

BY APPOINTMENT OF
THE
LABOR MEDIATION BOARD
STATE OF MICHIGAN

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

In the Matter of Fact Finding Between:

JONESVILLE EDUCATION ASSOCIATION)

-and-)

JONESVILLE BOARD OF EDUCATION)

David Neilburn

REPORT

Facts

The Association petitioned for fact finding after impasse was reached between the parties over a salary schedule for 1967-68.

The present 3 year Agreement of the parties contained a 1966-67 salary schedule of 11 steps with a B.A. range of \$5300 - \$7150 and a M.A. range of \$5600 - \$7450. A "block" existed at the 7th step for teachers without a permanent certificate or who had not earned 10 semester hours credit since July 1, 1959.

The parties agree to the establishment of a 1967-68 salary schedule of 4 Levels, defined as follows:

Level A: Bachelor with Provisional or Life with a Bachelor's Degree

Level B: Bachelor with a Permanent or Life plus 10 hrs of study with C or better grade earned since 1959. Additional hrs @ \$10.00 per semester hour.

Level C: Permanent plus 10 hours, of Life plus 20 hours. All hours must have a C or better grade and be earned since 1959. Additional hours paid @ \$10.00 per semester hour.

Jonesville Board of Education

Level D: Masters Degree or beyond. All hours beyond Masters Degree will be paid at the rate of \$10.00 per hour, if earned since 1959.

The Association's salary proposal is for a Level A range of \$6200 - \$7688(7 steps), a Level B range of \$6500 - \$8580(9 steps), a Level C range of \$6700 - \$9380(11 steps) and a Level D range of \$7000 - \$10360 (13 steps).

The Board's salary proposal is for a Level A range of \$5700 - \$6982.50(7 steps), a Level B range of \$5900 - \$7316(7 steps), a Level C range of \$6100 - \$8052(9 steps) and a Level D range of \$6300 - \$8820 (11 steps). The Board's proposal was based on anticipation of passage of a one year, 6 mill operating millage, which was defeated by the electorate in a vote conducted August 28, 1967.

The salary proposals stated above have a cost differential of approximately \$43,000.

In support of its proposals the Association established that:

1. In 1966-67 Jonesville salaries at B.A. minimum were \$309 less than the state median (this comparison was, however, calculated on a teacher basis - on a district basis the state median was only \$48 higher). It was also estimated that the Board's salary offer would increase the spread for B.A. minimum, by teacher, between Jonesville and the state median to \$391 for 1967-68.

2. In 22 selected districts of comparable student population throughout the State, all of which have reached salary agreements for 1967-68, the Board's offer would place Jonesville salaries in a 4-way tie for 15th at B.A. minimum; 21st at B.A. maximum; in a 2-way tie for 8th at M.A. minimum and 9th at M.A. maximum.

3. Of these 22 districts Jonesville was average as to wealth per pupil and above average as to total operating millage in 1966-67.

4. In 18 neighboring districts of Hillsdale, Calhoun, Branch and Jackson counties 1967-68 salary settlements have been reached in Litchfield, Hanover-Horton, Homer, Union City, North Adams and Waldron. The following table shows the percentage salary increase over 1966-67 for these districts (the Association's exhibit showed a new M.A. maximum for Waldron of \$6360 - presumably this was inadvertently meant to be \$7360):

		<u>B.A. min.</u>	<u>B.A. max.</u>	<u>M.A. min.</u>	<u>M.A. max.</u>
Litchfield	-	32%	51%	30%	52%
Hanover-Horton	-	10%	21%	10%	28%
Homer	-	11%	19%	11%	11%
Union City	-	11%	8.5%	10.5%	12%
North Adams	-	10%	25%	9.4%	24%
Waldron	-	10%	8%	9.4%	10%

5. Of these 18 districts Jonesville was above average as to wealth per pupil and well above average as to total operating millage in 1966-67.

