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STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Fact-Finding Between:

KALAMAZOO SCHOOL DISTRICT

-and-

Case No. G85 I-935

KALAMAZOO EDUCATION ASSOCIATION

FINDING OF FACTS AND RECOMMENDATIONS

Pursuant to Section 25 of Article 176 of The Public Acts of 1976, the undersigned, Barry C. Brown, was appointed by the Michigan Employment Relations Commission to hold a hearing, determine the facts and to issue a report and recommendation on the matter captioned above. Hearings were held at the Kalamazoo School District Administration Building in Kalamazoo, Michigan on December 3 and December 20, 1985 and on January 6, 1986. The parties submitted post-hearing briefs on January 23, 1986 and, thereafter, the record was closed.

APPEARANCES

For the Employer:

John Manske - Atty.
Dr. Frank Rapley - Supt.
Al Greer - Dep. Dir. Human
Resources
Ann Aubaugh - Asst. to
Library Dir.

For the Association:

Robert Sikkenga - UniServ Dir.
Mary Smith - President, KEA
James Teske - Negotiator
Shirley Miller - Librarian
Patrick McKenna - Librarian
Cheryl Barber - Librarian
Linda Cook - Librarian

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Kalamazoo School District

I. BACKGROUND:

The employer, the school district of the City of Kalamazoo, is a mid-sized, urban educational unit located in South-West Michigan. The City of Kalamazoo is largely a commercial and professional center and it is the home of several colleges and the focal point for Western Michigan cultural activities. For many years the school district had experienced declining enrollment but this trend has been reversed in recent years. The district employs more than 1,000 employees and approximately 700 of those are employees in a bargaining unit represented by the Union, the Kalamazoo Education Association (KEA). This staff and the administrators serve 12,600 students. These student's needs vary greatly, ranging from those of the deprived ghetto children to the gifted students often associated with a university community. The district's teachers have higher educational achievement on the average, than do the teachers in comparable districts. This both raises their capacity to teach and their remuneration expectations.

The parties have entered into many collective bargaining agreements since the mid-1960's. The most recent labor contract was executed on August 16, 1984 and it expired on August 15, 1985. The bargaining for a new agreement started on May 2, 1985 with the submission of proposals by the KEA. The Union's initial economic demands were for additional fringe benefits and a 7% increase in base salaries. On May 20, 1985, the district submitted its list of proposed non-economic changes in the labor agreement. The associations bargainers were suspicious that a proposed joint study committee on "career ladders" was a subterfuge for a "merit pay" plan. They also opposed the employers proposals to change the class size

language and otherwise alter the teacher's established working conditions. Then on June 6, 1985, the Board proposed a three year economic package for the teachers with total increases of 4.6%, 5.0%, 5.0% and a switch in the health insurance underwriter. This was the same economic package offered to the librarians.

Negotiations on these matters continued for several months and then the Association requested that the state mediator assist the parties on August 24, 1984. The Association proposed 5%, 6.5%, and 8% on base for teachers and 5%, 5%, and 6% on base for librarians, with a second higher classification of librarians getting the same salary increase as the teachers. The Board's economic position at the end of August was 4.5%, 5.7%, and 6.7% on base for teachers and 4.5% on base for librarians in the first year and a wage reopener in the 2nd and 3rd years. There was a mediation session held on 8/29/85 and the KEA dropped its separate pay proposals for teachers and librarians. They also now introduced some new demands on topics never before discussed. No resolution was achieved at this bargaining session.

On 9/1/85 the employer offered a one year contract with a 5% base salary increase for both teachers and librarians. This was rejected by the Association and they counter proposed a three year contract with 5%, 6.5%, and 7.5% for teachers and 5% for librarians with a new classification study committee to establish two groups of librarians. One would be paid 5% on base in the next two years and the other would get 4% on base. The librarians would also get the traditional insurance formula in the second and third years under this KEA proposal.

