

FF 8/24/87

IN THE MATTER OF FACT-FINDING

between

LANSING SCHOOLS EDUCATION ASSOCIATION

and

LANSING SCHOOL DISTRICT
BOARD OF EDUCATION

Lansing, Michigan

REFERENCE:

FF- #7-87

REPORT AND RECOMMENDATIONS
OF THE FACT-FINDING PANEL

LABOR AND INDUSTRIAL
RELATIONS COLLECTION

Michigan State University

The Fact Finder and Chairman of the Fact-finding Panel was contacted by the Parties' representatives through letter, dated May 19, 1986, indicating that he had been selected mutually by the Parties to serve as the neutral Fact Finder in the negotiations process for the 1987-1990 collective bargaining contract. The Fact Finder and Chairman of the Panel accepted the appointment formally by letter to the representatives, dated May 29, 1986, indicating that he would reserve the week of June 8-12, 1987 for fact-finding hearings if such hearings should become necessary. Upon being informed by the Parties' representatives that fact-finding proceedings would be needed, the Fact Finder and Panel Chairman conducted a pre-hearing conference with the Parties' representatives from 9:00 a.m. until 11:50 a.m. on Thursday, June 4, 1987, at the LSEA Building, 3300 S. Pennsylvania Avenue, Lansing, Michigan.

Subsequently, on Monday, June 8, 1987, the Fact Finder and Panel Chairman met with the Parties' appointees to the Fact-finding Panel at 9:00 a.m. and then the Panel met with the Parties' representatives in a pre-hearing conference, just prior to beginning the formal Hearings in the Board Room of the Administration Building of the Lansing School District, 519 W. Kalamazoo Street, Lansing, Michigan. Hearings were conducted by the Panel on the following days at that same site, except as noted below.

- Monday, June 8, 1987- 9:00 a.m. - 3:00 p.m.
- Tuesday, June 9, 1987- 9:00 a.m. - 6:15 p.m.
- Wednesday, June 10, 1987- 9:00 a.m. - 1:45 p.m.
- * Thursday, June 11, 1987- 9:00 a.m. - 12:05 p.m.
- * Friday, June 12, 1987- 8:00 a.m. - 5:10 p.m.
- Monday, June 15, 1987- 10:30 a.m. - 4:55 p.m.
- Friday, June 19, 1987- 8:00 a.m. - 6:30 p.m.
- Saturday, June 20, 1987- 9:00 a.m. - 3:45 p.m.

* Hearings held at the Michigan Education Building,
1216 Kendale, East Lansing, Michigan

At 3:45 p.m. on Saturday, June 20, 1987, the Parties were asked if there were any further issues or arguments about issues before the Panel to be heard further. Both Parties responded in the negative, permitting the Hearings to be closed formally. Since the Panel was unable to meet for its deliberations immediately, the Chairman directed the parties to continue negotiations in the meantime and to report any progress on issue resolution to him.

The Panel conducted its own meetings to consolidate its findings and recommendations. The Panel met on the following days formally and frequently consulted by telephone throughout July and August.

Thursday, July 2, 1987-	8:00 a.m. - 5:15 p.m.
Friday, July 3, 1987-	8:00 a.m. - 5:15 p.m.
Wednesday, August 12, 1987-	8:00 a.m. - 5:20 p.m.
Friday, August 21, 1987-	6:00 p.m. - 10:30 p.m.

FACT FINDING PANEL:

Union Appointee- Larry L. Fischer
UniServ Director
Grand Rapids Education Association

Employer Appointee- Roger K. Allen
Executive Director-
Operations and Employee Relations
Flint Community Schools

Fact Finder & Panel Chairman- David T. Borland, selected by the parties
mutually under the provisions of their Progressive
Bargaining Model

REPRESENTING THE PARTIES:

<u>Association-</u>	Kirk L. Curtis LSEA/MEA UniServ Director 3300 S. Pennsylvania Lansing, MI 48910	<u>Board-</u>	Peter A. Paterson Miller, Johnson, Snell & Cummiskey 800 Calder Plaza Building Grand Rapids, MI 49503
	Patricia Rose LSEA President 3300 S. Pennsylvania Lansing, MI 48910		Harlow M. Claggett Associate Superintendent for Employee Relations & Legal Services Lansing School District 519 W. Kalamazoo Street Lansing, MI 48933

PRESENT FOR THE PARTIES:

Association- Rodney Petersen, Past President & LSEA Bargaining Team
Margaret Lewis, School Social Worker
Michael Foster, LSEA Bargaining Team, Distributive Education Teacher
John Meeder, MEA Research Consultant
Sue Schwab, MEA Research Consultant
Sue Manierston, MEA Research Consultant
Joanne Mahoney, Instructor- Radio & TV Production
Betty Brown, Pattengill Middle School Reading Teacher
Shirley Walker, School Social Worker
Gloria Elsea, Dwight Rich Middle School Teacher

Association- Gail Brandt, Dwight Rich Middle School Teacher
 (cont.) Maxine Cain, former Dwight Rich Middle School Teacher
 Judy Forester, Reference Librarian
 Ronald Warren, Gardner Middle School Industrial Arts Teacher
 David Miller, Industrial Arts Teacher
 Gil Parks, Elmhurst Elementary Teacher
 Pat Fitzpatrick, Cumberland Elementary School-2/3 Grade Teacher
 Linda Smith, Gier Park Elementary School-4th Grade Teacher

Board- Sue Zurvalec, Assistant in Employee Relations
 David Smith, Assistant Superintendent- Finance
 Roger Reynolds, Supervisor in Employee Relations
 Eva Evans, Assistant Superintendent- Personnel
 Evonne Putnam, Director of Secondary Schools
 Alda L. Henderson, Director of Elementary Education
 Berton Denike, Director of Accounting
 Craig Ruff, President- Public Sector Consultants

INTRODUCTION

The Board of Education (Board) for the Lansing School District (Dsitric) provides for the comprehensive educational needs of the citizens in the capital city of the State of Michigan. In 1986, there were 22,703 full time students and when full time equated part time students were considered, the Board was responsible for providing education programs and services for 24,329.8 FTE Students (1986 Fourth Friday Report- Jx-2c). The Board provides these services in a variety of facilities, including three high schools, four middle schools, 33 elementary schools, the Hill Academic and Vocational Center, the Marvin Beekman Special Education Center, the Education Center for adult education, and the Vernon Ebersole Environmental Center, and has administrative and financial responsibility for the Service Center, the Vehicle Maintenance Center, the Administration Building, and the Lansing Public Library System with a total of approximately 100 administrators.

The Lansing Schools Education Association (Association) represents approximately 1,350 full time and part time instructional and instructional support staff in those various facilities. The Association has represented these personnel

exclusively and ratified its initial three year collective bargaining Master Agreement on September 21, 1966 (Jx-6).

The 1984-87 Master Agreement (Jx-1) expired on July 31, 1987. In the Spring, 1986, the Parties agreed to establish a Progressive Bargaining Model, which organized the negotiations process and provided a timetable for completion of the process. Non-economic issues were considered by the Parties in October and November, 1986, identifying any issues needing substantive attention for subcommittee meetings in January and February, 1987. The schedule for negotiation of economic issues included 14 dates in March and April, 1987, with May 1st reserved for continuing negotiations on unresolved issues until midnight.

It was agreed that all unresolved issues at that time would be certified for mediation. A State Mediator was present in continuing negotiations in May, 1987. It was agreed further by the Parties in the Model that all unresolved issues as of June 8, 1987, would be submitted to a three person fact-finding panel on that date as the first day of hearings. The panel was to issue its recommendations by July 20, 1987, and bilateral negotiations would continue in July and August until a tentative agreement was reached on all issues.

The neutral Fact Finder and Chairman of the Panel was retained in May, 1986, and subsequently each Party's representative for the Panel was selected and all were asked to reserve June 8-12, 1987, inclusive, as the dates for Fact-finding hearings, if necessary. Upon being informed of the necessity for the Fact-finding process, the Fact Finder met with the Parties' representatives in a prehearing conference on June 4, 1987, at which time several issues were presented and discussed. Eventually, 71 proposals were presented to the Panel as being at impasse.

Given this unexpected volume of unresolved issues and the prior schedule commitments elsewhere beyond June 12th, the members of the Panel all expressed

their concerns informally about the timelines established for the Progressive Bargaining Model. The Parties subsequently waived the timeline for the Panel's final report and recommendations. Subsequently, additional Hearing days were scheduled on June 15, 19, & 20, 1987, for additional presentation of issues, and an unanimous Panel formally expressed its continuing concerns regarding the timelines and ordered bargaining between the Parties themselves to continue in the interim.

At the conclusion of the formal Hearings on July 20, 1987, 30 proposals of the original 71 proposals remained at impasse for the Panel's consideration. The Parties had stipulated that the 71 proposals originally presented to the Fact Finder were all of the proposals that were at impasse for the negotiations and that resolution of those remaining issues would result in tentative agreement for the 1987-90 Master Agreement.

While the Parties themselves had resolved 41 of the original 71 proposals at impasse during the formal Hearings, they did schedule three-hour bargaining sessions for an additional 9 days from June 26th through July 30th pursuant to the Panel's direction. During that period of time they resolved an additional 14 proposals, which were withdrawn, then, from the Panel's final consideration. In addition, the Parties themselves scheduled bargaining sessions for August 7, 12 & 20, 1987. As of this writing, no further movement was made in resolving any further proposals. A progressive summary of the activities of both the Parties and the Panel in presenting, hearing, and resolving the proposals at impasse is provided in the following Table.

Table 1.

NUMERICAL PROGRESSION OF PROPOSAL RESOLUTION

<u>As of ---</u>		<u>Presented to Panel</u>	<u>Heard by Panel</u>	<u>Subsequently Resolved by Parties</u>	<u>Remaining to be heard</u>
6/12/87	Assn.	48	11 (1)	23 (1)	15
	Board	<u>23</u>	<u>7 (1)</u>	<u>12 (1)</u>	<u>5</u>
		71	18 (2)	35 (2)	20
					<u>Remaining @ Impasse</u>
6/20/87	Assn.	48	23 (2)	27 (2)	21
	Board	<u>23</u>	<u>12 (3)</u>	<u>14 (3)</u>	<u>9</u>
		71	35 (5)	41 (5)	30
7/8/87	Assn.	48	23 (7)	32 (7)	16
	Board	<u>23</u>	<u>12 (3)</u>	<u>14 (3)</u>	<u>9</u>
		71	35 (10)	46 (10)	25
7/30/87	Assn.	48	23 (12)	37 (12)	11
	Board	<u>23</u>	<u>12 (7)</u>	<u>18 (7)</u>	<u>5</u>
		71	35 (19)	55 (19)	16

(#) resolved by the Parties after being heard by the Panel

The Panel itself was able to schedule its own meetings on July 2-3, 1987, in the attempt to develop a unified report and recommendations for the Parties' consideration. In consultation with the Parties, 10 proposals were withheld from immediate consideration by the Panel in anticipation of resolution by the Parties.

Subsequently, the Parties did resolve eight of these proposals during their continuing negotiations in July. Of the remaining 20 proposals, 12 were determined unanimously by the Panel, but subsequently, six of these were resolved by the Parties in July. While the eight remaining proposals were discussed at length by the Panel, no unanimity was reached in July. As a result, other meetings of the Panel were required, but could not be scheduled until August 12th and August 21st, at which time eight proposals and the two remaining and previously withheld proposals, as well as the form and content of this Final Report itself, were discussed and determined.

The result of this process is the Report herein contained. Due to the volume of proposals presented, for the purposes of this Report only the issues still remaining at impasse, which required a recommendation from the Fact-finding Panel, were identified and analyzed specifically. Also, since a majority of issues received a unanimous recommendation from the Panel, references were made throughout the Report to the Panel's collective reasoning in support of each final recommendation; however, in specific areas, individual Panel members appointed by the Parties respectively, may have had some differences, the more significant ones being made explicit in attachments to this Report and dissenting from the majority opinion and determination of the Panel collectively.

FINANCIAL STATUS OF THE DISTRICT

Central to any negotiations in public education is the financial health of the individual school district in which specific proposals are being made to determine the priorities by which the parties plan to interact mutually. In the attempt to provide this vital base for the Panel's consideration here, each Party presented extensive testimony and documentation about the various elements which comprise the financial status of the Lansing School District. Among these elements, initially, the Parties jointly submitted for the past five school years, the General Fund Budgets, the Annual Financial Reports, and the Fourth Friday Reports of enrollment (Jx-2: a, b & c, respectively).

In addition, the Parties presented (1) the current collective bargaining agreements for other employee groups formally organized within the District (Jx-31 - Jx-3s), (2) the salary and fringe benefit levels for other employee groups, who are not organized formally within the District (Jx-3a - Jx-3k), and (3) the prior collective bargaining agreements between the Board and the Association from 1966 through 1986-87 (Jx-6). Finally, each Party provided its own analyses of the District's financial condition with respect to other comparable school districts, projections of state aid to the District, and potential opportunities and consequences within these conditions that should lead to support for its own respective proposals (Ax-1 - Ax-114 & Bx-1 - Bx-42, respectively).

Without referring to each and every statistic and report presented to the Panel, this analysis will summarize the general positions of each Party here with regard to the District's financial condition. The validity of each Party's economic analysis is very difficult to judge, because (a) each has had to project from the current base into the future, where such elements as enrollments, revenues, expenditures, and the fortunes of the State's financial condition also are based on varying projections, i. e., projections upon projections; and (b) each Party,

understandably, has presented its best case with regard to its representative constituents' interests and needs. A concluding summary of the Panel's analysis, relevant to the building of a platform from which to better judge each Party's subsequent proposals on specific issues, however, was developed by the Panel.

Positions of the Parties

Association:

The Association's general position is that there will be sufficient funds available to the District, so that the Association's proposals can be funded. Initially, the Association projected that the formula revenue from the State of Michigan to the District will increase even with a projected enrollment decrease of approximately 400 students, whether the Governor's projection (1.77%) or the Senate's Subcommittee projection (2.43%) is adopted, using the District's current millage levels (Ax-2). Further, the Association argued that since the 1981-82 school year by the District's actual balance has exceeded its projected balance by widely varying degrees (Ax-5). Finally, the Association presented a series of analyses for all Michigan school districts with more than 5400 students and the same analyses when using the State's 18 largest districts, since the 1978-79 school year (Ax-7 - Ax-54). The results of these analyses generally indicates that the Lansing School District was at the average of other school districts in most areas of revenue/pupil, levied operating millage, current operating expenses, percentage of current operation expenses allocated for administrative functions and operations and maintenance, and in average class size in pupils per kindergarden teachers, all classroom teachers, and operations and maintenance personnel.

These same analyses also revealed that the Lansing School District was lower in average teachers' salaries and percentage of current operating expenditures allocated to classroom teachers' salaries, but with some recent movement higher, low in percentage of current operating expenditures for transportation salaries, low for

the MA maximum salary schedule and moving lower in the Master's degree increment, and low for the pupil class size ratio when compared to other professional instructional personnel, food service personnel, administrators, and moving from the low position recently in special education personnel and office personnel.

Finally, these analyses indicated the the District rated high in the percentage of current operating expenses allocated to administrative salaries and moving recently from the average level, higher in percentage of current operating expenditures allocated for staff support salaries and total salaries, and also moving from an average level to a higher level recently in the BA maximum on the salary schedule.

The Association summarized these reports into four conclusions that the Panel was to consider. First, the State aid formula is significant to the District, since it represents 75 percent of its income. Each additional mill represents a 2.4 percent increase in revenue and since Lansing ranks at the average level in millage levels among other comparable districts, additional revenue may be raised by the Board.

Second, the classroom teachers of the District do not receive an exceptional proportion of funds. The teachers rank at the middle of comparable school districts' teachers' salaries and between the comparably high administrative salaries and the low transportation salaries within the District itself.

Third, the pupil/staff ratio for teachers also ranks in the middle of comparable school districts and in the middle between the low ratio of pupils for each administrator and the somewhat higher ratio for instructional support staff within the District itself.

The Association concluded its case by indicating that within an annual budget in excess of \$90 million, there is flexibility to accommodate the needs and priorities of teachers. The Board's budget projections can be characterized as slightly

gloom and doom, but the Lansing School District is a fairly typical district, so it can choose and should choose to provide typical benefits and wages to its teachers. The District is not typical when it misplaces its priority on a heavily administered school district. The Lansing teachers believe that this priority needs to shift and has presented proposals to do so.

