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STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

KIRTLAND COMMUNITY COLLEGE

-AND-

MERC FACT FINDING CASE
NUMBER: L88 - B-128

MICHIGAN FEDERATION OF TEACHERS

Joseph P. Girolamo

APPEARANCES:

KIRTLAND COMMUNITY COLLEGE: KEVIN J. HARTY, ATTORNEY

KIRTLAND COMMUNITY COLLEGE
FEDERATION OF TEACHERS: JOE CROWELL, JR., STAFF
REPRESENTATIVE, MICHIGAN
FEDERATION OF TEACHERS

HEARING DATE:

AUGUST 2, 1988

Kirtland Community College

LABOR AND INDUSTRIAL
RELATIONS COLLECTION
Michigan State University

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FACT FINDER'S REPORT

INTRODUCTION

The Michigan Employment Relations Commission letter dated June 6, 1988 advised the undersigned that he was appointed Fact Finder with reference to the above-noted parties. A Hearing was convened at the Administration Office of Kirtland Community College on August 2, 1988.

The Federation enumerated five areas of contention:

- : Salary Schedule/Raise
- : Equity in Work Load
- : Optical Insurance
- : Life Insurance
- : Tuition Free Courses

The College responded that the status quo should continue because its financial resources do not permit funding of benefit improvements for the Faculty.

ISSUES

WAGES:

a. Salary Schedule:

The Federation proposes:

"We propose a salary schedule be reinstituted for the 1987-88 year. During 87-88 no yearly incremental movement would take place but everyone would be placed on the schedule. Increased educational movement would occur. In the second year of the contract (88-89) both experience and educational movement would happen."

The Federation seeks an Eleven (11) Step Salary Schedule with the last Step effective in the 1988-89 School Year. The current salary gradations defined by Educational Attainment are retained in the Federation proposed schedule.

The above proposal differs from the "range" concept which is now in effect. The Faculty are segmented into Salary Ranges by Educational Attainment and paid a salary within the range according to the following:

"It is the exclusive right of the administration to determine range placement based upon experience, qualifications, education, needs of the college, and the market for instructors (supply and demand).

See Appendix A for Clarification of Supply and Demand."

Appendix A, in relevant part, states:

"Supply and Demand - It is recognized that the possibility exists, based upon the needs of the college and supply and demand considerations, that the Board may have to hire a non-degreed or lessor degreed candidate (possibly with less experience) at a higher salary than higher degreed personnel in disciplines where more numerous candidates are available."

The "range" and "schedule" salary formulations differ in that the latter is objectively determined on the basis of years of service whereas the former is a more subjective evaluation based on the enumerated factors. Each formula has positive and negative aspects.

Since the "range" formula is not rigidly defined, it is susceptible to being viewed as inequitable. It seems obvious that employees who believe that their wages are determined unfairly are more likely to develop morale problems. The "range" formula was adopted in the early 1980s. Previously, a "schedule", like that in the vast majority of Community Colleges, had been in place.

Based on the above considerations the Fact Finder believes that adoption of a "schedule" salary formula would be beneficial to both parties. The Faculty would have a clear vision of economic improvement. The Administration could not be accused of unfair treatment, etc.

One caveat is that it may be difficult because of supply and demand to fill certain Faculty needs and therefore the parties should consider a mechanism for that eventuality. The problem should not be insurmountable since testimony at the Hearing established that the "range" concept at Kirtland is rather unique evidencing that other institutions are apparently able to adequately recruit with the "schedule" formula.

b. Salary Raise:

The Federation's Salary Proposal follows:

" . . . a 6% increase for 87-88 with no yearly step movement (except for education) and a 6% increase for 88-89 plus a one year advancement on the schedule."

It is also proposed that:

"The summer school rate for full-time instructors covered by this Agreement shall be the rate of \$27.00 per contact hour for the summers of 1988 and 1989.

The summer school rate for cosmetology instructors shall be at the rate of \$18.00 per contact hour for the summers of 1988 and 1989.