After many hours of mediation on 9/1/85 the employer and the Union reached agreement. The employer accepted the KEA's offer for librarians and the parties compromised and agreed upon a teacher salary increase package of 5%, 6%, and 7% on base for the next three years. The KEA signed a tentative agreement and it said that it would recommend it to its members. However, on 9/3/85 an unfair labor practice charge was filed. Later this was explained to have been an erroneous filing. But at the same time the outgoing KEA President publicly called the proposed agreement "noxious" and KEA members began to picket the school administration building. Some of those in the picket line were officers of the Association. On Friday, 9/6/85, the District was informed that the tentative proposal had been rejected by a 78%-22% margin.

A second mediation session was set by the state mediator for September 17, 1985. The Association submitted a new salary demand for 6.0%, 6.5%, and 7.5% for both teachers and librarians. They also sought a fully paid insurance program without a cap or a formula. Several language issues previously settled now were returned to the bargaining table and certain letters of agreement were scrapped. The parties negotiated on these non-economic matters and the Association was able to secure several changes in that which had been previously agreed upon. The parties were not able to reach agreement on the key economic issues, however.

On 10/1/85 the mediator, Howard Case, made a detailed recommendation for settlement. His proposal was a compromise which added approximately \$60,000 to the economic package. At first the KEA bargaining team neither rejected or accepted the package and they

said only that they would present it to the membership for a vote. The district did accept the mediator's recommendations. Later the KEA bargaining team told its membership that the committee had voted on the mediator's proposed settlement and they had unanimously rejected it. The entire membership then voted to reject this proposal. The Association bargainers had argued that the mediator's recommendation "had hardly increased the district's cost from its original proposal, but mainly rearranges the money...".

The parties have settled all non-economic issues. The two issues that remain are the following:

- A) The amount of increase in the base salary for teachers over the life of the new contract; and
- B) An identical or a different base salary adjustment for librarians.

These differences can be best presented when the respective final bargaining positions are presented in schedule form as follows:

	<u>BOARD</u>		<u>ASSOCIATION</u>	
	<u>Teachers</u>	<u>Librarians</u>	<u>Teachers</u>	<u>Librarians</u>
1st year	5.0%	5.0%	6.0%	6.0%
2nd year	6.4%*	5.0%	6.5%	6.5%
3rd year	7.3%*	5.0%	7.5%	7.5%

*actually 5% in 2nd and 3rd yrs. with supplementation for "equity adjustment" to accelerate "catch up" in salary recovery by the district's teachers to comparable, real levels formerly enjoyed.

II. DETERMINATION OF FACTS:

A. Does the district have the ability to pay?

From 1982 to 1985 the district's fund equity has increased from \$935,775 to \$1,502,811. Although, revenues will likely increase to a level of more than \$45 million in the 1984-85 school year, costs have increased at a greater rate, for example excess expenditures were more than \$2.1 on 6-30- 85. It appears that there will be enough money to pay the teachers a 5% salary increase without a deficit in the 1985-86 school year. The Board has rearranged other spending and it generally has reset its priorities to gain the funds to support its salary offers. There does not appear to be much "water" to wring out of this budget. Inferences of chicanery or deception in prior budgets seem ill founded and such negative surmise only inflames the militants in the Association and gives justification to intransigence. The public manner that the Board uses to prepare its budget and the long range budget methods used provide adequate opportunity for input and also provide ample fore-warning of direction. The Association leadership should monitor the process and make input whenever possible.

The Association and the Board differ little in their salary proposals for the second and third years of this contract term. It is the one percent difference in the first year that represents the heart of the dispute. The cost of this first year increase is cumulative in the second and third years. Further, it is the first year that will be the tightest financially for the school district. The Association says that the total cost to the district for the larger increase is only \$200,000 or \$263 a teacher. The Board

argues that the difference of 1% in the first year should include the cost of the step increases or \$316,000 and the Association would not count this cost because of attrition. The three year cumulative effect of the 1% difference is nearly \$650,000.