Board:

The Board's general position is that while there are some funds available to be applied to the needs of its teachers, the current financial status of the District never could support the Association's demands without losing its financial integrity. Initially, the status of the State's aid to public education is not a stable one, nor one that portends of any direction but lower levels of funding. A recent report, analyzing the economic and budget outlook as of May 6, 1987 (Bx-1) and supporting testimony here by the President of Public Sector Consultants, reveals the declining conditions and the consequent effects on school aid funding.

Due to declines in revenues from sales taxes, lottery sales, and from projected losses of 200,000 to 400,000 jobs throughout the State from the effects of losses in the automobile industry, extended throughout the economy with consequent rises in social program costs, projection of a shortfall of \$100 million for the current fiscal year and \$200-300 million for the 1987 fiscal year requires a difficult decision to be made by the State, either to raise taxes or to cut expenditures. Already, the estimated declines in revenues from January to May, 1987, provides a decline approaching \$60 million in the very areas where school funding is based.

The financial status of the District can be characterized as a stable one. Both the SEV levels since the 1979-80 school year, based on a per student and a total basis, and the operating, debt, and total levy positions have experienced a slow rise (Bx-2 & 3, respectively). The District's estimates of revenues and expenditures have been extremely close to the actual levels at the end of the

respective years since the 1982-83 year (Bx-5), where where revenues' estimates never have varied more than 1.5 percent (Bx-6). The fund balance in each year since 1980 has varied only from 9.2 percent to 10.5 percent during the same period of time (Bx-7), resulting in a fund balance for last year at the \$9.1 million level. While the Gross Membership allowance per student has risen each year for the District, the annual increases themselves have varied widely, often associated with those years in which millage increases occurred (Bx-22). Finally, in response even to these minor variations, the Board has created each year a list of program adjustments, in order to be able to respond appropriately as the actual financial conditions evolved each year (Bx-9 - Bx-12).

The Board of Education indicated that it already has adopted a general fund budget for the 1987-88 school year, dated June, 1987 (Bx-17), based on a continuing decline in student enrollment and the projections about the State's financial condition. In keeping with its past practice in developing its plan, the Assistant Superintendent for Finance testified that projected expenditures were at the \$93.1 million level and projected revenues were at the \$90.0 million level, resulting in a final budget total at the \$92.0 level. The difference is to be met by a \$2 million deduction from the fund balance and \$1.1 million from program and personnel reductions.

In considering the State's financial condition and the District's recent history on projected and actual revenues and its budget goals for 1987-88, the Board also presented testimony and documentation on comparable school districts, using the slowly rising CPI level with the declining rate of CPI change since 1983 as a base (Bx-13). The Board also argued that the appropriate comparable for the Panel's use was the 13 districts comprising the "Area 2" group (Bx-14-- Lower Peninsula, similar sized, outside of the metropolitan Detroit area), endorsed in the early 1970's by Fact Finder George Roumell (Bx-21). The Board also provided

a comparable analysis of the 25 school districts with the Lansing School District's geographical area (Bx-15). The standards created by these analyses provide a more reasonable basis for viewing the District's position on financially related issues at dispute here.

The Board concluded its case by indicating that it was not arguing that it had no ability to make adjustments in the salaries and benefits of the District's teachers or even in some working conditions that had financial implications. The Board did argue, however, that the current level required to meet the Association's demands was impossible, even to the point that discussion may have reached the point of futility. The District has enjoyed good levels of support from its citizens, but recently such efforts have become more difficult (Bx-4). Nonetheless, the Lansing community did support the Board, which is in the third year of a 1984 commitment to the community, then, that its passage of a five year millage proposal would not require further millage increases for that period of time, expiring in 1989. The District viewed itself as in a comparable position with "Area 2" school districts and was prepared to negotiate within the realities of the District's apparent financial limitations, made more urgent by the State's recent forecasts.

Analysis

The volume of materials presented required the Panel members to digest often conflicting studies, projections, and claims, which was especially difficult with the everchanging issues before the Panel for its consideration, as the Parties continued their bilateral negotiations. In attempting to present the foundation for each of its positions on the specific issues, the major theme for the Board was that it maintain as much flexibility as possible to manage the District effectively and efficiency, while the Association's major concern seemed to revolve around the necessity of a good faith effort by the Board to include teacher

priorities within their plans. In the belief that these goals were not mutually exclusive, the Panel considered the following five factors, as the foundation from which its specific recommendations on the issues would be made.

First, basic to the consideration of most of the proposals are the general economic factors to be faced during the terms of the new Master Agreement. As an in-formula District, the Board and the Association each recognized the heavy reliance of the status of Michigan's economy on the status of the District's financial condition. While Michigan's economy has been recovering, there are valid signs that problems may reappear, such that school aid could be affected directly. Interestingly however, even with the potential of such factors affecting the State's revenues, the proposals put forth by both the Governor and the Senate would project a small increase in funds to the Lansing School District, even considering the projected drop in enrollments (Ax-2). In a similar vein, the general economic factors indicated by the retarded rise in the CPI recently and in its continuing decline in the rate of CPI increase (Bx-13) must be cushioned by the very recent concerns expressed by the Association about inflation returning to the general economy at a 5.5 percent level, using the same 1967 base as used by the Board's CPI figures (Ax-62). Certainly, if the Panel is to consider the recent projected decline in State revenues approaching the \$60 million level from January to May, 1987, as the Board argued, then the Panel also must consider the effects of projected rises in the CPI as of April, 1987, as the Association argued would affect teachers' salaries and benefits. Similarly, any rise in the annual CPI rate also would have adverse effects on the District's status as well and also would have to be considered as a relevant factor.

Second, related to these national and state factors, are the local circumstances in Lansing concerning the funding of its schools. Similar to many school districts in the State, millage elections in Lansing in recent years have become increasingly

perilous to the financial status of the District. Understandably, the Board made a promise to its citizens following the deep recession of the early 1980's in attempting to gain approval of a five year renewal and increase for the 1984-1989 period (Bx-4). That promise is vital to the integrity of the Board for future funding, which must be approved by the community. While the Association argued that such a promise was not binding specifically on the bilateral relationship between the Board and the Association, as teachers legitimately pursue their priorities, it is apparent that teacher priorities are related to the funding levels ultimately determined in millage elections. That portion of the Association's argument, which disagreed that such a promise has totally limited the Board's ability to raise additional millage, is persuasive. With the economic conditions and projections that existed in 1984, as Michigan was emerging from its deep recession, however, if the potentially catastrophic economic projections that the Board used here to support its general position do eventuate in Michigan, as it would have the Panel believe, then the basis for reconsideration of its promise of 1984 to the community under more hopeful circumstances, would have to be seen as an alternative to the funding of Lansing's schools at that time.

Third, related to the two previous factors for economic considerations, the Panel also must weigh the general positions between the Board and the Association with regard to respective bargaining positions. Testimony has indicated that each Party has relied on its own general theme, which, in effect, supports its own general bargaining position, regardless of previous or projected underlying economic conditions. Applying public employees' standard reactions to general public employer expectations, it is instructive to note that even with the extremely poor economic conditions that began to evolve in Michigan in 1979, and extended into the early 1980's, the Association and the District in the 1981 negotiations, for example, agreed to an eight percent salary increase in addition to a COLA increase (Bx-14 &

Jx-6) and then when economic conditions were improving in 1984, a five percent increase was negotiated for the 1984-87 Master Agreement (Jx-1). Even though the the extremely high inflationary pressures of the late 1970's and very early 1980's can account for some of that difference, it is apparent that public sector employees and employers, generally, are buffered to some degree from the full and immediate impact of economic variations experienced in the private employment sector. This delayed impact through the tensions of concessionary wage bargaining within the private sector, for example, has not been evidenced here finally in the employment relationship between the District and the Association in the recent history provided to the Panel.

Fourth, a more direct guideline for the Panel's consideration is the District's past performance with regard to its projections for the District's financial status. In reviewing the multiplicity of documents, the Panel was able to compare the recent history of such projections and actual results within the District. Even though the timing for the comparison of projections (Jx-2a, budgets) and actual results (Jx-2b, financial reports) presented to the State of Michigan, created a gap for the Panel in comparing the same years exactly, each does provide the recent five year history available for the Panel's consideration as summarized in the following Tables.

Table 2.

SUMMARY OF GENERAL FUND BUDGETS

<u>FUNDS</u> <u>(in millions)</u>	<u>1982-83</u>	<u>1983-84</u> <u>(revised)</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u> <u>(planned)</u>
Revenues	69.2	73.4	77.4	85.6	89.9	92.0*
Expenditures	69.8	74.7	78.1	85.2	90.9	93.1
difference	-.6	-1.3	-.7	+.3	-1.1	-1.1
Fund Balance	6.9	6.7	6.8	8.3	8.0	n.a.

*includes \$2 million in fund balance reduction

Table 3.

SUMMARY OF ANNUAL FINANCIAL REPORTS

<u>FUNDS</u> <u>(in millions)</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
Revenues	72.9	76.2	80.5	84.6	93.2	not
Expenditures	72.9	75.7	81.0	84.0	92.0	available
difference	+.03	+.5	-.5	+.6	+1.1	
Fund Balance	7.5	8.0	7.5	7.9	9.1	

As the Panel reviewed these results, along with additional comparisons provided by the Board (Bx-6 & 7) and by the Association (Ax-4, 5 & 6), the following conclusions seemed justified as factors to consider in assessing specific proposals. Initially, while it often is found that school districts follow self-interest in projecting lower revenues and higher expenditures, taking care to compare the same year in each of the Tables above, generally this District has underestimated revenues, but also underestimated expenditures; however, the differences for both are at the one percent level or less. Also, the District tended to project small deficits with the exception of 1985-86 with a small surplus and tended actually to end each year with small surpluses with the exception of 1983-84 with a small deficit. Further, while the District has projected a rather consistent base of fund balances through these years and although that same pattern existed in the Department's actual results, again, taking care to compare the same year in each of these Tables, the District also consistently projected lower fund balances than actually resulted.

Next, the 1985-86 year (the last year available) revealed a pattern difference and a surplus of \$1.1 million and a fund balance that rose by \$1.2 million over the previous year's actual fund balance. Finally, with only the projections for the first year of the new Master Agreement (1987-88) in Table 3, the projected deficit of a similar \$1.1 million as projected for 1986-87 cannot be compared, because the Financial Report for that year was not available at the time of the Hearings. This also attacks a confident conclusion about the fund balance level, although it is noted that the 1987-88 budget planned a \$2 million reduction in fund balance to accommodate some of the projected deficit in expenditures over revenues (Bx-17, p. 1), but also brought the list of suggested program and personnel reductions at the \$1.1 million level into question (Bx-17, pp. 48-50).

The final variable to be factored into the Panel's consideration of the various proposals before it, concerns the Parties' request for use of the proper school

districts in comparing the Lansing School District's circumstances. The Board has introduced a report comparing the District to the 25 school districts in the surrounding geographical area and the Association has proposed using the 50 largest Michigan school districts with minimum enrollments of 5400 students. The Panel has concluded that the 25 area districts, which vary from large Class A districts through Class D enrollment levels is too diverse in relevant factors for significant comparisons. Similarly, the group of 50 large districts is excessively ladden with metropolitan Detroit districts in the tri-county area, which are more similar to each other than to outstate schools. The lists of the 18 largest districts and the "Area 2" districts have seven school districts in common and tend to be more similar in circumstances generally, even though not exactly on each and every characteristic, to Lansing than with any other combination presented to the Panel.

ISSUES AT IMPASSE

Given the five specific conclusions above, the clear situation where absolute inability to pay is absent, and all of the circumstances surrounding each issue presented, the Panel proceeded to build a rationale for its specific recommendations to the Parties for the settlement of their 1987-90 Master Agreement. In building a rationale for its recommendations, the Panel noted that within the collective bargaining process in general and in fact-finding processes specifically, rational cases can be built for either Party in the selection of its positions and supporting evidence. In presenting respective cases, each Party often relied on philosophies that seemed irrelevant in application to some issues, at other times only peripherally related to the core of an issue, and most often contrary to the opposing Party's view of the employment relationship.

Knowing that such extremes are an integral part of such processes, the Panel used the following guidelines in its deliberations and final determinations to the degree that the circumstances of these issues would permit.

- 1) The Panel attempted to accommodate what has been working for the Parties and to make any adjustments based on substantiated need.
- 2) In a related manner, the Panel attempted to confirm current contractual language, as related to other relevant sections of the Master Agreement, rather than to attempt to create new concepts of its own initiative for an issue, which well could cause problems for the Parties.
- 3) The focus for this Panel was more on the issues at impasse presently for the term of the proposed 1987-90 Master Agreement, rather than on any claimed deficiencies or inequities in the past, which were the result of mutual negotiations in the previous Master Agreements, or on any potential factors in the issues in dispute here for future considerations.
- 4) The Panel believed that wherever requested and possible, to level the existing work load among as many of the bargaining unit employees as could be permitted within legal, certification, organizational, financial, and rational considerations, it should be recommended.

- 5) The Panel decided to form its recommendations on the basis of mutual trust by the Parties, as much as the Parties themselves would permit, which resulted in the attempt to provide as much flexibility for administrators as possible, but not without limits, and to accommodate the quality of teaching, programs, and employee benefits, but not without limits. Included within this element is the recognition of previously created commitments to the needs of the students and the community.
- 6) The proposals were determined individually and then molded into a package in the attempt to resolve the contractual impasses as equitably as possible for the entire District and the entire bargaining unit, but could not begin to attempt the impossible task to meet each and every need and interest in the mass of proposals considered.

These concepts served at the foundation for the substance of this Report, which is organized into five subsections here: Teacher Status Issues, Classroom Factors, Economic Adjustments, Additional Payments, and Salary Schedule Adjustments.

Teacher Status Issues

Substance Abuse TestingPositions of the Parties:

The Board has proposed that the following language be added to Article III- Association and Teacher Responsibilities.

Teachers shall comply with testing for drugs and alcohol when those substances are suspected of interfering with their job performance.

The Board's position was quite simple in that when teachers are suspected of substance abuse, such that it interferes with their job performances, they would be required to be tested to determine their fitness.

The Association argued that when such problems have occurred in the past, the Association and the Board have been able to work jointly for a proper resolution satisfactory to all concerned. The introduction of this concept was seen by the Association to be too vague in its language, such that it would permit potential retribution against an unpopular employee, because: (1) the tests are not identified, so that reliability could be determined; (2) the suspicions, as a basis for this language, do not identify the legitimate grounds or those empowered to initiate the tests; and (3) the "interference" with performance is equally vague as to cause or accuser. Finally, the Association presented article in The Arbitration Journal- June, 1987 (Ax-91) and in Psychology Today- June, 1987 (Ax-92) to support its position.

Opinion and Recommendation:

Certainly, the issue raised by the Board is one in which all employees must be concerned. The substance abuse problem has received such legitimate concern within our society as it attempts to resolve its many negative implications. Despite this legitimate concern, however, this Panel cannot recommend that these Parties jump onto the popular bandwagon within their collective bargaining Master Agreement of substance abuse testing of employees without much

more justification than was presented by the Board here.

Strong resistance to the tests themselves currently provides a sound base for postponing testing as the means for controlling this societal problem within the District's personnel. The lack of reliability and validity in these tests (Ax-92) is so evident, so as to question such results no matter what those results may reveal. Application of such results to the workplace also raises arguments of relevancy, legality, and confidentiality. Similarly, the Board's proposal provides no guidelines as to the facilitation of rehabilitation efforts, such as with employee assistance programs or collateral relationships and referrals with hospital programs or Alcoholics Anonymous, for example, as a means of eliminating the problem in a productive manner. Such efforts are required routinely in related arbitration cases, but there was no evidence here of such consideration by the District.

Without addressing such issues in the proposal language or supporting rationale and since the Board currently possesses clear and strong management rights language in Article XXIII, giving the District's administration the authority to address workplace problems with its personnel, it is the unanimous recommendation of this Panel with the proposal before it now that no language be added to the 1987-90 Master Agreement regarding substance abuse testing.

