

11/20/70

(K)

220

STATE OF MICHIGAN

DEPARTMENT OF LABOR EMPLOYMENT RELATIONS COMMISSION

In the Matter of the
Fact Finding between:

LINCOLN CONSOLIDATED SCHOOL DISTRICT

-and-

LINCOLN EDUCATION ASSOCIATION

FACT FINDER'S REPORT
AND RECOMMENDATIONS

Appearances for the Lincoln
Consolidated Schools:

Dr. David Wood, Superintendent
Carl Shopell, Assistant Superintendent

Appearances for the Lincoln
Education Association:

R. Warren, President
David P. Curtis

The present collective bargaining impasse between the Board of Education of the Lincoln Consolidated School District (hereinafter called "Board" or "District") and the Lincoln Education Association (hereinafter sometimes called "Association" or "Teachers") is the result of several unique factors.

For a number of years prior to May, 1968, the Lincoln Consolidated Schools served as the laboratory teaching school district for Eastern Michigan University, Ypsilanti, Michigan. This resulted in the District being heavily financed by the University. The close ties between the University and the District resulted in a large proportion of the Teachers having Master Degrees, many of whom are at the top step in the salary schedule. These ties also

George T. Roussel, Jr.

Lincoln Consolidated Schools

resulted in a number of student teachers being trained in the District.

Because it has become the policy of the State of Michigan to discourage the use of laboratory schools, the close relationship between Eastern Michigan University and the District was modified by a contract entered into in May, 1968 which provided, among other things, that the University would over a several year period gradually reduce its financial commitment to the District. The agreement provided that for the 1968-69 school year, the University would contribute \$400,000 to the District's budget, for the 1969-70 school year, \$350,000, for the 1970-71 school year, \$300,000, for the 1971-72 school year, \$250,000 and for the 1972-73 school year \$200,000.

Though Act 379 of Public Act of 1965 (better known as the Public Employment Relations Act) became effective July 23, 1965, the Association and the Board, apparently because of the relationship with Eastern Michigan University, never negotiated a collective bargaining agreement until the school year of 1969-70. The parties, however, did have difficulty negotiating that agreement for they had no previous collective bargaining experience between themselves upon which to draw as contrasted to other school districts which have had at least four years of such experience since the enactment of Public Act 379. As a result, a collective bargaining agreement was not entered into between the parties until April 20, 1970.

This agreement came about only as a result of an extensive and exhaustive Fact Finder's Report and Recommendations covering many items that would have never gone to Fact Finding if, in fact, the parties had had a history of collective bargaining.

The unusual thing about the Fact Finding Report and Recommendations of Fact Finder Alan. Walt is that it primarily did not cover economic issues, but rather covered non-economic issues. Apparently, the parties for the school year 1969-70, were able to reach an agreement among themselves as to most economic issues without the aid of Fact Finding.

As a result of the recommendations of Fact Finder Walt, the parties entered into a two year agreement covering both the 1969-70 and 1970-71 school years. However, the parties provided in Article XXIII of the contract for a reopener for the school year, 1970-71 as to items set forth in Schedule A and Schedule B of the contract which dealt with the rate of compensation. Obviously, the parties provided for the reopener because they were unsure of the financial future of the District as the result of the reducing financial support from Eastern Michigan University.

Thus, whereas, last year, the parties were able to agree on the economic issues without the aid of Fact Finding, this year the tables are reversed and they have now turned to Fact Finding over economic issues.

As the facts unwind themselves, it is clear that the parties should not be in an impasse over economic issues but should have been able to reach agreement without the aid of Fact Finding. No doubt if the parties had had a four year history of collective bargaining, as have most school districts, Fact Finding would have been unnecessary this current year. Fact Finding is being used less and less as School Districts and Teachers are able to bargain out contracts. It is hoped that this will become the pattern in the Lincoln Consolidated School District.

The issues in dispute were the salary schedule, nurse's salary, release time, supervising teacher salaries, health insurance, payment of accrued sickleave and tax sheltered annuities. Two of these issues have now been settled or agreed to and reference to these agreements will be made later in this Report.

The basic issue between the parties is the salary schedule.