It is true that an accelerated retirement rate has offset the cost to the district of step increases. As those teachers at the top of the salary scale retire, they are replaced by new teachers at the bottom of the scale. Attrition has nearly offset step increase cost in some years and it has diminished that cost in other years. But the parties have always negotiated with a fixed cost presumed for step increases. As the times change so may bargaining approaches but the Association's suggested change should not be a last minute alteration of a long established bargaining practice. Additionally, no one can safely predict how many KEA teachers will retire this school year. There is flexibility in retirement decisions and not all teachers leave at their earliest opportunity. Further, the district does not always hire teachers without experience. When experienced or academically advanced teachers are hired as replacements, they are placed high on the salary schedule and there is less impact from accretion. Thus, the Association's forecast of no step increase cost is too optimistic an estimate. On the other hand, the cost attributed by the Board to step increase salary cost is too great.

B. Is the portion of the district's budget spent on teacher's salaries declining?

The Association has asserted that the percent of current operating expenditures devoted to classroom teacher's salaries has dropped from a high point of 46.67% in 1982 to the current low point of 41.96%.

They also have said that the district had previously ranked near the top in this statistic when compared to other middle cities school districts. They indicated that now the Kalamazoo districts is below seven others. The district contends that the association has misrepresented the true position of the district in this regard. First, they contend that the Form B data is a general report made to the state Dept. of Education and it is not a viable source of information for these sort of comparisons. They also argued that in 1984-85 the teacher salary percent of total expenditures is 48% and they said that percentage will increase under its proposal so that it will be 51.7% in 1988.

The Form B report can be a useful tool in comparing school districts. The form is an artificial document prepared to satisfy governmental needs and it has no internal accounting usage. Additionally there is some variation in interpretation and application of the states Form B preparation guidelines, so the data entered in certain portions in the form may not have a consistency from one district to another. In spite of all of this the form can serve as a basis to compare income, expenditures and fund equity. However, if faced with the general entries in the Form B and the more detailed and graphic entries in the districts budgets, the latter are more reliable and more easily understood.

The Association was not able to provide its expert witness from the MEA who was going to explain how he used the Form B information to show that the Kalamazoo teachers got a lesser share of the district's revenues than did their counterparts in comparable districts. The districts figures were more convincing, especially in the future projections.

Additionally during the time in 1982, when Union members in both the public and the private sector were asked to grant concessions in economic bargaining, the percentage of the districts revenues devoted to teacher's salaries did drop. A districts percentage of revenues spent on capital improvements or curriculum development or other operating needs may vary from one year to the next. Also revenues may take a sudden increase. Hence, the share of "the pie" received by the teachers may drop for a time while another priority takes precedence. The Association does not bargain that the teachers get a certain portion of revenues and they are certainly not prepared to cut back if the percentage becomes much higher than the norm. But using this figure as a general guideline of the fairness of the Board's offer, it appears that the Boards current offer is in line with its expressed intention to improve the relative position of the KEA teachers in the next three years.

C. How does Kalamazoo teacher's salary level compare to similar districts?

For many years the Kalamazoo teachers were the leaders in salary and overall compensation for the county of Kalamazoo. More recently, (in large part due to the 1982 wage freeze) the Portage teachers are now the best paid local teachers. Similarly, parties have always used a list of about twenty "middle cities" school districts in the state as a basis for comparison. These are out-state Michigan, city school districts, not as large as Detroit, but all containing one or more class "A" size high schools. On this list Kalamazoo had dropped to the third from the bottom. The district did not challenge this change in the relative ranking for the compensation of

its teachers. It has stated as a goal that the Kalamazoo teachers will be increased in salary at a more rapid rate than those comparable districts so that their relationship as a leader in compensation will be regained. The parties differ on how rapidly this is to be accomplished.

