

STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Fact Finding Between:

LINCOLN PARK BOARD OF EDUCATION

-and-

NO. D77 G-2115

LINCOLN PARK EDUCATION ASSOCIATION

Elaine Frost

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FACT FINDER'S REPORT

Appearances

For the Board:

Richard G. James, Attorney
James H. Doyle, Superintendent
Paul H. Bauninga, Assistant Superintendent
for Personnel
Raymond Fetchiet, Assistant Superintendent
for Instruction
Wayne Storms, Business Manager

For the Association:

George R. Trudell, MEA Uniserv Director
Kenneth Gabel, MEA Executive Director
Robert Redden, Chief Negotiator

INTRODUCTION

The last collective bargaining agreement between Lincoln Park Board of Education (the "Board") and Lincoln Park Education Association (the "Association") expired in August, 1975 (the "Agreement"). Teachers and other unit members worked throughout the following year without a contract. Then in August, 1976, an Interim Agreement retroactively established salaries for 1975-76. Despite continued negotiations, with and without a State mediator, no further agreement has been reached.

In November, 1977 the Board applied for fact finding and the undersigned was appointed by the Michigan Employment Relations Commission ("MERC"). A pre-hearing conference to clarify the issues was held on January 12, 1978. Prior to the hearing the parties were successful in limiting the issues to the following:

1. Salary Schedules
2. Life Insurance
3. Dental Care
4. Vision Care
5. Association Release Time
6. Association Bank of Days
7. Personal Business Leave Days
8. Extra-Compensatory Position

Lincoln Park Bd. of Education

The hearing was conducted at MERC offices in Detroit, Michigan on February 16, 1978. The Parties were afforded full opportunity to exam and cross-examine witnesses and to present other relevant evidence. Post hearing briefs were subsequently filed.

SALARY SCHEDULE

Financial Background. Lincoln Park is one of the 36 school districts in Wayne County. Since 1969 student enrollment has fallen from 12,736 to 7,957, leading to reductions in faculty to the current 347 full-time unit members. After several unsuccessful millage campaigns, Lincoln Park voters granted an increase from 25 to the current 30 mills in 1975. With a total State Equalized Value of \$225,228,500, the present SEV per pupil of \$28,306 ranks Lincoln Park in the bottom third of Wayne communities. Financial crisis or its threat has been a constant Board concern in recent years. Since 1966-67, and as recently as 1974-75, the district has had deficits budgets in four school years. In 1969-70 finances forced the Board to place some grades on half days; in 1970-71 and the entire district was cut to half days.

The district's current financial picture is much improved with the Board estimating a general fund equity balance of \$806,673 for 1977-78. The Board cautions, however, that any settlement in excess of the Board's offer would trigger another crisis.

Salary Background. The 1973-75 Agreement sets forth a salary schedule for 1973-74 for teachers which consists of eight separate columns--three BA columns: BA, BA+15, BA+30; four MA columns: MA, MA+15, MA+30, MA+45; and a Specialist column. A second schedule, consisting of four columns for MA, MA+30, MA+35, and PhD, sets forth salaries for diagnosticians, psychologists, and social workers. The teachers' schedule has nine steps or experience levels in each column, the other schedule provides 8. The Agreement also provides for 1974-75 increases equal to the Detroit area Consumer Price Index ("CPI") with a cap of 7% and a minimum of 5%. This formula resulted in a 7% across-the-board increase in the second year.

The salaries for the 1975-76 school year were established, retroactively, in August, 1976 at 7.62% for all steps of each schedule,

except that columns above the MA received the same dollar amount as the MA column. The same 7.62% increase was also applied to the extra-compensatory positions. Although the Interim Agreement neither refers to the CPI nor cites it as the basis for the increase, the 7.62% is the same as the increase in the Detroit CPI from July, 1974 to July, 1975.

In 1976-77 and 1977-78 there have been no salary increases. Unit members not at the top of their columns have, however, received their increments.

Positions of the Parties. For 1976-77 the Board proposes a 5.0% package consisting of 5.0% retirement contribution (effective 2.5% increase for 1976-77, beginning effective January 1, 1977) and a 2.5% overall increase at all steps except that those columns above the MA are offered the same dollar amount as the analogous steps on the MA level. For the current school year it offers a 6.5% increase consisting of a 5% retirement contribution (effective 2.5% increase for 1977-78, beginning July 1, 1977) and a 4% overall increase with the same exception as in the prior year's offer. As to 1978-79 the Board proposes that the contract remain the same with a reopener as to salaries only.

