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In re: )  
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 LAKE MICHIGAN COLLEGE )  
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 -and- )  
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 LAKE MICHIGAN COLLEGE )  
 FEDERATION OF TEACHERS, )  
 Local 1755, AFT )  
Warren Eardley 1-11-73 )

Michigan State University  
 RELATIONS LIBRARY  
FACTFINDER'S OPINION  
 AND  
RECOMMENDATIONS

I.

The concept of annual salary increments has been adopted at Lake Michigan College in its Salary Schedule. In the negotiation of its most recently expired contract, the 1970-72 Agreement, the College and the Federation agreed, for example, that all teachers with three years' service holding a Baccalaureate Degree should in the contract year 1971-72 be paid an annual salary of \$9,850, whereas BA teachers with four years' service should be paid \$10,300 annually. A fourth year BA's salary was thereby some 4.6% higher than a third year BA's salary.

By way of further example, teachers with seven years' service holding an MA degree were paid \$12,150 per year under that same schedule, and teachers with eight years' service with an MA were paid \$12,600 per year under that same schedule. In both cases, therefore, the teacher became entitled to a salary increase for no other reason than that he completed one more year of service to the College. It is not apparent, to the Factfinder, at least, that the concepts of "Cost of Living", "improvement factor" or "merit" played any part in the negotiated annual increment. Whether the teacher became more proficient with each passing year, whether his class load became heavier or lighter, whether the College turned out more or fewer

*Lake Michigan College*

graduates, whether the maximum and/or minimum class size increased or decreased, whether there were more or fewer "Fiscal Year Equivalent Students", a factor on which the State of Michigan provides funding to the College, the parties decided that the teacher became entitled to an increase, (assuming he has not reached the top of his bracket) simply by being under contract one more year, an automatic wage progression, so to speak. A review of the salary schedules since the inception of the original Agreement between the parties shows no deviation from the concept of negotiated annual increments based solely on years of service, which the parties have termed "vertical increments", in addition to which a teacher who acquires credits toward advanced degrees may earn salary increases based on educational achievement, increases which the parties have called "horizontal increments". (Joint Exhibits 5, 6 and 7).

The Factfinder has not been privy to the parties' negotiation of any of its expired contracts. In the first contract year, 1967-68, a hypothetical MA at Step 3 earned \$7,810 per year. (Joint Exh. 7, p. 24). Another hypothetical MA at Step 4 earned \$8,140 per year under that same contract. Because that first contract was for one year only, it must be assumed that the parties negotiated the two rates in question specifically for that contract year, i.e., that a 3rd Step MA would earn \$7,810 and a 4th Step MA \$8,140 - not, and this it seems to the Factfinder to be obvious, to provide that that year's 3rd Step teacher earning \$7,810 would the following year earn \$8,140.

To substantiate the foregoing conclusion, a review of the salary structure of the 1968-69 Contract would be helpful. There it

was provided that the same 1967-68 3rd Step MA who by 1968-69 had become a 4th Step MA would receive a salary of \$8,890 per year, (Joint Exh. 6, p. 31) not the \$8,140 salary he would have earned had the original salary schedule been implemented as negotiated. It might fairly be said that the same hypothetical teacher went from \$7,810 as a 3rd Step teacher under one contract to \$8,890 as a 4th Step teacher under the next contract, whereas had the original contract's salary schedule remained in effect for two years, he would have gone from \$7,810 to \$8,140 the second year. The 1968-69 contract for him meant a salary increase of \$750 more than he would have been entitled to under the 1967-68 contract ( $\$8,890 - \$8,140 = \$750$ ). That increase was a 9.2+% increase over the preceding year's salary schedule. [ $\$750 \div \$8,140 = .092+$ ].

[The Factfinder is not unmindful of the fact that the hypothetical teacher in question went from \$7,810 in one year to \$8,890 the next and that his salary thereby increased \$1,080 in one year. The Factfinder finds that of that total amount, only \$750 can be said to have arisen out of the negotiation of the second contract.]

Again, not having been privy to the parties' negotiations, the Factfinder is left to guess as to what extent, if any, the concepts of "Cost of Living", "improvement factor", and "merit" were factors in the negotiation of the 1968-69 salary schedule.

