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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of
Kearsley Community Schools

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

-and-

Kearsley Education Association

On September 16, 1969 the undersigned, Leon J. Herman, was appointed by the Employment Relations Commission as its hearing 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 1, 8, 13 and 16, 1969 at Kearsley High School, Genesee Township, Flint, Michigan.

William P. Daniel, Attorney; George Daly, Superintendent; Robert Thielen, Administrative Assistant; Fred Fischer, Board President; Carl Southward, Vice President; Chris Zafiroff, Member; Ted Martel, Secretary; Richard Shade, Accountant; and Eldon Baldwin, Township Treasurer, represented the Board of Education.

Kenneth G. Preston, Regional Director, NEA; Jack Stone, PN Consultant, MEA; Louis D. Beer, Attorney; Louis J. Paveglio, Lucille M. Jones, Larry Rasmussen, Robert Palmer and John C. Krohn, KEA Negotiating Committee, appeared on behalf of the Kearsley Education Association.

Kearsley Community Schools

On August 30, 1968, the Board of Education of the Kearsley Community School District and Kearsley Education Association entered into a "professional agreement" to terminate August 31st, 1970. The agreement provided that the contract could be reopened for renegotiation of salaries and of the school calendar for the year 1969-70.

Upon reopening of negotiations, the Association included a number of additional items among the matters which they wished redetermined; a salary schedule on a cumulative index; two days professional conference leave; tuition reimbursement for graduate study; dental insurance; increased sub pay for regular teachers; pay or released time for department chairman; retention of unqualified teachers on special certificate for no longer than two years; a one year limit for teaching outside of the teacher's regular field; a credit for seven years teaching experience upon entering the Kearsley system; and a new calendar. Other items which have already been resolved are health insurance, which the Board agreed to pay on the basis of twelve months of full family insurance, either through the MEA or Blue Cross-Blue Shield; life insurance of \$10,000 and several minor issues.

The Board insists that the contract negotiations should have been limited to the items upon which the agreement permitted reopening, but rather than risk a work stoppage, has agreed to discuss the various items in the Association's demands. In the course of four days of fact finding the Association argued only two of the issues, the calendar and the salary schedule. The Association presented a proposed calendar to the Board which after some discussion was adopted. The argument on the salary schedule revolved about the Board's ability to pay and upon salary settlements and proposals within Genesee County.

Included in the Board's budget is an item of \$51,000 which represents the first of a 10 year schedule of payments assessed by Genesee Township for a new sewer system which is presently being installed. The school system is required to hook up to the sewer system at a cost of over \$400,000, which with interest comes to \$51,000 per year. The Association insists that this figure is grossly in error and produced a computation which, it is stated, was signed by a Mr. Johnson, a County Engineer, showing that the gross assessment should not exceed \$200,000. It is charged that the additional \$200,000 is simply a padding which the Board has put into the budget.

The Board produced Eldon Baldwin, the Township Treasurer, who testified that Mr. Johnson had instructed him how the charges were to be made, that he assessed this school system and the Holy Rosary School on the same basis, and that according to his calculations, the figure should be \$400,000 for this school district.

The Association also claimed that State aid for Holy Rosary students was far underestimated. The Board has denied it. Neither party could produce firm proof to support its position.

In addition, the Association charged that the amount of money recoverable from delinquent taxes during this current fiscal year was substantially understated. Upon recomputation the Board found that in all probability an additional \$38,000 would be received from delinquent taxes this year, and has agreed to use that sum for the payment of teacher demands.

It is further argued that such items as books, bus service, and maintenance have been grossly overestimated. The Board denied this charge and showed how the funds would be applied. No proof was adduced that the figures were actually higher than is contemplated.

The Association asked during the hearing for a salary schedule starting at \$7500 at the first step of the Bachelor level. This figure was taken from a recommendation made by a fact finder in the neighboring city of Flint, where a salary schedule beginning at \$7500 was proposed and accepted by the teachers in that system although rejected by the Board. At this writing the Flint teachers are out on strike.

The Association insists that this school district can and should pay the same salary scale that was recommended in Flint. This township is a bedroom community. The bulk of the residents are employed in the City of Flint. Obviously, therefore, they enjoy a similar scale of income and can afford equivalent salaries.

However, the Association cannot ignore that the township residents will be taxed for the next 10 years at 10 mills to help pay for the new sewer system, and in addition must pay a hookup charge which, on a home with a resale value of \$20,000 amounts to \$240. These people are already heavily burdened. Moreover, the Association has forgotten that this is not the City of Flint. It does not have Flint's population nor its industry. It does not have Flint's tax base nor does it have Flint's philanthropist. It is not necessarily comparable to Flint, any more than it is necessarily comparable to the smaller communities in the Genesee County area which have settled for \$7100 and \$7200 as starting salaries.

What both parties have substantially ignored in their four day emphasis on ability to pay, is the one basic factor in this dispute. The parties have already determined for themselves what a fair scale of salaries should be. On September 9, 1969 at a meeting between the negotiating teams of the two parties, the Association and the Board tentatively agreed that \$2,077,685 was the amount that would

be acceptable to both as a total package covering salaries and fringes. The KEA then figured the expenditures for fringes as follows: Health insurance \$39,000; life insurance \$11,000; sub teachers \$31,186; Schedule B (extra pay for extra duty) \$12,397; athletics \$16,221; percentage increase of Schedule B and athletics (based upon a \$7700 schedule) \$3720; total cost \$113,524.