In support of its offer the Board provided detailed economic data and forecasts from which it argues that its offer includes all available funds. A more generous settlement, it continues, will probably force the Board into a prohibited, deficit budget or a cut back of program. It adds that the Board's offer will maintain Lincoln Park's relative ranking as against other County districts, and that any substantial improvement in rank is unrealistic because of the residential, as opposed to industrial or commercial, character of Lincoln Park.

The Association counters with demands for 5.2% and 7.9% across-the-board increases in 1976-77 and 1977-78 respectively. These increases are independent of the non-contributory retirement payments ("NCR"), and reflect the annual percentage increases in the Detroit area CPI. For the third year of the new contract the teachers propose raises based on a formula consisting of an

unlimited cost of living allowance ("COLA") coupled with an additional 4% improvement increase. In support of its demands the Association provided settlement data for ten Wayne communities which have adopted some form of COLA plus an improvement factor. In view of these settlements and the relatively low ranking of Lincoln Park with Wayne County, the Association contends that its offer is first reasonable, and second, the least that its members will accept.

1976-77 and 1977-78 Salary Schedules. In arriving at a salary recommendation particular attention has been given to the parties' prior reliance on COLA in establishing wages. The 1974-75 schedules specifically incorporate a COLA, and the increase agreed to for 1975-76 was equivalent to the increase in the Detroit CPI. This approach is both reasonable and equitable. Association members should not, in my judgment, be penalized for being employed in the public sector by having to face erosion of the real worth of their wages by inflation. Nor does this approach place unreasonable or inequitable burden upon the district. Taxpayers and school boards alike must recognize that they are not immune from impact of inflation in wage demands any more than its effect can be avoided in paying for utilities, insurance premiums or supplies. To say that the financial burden is serious and that school boards must critically review management decisions and educate and convince voters of an unpleasant financial reality, does not alter that reality. To recommend, on that basis, adoption of the Association's demand for a 5.2% increase in 1976-77 and a 7.9% increase in 1977-78 would, however, ignore the economic value of the Board's NCR payments over those years. Both before and after NCR payments became mandatory under State law, their payment by the district has been a substantial pecuniary benefit to unit members and a substantial financial burden on the budget. And during both the first and second contract years the NCR payments constitute an effective 2 1/2% increase. In light of this economic benefit, and in consideration of the district's financial posture, I recommend across-the-board increases of 2.7% in 1976-77 and 5.4% in

1977-78. In each case consideration is given to 2.5% benefit derived from the NCR payments.

1978-79 Salary Schedule. The initial question is whether or not a salary schedule be adopted for the third year. I strongly recommend one be. The first contract year and well over half of the second is already history. Any recommendation for a salary reopener for next year's wages only encourages a repeat of this unfortunate pattern where the parties are negotiating schedules retroactively. It is unfair to students, unit members and the community to be subjected to such constant labor relations uncertainty.

To establish the 1978-79 schedules I recommend the parties adopt a COLA provision whereby the percentage increase will equal the percentage increase in the Detroit CPI between July 1, 1977 and June 30, 1978 (July to July), provided that the increase so determined be no greater than 9% and no less than 6%. The 1978-79 salary recommendation should be applied at each step in each column of both salary schedules. Since 75% of the unit members are at the top of their columns and over half have MA degrees or greater educational achievements, that approach will guarantee each teacher a reasonable, equitable increase.

In making this recommendation I specifically reject as inappropriate the Association's demand for a COLA formula plus an improvement factor. That concept was developed in the private sector based on considerations of profits and increased productivity. In this case such considerations are absent or incapable of measurement. How can productivity of the district be gauged? Enrollment is steadily declining. Is that a decrease in productivity? Should one consider the productivity in terms of students graduated per teacher, or test scores of the student body? And profitability, of course, has no application to the school district. One must also consider the "income" picture of the Board. It cannot "raise its price" since revenue is derived from self-assessed taxes. Moreover, the "service" is considered, at least in some respects, to be a right. Variances such as those noted above between the district's financial circumstances and those existing in the private sector lead me to reject the Association's demand. Another

reason for recommending against an "improvement factor" is the fact that schedules such as those established for unit members already contain specific increments to reward greater experience and/or educational achievement after hire.

The recommendation also includes a cap, or maximum of 9% and a minimum of 6%. In the judgment of the undersigned the rationale for providing any such percentage range is to protect the Board from an unforeseeable increase in COLA and to protect the Association from an unforeseeable decrease. In light of increases in the COLA over the last three years, increases of anywhere between 6% and 9% appear to be foreseeable, and I therefore recommend adoption of this range.