Affirmative Action- RecruitmentPositions of the Parties:

The Parties have negotiated the issue of affirmative action goals in the effort to recruit members of minority groups for employment within the District. While very general language of recognition of this goal and of data gathering efforts was included in Article II(M) of the current Master Agreement, the Parties essentially have agreed during the present negotiations to (1) the general goal of instituting a recruitment plan for the District, (2) the establishment of a joint committee to create a pool of qualified minority candidates, and (3) a schedule of committee meetings and reports to serve as the basis for an agenda item at a Board of Education noon meeting.

While agreeing with the goal, the dispute between the Parties arises out of the specific goals and responsibilities for this recruitment process. The Association has argued for a stated goal of a 10 percent increase in the number of minority teachers in the bargaining unit by the end of this Master Agreement. The Board was concerned about any formal challenge by the Association through the grievance process or by legal action, if such a specific goal fails to be met; therefore, proposed that this contractual provision be exempt from the contractual grievance procedure and that the Association share equally with the District in any legal defense costs required in any form by those individuals external to the bargaining unit, as a result of this provision. The Association, in turn, was concerned about having to bear financial responsibility when the District itself maintained unilateral authority to administer such language and the conflicting position it would find itself, if it agreed with the arguments of a litigant. Each Party was insistent that the offending language be eliminated in order to bring resolution to this issue.

Opinion and Recommendation:

It was obvious to the Panel that the Parties essentially had worked to reach agreement on the concept of affirmative action in the recruitment of members of minority groups within the District. This Panel was impressed equally with the fact that both Parties desired that this goal be present in the new Master Agreement. It seemed apparent, therefore, that the specific difference on one aspect of the implementation of this goal must not be permitted to interfere with their general and mutual intent on the substance of this issue.

The Panel, therefore, recommends that while this goal is being developed during the term of this Master Agreement beyond the general intent in the 1984-87 Master Agreement and implemented formally by the joint committee for the first time within this new Master Agreement, that (1) the procedural elements of this language remain within the jurisdiction of the contractual grievance procedure; (2) the substantive elements of the goal be exempt from the grievance procedure; and (3) any legal responsibility remain with the Board as part of its continuing, legitimate, and legal jurisdiction. The recommended language, therefore, has been constructed from the Parties' own final attempt as presented to this Panel and as the Panel has reconstructed it to meet the three elements it has just determined to be a foundation for the language.

The Panel, therefore, recommends unanimously, that the following language be substituted for the current language in Article II(M).

M. 1st paragraph as proposed

1. The Board and Association, therefore, jointly declare an interim goal of increasing the number of minority teachers in the LSEA bargaining unit by not less than 10 percent by July 1, 1990.
2. (2nd paragraph in the proposal)
3. (3rd paragraph in the proposal)
4. The parties agree that Section 1 of Article II(M) is to be excluded from the contractual grievance procedure.

Probationary Teachers

Positions of the Parties:

The Board has presented language to alter the adjudication process and to clarify the substantive basis for that process, when a probationary teacher is no longer to be employed by the Board (Article XI, G & H). The Board proposed to substitute an administrative hearing in place of a hearing before the Board of Education and only when a probationary contract was terminated prior to the expiration of that individual's contract. Essentially, the Board argued that the Teacher Tenure Act constricts the processes relevant to the termination of a probationary teacher, where only notice of unsatisfactory performance is required and no due process procedure is provided. With Article X(A) of the Master Agreement in place, probationary teachers are evaluated, so that the reasons for any nonrenewal would be known to that individual teacher. The Board argued, finally, that the proposed language change simply would bring the Master Agreement's language in line with current public policy and not permit rights to probationary teachers beyond the Teacher Tenure Act.

The Union argued that contractual distinctions are made between probationary and nonprobationary teachers to which the Association has proposed no changes. Probationary teachers, however, do have careers and need a review before the Board of Education, if a decision at any time is made that their employment is not to be continued. The Board's proposal inverts the present process where the teacher would be required to prove the negative, i.e., that they are qualified, rather than requiring the Board to prove that a teacher should not be continued. While any termination is discipline and while the inconvenience of the Board members' assembling for a hearing was argued by the Board, the Association argues that there is no problem here, because only one teacher had ever asked for a Board hearing. While the elimination of a Board hearing would place unfairly, the final

decision for any appeal into the hands of the very same administrators who made the decision to terminate employment initially, the Association proposed elimination of the Board hearing, only if probationary teachers could obtain contractual rights to the grievance procedure in such matters.

Opinion and Recommendation:

The Panel considered both proposals together in order to bring the similarly based dispute to resolution. The Panel agrees with the Board that a contractual clarification needs to be made between probationary and nonprobationary teachers with regard to disciplinary and discharge matters. Given the history of the Parties in the use of a Board level hearing when a probationary teacher is discharged, however, the Panel did not believe that the Board's proposed change of hearing level within the District was justified. A hearing for all discharged probationary teachers, therefore, was determined by this Panel to be properly classified as nondisciplinary, but which required a hearing at an organizational level above the administrative level.

It is the unanimous recommendation of the Panel, therefore, that (1) current language in Article XI(H) be maintained and (2) the following language be substituted for the current language in Article XI(G).

Discharge of a probationary teacher shall not be subject to the grievance procedure, nor shall such action be considered discipline; however, upon written request made not more than seven (7) calendar days following said discharge, the affected probationary teacher shall receive a hearing before the Board.

Release of the LSEA President from Teaching DutiesPositions of the Parties:

The Association proposed to change current language in Article XV(J), so that rather than being released one-half time, for which the Association reimburses the District an amount equal to one-fifth of the President's salary, the President would be released full time with the reimbursement to remain at the same level (Ax-98). The rationale for the Association's proposal was that the LSEA President is required to serve on many District committees in completing the work of the Board and the Administration for the teachers and that the current half time release subtracts from the continuity of the education of the President's students. Testimony from the current President and a Past President asserted that such full time release is consistent with the practice around the State and the country and that decisions to leave this Presidency are due to the inordinate demands made in serving the teachers of a large, urban school district.

The Board has argued that the current language in the Master Agreement be maintained. The Association proposal doubled the amount of released time and yet kept the reimbursement to the District at the prior level. If the Association really wanted a full time release, it should be willing to pay for the service. Also, the Association provided no specific comparable situations to support a full time release of its President.

Opinion and Recommendation:

The Association has not made a case sufficient for this Panel to support its proposal. The Panel took note of the only document even related to the topic in this proposal, which interestingly enough was provided by the Board, not by the Association (Bx-14, p. 38). That document of comparable school districts in "Area 2" summarized the practice of the 13 districts with regard to leave days provided for the respective teacher organizations over the

four immediately prior years and only the Jackson school district provided more leave time than did the Lansing schools.

With this document as the only related evidence of existing practices, the majority Panel recommendation is that the current language in Article XV(J) remain unchanged for the 1987-90 Master Agreement.

Classroom Factors

Middle School Reading ConsultantsPositions of the Parties:

The Association proposed that the word, "consultant," be substituted for the word, "teacher," in the second paragraph of Article XII (G-1) in order to comply with the letter of understanding during the prior negotiations (Ax-90). Currently, each middle school has two reading consultants, who have different functions and qualifications than required for classroom reading teachers. Like other specialists, in addition to classroom teachers, reading consultants as out-of-formula support staff work with classroom teachers, rather than being assigned to specific classrooms or classes of students. Within the reading program these reading consultants also have taught specific students, who are reassigned from the regularly scheduled reading classes, in order to address their own particular and more difficult reading problems. While the Board made a commitment to place special emphasis on middle school reading programs in this manner, the actual administration of this commitment has led to assignments of these two reading specialists to regularly scheduled classes, which prevents accomplishment of this intended purpose and which is the subject of grievances by the specialists. While these administrative actions were admitted as errors previously, the practice has continued. The proposed change in language would not change the intended role for the reading specialists, but would serve to clarify and protect any erosion of their role.

The Board's position was that the claims of the Association in this area are unfounded and have not established that a dispute actually existed. Even though flexibility is reduced, assignments of these specialists to classes does not prevent them from performing in the duties they were assigned to accomplish. These teachers want the absolute authority to determine when, if, and how any students

they actually will teach, which is a function reserved to the building principals. Also, keeping such authority in the proper hands of the principals actually results in the same situation occurring with regard to the delivery of special reading instruction to students. The effect of the proposal would result negatively, however, in handcuffing these principals' flexibility to make differential assignments.

Opinion and Recommendation:

It seems clear from the testimony, contrary to the Board's arguments, that a problem does exist with regard to the content of the middle school reading consultant's actual role. Grievances have been filed and regardless of the past or eventual resolution, they do provide evidence of a difference in perceptions. It was never claimed nor disputed by the Board that a special commitment was made to the reading program in the District's middle schools. The need for schedule flexibility for these building consultants to work with teachers as well as with particular students appears to be an intended and mutually desired role.

It seemed to this Panel that the issue rested finally on the power for determination of specific working conditions. Essentially, the Board seemed to believe that it needed to keep these consultants more accountable for their time, while the consultants seemed to believe such formal restrictions as assigned classes attacked their professional identity. In making its final determination here the Panel believes, consistent with its own underlying criteria for this process, that the Board's prior commitment to special efforts with the middle school reading program should be the focus of the recommendation here. Essential to that commitment is that the particular needs of problem readers must be addressed specifically and directly by these professional consultants in both a direct teaching role and in an indirect role with teaching by the individual instructors. The Board's position, therefore, that assignment of these specialists to a regularly scheduled

class only slightly reduced their flexibility, can be seen as reasonable when the possibility of total assignment to scheduled classes is potential.

Given this support, however, these specialists, nonetheless, must be accountable to their respective building principals. While the Panel cannot envision the need or even intent of building principals in wanting to make decisions on each individual problem reader's needed program, the abuse of a consultant's time also is potential. The existence of reading specialists stands as a delegation of authority to their expertise upon which principals must rely, lest principals devote an inordinate amount of time to such specific efforts themselves. While assignments to regularly scheduled classes would make the principal's role easier in accounting for the time of these specialists, it consequently would violate at the same time the mutual intention even in providing the specialists in the first place. In order to provide for accountability for these consultants, however, they must conform to the ultimate determinations of the principal when decisions are made in creating these special classes and meeting any conflicting reading needs within the building. This seemed to the Panel to be not only a preferred approach to this matter, but consistent with the Panel's own criterion in that the recommendation closely approximates the Parties' own current practice.

Based on these principles, the Panel recommends unanimously that the word, "consultant," be substituted for the word, "teacher," in the second paragraph of Article XII(G-1) and, if necessary, the Parties include additional language specifying the principles described above.

Mainstreaming

Positions of the Parties:

The Association has proposed changes in Article VII(H) with regard to class size factors for elementary teachers (Section 1) and for secondary teachers (Section 3). Currently, special education students are mainstreamed into elementary classrooms with widely varying time constraints and, other than those who are in a regular education classroom for half time or more, no class size credit is provided until a combination of students equals two hours and forty-five minutes or more. At the secondary level, due to its hour by hour class schedule, each special education student is counted as one student, but overloads of such students in a particular classroom can effect the ability of the teachers to provide for all students, especially when such inequitable overloads can be prevented. The effect of the Association's proposal is to count all special education students who appear for instruction in the elementary classrooms and to equalize the distribution of mainstreamed students within the secondary schools.

The Board proposed that the current language was sufficient to meet the needs of the students, teachers, and the District in maintaining a balance among State requirements, administrative flexibility, and the Association's rigidity in attempting to use a fixed number to meet its own presumed needs. The establishment of the IEP committees of which Association members are a part, and the results of their assessments of individual students prevents the inequity, which the Association has claimed. If these mainstreamed students have not been assessed to have the abilities to meet the standards of a regular education classroom, they are not placed there and the Association provided no evidence to indicate that this system is not working. Every classroom has a range of abilities and these students have been judged to be within that range on a selective basis. The Master Agreement even provides for consultative assistance when any difficulties might arise.

The Association's proposal for the secondary level creates an unnecessary administrative burden in rescheduling students and creates an illusion that each elementary mainstreamed student for one-half hour is equal to a student in the classroom for the entire day. Given the range of requirements to meet these differing circumstances, the current language is the most appropriate method.

Opinion and Recommendation:

The advent of the concept of mainstreaming special education students into regular education classrooms requires adjustments to the methods that have been used previously. The need for flexibility and equity seem to be at the foundation of the Parties' positions here. In recognition of the Panel's general guidelines, it is apparent that flexibility to administer class sizes has been afforded to the District by the Association, no matter how grudgingly, and the payment for any overloaded classrooms within that administrative flexibility has been afforded to the Association by the Board, no matter how grievous the potential economic effects might be. Even though the Parties have argued long and hard within this Fact-finding process about the inequity of the other Party with regard to class size consideration, these mechanisms remain.

While the Board has argued persuasively that mainstreamed students are to be at the level of other students in related areas, it is equally persuasive that the District recognized that such a conclusion may have clear enough exception, so as to have agreed with language providing additional assistance for such situations (Article VII(H-1), 3rd paragraph). While the Association argued convincingly that recognition of the type and number of mainstreamed students into any particular classrooms is required, it also has recognized that methods accommodating to instruction should be used to compensate teachers and at the same time to inhibit administrators from excesses in scheduling such students.

Since the Panel is not aware of the dimensions of this dispute, nor is it aware of the precise application of the language proposed by the Association, those precise alternatives in the language of the proposal cannot be supported. The Panel has been persuaded, however, that some relief in this area is warranted, which will address the concerns of both Parties. With regard to the secondary classes, the complications added to the scheduling process of leveling throughout the schedule and throughout the day, which seems to be inherent in the proposed language, cannot be accepted. Leveling within the sections of the same courses is permissible with little loss of scheduling flexibility, if such leveling is accomplished for the same class hour, e. g., Algebra 3 classes meeting 4th hour. At the elementary level, the language proposal, to count each and every mainstreamed student, is just as extreme as it is to permit the potential of mainstreamed students being assigned without any class size consideration whatsoever.

It is recommended by the Panel unanimously, therefore, that the following language be substituted in the new Master Agreement.

Article VII

H. Special Education

1. Elementary

- a) first paragraph-- current language
- b) replace the second paragraph with--

Whenever any special education student is assigned to a general education classroom, that student shall be counted as one student for the purposes of determining class size. Thereafter, any further assignments of students, excluding any students in (a) above, whose total time in that classroom exceeds two (2) hours and 45 minutes shall be counted as one additional student for the purpose of determining class size.

2. current language

3. Secondary

- a) replace the first paragraph with--

In secondary schools, when handicapped students are scheduled into regular education classes in accordance with the IEP, there shall not be a variance of more than one (1) mainstreamed student in the available sections of a course, scheduled at the same hour.

Elementary Planning Time for Art, Music, and Physical Education

Positions of the Parties:

The Association has presented a vigorous proposal that Article VIII(C-3b) be changed to substitute the term, "Guided Social Interaction," for the phrase, "physical education," and that additional language be added to provide 150 minutes per week of released time during the instruction of elementary students in art, music, and physical education by specialists (Ax-102). Essentially, the initial proposal attacks the term, "physical education," being used for what amounts to playground activity and, further, that attempting to use an optional 40 minutes per week as released time requires coordination with another classroom teacher, which often cannot be accomplished, especially during the winter months, when the elementary gyms cannot accommodate the number of students in two classrooms.

While the second proposal concerns the quality of the art, music, and physical education programs, the "key issue" is released time. While the District provides released time for elementary teachers as do other school districts, unlike those districts, the Lansing School District requires its elementary classroom teachers to provide instruction in the areas of art, music, and physical education (Ax-104 & 105). The District has not provided sufficiently for quality instruction in these three areas in prior contracts (Ax-107 & 108), nor has it even met the requirements in the Elementary Curriculum Guide (Ax-106), as evidenced by only 4.6 music instructors, 3.2 instrumental specialists, 2.5 art specialists, and no physical education instructors for 452 elementary classrooms (Ax-109). Finally, the

District has a goal of improvement in the "Arts," as has the community (Ax-110, 111, & 112), but has done nothing to implement such a goal. This proposal would establish the conditions to accomplish the goal; permit the District to utilize current specialized personnel to provide such instruction from certified staff within the District (Ax-103); and provide for effective use of the classroom teacher to perform professional duties in line with their own abilities.

