

3/31/73

FF MANISTIQUE AREA SCHOOLS

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EA - 11D

IN THE MATTER OF A DISPUTE

BETWEEN

MANISTIQUE AREA SCHOOLS

AND

MANISTIQUE EDUCATION ASSOCIATION

James Dunne

LABOR AND INDUSTRIAL
RELATIONS LIBRARY
Michigan State University

SEP 30 1976

FACT FINDER'S REPORT
AND RECOMMENDATIONS

The undersigned was appointed by Robert G. Howlett, Chairman of the Michigan Employment Relations Commission to hear and report the facts in the above titled dispute and to make such recommendations as he believed reasonable for settlement of the issues between the parties, all in accordance with the provisions of the Public Employment Relations Act of the State of Michigan.

Hearing was held in the auditorium of the high school in Manistique on March 20, 1973. The parties were present and had full opportunity to set forth the facts and to argue their respective positions.

The issues in dispute were as follows:

- 1) Sick leave accumulation
- 2) Supplementation of Workmen's Compensation
- 3) Teacher Evaluation-Date of Notice to Teachers

- 4) Maintenance of Standards-Workload and Working Conditions
- 5) Payroll Deductions
- 6) Professional Compensation-Procedure for determining salary credit due to a change in certification status
- 7) Insurance Protection-Health Coverage and Carrier
- 8) Joint Policies Council
- 9) Salary Schedule, 1972-73 school year

The parties have been negotiating for nearly a year at least nine or ten months-for the 1972-73 agreement. At this late date the above array of issues still remain in dispute. At the outset the fact finder believes it fair to say that most, if not all of the above issues would be resolvable but for the last item listed, Salary Schedule. This occurred to the fact finder during the hearing and for that reason he asked the parties to meet with him again in an effort to further clarify and perhaps settle all matters in dispute. This was agreed to and a second meeting was held on March 22, 1973 for that purpose. Clarification did indeed occur at that meeting and it appears that most of the above issues can be settled in accordance with discussions then held. However, the Salary Schedule 1972-73 issue still remains a major stumbling block and will therefore here be dealt with first.

SALARY SCHEDULE 1972-73

At least part of this issue has its genesis in the Wage-Price Freeze of 1971. At that time the parties had negotiated a salary schedule for the 1971-72 school year

calling for a base of \$7500 Provisional, \$7875 Permanent and \$8250 Masters. This schedule called for increments of \$375 in a ten or eleven step schedule resulting in a Provisional Maximum of \$11,250, Permanent Maximum of \$11,625 and a Masters Maximum of \$12,00. This schedule was not put into effect until November 15, 1971 after it was determined that the method for payment fell within the 5.54 guidelines. Not only were the increases not put into effect until that date, but those due increment increases were not paid on the 1971-72 schedule but rather on the 1970-71 schedule. Thus, they were paid at the 1970-71 schedule rates for 49 of the 183 school year days in 1971-72 school year. However, for the last 134 days they were paid at the negotiated 1971-72 schedule rates and on the correct steps. The above arrangement was agreed upon by the MEA and was submitted and approved. (See November 23, 1973 document and attachments.)

It appears that the MEA wants to recapture the amount it claims was lost by reason of the just noted arrangement, not as retroactive payment, but by adjusting the 1972-73 salary schedule upward so as to effect the recovery. In its statement of proposal for the 1972-73 salary schedule the Association summary statement says, "The Association seeks an economic package that totals \$849,300.00. This represents a 5.14% increase on a base figure of \$790,993.00." The Board Analysis of the teacher salary request, however, is

as follows:

"Base	\$720,993	
Detail	*\$786,298	(1972-73 staff on 1971-72 step and \$7500 base schedule)
	4,691	(Amount deducted 1971-72 negotiated contract)
	<hr/>	
	\$790,989	

*786,298 assumes that 1971-72 staff received full payment on the negotiated salary schedule. Exhibits A, B, and C reveal that was not the case.