D. Is there a "hidden agenda" in the Board's proposal?

The fact finder did not find any aspect of a "merit raise" system in the Board's current proposal. Its earlier proposal was to create a committee to study "career ladders". This was basically an upgrading and promotional exercise and it did not seem a deceptive proposal for bringing in a merit pay system. For those opposed to the present Association's leadership or for those who simply wanted the employer's total offer rejected, there is no surer method than to raise the specter of merit pay. Too many teachers have a "knee jerk" reaction to even the mention of merit pay and such was the case here.

E. Is the superintendent out to "break the Union"?

The Association and the school board had serious disputes before this superintendent was ever involved in any of the matters now in dispute. Secondly, the superintendent's memos and policy statements all demonstrate an even handed approach. It has been his suggestions that have twice "sweetened the pot" in the employer's wage offers. The fact finder was impressed that the superintendent was firm and very aware of fiscal accountability but the fact finder detected no evidence of an anti-union animus.

F. What will be the total cost of a new three year collective bargaining agreement?

The Board made the following estimate about its final proposal:

	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>
Base Salary		\$19,786,986	\$21,092,927	\$22,805,674
Base Increase		989,349	1,349,947	1,664,814
Steps		316,592	362,800	396,250
TOTAL SALARY	\$19,786,986	21,092,927	22,805,674	24,866,738
Hospitalization	1,675,721	1,558,421	1,658,160	1,779,206
Dental	290,640	290,640	1,658,160	1,779,206
Retirement	<u>989,402</u>	<u>1,054,646</u>	<u>1,140,284</u>	<u>1,243,337</u>
<u>TOTAL COMP.</u>	<u>\$22,742,749</u>	<u>\$23,996,634</u>	<u>\$25,913,359</u>	<u>\$28,221,097</u>
	5.5%	8.0%	8.9%	

The Association made the following estimate about their final proposal:

	<u>1984-85</u>	<u>1985-86</u> <u>6%</u>	<u>1986-87</u> <u>6.5%</u>	<u>1987-88</u> <u>7.5%</u>
Salaries	\$19,765,538	\$20,951,470	\$24,655,054	\$26,888,631
Increment		335,224	357,014	383,790
MESSA	1,675,721	1,558,420		
Dental	290,640	305,172		
<u>TOTAL</u>	<u>\$21,731,899</u>	<u>\$23,150,286</u>	<u>\$25,012,068</u>	<u>\$27,272,421</u>

The difficulty with comparing these figures is that the Board's chart includes the additional 5% retirement contribution and the Association's does not. Additionally the parties do not start with the same base figures so obviously projections are skewed. However, the Association's stated "difference" of only \$200,000 between the two final offers is too small and the inclusion of the retirement

figure (though not negotiated) is a truer reflection of actual overall teacher compensation.

F. What is the "formula" used by the parties to deal with the cost of health insurance?

The KPS administration explained the formula in a 10/9/85 memorandum to their professional staff members as follows:

Attached are KES Salary Schedules which were developed from the State Mediator's settlement proposal of October 1, 1985. The schedules are the base pay increases of 5 percent for 1985-86, 6.4 percent for 1986-87, and 7.3 percent for 1987-88. Also proposed are monies for 6.4 percent insurance increases for 1986-88 and 7.3 percent for insurance increases for 1987-88. In the event insurance costs are higher, the salaries will be slightly lower, or if the insurance is lower, the salaries will be slightly higher. The total cost of benefits is approximately 10 percent of the total cost of salaries. Therefore, insurance costs of a dollar above or below the base increase will result in about a dime decrease or increase in salary.

For example, if the cost of insurance for 1986-87 equals 1985-86 insurance costs, base salaries would increase approximately 7 percent rather than 6.4 percent. Alternatively, if the insurance increase for 1986-87 is 20 percent, the salaries would increase 5.2 percent. A likely result of such a large increase would be no increase in insurance costs the following year; Delta increases for the last three years have been 13 percent, 1.8 percent, and -4 percent. The last time the salary/insurance formula was used was in development of the 1983-84 salaries. Monies allowed for salary/insurance increases were 7.5 percent; combined MESSA and Delta increases were 13 percent, resulting in a salary schedule 7.04 percent higher than the previous year.