The Board has argued just as vigorously that the Association's proposal is unacceptable, due to its costs, the methods utilized, the current levels of preparation time now permitted to elementary teachers. The elementary teachers' work day is the lowest within the District and contains a total of 175 minutes per week for daily planning time, in addition to optional time of up to 70 minutes per week. When viewing the Association's own exhibits, it is apparent that in several comparably situated districts, both within and outside of the geographical area of the Lansing School District, that the additional 2½ hours each week contained in this new language is not justified (Ax-104 & 105). Also, while the Association argued that the additional time could be used for professional purposes, its own witnesses at the Hearings differed as to the use of the time for personal matters.

The second area in dispute is that even though the Association wants specialists to teach in art, music, and physical education, ostensibly from a list of the District's personnel, certified in these areas and assigned currently to other functions, the District believes that the classroom teacher should be the primary instructor in all areas for elementary children. Teachers' discomfort in these three areas probably could be found within some academic areas as well, but the District is not going to hire math or additional reading specialists, for example, so that the elementary teachers can have additional released time. The Daily Program for each classroom level provides sufficiently for instruction in these three areas (Bx-39) and the District believes that it should remain within the duties of

each classroom teacher. Finally, the costs of the Association's proposal here could lead to as much as \$1.5 million in additional costs, which, even within the Association's total economic proposals, is an unjustified addition.

Opinion and Recommendation:

The Panel recognized clearly the particular intensity of each Party's position on this issue. Quite honestly, this proposal caused more concern for the Panel than with all other proposals, except salary, to which the intensity here was equal. Initially, the Association's proposal to change the term, "physical education," to "Guided Social Interaction," seemed somewhat cynical, but related more to the arguments of a quality physical education program. It was undisputed by the District here that the reference in Section C(3-b) was related more to playground activities than a part of any integrated physical education programs. It was equally apparent that all involved knew the parameters of such activity and such a general reference within a collective bargaining agreement was not detrimental to the Parties and, in fact, distracted some energy from the significant and specific issues at dispute here.

The Panel finally came to a majority decision within the context of the entire situation existing in the many areas within the District affected by this proposal, that the Board's position should prevail for the following reasons. First, even using existing personnel, as suggested by the Association, did not bring a significant rebuttal to the Board's claim of substantially significant sums of money to implement this proposal.

Second, even with concessions on the extensiveness of the proposal, so as to reduce the level of necessary funds, the case for the use of released time to accommodate additional specialized instruction within the classroom was not apparent, especially in the presence of the District's desire to have its regular teachers instruct in these general curricular areas. Even though the District's position,

using specialists to consult with classroom teachers, was subverted by the low numbers of such personnel, including the mystifying absence of any physical education specialists whatsoever in a system built on the need for such specialist support of classroom activities and by its joining in a recommendation to require art, music, and physical education backgrounds in elementary new hires (Ax-112, p. 4), such levels could be remedied without regard to whether or not released time existed. Certainly, the testimony concerning the use of such time for personal matters, would have to be considered within the daily released time, albeit at the start of the school day, when teachers even at the secondary level may have to handle such matters occasionally. Also, while some districts provide released time during such specialized instruction, the limited number of such districts presented by the Association did not provide sufficient evidence for the Panel to declare a comparable standard to require its application in Lansing.

Third, in a related manner, even though the case for community support of quality "Arts" programs was made clearly, the justification for "at least" 150 minutes of released time also was subverted in that this was new language as subsection (d), not as replacement language. In other words, this 150 minutes was to be added to the current planning time already within subsections (a, b & c) of Article XIII (C-3). While the comparables provided by the Association were limited, even those did not approach the total level proposed here. While this Panel is experienced in the principles of negotiations, the total impact of such an extensive position attacked the credibility of the entire issue presented.

Finally, a case was made by the Association, however, for the provision of physical education specialists, which was supported by the Panel for the following reasons. Initially, the Board argued strongly for the specialists' system of support for its classroom teachers and provided them for art and music, but has not provided any for physical education. Second, while the Board argued strongly earlier

that it had made a promise to its citizens not to raise the millage during the 1984-1989 period, it also joined with the community in calling for four (4) physical education specialists during the 1987-88 school year in its May, 1987, ten year plan for Quality Arts Programs (Ax-112, p. 4). Third, since the Panel here has supported the Board's position that it keep its promises, if at all possible; since there apparently are several certified personnel in these three curricular areas currently employed by the District (Ax-103); and since that joint recommendation addressed a current deficiency, which the Panel is using as one of its guidelines within this entire set of Recommendations, the Panel makes a majority recommendation that four such specialists be assigned/hired with the initiation of this Master Agreement.

In summary, it is the majority recommendation of the Panel that: (1) current language within Article VIII(C-3) be maintained and (2) appropriate language be adopted to require the assignment of four (4) certified specialists for elementary physical education with the adoption of this Master Agreement.

Elementary Split Grades

Positions of the Parties:

The Association has proposed to add new language as Section L of Article V, concerning the establishment of conditions for elementary split grade classrooms (Ax-96). The essence of the Association's proposal relates to the "doubling up" of planning time and instructional time and the consequent stress for teachers and students, when each level has to be addressed within the same classroom. Additionally, coordination problems in instructional support activities (class discussions, audio-visual presentations, and time allotment for various subjects) and in coordination with continuing programs and student activities (assemblies, field trips, and participation in ceremonial activities),

all cause additional concern for the teaching conditions under which split grade classrooms are conducted. The existence of overload pay in the place of absolute class size maximums, to which the Board has objected, and even with the reduced class size maximums for split grades, are conditions that cannot compensate in any measure for these conflicting considerations, which have existed for too long. The proposed language creates a blended curriculum, a minimum class size for the minority sized grade, leveling of class sizes, and an ability grouping component to reduce these problems.

The Board has proposed that the additional language would create an administrative hardship on the District in the implementation of such inflexible requirements. Split classes are a direct result of class size language, which have been accepted by the Association since at least 1973. A blended curriculum will not operate effectively for the higher level students and will lead to instructional/curricular redundancy. There are few excess students, such that a problem exists to which the proposal of a minimum number for each grade within one classroom would create a solution. Even if leveling were to occur, a new class or even a new building might be needed to accommodate the Association's proposal without overloads. Finally, the placement of students within a classroom must consider several factors, only one of which would be academic ability. In spite of all of the Association's concerns, the current method of accommodating differing demands with regard to class sizes in split grade classrooms has worked well.

Opinion and Recommendation:

The issue presented by the Parties involves approximately 20 percent of the elementary classrooms (70 of 355 classrooms, grades 1-5, Ax-96). While that level may be contested by each Party as to its relevancy and its need for remedial action, the Panel does recognize the difficult and legitimate concerns of both teachers and administrators. Further, the Panel believes that

remediation of the situation is possible in modifying the Association's proposal. Basically, the intent of the Panel is to provide relief to both Parties in order to facilitate as much leveling and grouping as possible to reduce differences between students legitimately within two grade levels, but without holding to enforcement of a specific number. This Recommendation, then, is especially significant, where some specific relief in the lower maximum class sizes for split grade classrooms has been recognized, and is consistent with the Panel's criterion to reinforce existing language in areas related to a proposed change (Article V(C-5)).

The Panel recommends unanimously that the following language be adopted as new language in Article V of the Master Agreement.

- L. The following special teaching conditions apply to elementary teachers who are assigned combination grade rooms.
 - 1. A blended curriculum may be devised and implemented for split-grade classrooms for all subjects.
 - 2. To the degree possible students assigned to split-grade classrooms will be grouped homogeneously.
 - 3. The administration will give particular attention to leveling the student load within the remaining classrooms of the grades affected.

Economic Adjustments

Percentage Conversion of Extra Compensation RatesPositions of the Parties:

The Association proposed to change the method of calculating compensation for various extra duty assignments by indexing such rates, currently in various parts of the Master Agreement, to the BA Base salary level (Ax-82). By changing the hourly rates and the stipend levels for each of these areas, adjustments could be made automatically. This method represents what the Parties have been doing since 1966 in most of these additional payment areas and is consistent with what is done in other parts of the Master Agreement, such as with the co-curricular areas in Article XVII(F). While some of these levels have been adjusted with each new Master Agreement, some areas have remained unchanged since the flat rates were established in the 1970's. In these areas, such as at the top of the salary schedules, these flat rates have eroded so as to be meaningless. The Association is requesting that in these unchanged areas, additional funds be allocated to bring those lump sum payments to current levels comparable to the percentage levels they held when established.

The Board proposed that no changes be made in the method by which these rates are to be established. The Association has made a great assumption that a percentage of the BA Base salary was the intended relationship when these rates were established. Such a relationship was never established by the Association then, and no evidence was presented at the Hearing to indicate that such a relationship should be established now. The Board has presented, however, in its 13 "Area 2" school district comparable, the facts that the District's rates are second only to Flint in summer school pay, for example, and that of all of the rates used by these districts, several have returned to flat rates and only one district uses a percentage rate (Bx-12 & 15, pp. 28 & 14, respectively). Finally, the Association

provided no cost summary by which to judge the impact of its proposal or the application of same.

Opinion and Recommendation:

The Panel was struck by the inconsistency of events, as each Party presented its respective case on the facts. The Association's position was one primarily of arguments and assumptions about the relationship between the Base salary and extra duty assignments, which the Panel could not endorse. The Panel was confused about the inconsistent rationale for using a flat rate percentage level for only some activities, such as coaching, while using straight flat rates with more traditional classroom activities. Apparently, however, the Board had no problems with the concept of applying percentages to extra assignments, but has the same deficiency in rationale for doing so here, as the Association displayed in its rationale for proposing an index initially.

In applying the Panel's own criteria of reinforcing the practice of the Parties and also being consistent with the language in other sections of the Master Agreement, therefore, its Recommendation was based on a consistency of applying a percentage rate of increase to compensation for all extra assignments, but could not endorse the weakly founded base for establishing an index method or for requiring total equity levels for past rates, when those rates were mutually established by the Parties in the respective Master Agreements over the years. Specific recommendations on overload pay (Article VII(E & G) and maximum steps' payments (Article XVIII(E-17 & 18) will be made hereinbelow, but will not include an index method.

The Panel recommends unanimously, therefore, that the same percentage increase recommended below for all salary schedule adjustments be applied to payments in Article XVIII(E-15, 15, & H).

75 Point Employment PlanPositions of the Parties:

The Association proposed additional language to Article XVIII, which provided for alternatives in establishing a year-round employment pattern (240 days) for teachers who qualify under the plan's criteria (Ax-86). Adjustments would be made in salary and benefits to accommodate this employment pattern, but is proposed to be limited within the funds allocated presently to compensation for the Association's current retirement program. While there could be an effect of such a plan on the retirement income of an individual teacher, there is no connection with the retirement status of that teacher. The plan has been submitted to the Michigan Public School Employees Retirement Board for review and when the plan is approved, the Association wants to be in a position to implement it. The Association is willing to make the proposal contingent on that approval.

The Board raised objections to this proposal as legally and conceptually incompetent. Not only is such a plan suspect in implication and intent, but it has not been approved, nor does it permit, as proposed, the Parties to conclude their negotiation of the new Master Agreement. Of particular significance is this plan's relationship to the encumbered funds for the Early Retirement plan and the effect of this plan on the bargaining unit members currently. There would be 285 teachers within the District eligible for this plan's benefits immediately, but even within the Association's proposal, that costs be limited to current levels, only 15 teachers could be funded within this program as it proposed. With no plan for the selection of the 15 eligible teachers and with so many questions about the plan remaining unresolved, this proposal has no demonstrated basis for adoption.

Opinion and Recommendation:

The Panel was intrigued by the general concept of this alternative plan, but looking at the facts before the Panel, it cannot recommend that it be adopted. The concept is new and the vagueness of new ideas, generally, was evident in the proposal itself. Even with the commendable proposal of cost containment as a restraining factor, much basic work needs to be conducted to anticipate the interface with the current systems of compensation, especially the retirement programs. While the Association argued that this plan is not connected to the retirement system, it, nonetheless, recognizes with its submission to the Retirement Board that the plan needs to have the approval/review of Michigan's retirement system in education. While the concept, eventually, may result in a mutual benefit to both Parties, no such benefit was demonstrated here.

Similarly, while the Association offered to hold the plan in abeyance, pending a legal determination, without a more solid base for the plan itself, this Panel could never recommend exposing the Parties' delicate negotiations process at impasse to the potential effects of such a delay. While that proposal for abeyance may seem on its face to be reasonable, such a recommendation by this Panel may serve only to extend elements of dispute into the term of the new Master Agreement and to do so on a proposal that has an extremely fallible basis in its present stage of development.

It is the majority recommendation of the Panel, therefore, that no language about the 75 point employment plan be adopted.

Additional Payments

Vocational Pay EquityPositions of the Parties:

The Association proposed to replace the last sentence of Article XVIII(E-8) by replacing the current additional three percent of the BA Base salary payment with a 6/5 salary ratio applied to each vocational teacher's salary schedule placement, when they were assigned to teach two (2) three-hour block classes (Ax-79). In addition, when compared to other secondary teachers, these block teachers have a highly disparate number of mainstreamed special education students, poor readers, bilingual students, and adult education students who have widely varying and continuous entry and exit points within the school year, all of which contributes to an extremely high level of individualized instruction and planning. The foundation for this proposal is that these teachers be paid proportionally for the planning time they expend beyond the normal teaching day, unlike their colleagues, whose planning time is allocated during the normal school day.

The Board has argued that the six hour teaching assignment for vocational teachers in the block classes has been established in Article VIII(E-1), as it has been recognized in prior Master Agreements. While the Association does not believe that previously negotiated contracts provide a base, nothing has changed to warrant an additional increase of 17 percent for the contractually recognized school day for these teachers. The application of this increase to individual teachers at varying levels of the salary schedule raises costs considerably. Finally, the various special needs students are a factor in such classes, but is being raised here as a "red herring," because all other teachers have to face such special needs as well and they have 150 students, while these vocational education block teachers have an average of 48 students. A three percent addition to their

salaries is fair recognition when considering all of the factors.

Opinion and Recommendation:

It appears to this Panel that the Association's proposal, while accurately based on the circumstances within the vocational block areas, is not persuasive, such that a 20 percent level increase should be recommended. While the six hour teaching day beyond the normal day for other secondary teachers; while that day has contained coordination and placement duties; and while the student contact time is different for these teachers, it also was undisputed and persuasive that the student load was at one-third the level of other teachers. Considering all of the factors raised and with testimony given at the Hearing, that one or two special education, bilingual, and/or adult education students within that lower level of student enrollments for each block were sufficiently excessive to warrant further recognition through increased compensation levels, again, this Panel has not found justification for the proposed increase.

It is the majority recommendation of the Panel, therefore, that present contract language in Article XVIII(E-8) be maintained.

Overload Pay Calculations

Positions of the Parties:

The Association has proposed that the overload pay calculations in Article VII(E-1, 2 & 3; G-1 & 2) be replaced with an index system as analyzed and described hereinabove in the Section of this Report entitled, "Percentage Conversion of Extra Compensation Rates." The Association did provide, however, for an independent judgement and recommendation to be made by the Panel with regard to an increase in the current levels of that payment, so as to serve as a disincentive for the Board, if abuse of the negotiated class size maximums continues to occur. The Association's position is that all overload situations

be avoided within this District. As long as the District maintains that it needs administrative flexibility to adjust to the changing enrollments, then it should not be rewarded for failing to exercise that flexibility reasonably, which the current overload formula permits. A disincentive factor of 1.5 was built into the rationale of this proposal, but the result still permitted the District to control the total cost of overloading classes, even to reduce it to no costs whatsoever. If there were no costs, then there would be no overloads, which would reduce the negative effects on student learning performance, referenced in the Association's proposal on class overloads (Ax-80).

The Board argued that there was no need for a disincentive in using overloads, because the current pay adjustments already are an increased and significant burden on the District. The current language should be maintained as an equitable way to administer the negotiated class size maximums flexibly, which has been affirmed by arbitrators' awards and/or by the courts (Bx-29, 32, 34 & 33, respectively). With the District's good faith effort being so affirmed, there is no other reasonable way in which to work with class size maximums. With a functional grievance procedure, financial penalties are unnecessary to maintain the District's good faith efforts to administer these maximums fairly, especially since no information from comparable districts was presented and since research indicates a questionable relationship between class size and student achievement (Bx-35, 36 & 37).

