

Michigan State University
LABOR AND EMPLOYMENT

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

LAKEVIEW COMMUNITY SCHOOLS
BOARD OF EDUCATION

-and

Case No. G79 E 512

LAKEVIEW EDUCATION
ASSOCIATION, MEA-NEA
Frederick Grimm

APPEARANCES

FOR THE BOARD OF EDUCATION

Mr. Edmond R. Wolven,
Attorney

Mr. Robert Rhinard,
Superintendent

FOR THE EDUCATIONAL ASSOCIATION

Mr. George L. Worden,
UniServ Director, MEA

Mr. Chuck Adams,
Chief Negotiator

REPORT OF FACT FINDING HEARINGS OFFICER

On September 11, 1979, the Michigan Employment Relations Commission appointed the undersigned as its Hearing Officer and Agent to conduct a fact finding hearing and to issue a report concerning the matters in disagreement between the parties hereto.

The hearing was held on September 12, 1979. During the hearing, each party presented the facts, exhibits and arguments it wanted this fact finder to consider in resolving the issues in dispute. During these presentations, there was a free flow of questions, answers and discussions aimed at clarifying the submitted issues.

At the time of the fact finding hearing there were, and still are, four unresolved issues separating the parties from a contract. These issues are:

1. Agency Shop

2. Class size
3. Salary schedule
4. Insurance

Background

The Lakeview School District is one of seven school districts which, taken together, comprise the Montcalm Area Intermediate School District. It is the penultimate westerly school system in the Montcalm Area Intermediate School District. Its geographic area encompasses all of a portion of Montcalm County, a small portion of Mecosta County, and a small segment of Kent County.

The total population living within the Lakeview School District has been estimated at 7,500 persons. The District had a student enrollment of 2,057 in 1978-79. It has the third largest student enrollment in the Montcalm Area Intermediate School District, being surpassed only by the Greenville Public Schools (3,550 students) and Central Montcalm Public Schools (2,110 students). The 1979-80 student enrollment at Lakeview is 2,035.

The Lakeview School District is basically a rural district. It has no sizable industry. The principal occupation is farming. The city of Lakeview, population 1,118, is the largest community in the district.

In terms of State Equalized Valuation per pupil, Lakeview ranked third among the seven schools in its intermediate school district in the 1978-79 school year. However, its operational millage for 1978-79 was 23.0, the lowest, along with Central Montcalm, in the intermediate district. On June 11, 1979, the Board asked the voters of the district to approve additional millage for operating expenses. That request was defeated by a vote of approximately two to one. Hence, the operating millage for 1979-80 will be 22.4922 after giving consideration to the rollback caused by the impact of the Headlee Amendment.

The 1977-78 per pupil operating expense figures disclose that Lakeview, at \$1,251, is next to the lowest in the intermediate school

district, only Greenville, at \$1,207, being lower. On a state-wide basis, involving 530 school districts, Lakeview ranks 456. This places Lakeview in the bottom 15% in the state.

The foregoing data points up that which the Association frankly admits, and which the Board already knows, that the revenues of the Lakeview District are almost at the bottom of any comparison made with comparable districts.

As of June 30, 1978, Lakeview recorded a General Fund Balance of \$298,533. In October, 1978, in its 1978-79 General Fund Budget Report (Form DS-4511), Lakeview projected its General Fund Balance, as of June 30, 1979, at \$299,875. However, at the hearing, Mr. Rhinard advised that the prior projected figure was no longer applicable, and that, although he did not have the exact figures as yet, the General Fund Balance as of June 30, 1979, would more closely approximate \$230,000.

Over the past few years, the Lakeview District has had a Fund Equity balance, as a percentage of expenditures, as follows:

As of 7-01-75	17.0%
7-01-76	15.5%
7-01-77	16.0%
7-01-78	11.8%
7-01-79	8.1%

In each of the above years, the percentage of General Fund is for the following year. For 1979 the computation is on a projected basis and the General Fund Balance of \$230,000 has been used.

Both parties have stressed that despite the low revenue generated in the Lakeview District, the school system delivers quality education. It has achieve national recognition from the test scores of its students, and state recognition based upon state assessment tests.