G. Are all professionals in the bargaining unit paid at the same salary?

The KEA bargaining unit is a conglomerate of many professions. Consultants, psychologist, social workers, speech specialists, physical therapist, guidance counselors, librarians, registered nurses and a variety of teachers are all "teachers" under the terms of the collective bargaining agreement. Not all of them work the same hours, nor are all of them on the same calendar but special

provisions or practices regulate the differences. Summer school and driver education teachers are paid on a negotiated basis and their daily or hourly pay rate is not a straight extension of the daily or hourly rate paid other regular teachers in their 189 paid days during the school year. Additionally the registered nurses with a four year bachelor's degree are paid at only 92% of the teacher's base and a physical therapist with a masters degree is paid at only 90% of a teachers base salary.

In other words, over the years there have been many variations in compensation levels for the great variety of members there are in the bargaining unit. Thus a fully certified adult education teacher assigned five hours of classes per day is paid at only 88.9% of a full-time teachers base salary. On the other hand, a vocational education teacher is paid at one salary colume more than his educational level would normally allow. Each professional group compares to other similar professionals in private enterprise or in other public fields. The nurses are paid less than teachers by hospitals so that affects the salaries of nurses in schools. Private industry pays most skilled craftsmen a high wage so vocational education teachers (even those without a college degree) are able to command a higher salary. Currently the KEA librarians are paid at the rate of 113.5% more than are teachers.

H. Must the librarian differential remain unchanged?

At one time the librarians were paid the same annual salary as were the teachers even though the teachers worked fewer hours each year. Over the years the teachers were able to bargain for less days in school and less days of student contact. The librarians

gained twenty days of vacation but they still worked more hours each year so in 1962 the librarians were paid a 7% differential over the teachers base salary for their extra working hours. Then in 1963 the differential was increased to 14%. In 1969 the district sought to decrease the differential to 10%. However, a fact finder recommended no change and then the employer dropped its demand.

In 1984 the teachers were given a salary increase for a small increase in their hours of work. The librarians were not given the same increase and that reduced the differential to 13.5%. The teachers now work 186 days and they get 3 paid holidays. The teachers have approximately a 36 hour work week and the librarians have a 38 hour work week. These facts show that the "differential" has been changed several times over the years. It also shows that though the librarians salaries are greater than teachers because of their longer hours on the job, the differential is not and never has been directly proportional to the difference in hours worked. Rather this differential is simply a way to set a separate salary for the librarians while still including them in the bargaining unit. Like any other negotiated salary, it is subject to review and renegotiation at the end of each contract period.

For example, next year the nurses could go from 90% to 95% of the teachers base and the librarians could go from 113.5% to 110% of teachers base. This would not be divisive nor would it be an employer effort to segment the unit but rather it is a demonstration that large bargaining units, with many job classifications and employing units, have differing wage pressures in operation. The same sort of comparisons that the teachers now urge should increase

their salaries, serve to hold down the librarians salaries. In all comparable cities with combined teacher/public librarian bargaining units, the librarians were paid only 10% more than the teachers. The librarians in most comparable middle cities are paid significantly less than are the Kalamazoo librarians. The conclusion is inescapable that the 113.5% differential now paid the Kalamazoo librarians is too high under current conditions.

From all of this the fact finder concludes that the librarians have always had a separate salary scale and that salary scale is no more sacrocant than is that for any other classification of employee in the bargaining unit. The employer is justified in its efforts to make a wage offer which takes current job market conditions for librarians into account. If the lower percent increase for the librarians is offensive to the Union that is because the Union tries to negotiate one increase that applies to all unit members, then the differential can be negotiated. Certainly the employers wage offer is not an unfair labor practice nor is it an indication that the employer will "divide and conquer" by attacking the wage levels of other classifications in the future.