Opinion and Recommendation:

This issue and all of the contractual language within the Master Agreement concerning class sizes has an intense history in the District. The Panel understands that some administrative flexibility is needed in this District, but without any limiting factors, the contractual class size language is reduced to advisory guidelines. The Panel also realizes that using a monetary penalty does not address the problem directly, nor does it insure the Association's

goal of no overloaded classes. The Panel cannot accept the Board's rationale that disincentives currently exist, when overloaded payments at current levels cost the District an average of 15 percent of the cost of hiring sufficient full time teachers to accommodate the current overload utilization. Placing the disincentive at the level of hiring a sufficient number of full time teachers without limiting language, however, could result in gross inequities in classes, teacher time commitments, and in unjustified disparate payments.

Since this problem is not being addressed in any mutual way whatsoever, but without sufficient evidence to warrant recommending the impact of the Association's proposal, the Panel has agreed in complying with its own guidelines for the Report, to move this issue in line with current methods used by the Parties, by applying the ratio of class time to overload situations. The Panel noted, however, there was a disparity in the ratio of such time between elementary and secondary levels in overload calculations, for which no rationale was provided. The existence of such a disparity brought the Panel's attention to the historical concept of dual salary schedules between elementary and secondary teachers, which was thought to have been eradicated in education some time ago. The application of an increase in the rate of overload calculations for the elementary level to a 5 to 1 ratio was the standard used to provide equity between one elementary class and five secondary classes within the normal school day within current contractual teaching assignments. The equalized level, therefore, is to be doubled for elementary teachers as a flat rate, rather than by a percentage figure, based on an index of the BA Base, which has been rejected by this Panel hereinabove.

It is the majority recommendation of the Panel, therefore, that the language in Article XII(E-1) be changed to pay elementary teachers \$10 per week per pupil for classes beyond the maximum level determined by application of contractual class size language.

Salary Schedule Adjustments

Professional Growth Program PaymentsPositions of the Parties:

The Association proposed that like some other flat rate payments within the Agreement, the levels established in history have not been adjusted and have lost, therefore, whatever intended improvement they may have had. While these payments are made at points beyond the salary schedule and could be viewed generally as longevity, these PGP steps actually are earned through a planned program of completion and certification by a committee of specific professional activities, rather than being automatic increases as with longevity. The erosion of value of these payments requires that such levels be restored to the Base salary level and this can be accomplished by applying an index factor to the BA Base. The fact that these inequities have existed in the past does not require that they remain unequal forever.

The Board rejected the rationale for the Association's proposal as based on a relationship between PGP payments and the Base salary, which never existed. These payments are made as increments to the salary schedule and the percentage conversion proposed here would result in costs approaching \$1 million in salary increases for this proposal alone. The \$400 level was negotiated and it has remained at that level because the Parties continued to negotiate contracts with the payment at that level. There has been no evidence presented to indicate that the level should change now.

Opinion and Recommendation:

In denying the indexing percentage system applied to the BA Base salary for such payments, the Panel noted that application of an increase was justified in those areas that had been at static levels, since such

payments had been established for several areas. Contrary to the Association's entire position on pay inequities, however, the Panel's own guidelines rejected the concept that past, mutually negotiated levels were to be equalized automatically somehow, but that focus here should be to adjust such situations by current standards. That such improvement should begin to be reestablished is justified, particularly in this portion of the salary package, where such payments will be paid upon determinations of participation in professional growth activities. Similar to the other salary schedule adjustments recommended here, however, the high proportion of teachers at the top levels of their respective salary schedules will have a large impact, which should be considered by the Parties themselves when fixing a level for these PGP payment levels.

It is the majority recommendation of the Panel, therefore, that the flat rate PGP payments in Appendix A be adjusted within the total salary schedule adjustments package and level recommended hereinbelow.

Schedule Maximums

Positions of the Parties:

The arguments presented by the Parties concerning percentage conversion have been presented hereinabove, as have their respective arguments about the need for equalization of such payment for past inequities.

Opinion and Recommendation:

In compliance with the denial of the indexing conversion by the Panel hereinabove, and similar to the thoughts of the Panel on PGP payments immediately above, the Panel believes that an adjustment in the lump sum additions to the salary schedules should be made within the total salary schedule adjustment package. Again, following its own guidelines that past inequities within current circumstances are not to be addressed within these

recommendations, the Panel believes, however, that it is time for the progression of the loss of impact of flat rate payments to cease. The Panel could not ignore the fact that the \$100 and \$400 lump sum payments after two years at the top of the BA and MA schedules respectively (Article XVIII(E-17 & 18) had lost over the intervening years whatever impact they were intended to have for teachers at the time such payments were established. While the Panel agrees with the Board that the Association has not demonstrated that it was intended that equity be maintained throughout the years, it also could not ignore the fact that these payments were to have some level of impact for those teachers who had achieved that level of service with the District.

The standard on pay rates that has been established within this Report is that all such flat rates be adjusted by a percentage factor equal to the recommended salary schedule adjustment. Given the fact, however, that the proportion of this bargaining unit at the top of the salary schedule steps is approaching 80 percent (Ax-56), any adjustment in those payments will have a clear effect on total costs to the District. The Panel, therefore, intends that the Parties consider the increases, resulting from the specific recommendations in this section of the Report, be given priority by the Parties themselves within the total salary adjustment package being recommended herinbelow.

It is the majority recommendation of the Panel, therefore, that the lump sum payments in Article XVIII(E-17 & 18) be adjusted within the total salary schedule adjustment package recommended hereinbelow.

SalaryPositions of the Parties:

The Association has proposed that the salary schedule be adjusted at the BA Base salary level by 12 percent (\$21,449) for the 1987-88 school year with appropriate adjustments throughout the schedules at the index ratio currently in place and that for 1988-89 and 1989-90 that the previous year's BA Base be adjusted by seven percent, plus the previous year's annual percentage rise in the CPU-U, all items, all levels, through the respective salary schedules. The Association has indicated that the current salary costs for the District are \$43.5 million (Ax-55) and that with no increase in the Base rate throughout these schedules, current increments would bring that total to \$43.8 million (Ax-56). In estimating the costs of its proposal for the 1987-88 school year at \$438,494 for each one percent of increase, the total increased costs for salary itself would be \$5.2 million (Ax-56).

The Association argued that when comparing teacher salaries to other professionals (1) the average national salary was \$3,500 lower than the next professional group (health sciences) and approximately \$11,000 less than electrical engineers; (2) the low levels and large gaps extended throughout the respective careers at various levels of college education and the average salary for these various occupational groups placed the \$23,500 teacher salary between secretaries (\$19,534) and attorneys (\$51,400) (Ax-57). A Metropolitan Life Insurance study of former teachers in America (Ax-58) revealed that teachers were leaving the profession in large numbers due to poor salaries and working conditions and that efforts to get these teachers back to the profession would not be successful, so retention of current teachers should be a focus of attention. A further study by the U. S. Department of Education indicated that teachers averaged 50.4 hours per week compared to the national average of nonfarm workers of 38.4 hours per week (Ax-59). Further, a predicted teacher shortage due to increasing enrollments in Michigan

is compounded by the 38 percent fewer teachers being produced currently, compared to 1979-70 (Ax-61). Finally, in addition to the presence of the declining supply and a projected increase in demand of teachers and the escalating cost of living level, recent settlement rates for teachers averaged 6.4 percent nationally, and 6.2 percent in Michigan. Established increases for the 1987-88 school year averaged five percent nationally, 5.8 - 6.0 percent in Michigan and in large school districts, and six to seven percent in the Lansing area (Ax-60 & 64-69).

Lansing is a fairly typical, large, urban school district and the teachers of Lansing believe that their compensation ought to reflect a reasonable level of salary. The Panel, therefore, is requested to consider the comparables, the inflation projections, and enrollment and teacher supply projections in its final recommendation on salary.

The Board counterproposed that the current salary schedules and hourly rates be increased by three percent for the 1987-88 school year. The remaining two years' salary levels should be determined, either by increasing the salary schedule by 75 percent of the percentage increase in gross State aid received by the District over the previous year, or by decreasing the rate for any increase in salary levels for any such reduction in the school aid gross allowance, except that the schedule improvement not be less than two percent, nor more than five percent, for each of these final two years.

The Board indicated that with current State aid projections, even accepting the Association's estimate of 2.43 percent, it is apparent that the levels during the inflation days of the early 1980's are no longer relevant, as evidenced by the 1987-88 budget adopted by the Board (Bx-17). Also, with student population in the District declining, a smaller formula will be applied by the State to a smaller base in calculating State aid. Further, the SEV levels are higher, but the millage increases of 1982 and 1984 were based on a commitment by the Board. Even without

resistance to some millage efforts evident (Bx-4) and with program reductions planned then (Bx-9 & 10), even passages of millages in those years restored only some minimal projects for the District previously (Bx-1).

The Lansing School District has an ability to make a salary schedule adjustment, because the administration of the District, not the Association, with effective management insured that the District would remain in a financially healthy condition. The District's valid projections for a salary increase at the three percent level is much more reasonable than the Association's proposal. When viewing the District's planning, budget, and financial records, it is clear that it is among the comparable school districts in teacher salaries, especially significant when it is realized that class sizes are at the lowest level since 1979-80. The comparisons made by the Association on a national scale and with other professionals are not relevant here. Not only is the Board's proposal for the salary structure comparable, but even the Association's own documents reveal that in the important area of support (percentage of operating expenses), the District is rated highly (Ax-21 & 22). Finally, the Association's arguments about increasing student population and unhappy teachers leaving the profession, simply is not applicable to the Lansing School District with over 70 percent of its teachers at the highest levels of the salary schedule.

Opinion and Recommendation:

The Panel recognized this area of negotiations to be as intense as it noted earlier in considering the Parties' positions on released time for elementary teachers related to art, music, and physical education instruction. Given the traditional stances of opposing parties in negotiations, such intensity is not unexpected, but the unsupported and extreme positions steadfastly maintained by each Party here throughout this entire Fact-finding process, gives evidence not only of the intensity of this issue, but also alerted this Panel to

the various bargaining mechanisms and strategies often encountered in such circumstances.

The examination of the many traditional arguments for each Party here by the Panel revealed no determinative factor to support either Party's extreme position on salary levels. Although the Association's presentation of the situation in the teaching profession generally, enrollment projections, and cost of living factors was an accurate and efficient presentation, its relevance to the Lansing School District's high population of teachers at the higher levels of the salary schedules and declining enrollments, as effectively countered by the Board, as well as the slightly increasing, but still relatively low, recent CPI levels, subverted its general rationale for such large salary adjustments or for Panel support of a COLA as a basis for future salary determinations at this time.

Similarly, while the Board's position, that future salary adjustments should be related directly to the political process at the State level, appears to be rational at a surface level, among other general problems with such an approach, the Board's plan, in effect, seems to be requiring insurance for political inconsistencies at the teachers' expense. This position was subverted by the extremity of its own low level of salary increase, which actually was higher than even the Association's projection of the Senate's recommendation of State revenues applied to education (2.43 percent increase) and by its unexplained proposal to fund the two year (1988-90) salary schedules at a 75 percent level of increases received from State aid. Finally, despite the Board's claim to the contrary regarding its own proposed salary level, nothing at all was presented by either Party that even closely resembled the negative three percent and 12 percent extremes that they maintained with this Panel, even at the time of this Report.

In reviewing documents and testimony relating to the specific levels for salary schedule adjustment, the Panel relied primarily on the Parties' respective presentations of salary levels in comparable school districts. While the trends established in the Association's exhibits did not tend to vary much between the 50 large districts with at least 5400 students and the 18 largest districts, the Panel had determined hereinabove to use the latter documents. While the Board's two studies did vary widely, given the varying characteristics of the 25 districts in Lansing's geographical area, the Panel had determined hereinabove to use the "Area 2" school districts, despite the Association's criticism that not all of these districts were in-formula.

The comparable districts used by the Association revealed that Lansing ranked at about the middle level of the 18 school districts, but the BA minimum level has been rising recently; the MA Increment had been declining recently; and the MA Maximum was at a low level. The Board's study of "Area 2" schools indicated that Lansing ranked among the top two school districts at the various salary levels, especially during more recent times, but ranked sixth and fifth respectively in the BA Maximum and the MA Maximum levels, even though these rankings each had improved from the 1982 level of 11th for each salary schedule.

Since neither Party presented specific salary levels or percentage increases for these comparables for the 1987-88 school year, these historical rankings provide only for general conclusions here, but confident conclusions could be made from additional information as well. Initially, it seems clear that improvement at the maximum levels of the salary schedules is needed to be consistent within the total schedules in relation to Lansing's comparable levels with other relevant school districts, and as evidenced by both Parties' exhibits (Ax-36 & 38; Bx-14). Certainly the Panel's Recommendations immediately hereinabove for special attention to improving the lump sum payments (Article XVIII(E-17 & 18) and the PGP payments

(Appendix A) received support from this finding.

Next, since neither of the Party's comparables accepted by the Panel included percentage increases, the Panel had to search elsewhere in order to build a foundation for its recommendation. Even though the District's introduction of the 25 Lansing area school districts was rejected as too diverse, even that unsupported, wide diversity here of those average percentages ranged from 4.3 percent to 5.9 percent salary increases over the recent years (Bx-15) and could not stretch to the extremes presented by the Parties. Certainly, those levels, classified by the Panel as too extreme for these proceedings and deliberations in their foundational base, when viewed through even the national and State levels presented by the Association, provide tangential evidence to destroy both the incredible three percent and 12 percent levels currently before the Panel.

Finally, and of most significance here, were the wage increases already in place within the Lansing School District itself and the levels produced by the Parties' general presentations on salary increases in comparable situations. While the wage levels for the District were not presented to the Panel in percentage increases, all other District agreements, except for the Supportive Staff (central administrators, Jx-3a), provided enough information for this Panel to convert each of them to a percentage figure. Each of these remaining 10 informal agreements with unorgainzed employees (Jx-3b-3k) and the eight collective bargaining contracts with the organized employees (Jx-3l-3s), were analyzed to determine the District's prior settlements for 1987-88.

While all these were determined prior to the present settlement processes for Lansing's teachers, they are the most recent agreements in place and they extended from 1985-89, inclusive. Without listing each one of the wage and salary levels calculated for the 1987-88 school year, the Panel found that seven groups will receive five percent increases; 11 groups will receive 5.5 percent increases; and

one group will receive an eight percent increase. Again, even within the District's own system, nothing approaches either the three percent level or the 12 percent level that the respective Parties maintain formally as the final level at which impasse on this issue is required.

In conclusion, given all of the evidence that this Panel determined was relevant; considering the specific findings about the deficiencies in the salary schedules at the top levels; but also remembering that these schedules have a large number of teachers at those top levels, the Panel considered the financial impact of its recommendation for salary on the District. Since the only issues at impasse in this area for the Panel were salary, PGP payments, and lump sum payments for those at the top of the respective salary schedules and since all are founded directly on the structure of the salary schedule itself, the Panel decided that a percentage increase ought to be applied to the BA Base and the funds calculated to be needed for such an increase through the schedules would be used to fund these three areas. Since the Board did not object to the Association figure of \$438,494 for each one percent of income in the salary schedules (Ax-56), that figure was used as an approximate estimate for the Panel's purposes here. Since the Association proposal of 12 percent would result in an increase to the District of \$5,261,928; since the Board's three percent proposal would result in an increase to the District of \$1,315,482; since neither level was justified by the Panel's analysis throughout this process; and since these funds were to be used for all three identified adjustments to the salary schedule, the Panel determined that an annual increase for the term of the Master Agreement of six percent for these three total adjustments was appropriate, resulting in an estimated increase to the District of \$2,630,964.

The final intent of the Panel is twofold in this Recommendation. First, while the Panel believes that all three salary schedule adjustments here should be addressed, it did not have sufficient information to judge the impact of each of these

adjustments independently. The Parties, themselves, therefore, should set the priorities for the use of the funds, identified in the manner recommended above, to the degree, if any at all, appropriate for each of these three areas of adjustment.

Second, the Recommendation is for a six percent total increase, but the total funds generated is an estimate here, based on information given at the Hearing. If the Parties discover that this six percent generates a different total figure, it is that figure which is to be used.