On July 17, 1970 the Board proposed a schedule in 11 steps with a beginning BA minimum of \$7,500, BA maximum of \$12,000, a MA minimum of \$8,025, a MA maximum of \$13,200, a MA+30 minimum of \$8,400 and a MA+30 maximum of \$13,575. According to the Board's figures, including an additional teacher hired, the total cost of the Board's offer was approximately \$1,218,000.

The Association maintains that its last offer to the Board was on a 11 step salary schedule with a BA minimum of \$7,600, a BA maximum of \$12,250, a MA minimum of \$8,250, a MA maximum of \$13,950, a MA+30 minimum of \$8,900 and a MA+30 maximum of \$15,100. The total cost of this proposed schedule was approximately \$1,255,000. The difference between the two offers is approximately \$37,000. This difference varies depending on whether the salary schedule costs include certain additional teachers hired or to be hired.

The Board maintains that the Teachers did make an offer agreeing with the Board's BA schedule and having a MA level beginning with \$8,060 going to \$13,530 and a MA+30 level having a minimum of \$8,500 going to \$14,400. The Teachers' response to this is that such a proposal would not be accepted by the membership of the organization. This explains why the Teachers are maintaining that their proposal is the one previously mentioned, which proposal begins with a BA minimum of \$7,600.

There are basically three criteria that should be applied in making recommendations here as to the salary schedule. These are the comparison criteria, an examination of the bargaining history as revealed in the settlement arrived last year and the ability of the District to pay the proposed recommendations.

Sometimes there are problems in applying the comparison criteria because the parties are in dispute as to what comparisons should be made. This is not a problem here because there are five school districts contiguous to the Lincoln Consolidated School District. These are: Van Buren, Willow Run, Ypsilanti, Airport and Milan. All five districts have settled their contracts for the school year 1970-71. Furthermore, these five districts represent a good cross-section because they represent a pull between the higher paying districts of Wayne County (Van Buren) and the pressures of the lower paying out-state districts (Milan), which pull the Lincoln District finds itself in because of its geographic location.

The way to compare is to compare the salaries of these districts including Lincoln in 1969-70 school year with the salaries in the school districts for the 1970-71 year. This comparison is as follows:

<u>1969-70</u>	<u>BA minimum</u>	<u>BA Maximum</u>	<u>MA Minimum</u>	<u>MA Maximum</u>	<u>MA+30</u>
1. Van Buren	\$7,500	\$12,103	\$8,250	\$13,900	\$9,000 - 14,990
2. Ypsilanti	7,000	11,200	7,630	13,000	7,900 - 13,279
3. Willow Run	7,000	11,200	7,600	13,000	8,100 - 13,600
4. Ypsilanti Lincoln	7,100	11,076	7,560	12,460	7,770 - 12,880
5. Airport	7,050	10,950	7,550	12,150	None
6. Milan	6,900	10,850	7,400	11,900	None

<u>1970-71</u>	<u>BA Minimum</u>	<u>BA Maximum</u>	<u>MA Minimum</u>	<u>MA Maximum</u>	<u>MA+30</u>
1. Van Buren	\$8,050	\$13,100	\$8,800	\$15,150	\$9,550 - 16,350
2. Ypsilanti	7,500	12,000	8,200	14,100	9,100 - 15,700
3. Willow Run	7,504	12,006	8,147	13,936	8,683 - 14,579
4. Ypsilanti Lincoln					
5. Airport	7,614	12,045	8,230	13,487	None
6. Milan	7,350	12,100	7,900	13,100	None

In the 1969-70 school year, Lincoln, excluding Van Buren, paid the highest BA minimum. It was fourth out of the six districts at the BA maximum, fourth at the MA minimum and fourth at the MA maximum. It is quite obvious that the salary proposal of the Board is most unrealistic when compared with the above comparisons. The idea behind the comparison criteria is that it gives an indication as to what the market place is paying for Teachers. In this case, the market place is the contiguous school districts. The Board's offer at the BA Minimum of \$7,500 would make Lincoln tied for fourth or fifth place among the six school districts. It represents a raise of five percent over the 1969-70 BA minimum. The increases in the BA minimums for 1970-71 in the contiguous districts varied from six to eight percent. As the BA maximum, the Board's offer of \$12,000 would put the Teachers tied for last place with Ypsilanti whereas previously they were in fourth place. It represents a raise of eight percent whereas the other districts are paying, with the exception of Ypsilanti, upwards of ten and eleven percent over the 1969-70 rate. At the MA minimum, the Board's proposal would put the Teachers in fifth place where previously they were in fourth

