704	14931	15158	15385	15612	15952
7	13365	13819	14046	14780	15007	15234	15461	15688	15915	16142	16482
8	13895	14349	14576	15300	15727	15954	16181	16408	16635	16862	17202
9	14420	14874	15101	16180	16407	16634	16861	17088	17315	17542	17882
10	14965	15419	15646	16855	17082	17309	17536	17763	17990	18217	18557
11	15695	16149	16376	17930	18157	18384	18611	18838	19065	19292	19632

10 housing financing unit =
longevity unit =
#227
#159

Approximately 100,000 of new members
opened on this schedule

1973-74
1984/3

1	10246	10738	10984	12070	12316	12562	12808	13054	13300	13546	13792
2	11254	11746	11992	12674	12920	13166	13412	13658	13904	14150	14396
3	12180	12672	12918	13545	13791	14037	14283	14529	14775	15021	15267
4	12783	13275	13521	14171	14417	14663	14909	15155	15401	15647	15893
5	13358	13850	14096	15065	15311	15557	15803	16049	16295	16541	16787
6	13921	14413	14659	15636	15882	16128	16374	16620	16866	17112	17358
7	14490	14982	15228	16217	16463	16709	16955	17201	17447	17693	17939
8	15065	15557	15803	17668	17254	17500	17746	17992	18238	18484	18730
9	15634	16126	16372	17753	17999	18245	18491	18737	18983	19229	19475
0	16225	16717	16963	18494	18740	18986	19232	19478	19724	19970	20216
11	17050	17542	17788	19710	19956	20202	20448	20694	20940	21186	21432

10 hours of training unit =
longevity unit =

246
205
About 552,000
of new monies
applied on the
salary schedule

Special
75-76
10-8-76

430+

530+