In the third contract negotiated by the parties covering 1969-1970, the same hypothetical MA, by now a 5th Step MA, became entitled to an annual salary of \$9,800. (Joint Exh. 5, p. A-4). Since he would have earned only \$9,220 as a 5th Step MA under the 1968-69 schedule had it remained in effect for more than one year, the negotiation of a new contract and salary schedule resulted in an additional \$580 to him, a 6.2+% increase. [ $(\$9,800 - \$9,220) \div \$9,220 = .062+$ ].

The fourth and most recently expired contract was a two-year contract, 1970-72. In the first year of that contract, the same hypothetical MA, now a 6th Step MA, went to \$10,900 per year. (Joint Exh. 1, p. 20). Had the previous contract's salary schedule remained effective, he would have earned \$10,200 as a 6th Step MA. The new contract meant a \$700 increase over the old, an increase of 6.8%.  $[(\$10,900 - \$10,200) \div \$10,200 = .068+]$ .

In the second year of the 1970-72 contract, the same hypothetical teacher, now a 7th Step MA, went from \$10,900 to \$12,150 per year. (Joint Exh. 1, p. 30). This represented an increase of \$825 over the preceding year's 7th Step MA ( $\$12,150 - \$11,325 = \$825$ ). This was nearly a 7.3% increase in the 1971-72 year.  $[\$825 \div 11,325 = .0728]$ .

Thus, our hypothetical MA, in 1967 at 3rd Step level, and in 1972 at 7th Step level, progressed salarywise from \$7,810 to \$12,150 on a purely vertical basis, an overall increase of some 55%.  $[(\$12,150 - \$7,810) \div 7,810 = .55+]$ .

Again, whether the concepts of "Cost of Living", "improvement factor" and "merit" were considered in the negotiation of the 1970-72 contract, the Factfinder cannot say with certainty because he wasn't there. He can only assume, as he does here, that to one degree or another they must have been, because in this day and age no wage schedules are negotiated between management and labor without one or more of those reference points, and the parties here have impressed the Factfinder that they know what they are doing and have not been negotiating in a vacuum.

The Federation is here asking for what amounts to a blanket 5.5% salary increase for all of its members. It limits its demand

to what is now allowable under the President's wage controls. It predicates its demand on two factors - Cost of Living and an increase in the Gross National Product, the so-called "annual improvement factor". The College questions the applicability of the latter factor to educators who do not produce a measurable "product" in the usual sense, but accepts the concept of Cost of Living as a legitimate factor in salary negotiations, offering only that the Consumer Price Index for Chicago and Northern Indiana is more relevant to this dispute than that which is usually applied in Michigan.

The College has responded to the Federation's demand for a 5.5% increase across the board by suggesting a salary freeze for the first of the new contract's years, 1972-73, and, for subsequent contract years, the application of the same salary schedule that was negotiated for contract year 1971-72. The College's position is that the 1971-72 salary schedule is equitable and that no improvement in the salary structure over the 1971-72 level is justified.

The College claims that salaries at the College have surpassed considerably the increased costs of living over the past four years, and that "Cost-of-Living", therefore, should not be a factor in arriving at current salary levels. The College also claims, without having said so in so many words, that the so-called "vertical and horizontal grid system", whereby a teacher increases his earning capacity in either or both of two ways, vertically by additional years of service, and horizontally by increased educational proficiency, is the appropriate substitute - perhaps a poor choice of words - for the concepts of "improvement factor" and "merit".

Simply stated, the Factfinder understands the College's position on salary increases to be that the 1971-72 salary schedule has already built into it automatic salary increases that might be justified on any of the bases advanced by the Federation - "Cost of Living", "improvement factor", and "merit".

The College's position is not entirely without merit. If the so-called "grid system" makes any sense at all it has to have built into it to some significant degree, the concept of "merit". Forgetting the "horizontal grid" for the moment, a teacher who earns increases vertically, that is, on a year-to-year basis, does so either because one more year's experience makes him a better teacher and he therefore automatically merits an increase, or because the "vertical grid" is a longevity schedule whereby a teacher gains a salary increase whether he deserves one or not. [The Factfinder does not believe that either the College or the Federation would adopt the latter characterization of the "vertical grid system" because that characterization denigrates the dignity of the teaching profession. Further, the "vertical grid system" favors the shorter service people, not the longer service people, which is directly contradictory to the true concept of longevity].

