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STATE OF MICHIGAN
MICHIGAN EMPLOYMENTS RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In Re:

Holt Board of Education

and

Holt Education Association

MICHIGAN State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

The fact finding opinions and recommendations:

The undersigned C. Keith Groty was appointed fact finding hearings officer by the Employment Relations Commission of the State of Michigan on September 24, 1969, under authority of Section 25 of Act 176 of Michigan Public Acts of 1939, as amended, to issue a report and recommendation to the above listed parties with respect to matters and disagreement between them on terms of a new employment agreement for teachers in the Holt Public Schools.

Fact finding hearings were held with the parties on October 7, 1969 and October 10, 1969. Appearing for the Holt Board of Education were:

Norman Jabin - Attorney for the Board
Maurice Pernert - Supt. of Schools
Alton Stine - Director Instructional Personnel
and Curriculum
Teddy Sample - Principal
John Douglas Alexander - Principal
M. Chandler Nauts - Principal
Harvey Wood - Administrative Assistant

Appearing for the Holt Education Association were:

Harry W. Bishop - Michigan Education Association
Representative
Harold Rouse - President
Dottie Andersen - Negotiating Committee
Lowell R. Rudd - Negotiating Committee
Bob Simmon - Negotiating Committee
William E. York - Fact Finding Committee
Donald E. Bowker - Fact Finding Committee
Dick Langs - Negotiating Committee
Douglas Pearl - Negotiating Committee Chairman

Holt Board of Education

On petition filed by the Holt Education Association it was stipulated that the dispute between the Holt Board of Education (hereinafter called "Board") and the Holt Education Association (hereinafter called "Association") consisted of four issues. At the time of the hearing it became evident that some of these, although still in dispute, had not received great amounts of time in the negotiating process. It was felt, however, that these issues should be presented for the recommendation of the fact finder. At issue was the salary schedule and whether or not this schedule should contain an index as opposed to an across the board increase as proposed by the Board. What the exact amount of the base of this schedule should be, and whether or not the skip step, longevity and continuing maximum provisions of the former salary schedule, should be incorporated under the provisions of a new schedule.

Also at issue was the structure of the fringe benefits package to be included in the new contract. The two issues in particular dispute were health insurance and income protection coverage.

The third issue was that of extra duty pay. Specifically, whether or not the percent of the annual salary should be increased for the varying categories of extra duty. In addition, whether three presently non-paid extra duty categories should be included under the pay schedule for extra duties.

The fourth and last issue still at dispute between the parties was the class size issue. During the course of proceedings the parties were able through their own negotiations to resolve the class size issue and reach a tentative agreement. As a result, the fact finding petition was amended to remove the issue of class size from the consideration of the fact finder and no further discussion of this matter will be found in this report.

Before discussing the positions of the parties on each of the economic issues, it is necessary that a discussion be included in this report of the unique conditions surrounding the dispute.

The Holt Board of Education in the months of June and August 1969 requested approval of the citizens of the Holt Public School District to a renewal of 2.5 mills for operation and an increase of 3.6 mills for increased cost of operations and new programing. The citizens twice turned down these requests which were on both occasions coupled as a single issue. The Board was at that point faced with the responsibility of operating the school district for the 1969-70 school year on a decrease of revenues from the local source while receiving increased operational funds from the State of Michigan.

The increase of State operating support and an increase of assessed evaluation of property within the district while generating a greater local tax revenue from remaining mills still under authorization, is not sufficient to support the budgetary obligations as projected by the Board or to which the Board previously committed itself in light of increase costs of goods and services. As a result, the Board is placed in the position

of reducing services to the citizens of the school district. The reductions, as undertaken by the superintendent, to date, consist of cancelling the proposed staffing increases and proposed curricular changes.

The citizens of the community, it must be assumed, realized that the school district would be faced with cutting services previously supplied to the district when they rejected the renewal of millage. As a result, the Board must in the reality of only a slight increase in revenues and a more rapid increase in the costs of goods and services undertake a most serious program of economies.

With annual operating expenditure increases of 10.5% and 19.7% in the last two years, it can hardly be expected that the projected 5.9% increase in expenditure, under a balance budget in the 1969-70 school year, will result in anything but a reduction of previous service since costs of those services have increased at a more rapid rate. Since better than 80% of the 1968-69 operational budget was spent on the salaries of personnel, any meaningful reduction in operational expenditures can only be made by decreases in the number of staff positions within the school district. To do otherwise would be to cause the teachers and other staff members to take compensation far below that of their counterparts in comparable districts and by doing so cause the staff to underwrite the districts true expenses.

By the evidence presented in the hearings, no reduction in teaching staff prior to the opening of school took place. The number of teachers presently employed by the district is equal to the number of positions of the last school year. This is significant since 60% of the districts payroll costs goes to teacher salaries. Since the Board chose not to place the educational program of the district in jeopardy anymore than could be helped under the circumstances, employment commitments have been made to the staff members of the district for the 1969-70 school year. It is, therefore, anticipated that this will result in the district being over budget this year. This is necessary if the quality of education is to be maintained and continue to be comparable to other districts in the greater Lansing area. It will also mean that the Board must return to the citizens of the community to seek their support for increased millage to not only restore the district to fiscal soundness but to provide some measure of growth.