I. Does the library have the ability to pay its employees at the salary levels proposed by the Association?

The Association was able to show that the library has not taken into account its unfilled vacancies. The school district does anticipate that turnover will decrease salary costs on an annual basis and they have included these reductions in salary costs in their projections. Though the library is a smaller employing unit, it has held some jobs open for long periods and thus their salary projections

have regularly been over stated. Even taking this into account the library's budget is a tight one. It should not be expected to consume various reserves and to scrap long planned improvements to give a larger slary increase than is warranted by either inflationary pressures or competitive salaries at similar institutions.

The Association claims the library is "top heavy" and that there are too many non-Union managerial positions. However, when the library was organized by the Union the department heads were exluded. In other library bargaining units and indeed in the Kalamazoo teachers unit, department heads are included in the unit. The Union's claims of too many supervisors and the difficulty of reclassifying librarians is because only the rank and file positions are in the unit. The library's orgainization and ma-agement structure is not improper or excessive. It is different from other unionized city school libraries only in which jobs have been included under the scope of the collective bargaining agreement. Certainly there was no showing that any administrators should be laid off so that more money can be used to increase the salaries of librarians.

THE POSITION'S OF THE PARTIES

The Union contends that its current demands will not immediately restore its members to a respectable relative position in teacher's salaries but they said that their proposal is a reasonable start on this long range goal. They also stated that immediate equity could be achieved only with a salary increase now of 12.5%. The Association argues that they have taken into account the districts resources and that their proposal of 6% - 6.5% - 7.5% allows the teachers to see that things are beginning to turn around. They assert that the district's proposal would simply continue the downward trend of the past few years.

The Association further claimed that the district has been extraordinarily accurate in its fiscal forecasts because it closely controls its optional expenditures at the end of each fiscal year to make the year end report come out as prophesied. They said that in this way the Board can devote more funds to optional purchases rather than spending a fair share on necessary salaries. The Union also maintains that the Board's projected deficits are fabricated and these negative forecasts do not reflect a true fiscal situation if the Association's demands are granted.

The Association also contented that the public library has reduced the share it spends on salaries from 68% in 1981 to only 65% in 1985. They said that the library must reorganize its budget to sustain the salary requests of its professional staff. They asserted that the librarians deserve a salary increase on the same basis as the teachers. For all of these reasons the Association asks that the fact finder recommend that its proposals be adopted by the parties in the new collective bargaining agreement.

The employer argues that it has made a good faith effort to reach a new collective bargaining agreement with the KEA while the KEA has engaged in bad faith bargaining through regressive tactics. The Board also contended that it has reallocated the district's resources for the express purpose of improving the KEA teachers salaries in relationship with other teachers in comparable districts. They asserted that in accepting the mediator's proposal they have assumed a substantial financial risk as evidenced by projected deficits. The district also maintained that in order to implement the mediator's recommendation in the library, the library must also reallocate funds and it still faces a deficit by the third year of the contract. They said they have agreed to 5% raises for the librarians in spite of the fact that they are paid salaries that are 20% above the market for similarly situated positions. Finally, they argued that the state mediator thoroughly examined the relative needs of the parties and he made a compromise recommendation for settlement that should be given great weight if the integrity of the labor mediation process is to be maintained. For all of these reasons the Board asks that the fact finder recommend the adoption of the mediators report in toto.

RECOMMENDATIONS:

The fact finder was convinced that the collective bargaining practiced by the KEA in the 1985 negotiations was regressive in nature. Negotiating a labor agreement should be a cumulative series of agreements and as matters are settled they must be set aside as the remaining problems are addressed. A party cannot "TA" or approve an item in return for concessions by the other side and then reopen that matter at a later date. Such tactics destroy credibility and they make future negotiations much more difficult. The KEA reneged on several of its non-economic commitments during the course of these negotiations. Further, the employer accepted some of the KEA proposals and later the KEA returned to the bargaining table to hike its demands.

