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EMPLOYMENT RELATIONS COMMISSION

In Re: HILLSDALE INTERMEDIATE SCHOOL DISTRICT  
and  
4-C UNIFIED BARGAINING ASSOCIATION,  
MEA/NEA

Case No. L80 E-249

John Kiefer 11-9-81 /

FACT FINDING RECOMMENDATION

The fact finding hearings were held in the Intermediate School District Board Room in Hillsdale, Michigan, on August 14, 1981 between the Hillsdale Intermediate School District and the 4-C Unified Bargaining Association, MEA/NEA. It is not unreasonable to say that considerably more than the usual number of issues were involved, both economic and non-economic. Present and participating in the hearing in various capacities from time to time were representatives from the School Board:

David Steel, Superintendent of Education  
James B. Parker, Esq., Attorney for the Board

Present and participating for the Association:

Pat Houseman, Uniserv Director, Michigan Education Association

About thirty-five (35) teachers and the parties have been negotiating over an extended period for initial contract which would have commenced in the fall of 1980. They have attempted mediation without final success. At the formal hearing, both testimony and numerous records were ably presented by both sides. In addition, this recommendation was delayed in order to give both sides an opportunity to present Briefs on the issues and supplementary factual evidence concerning the estimated expenditures involved in making the proposed salary increase retroactive to the beginning of the 1980 school year or only to March 1, 1981 as proposed by the Board. Both sides have

*Hillsdale Intermediate School District*

availed themselves of this opportunity by submitting factual data in support of their respective positions, and the Fact Finder has reviewed these along with the other exhibits submitted at the time of the hearings.

After engaging in the actual formal hearing, the Fact Finder attempted to act as a Mediator and urged the parties to close the gap between the demands of the Association and the offers of the Board, as well as to dispose of non-economic issues which were more amenable to voluntary settlement. These efforts proved unsuccessful and so, Briefs were filed and the matter submitted to the Fact Finder for Recommendation.

We shall consider the economic issues first:

A. SALARY SCHEDULE

At the outset the Fact Finder is compelled to observe that this case involves the classic conflict between school teachers who are making just demands for salaries commensurate with their professional abilities, training and experience, and the financial ability of an impoverished School District. The Fact Finder was genuinely impressed with the reasonableness of the demand by the Association that the Salary Schedule proposed by the Board be made retroactive to the beginning of the 1980 school year in the light of today's cost of living, and the sincerity of the Board to meet such proposal if the funds were available out of which to pay retroactively, the increased salaries. The role of the Fact Finder is not an enviable one where such a conflict exists. He does not wish to impoverish the deserving teacher nor, on the other hand, does he wish to recommend salaries where the Board would find itself powerless to provide the funding.

The Board argued eloquently that it was in no position to make the Salary Schedule retroactive because of the failure of the

taxpayers to pass millages; the reduction of revenues below anticipated budgetary levels because of the Governor's austerity programs, and the shrinking of past year surpluses to pay current operational costs to the point of nearly exhausting any surplus. The Board also argued that it had acted responsibly to meet the demands of reduced income and inflationary costs by accomplishing a reduction in administrative staff, as well as teachers.

On the other hand, the Association took the strong position that any partial retroactivity to March 1, 1981 would be tantamount to a Two Per Cent (2%) increase over the 1979-80 school year when inflation was raging at Thirteen Per Cent (13%) during the same period. Association Exhibits 8, 9 and 10 graphically illustrated the devastating effect of that inflation on teachers' salaries from 1974 to the present time so that the teachers actually lost ground financially during that period. Other Exhibits introduced by the Association show that the Hillsdale Intermediate School Teachers would suffer by comparison to the teachers in comparable districts. Association Exhibit 14 shows that for a teacher with a Bachelor of Arts minimum, the income for that teacher would slip from first place in the MEA Zone II in 1978 to eleventh place in 1980 if the Board proposal were adopted. Teachers with other degrees would suffer less, but would still experience a sizeable decline comparatively. On the other hand, Association Exhibits 16 through 21 disclose that if the Association proposal were adopted, the Hillsdale teachers' income would remain relatively constant with past years. In addition, Association Exhibit 27 reflects a Nine Per Cent (9%) increase in 1980 for support staff salaries over those received in 1979.