LIFE INSURANCE

The 1973-75 Agreement provided for life insurance in the amount of \$10,000 for the 1973-74 contract year and \$15,000 for the 1974-75 contract year. The Association takes the position that this fringe should be increased to \$25,000. In support it provided data from the 10 Wayne communities, 6 of which provide \$20,000 protection and 3 of which have \$25,000 policies. In opposition the Board provides no comparative data, but relies instead on economic information revealing that it would cost \$12,600 in additional premiums to provide that coverage.

In light of the value of this fringe to unit members and its relatively low cost to the Board, I recommend that the Board accede to the Association's position.

DENTAL CARE

The Association contends that the new contract should provide MESSA Dental Care Program, Plan D with Orthodontic Rider 04. The Board counters that these benefits would cost \$86,310, additional premiums, it argues, it cannot afford. Comparative data provided by the Association reveal that at least 10 other Wayne districts provide comparable coverage to that demanded. Based on that data I find that the requested dental coverage should be adopted.

VISION CARE

The position of the Association is that the new contract provide MESSA Full Family Vision Care Plan II for unit members. The Board counters that the increased cost of \$63,042 cannot be absorbed. Because neither party has presented comparative data or further relevant evidence on this question, the undersigned lacks sufficient information upon which to base a recommendation. Therefore, none is made.

ASSOCIATION RELEASE TIME

The Board proposes that Article II D of the Agreement, which provides release time for five (5) academic hours per day for Association representatives be deleted from the contract on the basis that it costs the district between \$11,000 and \$20,000 a year to replace released teachers. Other than it's economic rationale, the Association counters, the Board provides neither basis nor exhibits to support it's position. I agree with the Association that sufficient justification for altering the contract is not present. I therefore recommend continuation of the current contractual provision on Association release time.

ASSOCIATION BANK OF DAYS

The Board's proposal to eliminate the Association's 25-day Bank from the Agreement because it cost \$750 per year is without merit. I recommend continuation of the current provision.

PERSONAL BUSINESS LEAVE DAYS

The Board proposes to change language in Article XI of the Agreement, by expanding the definition of personal leave days as follows:

"....personal business days are not to be used or construed as vacation days, recreation days, or random leisure days. Personal business days are to be used prudently and reasonably for legitimate personal business."

The Board also seeks to add the further language:

"The Board has the right to inquire into the nature of the reason for the use of personal business day(s)."

The Board argues that the current definition and the lack of specific authority to inquire into the reason for leave allows abuse rather than use of this benefit.

The Association counters that no abuse of the benefit has been shown, and absent such proof, that no basis exists for changing current language. Further, it contends that the new language advocated by the Board was presented for the first time at the factfinding hearing. It appears to me beyond dispute that personal business days were never intended to be used for random leisure or vacation days. Nor do I feel that the present language needs further clarification to convey that intent. Rather, the question is whether or not to grant the Board specific authority to ask unit members the purpose for taking of personal business leave days. The retort that such should not be allowed absent a showing of abuse begs the question-- for abuse, if any, would be revealed by the questioning. I am persuaded that such authority does not infringe on the legitimate use of this leave. However, I am not persuaded that the parties have considered language to establish a reasonable, inobtrusive method to obtain such information. It could provide for example, that the unit member notify the Board of the reason for taking a business leave day at the same time and in the same form as she or he gives notice that leave will be taken. In conclusion I recommend that the language of Article XI be amended to include a provision by which the Board can determine the purpose for which a business leave day is taken. The terms to accomplish that result should, however, be resolved by the parties through further negotiation.

EXTRA-COMPENSATORY POSITIONS

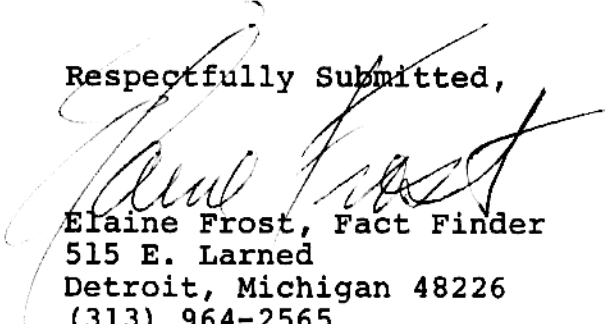
The Association proposes that compensation for all annual rate positions be increased in the same manner as paragraph (1) Schedules A and A-1. The Association has proposed that compensation for all hourly rate positions be per the following schedule:

1976-77	\$9.30
1977-78	10.65
1978-79	12.00

The Board proposes that increases in annual and hourly rates should be computed in the same manner as it proposed for increases in the salary schedules.

Neither party has explicated the rationale behind or application of it's proposal. It is my recommendation that the general salary increases set forth in this Report be applied to all extra-compensatory positions.

Respectfully Submitted,



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Dated: April 25, 1978