Further, on one occasion the KEA bargainers said they would recommend the tentative agreement to their membership. On another occasion the KEA negotiating team said they would remain neutral on the mediator's proposed settlement. In both cases they opposed the proposals. In these examples the members did not oppose the actions of the negotiating team. Rather, they followed their lead and they rejected the proposals.

If a Union feigns acceptance of a proposal and then opposes it with the members, they foster the rejection by the membership of all future settlements brought for ratification. Who will vote to approve the first settlement if there is more to be gained by rejection? These "whipsaw" tactics provide very short term gains because the credibility of the leadership is lost in both the eyes of the employer and the members.

It appears that the 1985 negotiations for a new KPS-KEA master

agreement were used by some militant elements of the KEA to undermine the present leadership. The product of the negotiating team was labeled as too submissive and too conservative. A Union membership must appoint or elect negotiators in whom they have confidence and then they must rely on the judgement and decisions of their bargaining team. While discussion and dissent about a tentative agreement is a democratic right, the bargainers must defend their efforts and results. Sometimes a negotiating team simply communicates the employer's last best offer to the membership. That is an acceptable practice and it could have been done here.

The fact finder concludes that the negotiators misjudged the mood of the KEA teachers and they did not anticipate the organized and assertive actions of the dissidents. Finally the KEA bargaining team lacked enthusiasm for the settlement, so they were easily influenced by the militants in the Association.

The mediator seemed to sense all of this and he made a recommendation which was an evenhanded attempt to provide a middle ground for settlement. The fact finder is strongly motivated to simply recommend that the parties adopt the mediator's report as a fair basis for settlement. However, the Association has already rejected that report. The fact finder believes that a continued impasse would result in long term harm to the education system in the City of Kalamazoo. A work stoppage and a widened breach between the administration and the teachers in the district must be forestalled, if at all possible.

The teachers seek more than a 5% salary increase in the first year of the contract. The employer indicates a willingness to

increase the teacher's pay but they assert that they cannot afford a larger increase than now offered in the first year. The fact finder was impressed that the district is extending itself financially to improve the level of compensation for the teachers. He was also convinced that the district over stated the cost of the step increases because they did not fully anticipate the changing mix of teachers on the salary schedule. This cost decrease has been over stated by the Union but there are additional funds which would support a larger increase in the first year.

A first year increase is magnafied in the second and third year of the contract. The Union once sought only 5% in the first year and its present quest for 6% is excessive. In respect for both the negotiating and the mediation process the fact finder does not believe that the total package ought to be improved by the Union's negotiating tactics. However, he recommends that the 3/10% in the third year should be moved to the first year in an effort to secure an agreement.

Similarly, the fact finder was convinced, as was the mediator, that there is an equitable basis for the employer to offer a different salary schedule to the public librarians in this unit. The public librarians have always had a different salary schedule. Their present 113.5 ratio to the teachers base salary has been changed in the past and it may be changed in the future. There are literally dozens of other teachers and other professionals on the unit who also have bargained ratios from the base salary in each negotiation so that no great precedent is created here.

However, the Association did establish that the library's salary projections have been uniformly over stated. The library has not

filled positions and there have been budget surpluses resulting from the vacant positions. There are therefore sufficient funds to also give the librarians the same salary increase as teachers in the first year. In the negotiations both parties had uniformly proposed that both the librarians and the teachers would be treated similarly in the first year and that it was in the second year of the contract that the librarians were to receive a different salary increase.

In summary, the fact finder recommends that the parties adopt a compromise salary increase schedule and that they execute a new three year collective bargaining agreement containing the following:

	<u>Year No. 1</u> <u>1985-86</u>	<u>Year No. 2</u> <u>1986-87</u>	<u>Year No. 3</u> <u>1987-88</u>
Teachers	5.3%	6.4%	7.0%
Public Librarians	5.3%	5.0%	5.0%

DATE: January 28, 1986


Barry C. Brown