6. At least a dozen of the 59 teachers in the district have been "blocked" at the 7th step which, for 1966-67, was \$6410. In 7 of these cases the individual teacher possesses 20 or more years teaching experience.

7. The retirement formula for teachers uses highest 5 consecutive years average salary and the annual difference in retirement benefits between a \$6000 average and a \$7000 average is \$600.

8. In a recent study at Northwestern University it was estimated that 1967 graduates with bachelor's and master's degrees would be hired at annual salary ranges of \$6780 - \$8544 and \$8376 - \$10020, respectively. This study also showed that engineering, accounting, sales and general business graduates were earning an approximate annual salary averaging \$12150 ten years after their graduation.

9. Teachers may invest as much as \$31,000 in costs of their training and loss of earnings prior to employment with a B.A. degree.

10. Based on an informal survey among teachers the additional hours they work during and outside the school year may result in a teacher working from 92.7% to 99.9% as many hours as a factory worker on a year round 40 hour week.

11. A repidly rising cost of living necessitates that teachers receive a substantial salary increase in order to show progress in their real income.

In support of its proposals the Board established that:

1. The state equalized valuation (SEV) of the district dropped from \$14,024,925 for 1966-67 to \$13,565,023 for 1967-68.

2. The operational millage allocation of the district dropped from 8.7 mills for 1966-67 to 8.32 mills for 1967-68.

3. The pupil-teacher ratio in Jonesville for 1966-67 was 6th lowest of both the 22 selected state-wide districts and the 18 neighboring districts.

4. For 1967-68 the Board has agreed to:

- a) Blue Cross coverage for teachers at a cost of \$111.11 per employee.
- b) An increase in sick leave accumulation - to 120 days.
- c) Longevity pay benefitting 8 teachers at a cost of \$1320.
- d) Unlimited experience credit for teachers transferring into the district.

5. The district anticipates a general fund income of \$589,855 and total income of \$617,555 for 1967-68.

6. The district's total actual disbursements during 1966-67 were approximately \$660,000.

7. In 1966-67 the district received state aid totalling \$353,780.61, nearly \$19,000 more than it anticipated; whereas for 1967-68 there is no indication that state aid will be more than the budgeted amount now modified to approximately \$367,000.

8. Federal aid represents earmarked funds which cannot be spent for general purposes if a surplus exists.

9. The district will not be able to receive state aid payments in advance in 1967-68 and so will be unable to obtain receipts from bank deposit interest, which it did in 1966-67 in the amount of \$2,658.11.

10. The new position of Junior High School Principal has been established, and budgeted at \$9500, in order to provide better education at that level.

11. Social Security benefits exist for teachers in addition to their retirement income.

Recommendations

The district's finances are essentially limited by its tax (and delinquent tax) collections and the state aid it receives. In 1965-66 and 1966-67 teachers salaries represented approximately 55% of budgeted disbursements. In 1966-67 however operations of the school year showed that the percentage of actual disbursements for teachers salaries rose to approximately 58%.

If this 58% amount were applied to the budget for 1967-68 it would total approximately \$365,000. However the Board, relying on successful passage of the 6 mill operational levy for one year, has offered an economic package that totals approximately \$424,000. The Association's proposal costs out at approximately \$467,000.

The Board does not intend to deficit finance believing that this is an improper mode of school district operation. It notes that its economic offer to teachers amounts to an increase of approximately 16% and asserts that this is a fair offer and would have been manageable had the August 28th millage vote authorized an additional 6 mills for the year.

In general the matter of teacher salaries should not be subject to the detailed fluctuations in school district finances. An equitable salary should be reached between the parties based on an enlightened application of prevailing professional salaries, with particular emphasis on those for teachers in districts of comparable type. Weighed against such factors should be an analysis of the particular distribution of the teaching staff in a given district in terms of their certification, step level standing and academic degree. Such an analysis is necessary in order to best understand the basis of specific proposals on teacher salaries or

of salary settlements which might distort the opportunity for fair comparison. Also to be considered is the matter of pupil-teacher ratio and the fact that notwithstanding the dedication of most teachers, it is nevertheless true that the maximum number of working hours that may be required of a teacher annually is substantially less than for many other professions or non-professional occupations.