The recommendation for expenditure of funds beyond those which are anticipated from revenues can be undertaken, according to a Department of Education interpretation, as reported in the Michigan Association of School Boards Journal October, 1969. Since the fund equity of the district as of June 30, 1969 equaled \$122,298, the district has within its means the flexibility to meet the following economic recommendations and still maintain a positive fund equity balance, for the 1969-70 school year. It may also be necessary, however, to make further cuts in operational spending so as to minimize financial jeopardy.

The following report summarizes the basic positions of the parties on each of the remaining issues. It contains a brief discussion of what appears to be the salient considerations in resolving these issues, and the fact finders recommendation for their resolution. The recommendation on economic matters are made with the full knowledge that the total package is more than the Board offered and less than the Association would like to have achieved. Nevertheless, it represents what appears to be a fair settlement. The parties are urged, therefore, to give these recommendations their most serious and urgent consideration for the settlement of their new employment agreement.

Salary Schedule

As indicated in the petition for fact finding, the Board's last offer is a salary schedule with a BA minimum of \$6,900 to BA maximum of \$10,150. The master's degree schedule offer ranged from \$6,900 to \$11,650. The last demand position of the Association is for a BA minimum of \$7,400 to BA maximum of \$11,500. The master's degree ranges from \$7,400 minimum to \$13,500 maximum. Each party is proposing ten increment steps.

In conjunction with the salary schedule dispute the parties both indicated an interest in continuing the past provisions of continuing maximum, longevity and skip step. Although wishing the fact finder to give these provisions consideration when recommending the salary schedule, there is no indication of an interest to drop them from the new contract. It is, therefore, recommended they be retained as in the last agreement.

In support of its position the Board offers data of comparable districts throughout the State of Michigan (Board Exhibit 15). The Association, however, presents a different set of districts for comparison. The later set consisting of Lansing and its suburban districts (Association Exhibit 12).

Although of possible validity for varying reasons, each list contains districts which are felt to be too different in geographic location, student size, or community composition to be accepted in total. Therefore, it was most helpful to have had information on other districts in the five county areas (Board Exhibit 16). It is from this list that some comparisons were made while keeping in mind the unique circumstances as previously detailed.

In light of the foregoing comments on the district's responsibility to equitably compensate the teachers it has chosen to employ, a salary schedule is recommended which exceeds the Boards last offer in every step. However, the Association is cautioned to note that if a salary schedule were to be recommended at levels of compensation, much higher, cuts in the educational operation of the district would have to be instituted that could so severely damage the condition of the district as to make the increase in income small return for the poorer teaching environment which might readily result.

Recommendation

1969-70 Salary Schedule-Holt Public Schools

<u>STEP</u>	<u>BACHELOR'S DEGREE</u>	<u>BACHELOR'S & 30 QU. HRS.</u>	<u>MASTER'S</u>
1	\$ 7,000	\$	\$
2	7,360	7,550	7,650
3	7,720	8,000	8,150
4	8,080	8,450	8,650
5	8,440	8,900	9,150
6	8,880	9,350	9,650
7	9,160	9,800	10,200
8	9,520	10,250	10,700
9	9,880	10,700	11,200
10	10,240	11,150	11,700
11	10,600	11,600	12,200

Health Insurance and Income Protection

In the area of income protection and health insurance, the Association's last position is for an increase of \$40 per week for the former and full family coverage for the later. On both issues the Board indicates its desire to maintain last years coverage allowance of \$20 per week for income protection and \$15 per month for health insurance.

Since the total funds available for compensation are very limited under the circumstances, it is, therefore, essential that the parties seek those methods by which greatest benefit can be obtained with the smallest draw on revenues. Such a goal can be readily accomplished with fringe benefits in the form of insurance.

Also it would appear that increases in insurance would make the districts fringe benefit provisions very comparable with other districts in the greater Lansing area. As recommended, the provisions are designed for those of greatest need.

Recommendation

It is recommended that income protection insurance be increased to \$40 per week as requested by the Association.

It is also recommended that health insurance be increased to full family coverage at blue cross semi-private rates for persons who are the principal wage earner of the family.

Failure to be eligible for health insurance coverage under a full family plan shall not invalidate an individuals right to single subscriber coverage. However, the single subscriber benefit can't be used to increase coverage under another plan.

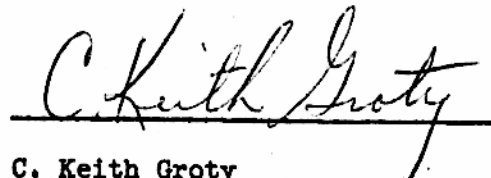
Failure to qualify for the maximum possible coverage available to other individuals in the group shall not make funds transferable to cash or other forms of benefit.

Extra Duty Pay

Since the compensation level for extra duty assignments is a percentage of the individuals gross salary for a regular duty assignment, increases in total dollars has been provided with the overall increase in the basic schedule. Because of the financial position of the district, the nature of extra duty assignments, the lack of complete negotiations on any additions to the assignment list, it is recommended that the Schedule B of the 1968-69 master agreement be incorporated in the new agreement and corrected to include assistant track coaching.

Conclusion

The representatives of the Board and Association have devoted many hours to the development of a new agreement. It would appear that both parties have negotiated in good faith and have resolved many issues. The recommendations contained in this report are believed to be reasonable and a fair basis for settlement of the issues remaining in the dispute. It is urged that both parties give them their utmost consideration so that further dispute is avoided. A settlement should be reached quickly so that the district can procede with the education of children which is the basic concern of both parties. Confidence and pride in the educational system must be upheld so that adequate levels of support are provided by the public.



C. Keith Groty

October 31, 1969

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