place. It represents an increase of six percent, whereas, the other districts are paying upwards of a nine percent increase. At the MA maximum, the Board's proposal represents at a five percent increase, less than the cost of living increase of six percent, whereas the settlements of the contiguous districts go as high as fifteen percent at this level. The Board's proposal would again put Lincoln in fifth place, whereas, previously it was in fourth place.

Based on the Board's offer, the Teachers would lose their relative position. Based on the Board's offer, the Teachers would be worse off in comparison with other contiguous districts than they were in the 1969-70 school year. Apparently, through free collective bargaining, the Board in the 1969-70 school year was willing to say that of the six districts, the Teachers should be paid at least fourth at all levels except at the BA minimum where the Board believed that the pay should be second only to Van Buren. It is clear that the Board's offer is not consistent with the comparisons of the contiguous school districts or consistent with its own limited previous bargaining history.

On the other hand, the Teachers' proposal beginning at \$7,600 is not in keeping with the settled contracts of the contiguous districts. This particularly follows at the MA and MA+30 schedule. What the Teachers are attempting to do is improve their relative position and obtain increases in higher percentages than those that their counterparts have received in contiguous districts. One cannot fault the Teachers for trying, but it overlooks the fact that the district is in a transition period from obtaining a substantial portion of its revenue from the unusual source of a

University to obtaining the revenue from the normal sources, to-wit: local taxation and state aid. Such a transition dictates that there should be some moderation in the Teachers' demands consistent with the Teachers being able to maintain their relative position with the contiguous districts and perhaps gain some moderate relative improvements.

After considering the comparisons, the Fact Finder recommends that the 1970-71 salary schedule be as set forth in Exhibit A attached hereto and made a part hereof. This salary schedule has a BA minimum of \$7,575 and a BA maximum of \$12,050. A MA minimum of \$8,125, a MA maximum of \$13,700, a MA+30 minimum of \$8,700 and a MA+30 maximum of \$14,550.

A close examination of the schedule will show that the percentage increase at the minimums and the maximums is consistent with the percentage increases given in the contiguous school districts. Furthermore, it recognizes at the BA minimum that the Lincoln Consolidated School District has traditionally paid among the highest of the contiguous districts. The Fact Finder believes that the recommendations contained herein are consistent with Lincoln's previous relative positions.

At the MA minimum and MA maximum, the recommendations are again consistent with the percentage increases in the contiguous districts and show some relative improvement. The recommendations close the gap particularly at the MA maximum with Willow Run and Ypsilanti. It keeps about the same gap between Lincoln and Airport and Milan.

The recommendations will cost approximately \$27,000 more than the Board's offer. The fact of the matter is the Fact Finder is asking the Board not to do anything more than what contiguous school districts are doing. It is noted that the Fact Finder has not followed the extremes in the contiguous districts. He has not followed the Van Buren schedule. Likewise, at the MA he has not followed the Milan schedule. Basically, the comparisons that Lincoln should be concerned with are Willow Run, Ypsilanti and to some extent Airport. Compared with the percentage increases that these school districts have given their teachers and the relative standing that Lincoln has had salary wise with these districts, there is no question, both from the viewpoint of the Board and the Teachers, that the recommendations are on target.

The Board does have the ability to pay the recommended salary schedule. The Fact Finder, as already indicated, is aware of the transition period in financing the school district, namely, the period from Eastern Michigan University aid to non-Eastern Michigan University aid. Nevertheless, looking at the Board's own proposed budget for the school year 1970-71, it shows a current surplus of \$246,000. Admittedly, some of this current surplus will not materialize because of unexpected expenditures and perhaps the slow rate of collecting current taxes. Furthermore, \$155,000 of this surplus is in delinquent taxes which may not be completely collected in the current year. In addition to the above, the Board shows a General Fund Equity of \$344,680. This means that the District is indeed in very good financial health. Finally, the Board shows that for the current school year, 1970-71, its total operational millage will be 18.72 and its grand total millage levy will be 21.21.

