

1332

IN THE MATTER OF FACT-FINDING BETWEEN

LAKE SHORE PUBLIC SCHOOLS

and

LAKE SHORE FEDERATION OF TEACHERS

MERC CASE #D86 C-362

Bernard Klein

Michigan State University
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

BACKGROUND

The parties have been in negotiation for an Agreement covering 1986-87 and 1987-88. After twenty-six bargaining sessions and three mediating sessions, they reached agreement on all but three issues: wage scale for each of the two-year periods, amount of longevity payment for the two-year period, and one non-economic issue dealing with the contract in the event of the consolidation of the district.

This Fact Finder was appointed on September 23, 1986. A pre-hearing conference was held on November 17, 1986. It was decided at the pre-hearing conference that in order to expedite the process, there would be no witnesses called, and the positions of the parties and their exhibits would be presented by each of the attorneys, Mark Cousens for the union and Gary Wilds for the school district.

The hearing was held on December 3, 1986 at the hearing rooms of the Michigan Employment Security Commission in Detroit. Representatives of both the union and the school district were present at the hearing.

Lake Shore Public Schools

There was little disagreement between the parties regarding the figures, except in their interpretation. The issue of comparables divided the parties in that the district believed in the use of only Macomb County districts for purposes of comparison, while the union presented a written opinion by Patricia Becker, who builds a case to include some Wayne County school districts in the list of comparables. This Fact Finder is quite familiar with the work of Ms. Becker and holds her in high esteem, yet one must recognize the history and traditions of an area or a district, despite its demographic similarities to farther-away districts. However, limiting comparables to Macomb County is not all that damaging to the union's position, if one considers some of its other arguments. Some of those arguments are the historical position of Lake Shore teachers as compared to other Macomb districts, the issue of the fund equity of the Adult Education Consortium, for which the Lake Shore District is the fiscal agent, and general accounting practices of the district. These issues will be considered as they relate to the issue of wages for the two contract years.

WAGES

The union admits that its request for a 9½% wage increase for each of the contract years is not based on the rate of inflation, consumer price index, or any other such factor, but rather, they seek to play "catch-up" and lift Lake Shore teachers to a higher position among Macomb County districts. The union also showed that Lake Shore has one of the lowest percentages of budget

devoted to teachers' salaries, and the union questions whether the teachers' welfare is of very high priority to the Lake Shore School District.

The district, in its offer of 4½% for each of the contract years, points to the low rate of inflation this past year and projects a similar year next year. It points to the budgetary figures which project a deficit, even at the rate they have offered. Finally, they point to the pattern of settlements in several other Macomb County districts which tend to be in the range of its offer.

This Fact Finder agrees with the union's desire to gain a higher ranking among Macomb County districts, especially in view of its falling rank over the last twelve years. While one can still question the comparisons with higher paying districts in Wayne and Oakland Counties, the teachers are understandably justified in wanting to improve Lake Shore's salary ranking, at least among Macomb County's districts. The question then boils down to resources.

Both in the exhibits submitted and in the discussion at the time of the hearing, much was made of the Adult Education Equity Fund administered by the Lake Shore District. The union feels that it should be considered a part of Lake Shore's financial resources available for tapping to improve teachers' salaries more substantially. The district feels that these funds are not Lake Shore's, but rather, belong to the consortium of the three districts. Furthermore, the district fears that were they to tap those funds, the other districts would remove Lake Shore

as the fiscal agent, and Lake Shore would lose some of its state aid that results from this relationship.

This Fact Finder takes a somewhat middle position between the parties on this issue. Obviously, not all of the funds should belong to Lake Shore, but it appears from the discussion that Lake Shore does not charge enough of its actual costs to the consortium and seems content to seek its reward in its position vis-a-vis the state. It is difficult to see how the other two districts in the consortium could object to a better formula for reimbursing Lake Shore, when both the other districts pay their teachers better than Lake Shore does, granted that they are richer districts.

This Fact Finder also agrees with the union that the district's general reserve fund could safely be in partial use to support a salary increase.

Also noted is the senior status of so many of Lake Shore's teachers, and it would not be difficult for the district to recoup funds as some of these senior teachers retire and are replaced with more junior faculty, or not replaced at all, depending on student enrollment in the district.

While this Fact Finder is sympathetic with the union's desire for a substantial salary improvement, it cannot safely be done as quickly as the union would prefer. One two-year agreement cannot make up for the erosion of the past twelve or thirteen years, and they will have to seek improvements in the subsequent bargaining agreements, depending on many unpredictable factors.