The relationship of the concept of "merit" to the "horizontal grid system" is, of course, more obvious. A teacher who goes to the time and expense of increasing his knowledge, and thereby, hopefully, his proficiency, by the acquisition of credits toward higher degrees of education, may quite legitimately claim that he merits a higher salary for his efforts.

Whether the concepts of "Cost of Living" and "improvement

factor" are built into the grid system is not as obvious. The Factfinder has assumed that those concepts were reference points for the 1970-71 and 1971-72 salary schedules because it seems to him they must have been. The extent to which "Cost of Living" vis-a-vis "improvement factor" contributed to a specific salary within either grid plane is far beyond the Factfinder's ability to determine on the evidence before him, however. But regardless of the degree of importance the negotiating parties attached to each of the two concepts back in 1970, there can be no question that the parties did not intend at that time to commit themselves to a salary schedule beyond the 1971-72 contract year. While the College's claim, then, that the 1971-72 salary schedule already contemplates the factors on which the Federation now requests a salary increase is not illogical, it assumes that the parties so agreed, or should have so back in 1970 when the 1971-72 schedule was negotiated, and, quite obviously, no such understanding was reached.

Which brings us to the issue - whether the facts support the Federation's demand for a 5.5% across the board salary increase for the next contract year and subsequent years, or the College's position that no increase is warranted at this time for the next contract year, but it would be appropriate to provide for increases in subsequent contract years "based on probable inflation and potential increased proficiency of individual unit members", (College's Brief, p. 4), as to which the College contends the "vertical and horizontal grid system" provides the answer.

There is one fundamental flaw in the College's approach, it seems to the Factfinder. The College's approach anticipates that the parties can sit down now, to negotiate a 1972-73 contract (forgetting

the issue of "duration") and agree on a salary schedule for years beyond, sometimes well beyond, the expiration date of the contract. More simply stated, the College suggests that since the "grid system" already has built into it an automatic salary advancement on a vertical plane and a potential salary advancement on a horizontal plane, then every teacher covered thereunder becomes entitled as a matter of contract to whatever salary level his years of service and degree of educational proficiency support. For a first step MA, for example, his salary schedule becomes fixed by negotiation for this year and the next ten years! For the first Step MA + 30, his salary schedule becomes fixed for this year and the next 13 years! As a matter of fact, the salary schedules of each of those two teachers, once negotiated, become fixed forever because once they reach the top of their bracket, there is no place else for them to go. The fallacy in the College's position lies in its belief that (using the 1971-72 salary schedule as an example) it is equitable for the parties to agree now that the same first Step MA earning \$9,450 in 1971-72 will be earning \$13,950 in 1981-82, and yet that is what the College argues here if its argument regarding "built-in potential advancement over a multi-year period" is valid. While the negotiation of a salary schedule binding "now and evermore" on both parties would, if applied generally across the educational profession, result in a degree of wage stabilization in that profession heretofore unknown, a not altogether undesirable consequence, it would more likely create wage inequities of such enormity that neither party could live with it. If the College's argument that now is the time to permanently implement the 1971-72 salary schedule is valid, then, it seems to the Factfinder, an argument for a continuation of that same salary schedule at the expiration date of the proposed new contract, whether one, two or



three years from now, would be equally valid. If such an argument is valid now, it was valid back in 1970 when the parties negotiated a two-year contract but with separate salary schedules for 1970-71 and 1971-72.

[The Factfinder does not assume that the College did not advance that argument back in 1970, but rather suspects that it did, obviously without success.]

For the foregoing reasons, therefore, the Factfinder rejects the College's position on salaries as impractical and unrealistic. The Factfinder does not reject, however, the College's concept that a salary schedule can be negotiated to cover more than a one-year period, and, in fact, as is hereinafter more fully set forth, specifically finds that in the interest of stabilizing labor relations at the College, a multi-year salary schedule should be adopted.