It is the majority Recommendation of the Panel that an annual six (6) percent increase be applied to the salary schedules for the term of their Master Agreement, which is to be combined and applied to PGP payments, maximum step payments, and the salary schedules' steps and levels.

CONCLUDING STATEMENT

The conclusions reached in establishing the Opinion and Recommendations contained in this Report were extracted from consideration of all evidence, testimony and argument presented so comprehensively by the representatives of both Parties, even if every reference was not included here. Some of the documents and testimony received were discarded, of course, when the Parties informed the Panel that they had resolved specific issues. The Parties agreed that these were the only remaining issues at impasse and that their final settlement would result finally in a new Master Agreement.

This Fact-finding process has been a much longer process than either the Panel members or the Parties anticipated. This should be a signal to the Board of Education and to the Lansing teachers that their interests were represented well and that the Panel did take sufficient time to consider all relevant factors for all issues, both as they were presented and in subsequent deliberations, before coming to its collective determination.

Further, those who view the outcomes of those deliberations within this process should know that the resulting Recommendations were not considered in isolation of each other, but are a fragile combination of a variety of factors and interests, which the Panel attempted to balance. The length of these Hearings and this deliberative process has placed a great deal of pressure on the Panel, both collectively and individually, personally and professionally, not in any intended manner that could be discerned, but only through the operation of the extensive process itself for these Parties. With the issuance of this Report at this date, which was necessitated by the comprehensiveness of the process itself, however, now transfers that pressure to the Parties, and most significantly, to their respective constituencies.

If the Parties, but as significantly, if their respective constituencies, review this Report and Recommendations only through the eyes of their own vested interests, they will find, in bountiful supply, sufficient rationale for rejecting the hard work of everyone involved in this entire process of dispute resolution, which was initiated with the Parties' first meetings in the Fall of 1986. Any resulting chasm produced by unreasoning advocacy only for parochial interest by either side will create additional pressures, the relief for which will no longer be readily available from neutral parties or processes voluntarily, but will come only after the mental, physical, and financial sacrifices required at the end of the road to impasse. Clearly, the Parties and their respective constituencies can choose to settle this Master Agreement or can choose to walk the long and uncertain road to impasse all the way to the end. While the popular perception is that those who are at active and visible dispute are far apart, in reality, they walk that formidable brick road of impasse by choice and do so hand in hand.

The alternative road is to accept this Report and its Recommendations for what it is in reality--- a balanced, yet imperfect, approach to resolution of differences borne out of vested interests, which must be resolved eventually. In creating this package to accommodate that resolution, it must be remembered that every interest presented was in conflict, requiring that someone's particular needs may not be met within this contract at this time. When viewing one's own self-interest to the extreme, where collective impasse could result, however, cannot be excused by pointing a finger at the other Party or even at this Panel. One certain fact is that impasse results from a mutual inability of parties themselves, for which each must accept responsibility as a contributor to an environment in which settlement of issues cannot result. When such selfishly motivated interests are allowed to predominate, the greater public interest for the educational welfare of Lansing's citizens through their children is placed into jeopardy.

It is with the sincere and unanimous hope of this Panel that its Report and Recommendations will facilitate, not the sacrifice of educational quality and opportunity, but, rather, the basis by which existing, competitive interests now will evolve into the mutual interests of the teachers, the administrators, the Board of Education, and the citizens and students of Lansing.

Dated this 24th day of August, 1987,
at Haslett, Michigan

Certification of the Report and Recommendations

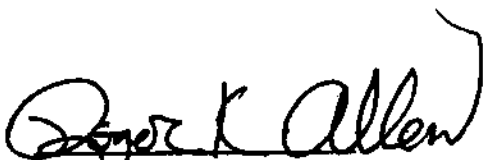
Following the Hearings and subsequent deliberations by the Panel, the Chairman was authorized by, and on behalf of, the entire Panel to produce the attached Report and Recommendations. While the Chairman continued to consult with the remaining Panel members in its writing, this certification is not intended to indicate a total agreement with everything stated therein. The certification does attest, however, to the fact that this Panel was in unanimous concurrence with the final Recommendations made for each issue, except as noted below and by attached dissenting opinions. Where concurrence was not achieved, the Fact Finder and Chairman made the final determination as to the majority Recommendation presented to the Parties.

Dissenting

Salary

Dissenting

Release of ISEA President
Elementary Art, Music, & P.E. Planning
75 Point Employment Plan
Vocation Pay Equity
Overload Calculations
PGP Payments
Schedule Maximums



Roger K. Allen
Employer Appointee



Larry L. Fischer
Union Appointee

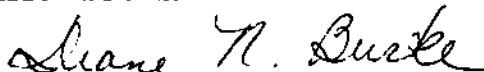


David T. Borland
Fact Finder and Chairman

STATE OF MICHIGAN
COUNTY OF INGHAM

DIANE N. BURKE
Notary Public, Ingham County, MI
My Comm. Expires June 28, 1988

On this 24th day of August, 1987, before me personally came and appeared for notarizing of his signature only David T. Borland to me known and known to me to be the individual described in and who executed the foregoing instrument.



DISSENTING OPINION
IN THE MATTER OF
THE FACT FINDER AND CHAIRPERSON'S SALARY RECOMMENDATION--
LANSING PUBLIC SCHOOLS

The Employer Appointee, while concurring with the Fact Finder and Panel Chairperson in all other recommendations regarding the issues presented to the Fact Finding Panel for resolution, must dissent in the matter of the recommended salary increase in each year of the proposed master contract. In the judgment of the Employer Appointee, the recommended wage increase of six (6) percent in each year of a three-year contract does not properly reflect the uncertain condition of the state economy, nor is it warranted by the current financial condition of the Lansing Public Schools.

Lansing Public Schools, as an "In Formula" school district for purposes of state aid, is significantly impacted by the general condition of the Michigan economy. Unlike past years, fiscal agencies of both the Michigan House of Representatives and the Senate are projecting state revenues with considerable caution. Several reasons are cited for this caution in projecting state revenues. Revenue from the sales tax and the state lottery has declined in recent months. Revenue from the income tax is jeopardized by the uncertain condition of the automotive industry. The current, virtual consensus forecast in this dominant Michigan industry is for more plant closings and job losses that negatively affect income tax revenue and create additional social needs. The State legislature, in recognition of a declining revenue base and looming budget problems, adopted a State School Aid Act for 1987-88 which provides school districts with a less than adequate 3.5 percent increase in basic school state aid.

Commenting on the likelihood of state aid increases now and in the future, Senator Dan L. DeGrow, Vice-Chairman of the Senate Appropriations Committee, in a letter to state superintendents, stated:

"For the future, I would recommend caution. Absent overall reform in school finance, districts should expect, at best, to have similar type increases next year. School districts talking about giving raises of between five (5) and twelve (12) percent at a time of minimal inflation do so at their own risk, and should not look to the state to pay for those increases."

Most recently, superintendents across the state were advised by the Department of Education that Governor Blanchard, while signing the 1987-88 state aid appropriation, vetoed fifteen (15) categorical programs totaling approximately three hundred fifty-three (353) million dollars. This action will directly affect the October 1, 1987 state aid payment for all school districts and seemingly will permanently reduce district revenues for certain categorical programs. A salary recommendation providing for a six (6) percent salary increase in each of the next three years does not comport with this economic reality.

A review of the financial circumstances within the Lansing District, apart from the Michigan economy and available state aid revenues, also fails to support a salary recommendation of six (6) percent. The Lansing community, as evidenced by an operating levy of 36.78 mills and a total levy of 39.5 mills, has demonstrated average and perhaps better than average financial support for its school system. The District, in its last millage election, asked the voters to approve a 27.78 mill renewal, plus an additional two mill increase, for five (5) years for general operating purposes. The District, as part of its millage commitment, advised the taxpayers that if the millage proposal was approved, the District would not return to the voters for at least a five-year period. The voters approved the District's millage request. In the judgment of this writer, the current salary recommendation, absent a sharp reduction in District programs or some unknown additional state or federal revenue source, would require the

District to alter its millage commitment to the taxpayers of the Lansing community. Such a financial strategy, even if successful, is short-term at best, and diminishes the overall credibility of District officials with the electorate. In view of the inadequate revenues available to the District from the state, together with its commitment to the community regarding increased millage, the District is required to look internally for ways to fund employee salary increases. In that regard, the District has earmarked two (2) million dollars from its current fund balance of approximately ten (10) million dollars for operating purposes during the 1987-88 fiscal year. In other words, the District's existing 1987-88 budget, assuming a general wage increase of three (3) percent, is predicated on expenditures exceeding revenues by two (2) million dollars. This shortfall in projected 1987-88 revenue is supplemented from the District's fund balance. The District's projected fund balance in June of 1988, assuming the budget was fully paid out, would approximate seven (7) million dollars. This modest fund balance does not represent the District's cash position, which must be further reduced by such fund balance components as inventory and bus costs. In short, a six (6) percent salary recommendation cannot be funded from the District's existing fund balance.

This leaves the District with the undesirable alternative of funding the six (6) percent salary recommendation by curtailing current program offerings. A review of the fact-finding record reveals that the District has a documented history of program reductions spanning a period of at least five (5) years. The 1987-88 Operating Budget is predicated on program reductions approaching eight hundred ninety thousand dollars (\$890,000) in the 1987-88 year. The difference between the District's salary position,

assuming a three (3) percent wage increase in each year of the contract, and the recommended salary increase of six (6) percent in each of three years, is in excess of seven (7) million dollars over the term of the contract. This cost difference is increased further by the parties' agreement during the current round of collective bargaining to increase employee fringe benefits in year one of the contract at a cost approaching four hundred forty thousand dollars (\$440,000), or an additional one (1) percent. In the judgment of the Employer Appointee to the Panel, this nearly seven million dollar difference in salary positions can only be funded by substantial program reductions beyond those scheduled for the 1987-88 fiscal year, and could seemingly only be accomplished if District-wide class size increases were included as part of such a reduction model. The loss of instructional and other services, together with the disruption inherent in a reduction process of such scope, is clearly not reasonable and is unfair to students, taxpayers, and other District employees.

Finally, it appears to this Panel member that the six (6) percent salary recommendation relies for its justification to an excessive degree on the upper tier of the settlement pattern emerging from among K-12 districts across the state. While there are 1987-88 salary settlements at the six (6) percent level and a limited number of settlements above that percentage, the state settlement pattern, on average, is below the six (6) percent recommendation.

Further, it should be recognized that salary increases conferred on other employee groups within the Lansing District were bargained at a time when the pattern of state aid increases provided to school districts over several years was well above the 3.5 percent state aid increase for 1987-88.

In sum, a six (6) percent wage increase should be viewed as the upper tier of the settlement pattern across the state, should the District's ability to pay not be at issue. In this matter, the record clearly establishes that Lansing Public Schools simply cannot afford a six (6) percent wage increase for its teachers without significant assistance from the state in the form of additional revenue. There is virtually no one in the educational community or among legislators on either side of the aisle who believes additional revenue is likely to be forthcoming, and there are many who forecast a steady decline. Lansing school officials cannot bargain a contract as if they are oblivious to this stark economic reality.

For these reasons, the Employer Appointee respectfully dissents from the Fact Finder and Panel Chairperson's recommendation of a six (6) percent salary increase in each year of a three (3) year contract.

Introduction

In the spring of 1986 I received a request from the Lansing Schools Education Association/MEA/NEA (LSEA) to serve as their appointee to the tripartite factfinding panel. The three-person panel was established as a part of the parties' Progressive Bargaining Model. As I understand it, the concept and design of the Progressive Bargaining Model was presented by the Lansing School District (Board) and, after some discussion, the model was adopted by the LSEA. The parties have followed the construct of the model in their pursuit of a successor to the now expired 1984-87 collective bargaining agreement.

On a brief personal note, I am pleased and proud to have been able to serve with the panel's neutral chairman, Dr. David T. Borland and the Board's appointee Roger K. Allen. Dr. Borland is a man of immense integrity and seemingly boundless patience. The parties were wise in their mutual selection of Dr. Borland as the neutral chairman of the Panel. The Panel's deliberations were extensive and hearings in the dispute were far longer. Exhibits and evidence received by the Panel fill six large notebooks and several file folders. Notes and other writings taken in the course of the Panel's activities fill numerous legal tablets. The advocates, Kirk Curtis for the LSEA and Peter Patterson for the Board, are both highly skilled and both were well prepared. Both acquitted themselves well in forwarding their respective positions.

The dissenting positions which follow are written with complete confidence that they are correct. However, where I dissent from Dr. Borland, I do so with the utmost respect and without any intent to be critical of his obvious and considerable skills as an arbitrator and factfinder. As Chairman of the Panel, Dr. Borland has had a very difficult job. Management of the large number of issues alone has required the memory of banks of computers, the patience of Job and the skill of an entire accounting firm.

Where I have not offered a dissent, I urge the parties to adopt the position of Dr. Borland and the Panel. Where I have dissented, I urge the parties and their respective constituencies to carefully consider and finally adopt the positions offered.

LSEA PROPOSAL NO. 53 - OVERLOAD PAY CALCULATION

Throughout the history of collective bargaining between the LSEA and the Board, the Agreement has contained what is euphemistically referred to as "maximum" class sizes. In truth, these class size numbers are not "maximums" at all. (See Article VII. D. and Appendix C. of Joint Exhibit No. 1). "Maximum" can fairly be defined in general English usage as 'an upper limit' or 'the largest amount permissible.' Here, however, there is no maximum -- no absolute limit. With respect to class size in this district there is no limit as to the number of students that can be placed in any particular classroom. Use of the word "maximum" is nothing more than a facade.

When class size "maximums" are exceeded, (a contradiction in terms), the Board is required to provide overload pay. This overload pay is: \$5.00 per week per overload student in elementary classes and \$2.00 per week per overload student in the secondary schools. However, even these pitiful amounts are not paid during the first 4 weeks of the first semester and the first 2 weeks of the second semester in the elementary schools. In the secondary schools overloads are paid on the average of four count dates per semester.

The amounts per overload -- \$5.00 per week elementary and \$2.00 per week secondary -- were established in 1969 and have not upwardly changed since then. The secondary amount was reduced from \$5.00 per overload to \$2.00 per overload in 1971. (See Association Exhibit No. 99 page 4).

The current situation, and the Board's position on this issue, creates a powerful advantage for the Board and an incentive to

overload. The fundamental math of the situation will bear out this position:

Elementary overload

38 weeks at \$5.00	=	\$190.00
less 6 weeks	=	-30.00
		<u>\$160.00</u>

Assume a 3rd through 6th grade classroom with a "maximum" of 29. Then ask, what is the cost of a full classroom of students -- 29 -- if that number is reached by overloading a number of rooms?

29 overload students X \$160 = \$4,640

Given that the Board can get the value of one full teacher simply by paying \$4,640 -- it is only logical to conclude that same is a powerful incentive. Further, these basic amounts have not changed since 1969.

LSEA has for years attempted to persuade the Board that absolute maximums should be established. The Board has vigorously resisted this effort. This has led to numerous acrimonious disputes over the years, including a large number of arbitration cases. In this bargaining the LSEA determined that it would avoid recreating the same dispute over absolute class size limits -- the lesson being that the Board would refuse to deal with solid class size limits.

Instead of absolutely prohibiting overloads, the LSEA proposed a disincentive to overload. In this way the Board would be able to retain what it claims is necessary "flexibility" in terms of overloading beyond class size "maximums," and yet there would no longer be an economic reason for exercising this flexibility.

The LSEA proposal is as follows:

Revise Article VII. E. 1 as follows:

TEACHERS SHALL BE PAID AN AMOUNT EQUAL (TO $1.5 \times .00035$) X BA
BASE PER DAY FOR EACH STUDENT OVER THE MAXIMUM FOR ELEMENTARY
CLASSES SET FORTH ABOVE. KINDERGARTEN CLASSES SHALL BE
CONSIDERED AS SEPARATE UNITS.

Revise Article VII. E. 2 as follows:

OVERLOADS SHALL BE DETERMINED BY ACTUAL COUNTS ON THE STATE'S
"FOURTH FRIDAY" AND EACH FRIDAY THEREAFTER OF THE FIRST
SEMESTER. OVERLOADS SHALL BE PAID FOR EACH DAY OF THE SCHOOL
YEAR AS MEASURED ON THE COUNT DATES. OVERLOADS SHALL BE PAID
AT THE END OF EACH SEMESTER. THE FOURTH FRIDAY COUNT SHALL
BE USED TO CALCULATE THE OVERLOAD FOR ALL DAYS UP TO THAT
POINT.