Positions of the Parties

Agency Shop

The Association has requested, as it has done in the past, that the contract contain an Agency Shop clause. This request is

based upon the 1973 amendment to the Michigan Public Employment Relations Act. The amendment provides, in part, "...That nothing in this act or in any law of this state shall preclude a public employer from making an agreement with an exclusive bargaining representative as defined in section 11 to require as a condition of employment that all employees in the bargaining unit pay to the exclusive bargaining representative a service fee equivalent to the amount of dues uniformly required of members of the exclusive bargaining representative...".

The constitutionality of the amendatory act was upheld by the United States Supreme Court, in the case of *Abood v Detroit Board of Education* (1977).

In support of its request, the Association points out that four of the school districts within the Montcalm Area Intermediate School District have agency shop provisions in one form or another, and that only Lakeview, Montabella and Vestaburg have no agency shop provision in their contracts. The Association also noted that all present members of the Lakeview teaching staff are members of the Association. The Association advises that, if the form of agency shop provision submitted by the Association is unacceptable to the Board, the Association, is willing to negotiate changes in it.

The Board offers nothing by way of a counter proposal. The Board maintains it is opposed to agency shop as a matter of principle; that the issue of Association membership lies solely with the Association; and that the Board should not be a party to coercing membership from a teacher who may not want to join the Association. The Board pointed out that the area of agency shop also has some potential legal problems and that the Board does not want to be involved in any litigation as a result thereof.

In response to the latter reason, the Association offers to amend its clause and to provide that it will hold the Board harmless

in the event of any litigation and that it will assume the financial burden such litigation might impose.

Class Size

On this issue the Association has proposed an amendment to the contract which provides, in essence, that class sizes will not exceed the maximum standards set forth in the proposal except where the Association agrees in writing to exceed those maximum standards. The proposal also provides that where teachers have one or more mainstreamed pupils in a class, the class size be decreased according to the number of such pupils and the nature and severity of the impairment of the mainstream students, that being judged on the basis of weighted factors. The proposal would also provide that the Board would hire additional teachers if maximums were exceeded and that teachers would receive a salary premium for each excess student over the stated maximum.

In support of its position, the Association presented considerable testimony pointing out problems that have arisen in classes of more than normal size, and in particular where the situation is compounded by the addition of mainstream students.

In response, the Board acknowledges that there have been, and probably will continue to be, some problems regarding class size. It states, however, it cannot accept the Association's proposal; that the cost of implementing the proposal approximates \$199,100, exclusive of building costs; and that the Board, being aware of some of the problems, is doing what it can, within its means, to alleviate those problems. The Board pointed out that it had hired two additional special education teachers, one last year and one this year, raising the total of special education teachers to five; that the faculty now totals 99; and that the present overall pupil-teacher ratio in the Lakeview District is 20.55.

Salary

The Association's proposal on this issue is twofold; (1) it proposes an improved index on the salary schedules, and (2) an 8% increase on each step, after giving affect to the proposed index improvements. The index increases would commence at the fourth step on the BA scale; at step six on the BA+20 scale; and at step five on the MA scale. Thus on the BA scale the minimum salary would be \$11,642, and the maximum \$17,696. On the BA+20 scale the minimum would be \$12,108, and the maximum \$19,093. On the MA scale the minimum would be \$12,690, and the maximum \$20,024.

In support of its position, the Association points out that the Lakeview salary schedules, over the past few years, have not kept pace with the improvements made in salary schedules in comparable districts. In a comparison of the 1978-79 Lakeview salary schedules with those of the other six school districts in Montcalm County and, in addition, three contiguous school districts (two in Mecosta County and one in Kent County), Lakeview stands in sixth place on the BA minimum and in tenth, or last, place on the BA maximums. Similarly, on the rankings of MA maximums and MA minimums, Lakeview is in fifth position on the MA minimum comparison and in seventh on the MA maximum.