The only salary question remaining for the Factfinder is whether a salary increase is justified and, if so, in what amount. As earlier demonstrated in this Opinion, in the few years the parties have been negotiating salaries, a 3rd Step MA in 1967 has gone from \$7,810 to \$12,150, the salary paid a 7th Step MA in 1971-72, a 55% increase for that teacher. The salary level at the 3rd Step in that same period of time went from \$7,810 to \$10,350 (College Exh. 2), a 32+% increase. The increase is partially explained, perhaps, by what would appear to the Factfinder to have been a rather low salary level at the College back in 1967 and a progression since that time to plus or minus parity with other Community College level educators generally, and sub-college level educators within the area served by Lake Michigan College. The materials submitted by the parties showing



a teacher at Lake Michigan College fares considerably better than a teacher of like classification at Monroe County Community College, somewhat slightly less better than a teacher at Genesee or Jackson Community College, and about the same as a teacher at Kalamazoo Community College, where the minimum salaries are lower but the maximum salaries are higher, giving due consideration to the differences in the number of weeks contracted for.

A comparison of the salaries paid in the St. Joseph, Benton Harbor and Lakeshore Public Schools with those paid to teachers of comparable qualifications at Lake Michigan College shows nothing remarkable, only that the salaries are competitive. Like all the other salary information offered by both parties, it demonstrates that Lake Michigan College's teachers are neither so overpaid nor so underpaid as to warrant corrective recommendations by the Factfinder.

"The general limitation on wage and salary increases has been established by law at 5.5% annually . . . The appropriateness of the standard (is) reviewed periodically by the Pay Board to insure that it remains generally fair and equitable; that it fosters orderly economic growth without undue disruptions; that it is responsive to productivity and cost-of-living changes; and that it calls for generally comparable sacrifices by business and labor." (CCH, Economic Controls, §6015, p. 6011). (Emphasis Factfinder's.)

The foregoing may properly be identified as a statement of President Nixon's current guidelines on wages and wage controls. Clearly, it is the President's Economic Advisors' judgment that wage and salary increases be keyed to productivity (improvement factor) and cost-of-living. To implement the President's policies, it seems clear that where increases in productivity and/or cost-of-living

are demonstrable, wage and salary increases are justified within the limits established - absent any compelling reason to the contrary.

The Factfinder finds no such compelling reason here. Both parties acknowledge an increase in the cost-of-living over the past year, and whether the Detroit Index or the Chicago Index be used, that increase is at least 2.9%. (College Exh. 1). "Productivity" is a more difficult concept to apply to teachers. The College argues that "none of the objective measures available show any increase in work product, or value to the College," (College Brief, p. 5) and in that regard the College may very well be right. However, increased productivity generally, if not always, results from improved technology from which everyone derives some benefit, however indirect. The educational community in its own way has contributed substantially to improved technology, and thus to increased productivity, but to what measurable degree the Factfinder is in no position to say. The College, one suspects, would be the last one to contend that it has not contributed to and benefitted from improved technology. Its staff is entitled to share in that improvement, having in its own way contributed to it.

The Factfinder is not an Economist. He is not able to interpolate from the evidence exactly what the "real productivity gain", as distinguished from "gross national product", has been over the four-quarter period preceding the expiration of the 1971-72 contract. The latter is shown by Federation Exhibit C as being a 9.27% increase over the corresponding four-quarter period covering

1970-71. The Federation's claim that that figure incorporates in it "both the cost of living change or increase because of deflated dollar, plus the real gains made" (R.33) is not refuted, and neither is the Federation's claim that on the basis of Exhibit C, it could make "a very strong case" that the increase should be greater than 5.5%, if the law allowed. The College's "refutation", if it can be called that, goes not to the accuracy of the Cost-of-Living and Gross National Product figures, but rather to the concept of whether any salary increase is justified in spite of those figures.

The Factfinder finds that the facts justify the negotiation of a salary increase at all levels, including non-degreed personnel, BA's, Educational Specialists, and Ph. D's, in an amount which will not exceed the 5.5% standard established by law. The Factfinder finds also that such an increase may be negotiated over and above the automatic salary progression schedule heretofore negotiated in the 1971-72 contract. That is to say that whereas the 1971-72 schedule called for a salary of \$10,350 for a 3rd Step MA, and \$10,800 for a 4th Step MA, (Joint Exh. 1), the facts justify an increase of \$569 for this year's 3rd Step MA's, to \$10,919, and an increase of \$594 for this year's 4th Step MA's, to \$11,394, so that last year's 3rd Step MA earning \$10,350 will this year be earning \$11,394 as a 4th Step MA. By way of further example, so that the Factfinder not be misunderstood, whereas a 7th Step MA + 30 earned \$13,190 under the 1971-72 contract (Joint Exh. 1), that same teacher would earn \$14,400 under this year's contract as an 8th Step MA + 30 [ $\$13,650 + (\$13,650 \times 5.5\%) = \$14,400$ ], if the Factfinder's recommendations be followed. The Factfinder intends hereby to give full