Revise Article VII. E. 3 as follows:

IN ORDER THAT PAYMENTS CAN BE MADE ON THE 21ST PAYCHECK, THE
16TH FRIDAY OF THE SECOND SEMESTER SHALL SERVE AS THE ACTUAL
COUNT FOR ALL REMAINING FRIDAYS IN THE SECOND SEMESTER.

Revise Article VII. G. 1 as follows:

TEACHERS SHALL BE PAID AN AMOUNT EQUAL (TO $1.5 \times .00007$) X BA
BASE PER DAY FOR EACH PUPIL OVER THE MAXIMUMS FOR SECONDARY
CLASSES AS SET FORTH IN APPENDIX C. FRACTIONAL OVERLOADS
SHALL BE PAID ON THE FIRST 3/4TH AND EVERY 1/4TH THEREAFTER.

Revise Article VII. G.2 as follows:

OVERLOADS SHALL BE DETERMINED AND PAID EACH SEMESTER BY USING
THE STATE'S "FOURTH FRIDAY" AND EACH FRIDAY THEREAFTER. IN
ORDER THAT PAYMENTS CAN BE MADE ON THE 21ST PAYCHECK, THE
16TH FRIDAY OF THE SECOND SEMESTER SHALL SERVE AS THE ACTUAL
COUNT FOR ALL REMAINING FRIDAYS IN THE SECOND SEMESTER.

The chairman recommends that the current Agreement be continued
except that the overload amounts be changed from the current
weekly \$5.00 elementary and \$2.00 secondary to:

- \$10.00 elementary
- 2.00 secondary

On a theoretical level, the change from \$5.00 elementary and \$2.00 secondary to \$10.00 and \$2.00 respectively in 1987-88 is logical. Elementary teachers have the overload 5 times as long as does a secondary teacher. Thus, the 5 to 1 ratio, (10 to 2), establishes an exact relationship. However, this analysis merely begs the question and ignores the fact that, if overloading is going to occur at all, the above amounts are not adequate in any relationship.

There should be no mistake about the situation here. The LSEA does not want overload pay. The LSEA wants solid class size limitations. On the other hand, the Board refuses to yield on the right to overload classes. Given this fact set, it does not seem reasonable that the cost per student of overload should be less than the cost per student of a non-overloaded classroom. After all the Board has agreed to what is called class size "maximums" and added work loads or overtime come at a higher rate in other lines of work.

Perhaps an equitable solution to this problem, based on the Board's insistence of maintaining the \$5.00 per week and \$2.00 per week amounts, would be to allow teachers to "purchase" a lower than "maximum" class size by having their salary reduced by the same \$5.00 or \$2.00 amount. Under this theory, which is exactly what the Board insists upon, an experienced elementary teacher making, for example, \$30,000 could have their salary reduced by \$4,640 and thereby have a class size of zero. A secondary teacher, under the same example, teaching 150 students per day, could have their salary reduced \$9,600 and obtain a class size of zero.

While obviously not fair or workable, the above example is as fair and as workable as what the Board insists happen when it assigns more students than should be according to the agreed upon class size maximums.

What then should happen in such instances? And what should be incorporated in the collective bargaining agreement? The Board says overload students should cost less than students up to the maximum. The LSEA calls for a disincentive above the maximum allowing the Board to maintain the right to overload. An obvious solution is simple parity.

Under a parity approach to this problem, student overloads would be at the same per student cost as yielded by the agreed upon class size maximums.

This writer would recommend the following:

Article VII. E. 1. Elementary Overloads

Elementary teachers shall be paid an amount equal to one (1) divided by the class size for the grade taught, times the number of students assigned in excess of the stated class size, times the teacher's salary rate per week. (Example: 3rd grade teacher $\frac{1}{29} \times$ _____ (overload) \times \$ _____ (teacher's weekly salary)).

Article VII. G. 2. Secondary Overloads

Secondary teachers shall be paid an amount equal to one (1) divided by the class size maximum for the course taught, divided by five (5), times the number of students assigned in excess of the stated class size, times the teacher's salary rate per week. Example: (class size maximum 29) $\frac{1}{29} \div 5$ classes per day \times _____ (overload) \times \$ _____ (teacher's weekly salary).

The above recommendation will not provide, as proposed by the LSEA, a disincentive as it relates to overloads, nor does this recommendation impair the Board's right to overload classes. On the other hand, the current incentive to overload would be

removed and replaced with simple parity. Again, this is not what the LSEA wants. The recommendation does, however, create parity removing advantage without imposing disadvantage. Further, and at the bottom line, the situations that lead to overloads are wholly within the control of the Board's administrative staff. Properly controlled, this recommendation will have no financial impact whatsoever.

LSEA PROPOSAL NO. 58 - PROVISION OF ELEMENTARY PLANNING TIME
DURING ART, MUSIC AND PHYSICAL EDUCATION

The LSEA's proposal in this area is composed of two parts.
First, the LSEA proposes that:

Delete "physical education" from Article VIII. C. 3. b. and
replace with the words "GUIDED SOCIAL INTERACTION".

Further the LSEA proposes that the following be added to Article
VIII. C. 3. d:

Each elementary teacher shall be entitled to not less than
150 minutes per week released time during which his/her
students are instructed in art, music, and/or physical
education.

The 1984-87 Collective Bargaining Agreement provides for
elementary planning time as follows:

3. Planning Time

- a. 35 minutes at the beginning of the day.
- b. Up to 40 minutes per week to be provided while the
teacher's students are being supervised by another
classroom teacher during physical education.
- c. At the teacher's option, an additional 30 minutes
per week to be provided while the teacher's students
are participating in scheduled library time.

In instances where scheduled library is cancelled
due to building schedule changes, acts of God, or
absence of a librarian that cannot be covered by a
substitute, planning time may not be rescheduled.

Total teacher pupil contact time in the elementary grades is
equal to 5 hours and 30 minutes per day. The total minimum duty
time is 6 hours and 35 minutes. The word "minimum" is important
because there is always necessary additional work outside the
school day including, but not limited to, inservice, staff
meetings, parent conferences, planning and preparation.

By contrast junior high and senior high hours are considerably different. The total minimum duty time is 6 hours and 37 minutes in the junior high schools and 6 hours and 55 minutes in the senior high schools. In the junior and senior high schools teacher pupil contact time is equal to five periods of fifty or fifty-five minutes duration. Teacher-pupil contact time in the junior and senior highs equals five hours per day while pupil-teacher contact time in the elementary schools equals five hours and thirty minutes per day. Over the course of a week this amounts to two and one-half hours additional time per elementary teacher and over the course of a year amounts to ninety additional hours of pupil-teacher contact time.

At the outset, it must be noted that, in the junior and senior high schools, teachers provide five hours of instruction per day. Pupils receive six hours of instruction per day. The remaining hour per day is set aside, at some point during the teacher's schedule, for a one hour planning/preparation period. This totals five hours per week in the junior and senior high schools. By contrast elementary teachers may be provided thirty minutes per week while their students participate in scheduled library time...if such time is available. Further, elementary teachers are provided "up to forty minutes per week...while the teacher's students are being supervised by another classroom teacher during "physical education." The use of the phraseology "physical education" is nothing more than a thinly disguised attempt to typify a portion of the elementary school program as something it is not. "Physical education" is nothing more than recess. Interestingly, all other school districts within this writer's

knowledge refer to that time as exactly what it is: recess. Thus, it is easy to understand the point of the LSEA when it proposes changing the words "physical education" to "guided social interaction". Bluntly put, it strains credulity to the maximum for the Board to call recess "physical education" in an attempt to create the appearance that there is a physical education program in the elementary grades.

Additional "planning" time is "provided" by designating thirty-five minutes of time before the start of the school day as planning. By contrast, planning time for junior and senior high school teachers is wholly contained within the regular school day. When contrasted with the planning/preparation time provided junior and senior high schools the thirty-five minutes prior to the start of the school day provided elementary schools is laughable. A huge amount of planning time could be provided on that basis simply by requiring teachers to report earlier and earlier.

In short, planning/preparation time for elementary schools is not on a par with junior and senior high schools. Likewise, provision of educational experiences in art, music and physical education for elementary school students is not at parity with junior and senior high students. It must be recognized that art, music and physical education are a full part of the secondary curriculum and, therefore, students may select such subjects throughout the scope of the six instructional period day provided at the junior and senior high school level.

Currently, the Board does supply a small number of elementary consultants in art and music and one physical education consultant whose duties include many items other than physical education consulting. These persons are not available for teaching responsibilities per se and their services are spread very thin over the entire scope of all elementary school classrooms. Under the LSEA's proposal the consultants and other staff would be directly assigned to provide instruction in art, music and physical education. The distinction between providing consultation and providing instruction is important in terms of understanding the LSEA's position and their proposal. Consultant service is, and has been, a method whereby the Board has been able to give passing deference to the need for instruction in the areas of art, music and physical education in the elementary schools. Under the LSEA's proposal these specialists would be providing direct instruction to students in the areas of art, music and physical education while the regular classroom teacher is released for planning and preparation purposes. Presumably, elementary school teachers would use a portion of this time to take care of necessary personal needs as well as certain hygienic and bodily functions. To be sure the above words are chosen for some effect. However, it must be noted that elementary school teachers are not provided even so much as a brief break in order to care for such needs.

Evidence presented during hearings clearly illustrates that the need and desire for the provision of art, music and physical education in the elementary schools is widespread and well recognized. Parents and parent groups have brought this need to

the attention of the Board of Education. One elementary school has a parent group who, from its own money, provides a specialist for their elementary school. In recognizing this need, the Board of Education has also adopted a long range plan that talks about the implementation of an art, music and physical education program in the elementary schools, but does so over an unreasonably long period of time. Specifically the Board takes a "ten year" approach to the provision of such educational experiences. At root, the Board's plan is based on the eventual offering of a millage vote to the residents of the Lansing Public Schools. In the view of this writer, the plan is nothing more than a series of administrative conveniences and political compromises designed to delay the very real need to face this problem and solve it.

The Chairman is recommending the provision of four additional consultants. This recommendation is taken from the Board's "ten year" plan which calls for the addition of such consultants in 1987-88. By virtue of this recommendation, no additional planning/preparation time would be provided in the elementary schools and, more importantly, no additional direct instruction by art, music and physical education specialists would be provided. This recommendation then would span throughout the context of what is assumed to be a three year successor collective bargaining agreement. In the view of this writer, the Chairman's recommendation and the Board's position in this matter simply avoids what this writer believes is the Board's duty to provide art, music and physical education in the elementary

schools.

Given all the foregoing, I make several recommendations in order to reasonably and rationally approach the identified need while at the same time taking into consideration the Board's concern over the financial impact on the district.

1. I recommend that the provisions of Article VIII. C. 3.b. be changed to reflect the Association's proposal. Specifically, the words "physical education" would be replaced with the words "guided social interaction" so that the language would read as follows:

Up to 40 minutes per week to be provided while the teacher's students are being supervised by another classroom teacher during guided social interaction.

Failing that change, I would recommend that the word "recess" be inserted in place of either "physical education" or "guided social interaction". The effect of this change would simply be to put an end to the charade which the Board desires to continue. Put in more accurate and understandable language, the provisions of Article VIII. C. 3. b. say nothing more than the fact that elementary school teachers share the responsibility of supervising students while they are at recess. While this supervisory function is provided by non-teaching personnel in most school districts, the LSEA is not proposing any change in that function. While this writer is aware that some buildings and staffs do try to create a legitimate and organized physical education experience, it is my view that the linguistic mendacity should end and that the Board no longer be afforded the opportunity to present its program as offering physical education in the elementary schools. In fact, "physical education" in the

elementary schools is little more than the recess that we all remember from our elementary school days.

2. In Article VIII. C. 3. d. the LSEA proposes that the following language be added:

Each elementary teacher shall be entitled to not less than 150 minutes per week released time during which his/her students are instructed in art, music, and/or physical education.

It must be recognized that this "released" time is, in actuality, planning/preparation time such as that provided at the rate of one hour per day in the junior and senior high schools.

Given the financial and planning considerations that are present at this late date, I cannot recommend the full adoption of the LSEA position at this time. This has nothing to do with the merit of the LSEA position or the fact that what they propose is desired by the public and supposedly the Board.

However, I do recommend that, instead of the 150 minutes per week proposed by the LSEA, 50 minutes per week released time during which elementary students are instructed in art, music and/or physical education be implemented in the 1987-88 school year. This is approximately one-third of the LSEA's proposal and is equal, on a weekly basis, to the amount of planning/preparation time provided daily in the junior and senior high schools. This amount of time would be the minimum provided throughout the course of a new three year collective bargaining agreement.

This writer is convinced that the above can be provided with very little, if any, additional cost to the Board. There is ample evidence that the reassignment of existing personnel together

with some minor realignment of the Board's priorities will provide the recommended time with virtually no additional cost. In order to further facilitate the implementation of this recommendation, I recommend that the parties adopt the proviso that the 50 minutes of instruction in art, music and/or physical education may be averaged on a classroom basis, over a two week period.

3. Lastly, I recommend that a millage be set which, if successful, would provide the necessary financial support to provide a full, (150 minutes per week), art, music and/or physical education program in the elementary grades of the Lansing School District during the second and third year of this agreement. In this regard, I recommend that the LSEA pledge its full cooperation and support in the planning, preparation and pursuit of a positive vote on this millage. I am confident that the considerable resources of the LSEA can be brought to bear, in cooperation with the Board and various parent groups, in order to take this positive story to the public and, in doing so, obtain a positive voter approval. Cooperation and determination in this regard will, I believe, bring a positive result which will provide needed instruction from specialists in art, music and/or physical education and will, at the same time, bring a modicum of parity to the planning/preparation time accorded teachers in the district.

LSEA PROPOSAL NO. 64 - RELEASE OF LSEA PRESIDENT

Article XV. J.

LSEA proposal #64 would revise Article XV. J., p. 42, of the 1984-87 Collective Bargaining Agreement. The current language reads as follows:

- J. Upon request, the president of the LSEA shall be released half-time. The LSEA agrees to reimburse the Board an amount equal to one-fifth (1/5) of the president's salary. If the president who is released half-time is an elementary teacher, mutually acceptable pro rata assignment shall be negotiated by the Board and the Association. Upon return to active status an affected teacher shall be placed at the same assignment held at the time the leave began; shall be placed in the same position on the salary schedule as she/he would have been had she/he taught in the district during such period; and shall be granted sick leave accumulation and seniority as if she/he had taught during the period of release.

The LSEA proposes the following as modification to Article XV. J.:

- J. Upon request, the president of LSEA shall be released full time. The LSEA agrees to reimburse the Board an amount equal to one-fifth (1/5) of the president's salary. Upon return to active status an affected teacher shall be placed at the same assignment held at the time the leave began; shall be placed in the same position on the salary schedule as she/he would have been had she/he taught in the district during such period; and shall be granted sick leave accumulation and seniority as if she/he had taught during the period of release.

The long and short of the LSEA proposal is that it takes the position that the LSEA President should be released from teaching duties full time, as opposed to the current one-half time. In addition the LSEA proposes that the amount it reimburses the Board remain the same as in the expiring 1984-87 Collective Bargaining Agreement.

The LSEA presented the written statements and testimony of LSEA President, Pat Rose as well as LSEA Past President, Rod Peterson. Both Ms. Rose and Mr. Peterson pointed out the taxing demands and

constant time pressures placed on the LSEA President. Both Ms. Rose and Mr. Peterson pointed out the fact that the time demands go beyond basic service to LSEA members. Both cited the fact that the president of a large urban education association, such as the LSEA, spends an inordinate amount of time serving the Lansing School District and responding to its needs. The LSEA President is frequently called upon to respond to educational interests and to serve on a wide variety of district committees. Ms. Rose said that she often assisted in settling problems in the early stages before they become grievances. She also pointed to the fact that she has been requested to attend meetings on behalf of the district and has agreed to accept speaking engagements representing both the district and the LSEA.

The employer presented no exhibits or testimony on this issue. In expressing its position, the employer simply asserted the fact that the proposal had cost implications. The employer also asserted on more than one occasion, that the Association presented no comparables and, that that fact was somehow determinative of the issue.