The Board has submitted its own proposal on this issue. In considering the Board's proposal, it is important to bear in mind that the Lakeview District has heretofore had a uniform progression in the index for the steps in the three columns comprising its salary schedule. In the Board's proposal the BA minimum, at step one, is ^{being an increase of} \$11,300, / 5.3% over the BA minimum of \$10,730 in the 1978-79 salary schedule. Thereafter, in the Board's proposal, the step by step increases in the BA column vary anywhere from a 4.7% increase in the second step to a 6% increase on the tenth step. In the BA+20 column the Board made no proposal for either the first or second step. That column starts with a figure of \$12,800 in the third step,

constituting a 4.7% increase over the third step figure in this column in the old salary schedule. Thereafter the increases vary, on a step by step basis, anywhere from a low of 2.6% in the eighth step to a high of 7.9% in the eleventh step. In the MA column, the Board offered no figures for the first three steps, commencing its offer with a figure of \$14,300 in the fourth step, this being a 7.5% increase. Thereafter, the percentages of increase on each succeeding step varies from a low of 3.3% for the eighth step to a high of 8.8% for the eleventh step. One result of these variations shows up in the eighth step where the proposed salaries for the BA column and the BA+20 column, at that step come out to the same figure, i.e., \$15,300.

The Board, in costing its offer and, at the same time applying the step increases effective this year, has determined that its proposal will constitute a total increase of \$130,595. On that basis the Board's proposal amounts to a 9% increase. The Board also costed the Association's proposal on the same basis. This showed an increased cost to the Board, of \$201,509, or a percentage increase of 13.89%. Both parties agreed that the difference between their proposals amount to \$71,000. Both parties further agreed that their respective proposals have not included the impact of longevity pay on the cost figures aforementioned.

In the consideration of these two proposals, this Fact Finder notes that the cost to the Board of its proposal has been included in the Lakeview District's proposed budget for 1979-80. The cost of the Board's proposal on fringe benefits has likewise been included in that budget. The net result is a deficit budget in the sum of \$34,292.

Fringe Benefits

Here the Association proposes that, in lieu of the health insurance benefits presently provided by the Board, the Board provides each employee with:

1. Full-family MESSA SuperMed 2, including options,
2. Delta Dental Plan A with orthodontic rider O-4 for all employees and their eligible dependents.
3. \$20,000 term life insurance, and
4. MESSA Full-family Vision Care Plan I.

The Association's cost estimates on the four items aforementioned totals \$116.44 per person per month, or for full yearly coverage for 98 persons a total of \$136,993.44. The Association proposes that the Board assume the full cost of the aforesaid fringes.

The Board's position on this issue includes a continuation of the present contract language concerning the Board's contributions to health insurance and, in addition thereto, the Board offers the sum of \$13,000 per year toward a dental plan to be agreed upon.

The Board estimates the cost of its proposal at \$99,000. Thus the cost difference between the two proposals is somewhere between \$38,000 and \$39,000, dependent upon the actual number of persons receiving benefits.

RECOMMENDATIONS

Based upon the facts submitted by both parties for consideration and the obvious desire of both parties to continue the high quality of education furnished pupils at Lakeview, this Fact Finder recommends, and urges the adoption of, the following recommendations:

Agency Shop

The Board is urged to reconsider its position and to grant the Association's request for an agency shop provision in the contract. It need not be in the form proposed by the Association. The Association has indicated its willingness to negotiate the provisions of that clause in the contract. At the present time, with all of the teachers belonging to the Association, the agency shop provision provides no problems. As to teachers hired at some time in the

future, the issue is not one of Association membership, but rather is a matter of the payment of a service charge resulting from services rendered by way of collective bargaining, contracted administration and grievance adjustment. The Association has expressed its willingness to hold the Board harmless in the event of any possible litigation and to assume the financial expense if any litigation should arise.

Class Size

The Association is urged to withdraw its proposal on this issue. As I am sure the Association is aware, the funding of this proposal would deplete the District's already diminished General Fund Balance. The Association has made its point on this issue and I am sure the parties, working together, can find solutions acceptable to both sides.

Salary

A salary increase of 7% at all levels is recommended. This increase would be based on the index used in the prior contract. A cost analysis of this recommendation, using the same method the Board did in its calculations, i.e., including the step changes, indicates that this recommendation would exceed the cost of the Board's last proposal by a little less than \$7,000.

Fringe Benefits

It is recommended that the Board furnish, at its sole cost, Full-family MESSA SuperMed 2, with options, at a cost not to exceed \$88.37 per person per month, in lieu of both the Board's proposal and the Association's proposal. It is also recommended that the Association accept this recommendation.

This Fact Finder hereby extends his thanks to the parties attending the hearing and furnishing him with the facts herein considered. The courtesies extended to him have been appreciated.


FREDRIC A. GRIMM
Fact Finder

Dated: October 24, 1979