recognition to the automatic wage progression practices heretofore effective under each of the earlier contracts between the parties, since under both the vertical and horizontal grid planes they have been related solely, it would appear, to a teacher's length of service and have operated without significant affirmative exercise of employer discretion or subjective evaluation of the teacher's work performance.

## II.

Both parties have indicated a willingness to negotiate a three-year contract. The Federation's willingness is conditioned on acceptance of its wage demands. The College has attached no specific conditions to its acceptance of a three-year contract, and, indeed, has initially pushed for a five-year contract. The Factfinder assumes, however, that the College's willingness, like the Federation's, is conditioned on the wage package. It is clear that neither party is interested in a multi-year contract with a wage reopener.

The Factfinder is aware that wage and price controls are likely to be removed long before the expiration of a three-year contract. The objectives of those controls have been valid, however, and, in the Factfinder's judgment, remain valid, with or without the sanction of law. The negotiation of a three-year contract with built-in salary limits to a maximum of 5.5% per year is not only within the guidelines currently in force but also within the overall objective of voluntary wage-price restraint.

The Factfinder finds that a three-year contract would best stabilize labor relations at the College and would be acceptable

to both the Federation and the College, and every effort should be directed toward the negotiation of a contract of that duration. In keeping with the Factfinder's thesis that teachers' salaries should be adjusted annually with demonstrable increases in costs of living and real gains in productivity, the Factfinder recommends that salaries for the second and third years of such a contract be keyed to those factors, using the Chicago and Northern Indiana Consumer Price Index, which more nearly reflects living costs in the area where the teachers live, and an annual improvement factor of no more than 2.5% to an overall maximum 5.5% salary increase.

### III.

The final issue for resolution relates to the number of weeks' work scheduled for Assistant Librarians. At the present time, and under each of the last three contracts between the parties, the Assistant Librarians have worked a greater number of weeks in a contract year than other members of the faculty. In the 1968-69 contract, it was agreed that the Assistant Librarians' contract year would be 44 weeks, at 37-1/2 hours per week. (Joint Exh. 6, p. 15). In the 1969-70 contract, their work load was reduced to 42 weeks, still at 37-1/2 hours per week, (Joint Exh. 5, p. 8), and in the 1970-72 contract, provision was made for the same schedule as under the 1969-70 contract. (Joint Exh. 1, p. 11).

The Assistant Librarians have requested the same academic calendar as teaching faculty members, 36 weeks, or, in the alternative, extra compensation for time worked in excess of 36 weeks. There is no dispute, apparently, with the requirement of a 37-1/2 hour week, (R., p. 175).

In the first of the contracts between the parties, no specific provision was made covering the work load of Assistant Librarians. In the second contract, the parties recognized, apparently for the first time, that the responsibility of maintaining and operating a college library effectively and economically called for a work force whose contract year was longer than that of the regular teaching force.

The Factfinder does not presume that the negotiation of a 44-week contract year for Assistant Librarians was occasioned by anything other than a recognition of a need for library services during times when the regular teaching force was not actively meeting classroom schedules, such as, for example, the Christmas and Spring vacation periods, and the between-semester periods when many teachers have time off but their libraries remain open. The Factfinder can call on his own collegiate experience in that regard, recalling that when everything else seemed to be closed, the library and at least a part of its staff were almost always available.

There is no doubt in the Factfinder's mind that the Assistant Librarians at Lake Michigan College render a valuable and professional service to the College, its student body and the community. There is no doubt either that in the strictest sense of the word, they are "teachers", although not in the formal sense, perhaps. The Assistant Librarians, however, have duties and responsibilities which differ in significant respect from those of the "classroom faculty", for want of a better characterization, and it is those differences that both parties have obviously heretofore recognized in earlier agreements.