Therefore, this Fact Finder recommends an increase of 6½% for each of the contract years. This is not a drastic recommendation, considering that the district had actually budgeted a 5% increase, even though its offer was 4½%. As stated earlier, the additional funds for this increase should come from a combination of better reimbursement from the consortium for services rendered, partially from the district's general reserve fund, and partially from savings brought about by attrition among the teachers.

This recommendation would only slightly improve the ranking among Macomb County's districts and only slightly change the percentage of the district's resources devoted to teacher salaries.

LONGEVITY

Teachers in the Lake Shore District are paid longevity payments at fifteen, nineteen, and twenty-three years with the district. The union has requested that the scale be improved by \$50.00 at each step for each of the two years of the agreement. The district offers no change for the first year, and \$25.00 addition to each step in the second year.

The concept of longevity pay was intended to reward long-term employees at a time when teachers were in short supply. This condition, according to some, might be returning again, but it is clear from the exhibits that Lake Shore teachers are mostly long-termers with the system, hence their interest in improving longevity payments.

Any examination of comparables in Macomb County reveals that Lake Shore teachers are in pretty good shape in regard to the amount received in longevity payments. This Fact Finder tends to look more favorably on "up-front" pay raises, rather than longevity payments as being a more honest portrayal of compensation. By comparison to wages, this is not a huge cost item to the district, and even the union's proposal would not place too great a burden on the district. Nevertheless, this Fact Finder feels that due to the practice of the Macomb comparables, the district's offer is adequate. The \$25.00 should be paid the first year of this agreement. This would be an improvement to most teachers in the district, and yet would not place Lake Shore so far out of line with the other districts. This Fact Finder notes from the agreement that qualifications for longevity payments do require completion of additional credit hours. Being unfamiliar with the requirements in the other districts, this could be a justification for the concept of longevity payments more than mere years in service alone.

CONSOLIDATION AND ANNEXATION

The union has requested a clause in the agreement to the effect that:

"The Board will not make any contract providing for consolidation, annexation, or merger which contract does not guarantee that this collective bargaining agreement will be recognized and continued in full effect during its duration."

The board is opposed to the inclusion of any such language for several reasons. One major reason given is that frequently consolidation or merger is achieved with little or no input from the board. Another reason is a fear that inclusion of such a provision might limit the flexibility of the board in cases where it might be involved in merger negotiations; and finally, the board is opposed to such language for fear that it would place the board in a legal position where it could be personally liable for damages.

The union's position is self-explanatory from the proposal, in that consolidations and mergers have been proposed from time to time, and a study was conducted regarding this.

This Fact Finder is quite sympathetic with the union's position on this question. The teachers in this system, most of whom have devoted many years to this district, have legitimate concerns should any form of merger take place. It is also surprising to this Fact Finder that the board would not be willing to consider any language in this regard other than that found in state statutes. The fear of the board that some form of such protection of the rights of the teachers might be in violation of other laws is groundless, in that state law would undoubtedly prevail. The fear of a lack of any discretion by the board in the event that a voter-initiated merger takes place is also a weak argument, since obviously the board could not be held responsible where it has no authority. A good idea here would be to modify the proposed language to include only board-initiated

consolidation action or consolidation where the board has any discretion as to the terms of the consolidation.

As to the argument that such language might restrict the board's potential bargaining power in the process of negotiating a consolidation or merger agreement, it would appear unfair for the board to achieve negotiating flexibility at the expense of the bargaining unit's contractual protections and benefits.

It is therefore recommended that some form of protective language be included in the agreement, though it should be changed to cover only board-initiated or controlled mergers, and it should, of course, be consistent with any state laws on the subject in existence at the time of the possible merger.

SUMMARY

The recommendations are the following:

Salaries	1986-87	6½% increase (retroactive to September 1, 1986)
	1987-88	6½% increase
Longevity	1986-87	\$25.00 increase at each step
	1987-88	No change
Consolidation		Negotiate and include language protecting the bargaining unit's position in the event of a successful board-initiated merger with another district or districts

CONCLUSIONS

Fact Finding recommendations are of course optional to the parties and, in a certain sense, must pass a greater test of reasonableness than a binding award. As with any award, both parties will have areas of disagreement and disappointment, yet it is hoped that the parties will find the recommendations on the three outstanding issues to be a basis for negotiating a satisfactory conclusion to the Agreement.

Respectfully submitted,

Bernard Klein

Bernard Klein, Fact Finder