Obviously, the losing of income from Eastern Michigan University means that the Board must turn to the citizens of the school district for millage. A school district profile issued by the Michigan Department of Education for school districts having a pupil membership of 2,000 to 2,499, shows the median operating millage for such districts is 21.70 and the median total millage is 28.18. Some districts are as high as 31.80 operating millage and as high as 36.75 total millage. At 21.21 millage, of the 29 districts surveyed, the Lincoln Consolidated School District is next to the lowest district in total operational millage. Even among the contiguous districts, Lincoln has the lowest extra voted millage. Lincoln for example has 7.5 mills as compared to 17.16 in Willow Run, 10.66 in Ypsilanti, and 15.0 in Van Buren. This indicates to the Fact Finder that the Board can, if it so chooses, in good conscience go to the citizens and ask for additional millage.

The salary recommendation of about \$27,000 additional cost certainly can be found in a budget showing a current operational surplus (although it may not be an absolute surplus for the reasons previously stated) of \$246,000 plus a General Fund Equity of \$344,000. The money is now there. But it is again emphasized that the public should be aware that this Board may have to go to the public for more millage in the near future because of the loss of revenue from Eastern Michigan University.

In regard to the Nurse's salary, Fact Finder Alan Walt went into great detail in his report resulting in the recommendation of a \$10,600 salary. The Board now proposes that this amount be increased by \$300. The Teachers insist that the above should be increased by six percent to keep up with the cost of living. It is recognized that in the last year the cost of living has increased approximately

six percent. A \$300 increase would not keep up with this cost of living. It seems only fair that at least the Nurse should be kept in her relative position with the same buying power that she had a year ago. Therefore, the Fact Finder is recommending that her salary be increased \$635 to \$11,235 which represents about a six percent cost of living increase.

In the 1969-70 school year the elementary school day was from 8:30 a.m. to 3:45 p.m. with a lunch period of forty-five minutes. Teachers in grades 4 through 6 received three hours and fifteen minutes per week planning or released time. Teachers in grade 1 and 2 received one hour and thirty minutes per week released time. Grade 3 Teachers received three hours per week.

Article V, Section H in the existing contract provides as follows:

"H. Elementary teachers may use for preparation all time during which their classes are receiving instruction from various teaching specialists except when the specialist reasonably requests the presence of the teacher with her class."

The above explains the dispute as to released or planning time in the elementary schools of the district. The Teachers proposed that Article V, Section H be ammended to include:

"...and there shall be RELEASED time each week while the children are receiving instruction from various teaching specialists such as Music, Art, Physical Education, and Library, AT A RATE NO LESS THAN THAT OFFERED TO THE FOURTH THROUGH SIX GRADES DURING THE 1969-70 SCHOOL YEAR, THE DETAILS TO BE WORKED OUT WITH THE ADMINISTRATION."

The Teachers proposed that this equalization can be obtained by hiring an educational specialist in the Physical Education field to provide class time in Physical Education in the lower

elementary grades. Teachers estimate that the approximate cost, to the district, to hire such a Teacher would be \$8,000 annually.

Both the Teachers and the Board agree that there should be an equalization between the upper and lower elementary school teachers as to planning or released time. The problem is implementation. The Board is cautious about its financial future and is being thrifty wherever it can in order to plan for the repercussion of the reducing Eastern Michigan University aid. The Fact Finder believes in equality as does the Board as to released time, but he also believes that the Board should be given time to adjust to the economic transition period previously referred to in this Report. For this reason he is recommending that the language of the Board's last proposal on June 24, 1970 on this issue, namely,

"...there shall be released time each week while the children are receiving instruction from various teaching specialists such as Music, Art, Physical Education, and Library, EVERY EFFORT WILL BE MADE TO MAKE THE RELEASED TIME FOR UPPER AND LOWER ELEMENTARY TEACHERS MORE EQUITABLE, THE DETAILS TO BE WORKED OUT WITH THE ADMINISTRATION."

be included in the current contract.

This will give the Board time to adjust and would give another year's experience in seeing what the Board will do to correct the situation. If the Board does not make equitable adjustments during the current year, then this could be the subject of bargaining for the 1971-72 school year.