The Factfinder specifically inquired of one of the Assistant Librarians who testified before him: "You are asking me and the Federation is asking me to find some reason now to change what has been the pattern as far as your work activity is concerned under your other contract?" (R., p. 178). Paraphrasing the witness's answer as fairly as he can, the Factfinder construes that answer to be that the Assistant Librarians have always felt that they have been treated inequitably, that they are part of the teaching faculty as much as other members of the faculty are, that there is no need for a different work schedule in the library, that their educational requirements are the same as those of other faculty members, and that, with a longer work schedule, it is difficult for Assistant Librarians to pursue advance courses of study.

First of all, the Factfinder does not find anything in the record to indicate that the Assistant Librarians have been treated inequitably. To the contrary, the record reflects that in 1969-70, the work load of that group was reduced, by negotiation, from 44 to 42 weeks, an apparent recognition by both the College and the Federation that a 42-week schedule was more equitable than a 44-week schedule. In 1970-72, no further adjustments were made, although it appears that one of the Federation's demands was for such an adjustment. (R., p. 178). The Factfinder does not conclude therefrom that the demand was totally without merit, but he does conclude that it apparently was not one of the Federation's "hard core" issues, failure to resolve which would prevent ratification.

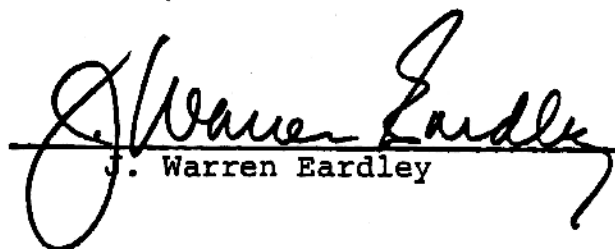
Secondly, the Factfinder does not agree that the disparity in the number of "contract weeks" between the Assistant Librarians and the regular teaching faculty is in and of itself evidence of inequity. The reasons advanced by the College for the disparity are clear and logical and have not been offset by anything offered by the Federation. Furthermore, the Federation's position is bottomed on an assumption which is not necessarily true - in fact, probably is not true - that being, that the regular teaching faculty perform no duties related to their specific teaching assignments beyond 36 weeks a year and 30 on-campus hours per week.

As for the other reasons advanced in support of the Assistant Librarians' demand for a shorter contract year, the Factfinder finds them not to be compelling, with the single exception, perhaps, of the potential difficulty their schedules create when they look for ways to gain credits toward higher degrees. To that extent, where it can be demonstrated that an Assistant Librarian is prevented from enrolling in a course required for a higher degree - and, correspondingly, prevented from advancing herself on the so-called "horizontal plane" - then the Factfinder would recommend that the College be receptive to a schedule adjustment which would provide the coverage the College needs in its library while still permitting the Assistant Librarian to advance herself educationally. Ultimately, the College itself will benefit from that employee's increased proficiency, and in recognizing and implementing its employees' desire for improvement, the College cannot help but upgrade itself.

The practice, by contract, at Lake Michigan College calls for work schedules for Assistant Librarians predicated on library needs, both intra-and extra-collegiate. The Factfinder is satisfied that those needs are valid, not contrived, and were fully evaluated by the Federation and the College in the negotiation, first, of a 44-week contract year, and then, of a 42-week contract year for Assistant Librarians in the same contracts which provided a 36-week contract year for the regular teaching faculty. The Factfinder accepts the Assistant Librarians' demand for a shorter contract year as a legitimate demand, recognizing as he does the natural inclination of any employee to look for improvement in his working conditions, whether it be increased wages, shorter hours, improvements in fringe areas, or otherwise. The Federation has not shown the Factfinder, however, that any real, measurable inequity exists in favor of the regular teaching faculty and against the Assistant Librarians. The relationship of contract weeks and contract hours for one group as opposed to the other did not change under the 1970-72 contract, and no changes in that relationship will result from the parties' current negotiations.

Accordingly, except for the recommendation heretofore made concerning the accommodation, where possible, of the schedules of work to an Assistant Librarian's pursuit of advanced degrees, the Factfinder recommends no change in the new agreement concerning the number of weeks of work and number of hours of work per week contracted for by the Assistant Librarians.

Date: January 11, 1973.

  
J. Warren Eardley