In balancing the equities advanced by each side The Fact Finder must be persuaded by human considerations and give them priority

over other planned expenditures, even if it means nearly exhausting the vital surplus so jealously husbanded by the School Board. It is manifestly unfair to expect the teachers to be satisfied with a token increase (whether 2% or 2.4% as shown variously on the Exhibits) when their peers elsewhere in the geographical area and other school personnel have received increases of about Nine Per Cent (9%). The Association's argument has merit too, that making the schedule only partially retroactive, encourages the Board to drag its feet on future labor negotiations.

The Fact Finder then, recommends the Salary Schedule depicted as Staff Exhibit 2, be made retroactive to the beginning of the 1980-1981 school year and, in order to accommodate this higher expenditure, that the School Board rearrange its priorities and considerations. Difficult though these decisions might be for a conscientious School Board (which the Fact Finder is convinced exists and operates admirably in Hillsdale), there would appear to be no alternative to this agonizing reappraisal and the Fact Finder strongly recommends this re-examination of the budget.

#### B. COST OF LIVING INCREASE

The Association has proposed a cost of living factor be applied to the Salary Schedule for both the 1980-81 and 1981-82 school years and the Board has categorically rejected the concept on the ground that this type of flexible schedule is not susceptible to any definite planning. The Association argues that a cost of living increase is the accepted method of insuring that a teacher's buying power could be maintained and that the decline shown in Association Exhibits 8, 9 and 10 could be arrested.

The Fact Finder recommends a middle ground because of the Board's admittedly precarious financial position. He recommends that

no cost of living factor be applied to either year but that a Nine Per Cent (9%) improvement in the Salary Schedule (Staff Exhibit 2) be adopted for the 1981-82 school year, regardless of the current Consumer Price Index. In this way, the teacher could somewhat keep pace with inflation but, at the same time, the Board would be assured of a constant and predictable expenditure for its budget.

C. COMPENSATION LONGEVITY

The Association seeks an additional One Per Cent (1%) of the maximum salary for each teacher who no longer receives an increment. The Association argues that staff members at the top of the salary schedule have lost substantial buying power over the last several years. The Association also points to Exhibit 41 showing that teachers in other comparable school districts are receiving increments from .5% to 4.5% of base pay. The Board resists this demand for the reasons advanced for refusal to accede to other salary demands: that the Board lacks the funds.

The Fact Finder would be more sympathetic to the Association's position if the longevity increments were nearly universal with other school districts. However, only about half of the districts shown on Association Exhibit 25 for salary comparisons, presumably have such increments. The Board's financial plight is not imaginary, but real indeed and, if the recommendations made above for salary retroactivity and an increase of Nine Per Cent (9%) in lieu of C.O.L.A. were to be adopted, there will be sufficient strain on the budget without adding the longevity increment to compound the cost. Therefore, the Fact Finder recommends that the increment not be included in the contract.

D. COMPENSATION - CREDIT FOR EXPERIENCE

The Association has presented language for Article XVIII pro-

viding for compensation for overtime at one-seventh (1/7th) of the teacher's per diem rate for each hour of overtime, and language for the second paragraph describing how a new employee will be placed on the Salary Schedule. The latter was extracted from the Personnel Policies Handbook in use by the parties since July, 1978. The provisions appear to be reasonable and the Fact Finder urges their adoption.

E. COMPENSATION EARLY RETIREMENT

The Association has made a demand that the Board pay to an early retiree (at least fifty-five (55) years of age) certain stipends keyed to Social Security, as well as continuation of medical insurance benefits until the retiree is eligible for medicare. The Board resists this demand for financial reasons and the Association submitted no comparables in the other school districts. Neither did the Association estimate the costs involved in such a plan. Accordingly, the Fact Finder rejects this proposal as too financially burdensome on the Board.