Horizontal advancement on the salary schedule shall become effective on the first day of the month following receipt in the Business Office of an official transcript of credits showing successful completion of college credit or awarding of degree.

Overloads will be compensated at the rate of \$300 (87-88) and \$400 (88-89) per credit hour."

The most recent Collective Bargaining Agreement states:

"The summer school rate for full-time instructors covered by this agreement shall be at the rate of \$18 per contact hour for the summers of 1986 and 1987. The summer school rate for Cosmetology instructors shall be at the rate of \$10 per contact hour for the summers of 1986 and 1987."

Article XII, Section E, governs overload:

"E. Eleven (11) classes during the regular academic year will be considered on overload unless it is a deficiency makeup. Compensation for overloads will be computed by taking the total number of credit hours taught, divided by the number of classes taught, multiplied by \$300, times the number of classes over ten (10). If an Instructor teaches more than ten (10) classes by teaching either one or two-credit-hour classes, then these classes will be counted as the overload courses. One credit hour overloads will be paid at the rate of \$300 a piece and two credit hour overloads will be paid at the rate of \$600 each."

It is abundantly clear that Faculty salaries at Kirtland are below those of other comparable Community Colleges in the State. By way of example, the following data was provided by the Federation for the 1987-88 School Year for those Faculty members having a Master's Degree and at the maximum rate:

Alpena Community College:	\$34,349
North Central Community College:	\$34,040
Bay De Noc Community College:	\$32,543
Mid Michigan Community College:	\$32,336
West Shore Community College:	\$29,915
Kirtland Community College:	\$29,132

While one may quibble with the appropriateness of various School and Community College Districts for comparison with Kirtland, when all is said and done, Kirtland is at or near the bottom. The above state of affairs is frustrating to the Federation and the Faculty it represents since nothing indicates that the level of instruction is in any way deficient.

The College's main line of defense is an inability to afford an increase in the Faculty wage structure. Perhaps the most telling statement is the following commentary found in the September 10, 1987 Comments and Recommendations by the College Independent Auditors:

"Fund balances

Since June 30, 1983, the combined General and Maintenance and Replacement Funds have decreased from \$1,393,988 to \$576,597 as of June 30, 1987. During this same five year period, average daily General Fund expenditures have increased from \$7,610 in 1983 to \$10,869 in 1987. In other words, the General Fund fund balance expressed in number of days available has decreased from 140 at June 30, 1983, to 26 at June 30, 1987. The optimal number of days of fund balance for most not-for-profit organizations (including community colleges) is considered to be 90. We are aware the College is taking necessary measures to increase the available fund balance and we encourage you to continue your efforts in this area."

In dollar terms, the College Fund Equity on June 30, 1987 amounted to \$287,997 whereas the amount recommended by the Auditor amounts to \$978,210. It is apparent that the General

Fund is being depleted and that trend cannot continue indefinitely. President Homer noted that the College spends more than it receives in the first six months of operation so reserves are required for cash flow, otherwise it would be necessary to borrow, thereby incurring the added cost of interest.

The existing state of affairs is most aptly described as the "worst of both worlds" - low salaries and a lack of adequate resources. The position of the College to retain the status quo is untenable. The College purchases other goods and services on the open market at the going rate and adoption of its status quo position amounts to having the Faculty subsidize the operation with below-market salaries. The Federation, on the other hand, must be realistic with reference to a pay increase under existing circumstances.

The undersigned recommends a 4.0% increase for 1987/88 and 4% for 1988/89. The above would amount to a \$23.6 thousand dollar increase above previous annual cost for the first year and an additional increase of \$26.4 thousand dollars the following year. The increase is certainly modest by any standard. The undersigned is aware that the recommendation does not meet the Federation expectations, but he cannot ignore the fact that resources are limited. Moreover, the Fact Finder has recommended adoption of a salary schedule which will yield a substantial increase to unit members in the 1988-89 School Year.