While this writer believes that there is ample evidence on the record to support a recommendation adopting the Association's position, there are other issues which, in the balance of equities, require more immediate attention. Accordingly, the Association's representative to the factfinding panel recommends that an additional pool of 25 half-days be set aside for the exclusive use of the LSEA President. This pool of 25 half-days could be used to supplement the existing released time already provided the LSEA President. Such days would be available for

usage at the discretion of the LSEA President provided that the LSEA reimburse the school district for the cost of a substitute teacher for the half-day should one be used.

LSEA PROPOSAL NO. 69 - VOCATIONAL PAY EQUITY
ARTICLE XVIII. E. 8.

LSEA proposes that Article XVIII. E. 8. be revised by inserting the following language as a replacement for the last sentence of the current collective bargaining agreement XVIII. E. 8:

Vocational block teachers who teach two (2) three hour blocks shall be paid at the rate of 6/5ths of the salary which they would normally be paid consistent with Appendix A.

The 1984-87 Collective Bargaining Agreement provided that vocational block teachers who teach two three hour blocks "shall receive an additional 3% of the BA base salary."

The LSEA presented its Exhibit #79 along with a written statement on the issue. The LSEA also presented the testimony of bargaining team member and vocational block teacher, Mike Foster, along with that of vocational block teacher, Joann Mahoney. Both Mr. Foster and Ms. Mahoney testified as to the duties of vocational block teachers in the context of two, three hour teaching blocks. Additionally both testified as to the high number of handicapped students and the even higher number of special needs students that are enrolled in, or assigned to, vocational block classes. Further, both testified as to the high number of bilingual students, adult education students and students that are re-enrolled in vocational classes after being expelled from the regular academic school program.

Importantly, it was explained that other secondary school teachers are assigned five teaching periods during a six period school day. The sixth hour is reserved for each teacher's unassigned conference/preparation period. Unrebutted testimony showed that, on those occasions when secondary school teachers

are assigned a sixth class, they are paid 6/5ths of their regular salary as set forth in Appendix A., the salary schedule of the collective bargaining agreement. Unrebutted testimony was also taken that in the bargaining that led to the 1984-87 agreement, the parties were, after some considerable disagreement, able to conclude the issue by providing a token 3% of the BA base to vocational block teachers as some small payment for the additional teaching period. While the employer did not challenge this testimony, they asserted that the noted provision, in the 1984-87 Collective Bargaining Agreement, represented the fact that the LSEA had established the absolute value for the additional teaching period and that, therefore, that percentage amount should remain unchanged. The employer offered no proofs either by way of documentary exhibits or testimony. Instead, the employer relied solely on its argument.

In the view of this writer the issue of paying the vocational block teachers on parity with other secondary teachers who might, from time to time, teach six periods, is nothing more than fundamental fairness and a matter of basic pay equity. There is little else to be said. On the issue of pay equity alone, this writer simply does not believe that the position of the employer can be defended or sustained. On the other hand, according to the provisions of Article XVIII. E. 8, the vocational block teachers may also be receiving an additional 9% of the BA base in recompense for the fact that the State of Michigan requires certain specific work experience in order to gain vocational certification.

Accordingly, as the Association's appointee to the factfinding panel, this writer suggests that the issue be resolved on the basis of an obvious compromise. First, vocational block teachers who teach two, three hour blocks should be paid at the rate of 6/5ths of the salary which they would normally be paid consistent with Appendix A., the salary schedule of the collective bargaining agreement. However, in such cases, vocational block teachers would be ineligible for the payment of the stipend of 9% of the BA base. In short, vocational block teachers who teach two, three hour blocks would be paid at the rate of 6/5ths of their regular salary as set forth in Appendix A. They would receive no other "add on's." However, the 9% stipend would remain in the collective bargaining agreement for all other vocational education teachers and co-op coordinators who are required by state regulation to have necessary work experience and are holders of special, provisional or permanent vocational authorizations. Reference to the existing 3% stipend for vocational block teachers teaching two, three hour blocks would be removed from the collective bargaining agreement.

LSEA PROPOSAL NO. 74 - "75 POINT EMPLOYMENT PLAN"

During the current bargaining, the LSEA initially made the following proposal regarding what has come to be called the "75 Point Employment Plan":

Add the following as Article XVIII.L:

TEACHERS HAVING ACHIEVED A TOTAL OF 75 POINTS MAY, ONCE DURING THEIR EMPLOYMENT WITH THE LANSING SCHOOL DISTRICT, AND FOR A PERIOD NOT TO EXCEED THREE (3) CONTINUOUS YEARS, SELECT THE OPTION OF YEAR-ROUND EMPLOYMENT WITH THE DISTRICT. COMPENSATION FOR SUCH EMPLOYMENT SHALL BE CALCULATED BY DIVIDING THE TEACHER'S REGULAR ANNUAL SALARY BY 185 AND MULTIPLYING THE RESULT BY 240. TEACHERS SELECTING YEAR ROUND EMPLOYMENT SHALL HAVE A WORK YEAR AS FOLLOWS:

185 DAYS - SAME AS APPENDIX B

10 PAID HOLIDAYS AS FOLLOWS: THANKSGIVING DAY AND THE DAY AFTER, LABOR DAY, MEMORIAL DAY, INDEPENDENCE DAY, CHRISTMAS IF ON WEEK DAY, IF NOT THE FIRST WEEK DAY AFTER, NEW YEAR'S DAY IF A WEEK DAY, IF NOT THE FIRST WEEK DAY AFTER, THE LAST WEEK DAY BEFORE CHRISTMAS, THE LAST WEEK DAY BEFORE NEW YEAR'S, AND GOOD FRIDAY.

PAID VACATION EQUAL TO ONE (1) DAY FOR EACH YEAR OF SERVICE IN THE LANSING SCHOOL DISTRICT. SUCH VACATION SHALL BE CALCULATED AND FIXED BY COUNTING BACKWARD FROM THE DAY OF THE OPENING OF SCHOOL FOR THE FOLLOWING SCHOOL YEAR, USING WORK (WEEK) DAYS ONLY.

ADDITIONAL DAYS OF WORK EQUAL TO THE TOTAL OF THE THREE (3) FOREGOING SUBTRACTED FROM 240. SUCH DAYS SHALL BE WORKED IMMEDIATELY FOLLOWING THE LAST DAYS OF SCHEDULED WORK FOR TEACHERS AS SET FORTH IN APPENDIX B UNLESS ALTERNATE ARRANGEMENTS FOR A WORK SCHEDULE ARE MADE WITH THE MANAGEMENT.

POINTS ARE ACHIEVED BY TOTALING THE NUMBER OF CREDITABLE YEARS UNDER THE MICHIGAN SCHOOL EMPLOYEES RETIREMENT SYSTEM WITH THE AGE OF THE TEACHER.

Given that the 75 Point Employment Plan presents some radical departures from any concepts embodied in the expiring collective bargaining agreement and, given that it presents concepts not formally addressed by the Michigan Public School Employees' Retirement System, the LSEA did not press for direct adoption of

its proposal. As a part of LSEA Exhibit No. 86, the LSEA presented a copy of a Petition For Declaratory Ruling it filed with the Michigan Public School Employees' Retirement System Board, requesting that body to rule on its view of the proposal. Because the requested ruling and potentially other legal reviews were pending, LSEA offered the following:

"LSEA proposes that, if and when the Retirement Board, or another appropriate legal body, approves of the concepts, the parties would then commit themselves to negotiate an amendment to the Agreement. The amendment would be limited, however, in that the implementation of the program could not cost the Board more than would be the case under the present agreement. At a minimum, funds from the Early Retirement Incentive program and/or Article XVIII. D. may be committed in whole or in part to the funding of the proposal."

* * *

LSEA recognizes that this plan is innovative and possibly "breaks new ground." Thus, in order to insure that any such program which the parties might undertake to negotiate might have a reasonable chance of being upheld and so that the parties could know before the implementation what the Michigan School Employees' Retirement Board would rule on the matter, LSEA has arranged to have the plan (and an alternative) submitted to that Board.

LSEA has stated across the bargaining table to the Board Team that it is willing to modify this proposal to include only a simple statement that, if the proposal is found legal by an agency or court of competent jurisdiction, the parties agree in principle to include such a plan as an addendum to the Master Agreement. ("Legal" in this instance is defined to be a finding that the compensation received under this program is "compensation" within the meaning of the retirement act and would be so included for calculation purposes by the Retirement Board.)

Additionally, LSEA would agree to insert in the language, assurances to the effect that the total cost of any such program would be borne entirely by other monies already dedicated to compensation for the LSEA bargaining unit and bargaining unit members, especially under the Early Retirement Incentive program and under the terms of Article XVIII. D. 1. of the agreement, but not necessarily limited to funds secured from only those sources.

The instant situation provides one of those rare opportunities when, in collective bargaining, the parties can agree to a proposal that requires neither cost nor concession, neither loss of rights nor gain of advantage. The long and short is that the LSEA simply proposes that the parties reallocate already committed resources. There would be no added cost to the Board.

The question, then, is 'why not agree?' The Board asserts that persons close to retirement might "gain an advantage." That advantage, if any, would be a higher final average compensation and thus, a better retirement allowance. However, this so-called advantage, if any, would be without cost to the Board. Additionally, the Board argues that they do not want to be bothered by dealing with the issue in interim negotiations should the 75 Point Plan be found legal.

From this writer's point of view, and from any logical perspective, the Board's arguments are not persuasive. Likewise the Board's position is not rooted in any fact on the record. Because the LSEA's position with respect to the 75 Point Plan is reasonable and because its proposal does not present the prospect of any additional cost to the Board of Education and likewise, does not demand any diminution of the Board's rights, this writer would recommend the following:

"The parties mutually acknowledge that, during the course of bargaining for a successor to the 1984-87 collective bargaining agreement, the LSEA made a proposal regarding what has come to be called the "75 Point Employment Plan", (also known as LSEA Proposal No. 74). The LSEA has also requested a declaratory ruling from the Michigan Public School Employees' Retirement System Board regarding the legality of such plan and has pledged that it will seek, beyond that, a ruling in a court of competent jurisdiction, if necessary, as

to whether or not such plan is legal, (LSEA factfinding Exhibit No. 86).

The parties agree that, if the 75 Point Employment Plan is found to be legal, in whole or in part, both will promptly meet and bargain in good faith over the issue of the 75 Point Employment Plan concept as introduced by the LSEA.

Further, in order to protect the interests of the Lansing School District, the parties agree that the cost of any 75 Point Employment Plan shall be borne entirely by other monies already dedicated to compensation for the LSEA bargaining unit and bargaining unit members, especially those monies dedicated under the Early Retirement Incentive program and under the terms of Article XVIII. D. 1. of the agreement, but not necessarily limited to funds secured from only those sources."

SALARY SCHEDULE ADJUSTMENTS

Salary Schedule - Appendix A - LSEA Proposal No. 77
Professional Growth Program (PGP) Adjustments - LSEA Proposal
No. 78
Longevity Article XVIII. E. 17 & 18 LSEA Proposal No. 65

Under the broad area of Salary Schedule Adjustments three separate categories of payments must be considered:

- 1) adjustments to the salary schedule contained in Appendix A. of the collective bargaining agreement;
- 2) adjustments to the Professional Growth Program composed of professional growth steps which may be earned at the 17th step of the BA and BA+ schedules and at steps 16, 19 and 22 of the MA, MA+, and PhD; and
- 3) longevity amounts contained in Article XVIII. E. 17 and 18.

Chairman Borland recommends that an amount equal to that which would be required for a 6% increase in Appendix A. be applied to the salary schedule, Professional Growth Program amounts and longevity in a fashion determined by the parties. This writer does not disagree with the Chairman in that the application of 6% to the salary schedule in each of 3 years is a sound recommendation. However, the Professional Growth Program amounts and the longevity amounts both require attention.

The Professional Growth Program requires that bargaining unit members complete certain professional development requirements. Initially bargaining unit members must meet these requirements before they can progress from step 4 of the salary schedule to step 5 of the salary schedule and again before they can progress from step 8 of the schedule to step 9. There are no additional

payments associated with these professional requirements. Later, at the 17th step of the BA and BA+ schedules and at step 16, 19 and 22 of the MA and MA+ schedules, bargaining unit members will receive additional \$400 payments provided that certain additional professional development requirements are met at each level.

The Professional Growth Program was established in 1969. At that time the parties established the \$400 amount associated with each of the advanced steps of the salary schedule. That amount has not received any adjustment in the ensuing 18 years.

The LSEA proposes that:

Double lines indicate where professional growth steps occur. Additional professional growth steps of .054 X BA step 1 each may be earned at the 17th step of the BA and BA+ schedules and at step 16, 19, and 22 of the MA, MA+, and PhD.

The factor -- .054 X BA step 1 -- recreates the ratio of PGP payment to BA base that was originally established in 1969.

Given the large number of years that has passed without attention to the amounts associated with the district's professional growth requirements, this writer cannot recommend that the appropriate ratio be reestablished in one stroke. By the same token, and again, given the large number of years that have passed, it is time that these amounts receive attention. Accordingly, as the Association's appointee to the factfinding panel, I recommend a phase-in, over the course of a three year agreement, that will reestablish the relationship between the PGP amounts and the BA base of the salary schedule as originally set in 1969.

Accordingly, I recommend the following scheduled phase-in:

1987-88 60% X .054 X BA step 1

1988-89 80% X .054 X BA step 1

1989-90 .054 X BA step 1

This does nothing more than reestablish the relationship between the PGP payments and the base of the salary schedule as it existed in 1969. It makes no sense, as the Board argues, that the \$400 amount, once established, should never change. The expense and value of meeting the Board's professional growth requirements has increased by a considerable amount over the intervening 18 years since its establishment. The above recommendation takes that fact into account without suggesting that the Board correct this obvious problem all within the first year of the collective bargaining agreement.

The so-called longevity amounts contained in Article XVIII. E. 17 and 18 of the collective bargaining agreement first became effective in 1976. Those provisions are as follows:

17. Teachers who have completed in June two or more years at the top of the BA or BA+ salary schedule shall receive a lump sum payment of \$100 on the 21st paycheck.
18. Teachers who have completed in June two or more years at the top of the MA or MA+ salary schedule shall receive a lump sum payment of \$400 on the 21st paycheck.

These payments were established in 1976 due to other considerations that were occurring in collective bargaining at the time. Concurrent with that year certain changes took place in the statutory requirements associated with the Michigan Public School Employees' Retirement Fund. Specifically, at that time, the fund completed a three year phase-in period from a system where employees contributed 5% of their gross wages to a system where the employer assumed those payments.

By agreement, in lieu of an increase in the salary schedule, the parties phased-in the statutory employer paid retirement system.

At the same time, younger teachers who had, at that time, not yet reached the maximum step of the salary schedule did receive incremental movement on the schedule. In light of that fact the parties negotiated a replacement payment for those who had reached the top of the salary schedule on or before 1975. The agreement called for a \$100 payment for those at the top of the BA schedules and a \$400 payment for those at the top of the MA and advanced schedules. The language of the collective bargaining agreement states this condition in terms of persons who, by June, had completed two or more years at the top of the schedules. This was done due to the fact that these payments do not occur until after the school year is complete.

Here the LSEA proposes that the \$100 amount applied to the BA schedules should be changed to the factor of $.01 \times$ the BA base and that the \$400 amount applied to the top of the Masters and advanced degree schedules be changed to a factor of $.04 \times$ the BA base. These factors make sense inasmuch as the BA base, at the time the amounts were originally established, was approximately \$10,000.

Even though there is ample reason for this proposal to be implemented immediately due to the fact that it was established as a direct replacement for the loss of a salary increment when first implemented, I would recommend that it be phased-in, in a fashion similar to that recommended for the professional growth steps. Specifically, I recommend the following:

1987-88 $60\% \times .01 \times$ the BA base for the BA schedules and
 $60\% \times .04 \times$ the BA base for Masters and advanced
 schedules

- 1988-89 $80\% \times .01 \times$ the BA base for the BA schedules and
 $80\% \times .04 \times$ the BA base for the Masters and
 advanced schedules
- 1989-90 $.01 \times$ the BA base for the BA schedules and
 $.04 \times$ the BA base for the Masters and advanced
 schedules

Larry L. Lischer
8/23/87