The parties agreed to adjust this latter figure to \$11,000 as stipulated fixed costs. This left a balance of \$1,966,685 available for the teacher salary schedule. KEA then presented a salary index ranging from \$7300 at the Bachelor's minimum to \$13,037 at the Master plus 15 maximum, and stated that this would be acceptable to them. The Board did not promptly accept the proposal and as a result, it was promptly withdrawn.

The KEA's \$7300 proposal contains a number of built in errors, in that it does not have the proper allocation of the various teachers in the system at the steps at which they should be placed. Nonetheless, it is an admitted fact that on September 9 the Association was willing to accept a gross package of \$2,077,685 with a \$7300 starting base. When asked why the Association raised this base to \$7500 at the hearing, the Association spokesman explained that it was because they found the Board's budget indicated it had more money available. This could hardly be so, as the budget was not even seen until this fact finder, at the October 1st hearing, directed the Board to deliver a copy of the budget to the Association negotiating team. What is more probably the case is that once the fact finder in Flint had proposed a \$7500 minimum, this Association felt that it would and should get the same base.

At the close of the fourth day's hearing, I advised both the Association and the Board that they reconfirm \$2,077,685 as a salary

and fringe package, and directed each party to draw up a salary index based upon those figures. Using the 5% vertical and horizontal nonaccumulative index that had been in effect in the past, the Board proposed a schedule of \$7300 to start and \$12,045 at the Master plus 15 maximum for a total of \$1,965,805 which, together with \$111,000 in estimated fringes, came to \$2,076,805. The salary package includes all new teachers added and to be added into the system and 21 noncertified teachers who are in the system and to whom a salary increase must also be allotted. These latter were estimated at an average of \$7300 each.

The Association proposed a schedule of \$7300 at the Bachelor's minimum and \$13,037 at the Master's maximum for a total of \$1,831,201. When added to \$145,000 estimated by them for noncertified teachers, their total came to \$1,976,201. With \$111,000 in fringes added to this figure, the grand total became \$2,103,201, in excess of the amount they had agreed was adequate on September 9th. Furthermore, the \$145,000 allotted for the noncertified teachers permitted increases of only \$30 to \$60 per year, which on any scale is grossly inadequate. The explanation is that the Association does not care about noncertified teachers and is not interested in seeing that they receive increases in salary.

I do not agree with the Association's unfeeling attitude toward noncertified teachers. They are hired only because the Board can not obtain a sufficient number of certified teachers to handle the type of work that they do. They are not Association members, but they do work, and as working people should not be insulted by being offered salary increases of 50¢ to a dollar per week.

Even were the Association's allotment to noncertified teachers accepted, the amount of the package would exceed the amount which on September 9th was deemed, at least for a time, fair and reasonable. The main reason is that the teacher salary index, as proposed by the Association, calls for 4.5% increases at each step vertically, horizontally, and most costly, cumulatively. Apparently it hopes by this device to approach closely to the proposed Flint salary scale.

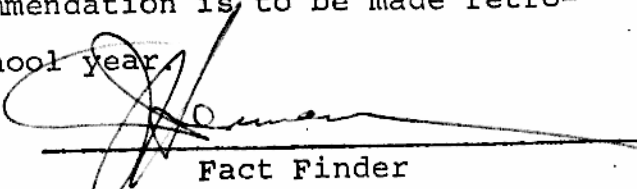
I feel that the Association and the Board, having come to an understanding on September 9th on what would be a fair and reasonable package, should not deviate from that package just because the Board since decided that it should pay cheaper salaries or because the Association desires to meet someone else's proposed salary scale. I recommend that the Board's proposal attached hereto as Exhibit A be used as the basis for a settlement and that the teachers be paid upon the scale set forth in the attached Exhibit

Since no testimony was introduced and no argument advanced as to the other items for which the Association wishes adjustment, I can only recommend that, except insofar as they are included in the \$111,000 fringe benefit package which has been substantially agreed upon by the parties, they be left to renegotiation following the expiration of the current contract.

I have no way of predicting what salary range the City of Flint will ultimately settle upon for its teachers. I do believe that the salary schedule that I have proposed, and that the parties have previously found acceptable, will be above the median in the Genesee County area and should be satisfactory to both sides. It is, of course, understood that this recommendation is to be made retroactive to the beginning of the school year.

Dated: Southfield, Michigan

October 22, 1969


Fact Finder

PROPOSED SALARY SCHEDULE *

	BA	BA + 20	MA	MA + 15
0	\$ 7300	\$ 7665	\$ 8030	\$ 8395
1	7665	8030	8395	8760
2	8030	8395	8760	9125
3	8395	8760	9125	9490
4	8760	9125	9490	9855
5	9125	9490	9855	10220
6	9490	9855	10220	10585
7	9855	10220	10585	10950
8	10220	10585	10950	11315
9	10585	10950	11315	11680
10	10950	11315	11680	12045

\$1,965,805

Fringes 111,000

Total Cost \$2,076,805

*BASED ON NON-ACCUMULATIVE 5% VERTICAL
AND HORIZONTAL INDEX

FRINGES INCLUDE HEALTH INSURANCE, LIFE
INSURANCE, SUBSTITUTE PAY & SCHEDULE "B"
SUPPLEMENTAL PAY