To the extent that the Federation faults the Administration for not devoting a sufficient percent of funds to instruction, the undersigned believes the "uniqueness" of the District is primarily significant. The December, 1986 Alternative Finance Update Report succinctly sets forth the problem:

"Kirtland's District has the lowest population density base extending over the largest geographic area when compared to the districts of the four smallest community colleges. Both of those features bear directly on the matter of cost of operating the College and, on the costs borne by students who attend Kirtland."

This also impacts on the feasibility of increasing tuition to students burdened with disproportionate travel time and transportation costs.

TEACHING LOAD:

The Federation seeks to improve the work-load.

"The teaching load for all instructors shall be 16 1/2 equated hours per week maximum. An equated hour is defined as - 1 equated hour equals 1 hour of lecture - .75 equated hours equals 1 hour of lab.

Equated hour over loads to be paid at \$300 for 1987-88 year and \$400 for 1988-89 year per equated contact hour/semester (or any fraction thereof).

Nursing load not to exceed 24 contact hours/week for 44 weeks.

Under the provisions of this load proposal an instructor may teach up to, but not more than 10 courses per year as part of his/her basic load."

The undersigned has reviewed the College's Full-Time Faculty Loads for Fall, 1987 and Winter, 1988. Variations in student contact hours are apparent. It is also noted that variations exist in regard to student enrollment. The Federation proposal, according to the College, would cost \$23,200 for 87/88 and \$30,900 for 88/89, assuming overload was paid instead of adding part-time Faculty.

Given the College's financial situation, the Fact Finder recommends that this item be deferred until the fiscal picture improves.

OPTICAL BENEFITS:

The Federation requests Optical Benefits:

"Proposal

We propose that the Board provide, at no cost to the employee, a complete vision care insurance program."

The Employer estimates the cost of Optical Insurance for 88/89 to be \$4,212.

This is a relatively low cost benefit which is increasingly provided by Employers. Given the modest wage improvement recommended the undersigned urges adoption of the Union proposal.

LIFE INSURANCE:

The Federation requests improved Life Insurance:

"We propose to increase the life insurance to a modest \$35,000 term life per faculty member."

The cost of this improved benefit is \$2,236 above that currently provided. Faculty now have Group Term Life Insurance in the amount of \$15,000. The annual cost for providing \$35,000 term life insurance is estimated to be \$4,097.

The undersigned recommends that this benefit be increased to \$25,000 at this time. While \$35,000 is not an exorbitant demand, the recommended increase is a significant improvement which should provide added financial security to Unit members with minimal cost to the Employer.

TUITION FREE COURSES:

The Federation requests:

"We propose that all limitations be removed."

The present limitation is "only one tuition free course will be available to each eligible person - Faculty member, spouse and dependent children - per semester."

The Fact Finder is not persuaded that all limitations should be removed. In order to provide flexibility to the Unit members, it is recommended that parties consider adoption of a specified total number of courses or credit hours annually available to Faculty, spouses or dependent children instead of one course each. Unit members and their families would then be able to utilize the benefit according to their needs - one eligible person could enroll for all available tuition free courses.

CONCLUSION

The undersigned is compelled to point out that the underlying problem is really beyond the bounds of his domain. The most critical factor in this entire dispute is very simple. Kirtland Community College operates with one-mill which is the lowest in the State. The other Community Colleges operating with one-mill are Wayne, Oakland and Macomb. It should be noted that Wayne receives a .75 mill subsidy from the State. Oakland and Macomb, on the other hand, "represent Michigan's largest, and wealthiest, Community Colleges and, Community College Districts" - Alternative Finance Update, December, 1986. No amount of fact-finding can erase the very obvious -- a millage increase is necessary.

The bottom line in this case is inescapable. The Electorate, which is confronted with many funding demands, must decide the extent to which Kirtland will continue to serve as a viable community resource capable of meeting the educational needs of area residents.


JOSEPH P. GIROLAMO
Fact Finder

Dated: August 29, 1988.