Rejection of adequate school financing by the electorate of a school district must result in many adjustments. However the entitlement of teachers to a fair and adequate salary should not be substantially impaired by such adjustments. While the best available education should be the paramount consideration in the district, it stands to reason that community rejection of needful operating millage must be taken to mean that the continuation of many programs, activities and services are either no longer expected or that the community will abide their being deferred. To the extent that this creates disappointment for certain students and parents or the loss of fullest educational opportunity by the school children of the district it would be nothing more than the natural result that must flow from needy adjustments to a surprise situation. A full year will then exist for administrative planning of more deliberate and long term adjustments which would better reflect the community's lessened support for its schools. Such planning could achieve adjusted pupil-teacher ratio or curtailment of programs, courses and activities deemed not absolutely essential as a matter of school responsibility.

Looking at some of the specifics that bear on the Jonesville situation, I believe that the salary increases in nearby districts should be given some weight in determining a salary schedule. Furthermore the system of 4 Levels designed by the parties will more clearly depict the salary schedule.

As to the problem of "blocks" or "plateaus" I believe that the complexities of present day life require that greater weight be given to academic achievement than was perhaps necessary in the past. It seems a progressive step to eliminate the "block" concept from the salary schedule and as to the term "plateau" I would point out that any schedule must have some terminal point. Furthermore the newly established longevity provisions will allow progressively increasing compensation in recognition of further service and experience.

Aside from these labels the underlying question is what compensation should pertain to a teacher whose certification and continued professional growth through course study are not of the type presently deemed necessary to bring the fullest educational experience to school children. I believe that such situations must have salary determinations tempered by the fact that comparatively, and in the long range view of the world into which today's school children will emerge, greatest value is properly placed on the modern teacher certifications and related teacher training. This is not to overlook the valuable role played by the well-experienced teacher in achieving a balanced educational program.

Upon careful consideration of the facts I recommend the following

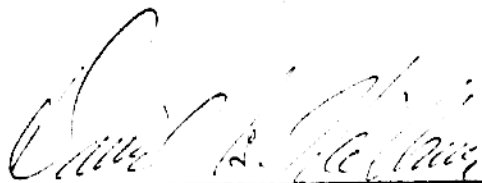
salary schedule for 1967-68. In constructing this recommendation I favored the 3.75% - 4.0% - 4.0% - 4.0% ratios proposed by the Board although specific salary amounts are rounded off. The one exception to consistency between increments is at the M.A. maximum in which \$8820 is recommended in order that it be at least equal to the Board's last offer.

<u>Yrs. Exp.</u>	<u>Level A</u>	<u>Level B</u>	<u>Level C</u>	<u>Level D</u>
0	\$5850	\$6050	\$6150	\$6300
1	6070	6295	6395	6550
2	6290	6540	6640	6800
3	6510	6785	6885	7050
4	6730	7030	7130	7300
5	6950	7275	7375	7550
6	7170	7520	7620	7800
7		7765	7865	8050
8		8010	8110	8300
9				8550
10				8820

The following table shows the percentage increases for my recommended salary schedule when compared to counterpart salaries of 1966-67. No percentage is shown for the maximums at Levels B and C since it is impossible to calculate these without knowing the specific allowable course credits of individual teachers:

Level A minimum	-	10.4%
Level A maximum	-	12%(as to "blocked" teachers only)
Level B minimum	-	14%
Level B maximum	-	- - -
Level C minimum	-	16%
Level C maximum	-	- - -
Level D minimum	-	12.5%
Level D maximum	-	17%

Dated September 6, 1967
at Southfield, Michigan



David G. Heilbrun
Hearings Officer