F. COMPENSATION - REIMBURSEMENT FOR PROFESSIONAL ACTIVITIES

The Association seeks reimbursement for teachers who earn college credits or attend professional development workshops. In Exhibit 46 the Association lists eight (8) other school districts, including Hillsdale, which provide such benefits ranging from Thirty Dollars (\$30.00) per hour to Sixty Two and 66/100 Dollars (\$62.66) per hour. Once again, the Board rejects the provision because of its effect on the budget. The Fact Finder recommends the adoption of a modified provision similar to the Association's proposal, limiting the cost to Thirty Dollars (\$30.00) per hour (comparable to Hillsdale) and placing some annual dollar limit for each teacher so that the maximum

exposure to the Board may be ascertainable.

#### G. INSURANCE

Up until now, the Board has been paying the full cost of MESSA or Blue Cross coverage but now wants to "cap" this premium at One Hundred Thirty One and 12/100 Dollars (\$131.12) per month. The Association wants to continue the past program of full coverage, regardless of costs, and also wants to add the Delta Dental Plan and MESSA Intermediate Vision Care Plan. The Association introduced Exhibits showing that there were no "caps" in any of the comparable school districts and that nearly all provide dental coverage. A few provide vision care.

The Board justifies its desire to "cap" the existing coverage and to refuse the additional dental and vision coverage because of the effect on its budget. The Fact Finder, however, recommends that no "cap" be established because of the history in the district of providing full coverage. Because of the financial picture of the Board, the Fact Finder recommends that the dental and vision coverage be deferred at this time.

#### H. LAYOFF AND RECALL

The parties differ on several points regarding seniority of supervisors while in bargaining unit positions; layoff notice requirements and criteria for determining who should be laid off. The Fact Finder supports the reasonableness of the Association's position regarding seniority of administrators because it appears to be reasonable. He supports the Board, however, with regard to shortening the layoff notice period in case of emergencies. The Board cannot use "emergencies" as a refuge for unreasonable actions and emergencies must be truly such in order to be invoked.

The matter of criteria for layoffs is more troublesome. The Board wants to be able to apply any of the criteria without priority in order not to be bound by seniority, but to be able to reward what it perceives as competence. On the other hand, the Association considers "competence" as ill-defined and, thus, leaves the individual teacher uncertain in his or her job security.

Unless there can be some objective standard established to rate teachers' competence, the Fact Finder agrees with the Association's position. Job security is an extremely precious factor for any employee, teacher or non-teacher alike. The competence of the teacher should be gauged by the Board before that teacher attains tenure so that unsatisfactory personnel can be removed at an early stage and not when layoffs are in the offing. The Fact Finder recommends that the priority criteria proposed by the Association be adopted.

#### H. WORKING HOURS AND DUTY FREE RECESS

The Association wants a limit of six and one-half (6-1/2) hours per day working time and duty free recess. The Board wants a seven (7) hour day, exclusive of the lunch hour. The Association claims that its position is the same as that of the other comparable school districts, while the Board contends, without supporting data, that the shorter day would entail additional personnel at increased cost. Without the benefit of some analysis and estimate of increased cost to assist the Fact Finder in determining the seriousness of the Board's claim, the Fact Finder must adopt the Association's position on this issue; especially in view of the pattern set by the other school districts.

#### I. AGENCY SHOP

The Association seeks an Agency Shop clause found in all comparable school districts, but the Board opposed the provision on



philosophical grounds that it wishes to remain neutral on whether a teacher desires to join the Union. Although the Fact Finder applauds the Board for its altruism, the practical aspects in this matter are reflected in the conventional method adopted by the other school districts in deducting dues. The Fact Finder agrees with the Association's position.

#### CONCLUSION

The parties are to be complimented for their obviously sincere and dispassionate approach to the bargaining process displayed at the Fact Finding Hearing and they are urged to follow the foregoing recommendations in order to put this stage behind them and turn to the more important business at hand - administering and teaching.

Respectfully submitted,

JOHN B. KIEFER  
1565 City National Bank Building  
Detroit, Michigan 48226  
(313) 961-8080

Dated: November 9, 1981.