The District does have a number of student teacher trainees who are trained by the District's Teachers. Pursuant to Schedule A of the current contract at page 49, the Teachers supervising student teachers receive the following compensation:

"Student Teachers -

\$50 full-time student teachers per semester.

\$25 one-half time student teachers per semester, but in no event less than EMU pays to any other K-12 public school in Michigan during the 1969-70 school year. No teacher shall be required to accept more than two (2) full-time student teachers unless agreed to by the teachers in advance."

Apparently, the Teachers would like to have some changes made in this compensation. Likewise, the Board wishes to change some of the terms of the contract as to teachers supervising student teachers. However, in the final analysis, the Board did indicate they would continue the above present contract language and compensation as to student teacher supervisors.

After listening to both arguments and recognizing that Eastern Michigan University is reducing its financial support to the district, it would seem that there would be no reason to change the present method of compensation for student teacher supervisors. The parties must recognize that this is a two year contract. The only purpose of the reopener is to review the economic situation and not to change basic concepts. Recognizing that there is reducing economic support from the University even though the University still expects the District to train some of its student teachers, the Teachers at the best can only expect that the present language in Schedule A as to student teachers remain. The Fact Finder so recommends.

Schedule A at page 49 of the current contract makes the following provisions for health insurance:

"Health Insurance - MVFI (\$27.22) can purchase major medical or master medical at teacher option for payroll deduction, \$2.83 per month or apply \$27.22 towards MESSA Health Insurance Program."

The Teachers initially asked for an increased insurance payment of \$37.00 per month for 12 months. The Board agreed to increase the amount of the health insurance contribution to \$30.00 per month. The Teachers were under the impression that the parties had reached agreement based on a \$31 increase in contribution. The Board denied such an agreement.

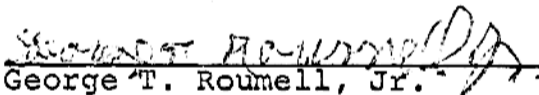
After listening to the arguments of both parties, the Fact Finder believes that the increase to \$30.00 a month would be consistent with the total economic package he is recommending. Therefore, he recommends that the increase be \$30.00 and that the amount \$27.22 appearing in Schedule A be changed to \$30.

As mentioned earlier in this report, there were two additional issues that apparently were in dispute or thought to be in dispute at the opening of the Fact Finding hearing, namely, the payment of accrued sick leave and providing payroll deduction for tax shelter annuities.

The Board has agreed to pay 25 percent of the total accrued sick leave at retirement as defined in the Michigan School Code or 50 percent at death while under contract for up to a total of 100 days. Since the Board has agreed to this payment of accrued sick leave and the Teachers have agreed to accept this as part of the current contract, the Fact Finder will so recommend.

The basic issue as to tax shelter annuities is that the Teachers requested to have payroll deduction for a tax shelter annuity of their own choice. The Board has agreed to make this deduction available when the contract is settled providing that the annuity is limited to two carriers. This is acceptable to the Teachers. The Fact Finder so recommends.

As already stated, because of several unique factors, collective bargaining is new to the Lincoln Consolidated School District. Yet, if the parties would reflect on this Report and its Recommendations, it is clear that through collective bargaining they should have arrived at approximately the same results. It is quite clear that the contiguous school districts have paved the way for agreement in that they have shown what the market place will pay for Teachers salaries. The Teachers should recognize that the Board does have some financial transitional problems to consider. Likewise, though the Board will probably go to its citizens for additional millage, this millage can not possibly be inconsistent with what citizens of contiguous district are paying because the present Lincoln Millage is low in comparison. On balance, the recommendations are fair to both sides. It would be inconsistent with what other contiguous school district are doing if either party would choose not to accept the recommendations contained in this Report.


George T. Roumell, Jr.
Fact Finder

Dated: November 20, 1970

EXHIBIT A

	<u>BA</u>	<u>MA</u>	<u>MA+30</u>
0	7575	8125	8700
1	8025	8625	9250
2	8475	9125	9800
3	8925	9650	10350
4	9375	10175	10950
5	9825	10700	11550
6	10275	11225	12150
7	10725	11825	12750
8	11150	12450	13350
9	11600	13075	13950
10	12050	13700	14550