\$786,298	
<u>-\$15,858</u>	Wage-Price
\$770,440"	

In any event the Association request is for a salary schedule on ten (or eleven) steps as follows: Minimum Provisional Base \$7913, Permanent \$8309, Masters \$8704; Maximum Provisional \$11,970, Permanent \$12,265, Masters \$12,661. The Association says this request represents a total cost of \$849,330 with increments both horizontal and vertical between steps of \$395.65. (MEA Exhibit 9)

The Board's first and present offer according to the MEA was for a base Provisional of \$7604, Permanent \$7984, Masters \$8364 in a ten (or eleven) step schedule with increments of \$380.20. The cost of this offer, according to the Association, is \$816,203. The Board agrees with this cost figure and states that it arrived at it by adding a 1.5% increase to a beginning base cost figure of \$771,589 for a total of \$814,003 and increasing that by just under \$2200 for a total of \$816,203.

Thus, the salary cost difference between the Association

and Board proposals is found to be \$83,127. The Board insists that on any reasonable ordering of priorities its budget will simply not permit such an increase in its teacher labor cost.

The Association, however, says (Exhibit 8) that the Board's last offer was for a schedule whose total cost was \$828,227. First, the Board objects to the introduction of this proposal since it was made in mediation in conjunction with an offer for a three year agreement and with specific requirements for relief from added costs reflected in other teacher demands. Moreover, it was understood, says the Board, that this was made on a take-it-or-no-offer basis, and that the Association team rejected it out of hand thus removing it from the status of an offer.

In the opinion of the fact finder it is unfortunate this offer was not more fully explored. While the three year aspect of it may have been objectionable as representing too many future uncertainties over too long a period, it is clear that it was a departure by the Board from the structure of its first offer. And it does appear that this fact finding report will not much more than be in the hands of the parties until negotiations for the upcoming year will either already be in progress or impending.

The teachers in justifying their proposed salary schedule for 1972-73 present (Exhibit 10) a state average comparison with Manistique teacher's salaries compared also with current operating expenditures over a six year period. This reveals

that state wide the average teachers salaries are 62.10% of current operating expenditures while that of Manistique is 57.6%. This exhibit (10) shows that state aid for 1972-73 is \$38,165 and a local millage increase in this district produced \$211,239 for a total of \$249,404. In short terms the Association computes the amount based on state average (62.1%) and the Current Operating Expenditures budgeted for 1972-73 in Manistique:

\$1,835,447
x .621

\$ 953,512 6 year average

Using this figure spread over the 107.34 salary units in Manistique, the Association comes up with a BA Base of \$8883 which it says could be justified on this basis.

Such comparisons, in the fact finders opinion, while interesting, can be misleading since (1) Current Operating Expenditures include more cost items than teachers salaries and (2) a state average, whether for one or six years of Current Operating Expenditures tells little about the differences between U.P. and other state school districts. The most interesting piece of information in this exhibit (10) is the yield from state aid and from the increase in local property tax millage. This district is assessing itself at less than 20 mills even with the new millage vote as compared with other districts in the U.P. which have a much lower SEV per pupil and a considerably higher operating millage assessment.

In 1971-72 in type K schools (1500-1999 pupil membership)

in Regions 9, 12 thru 18 (MEA Exhibit J) only 9 of 28 districts had a higher SEV per pupil than Manistique whose SEV was \$15,310. per pupil. In that same year 23 of these same 28 districts were assessing higher millage for operating purposes than was Manistique. Many of the school's and the teacher's problems stem from this fact. If proposed changes in state aid currently being made in the legislature are to benefit Manistique this situation will have to be corrected.

Of considerable interest to the fact finder are the comparisons (MEA Exhibit H) of base salary schedules (1972-73) in the Upper Peninsula. On the BA Minimum, Manistique currently stands at 48th in a total 55 such districts. On the BA Maximum, Manistique ranks 29 among these 55.

Part of the difficulty in this dispute arises from the above rankings and from the fact that a very considerable number of teachers are at the maximum in Manistique. The fact finder has no information as to the number at Maximum in the other 54 U.P. schools from which the above ranking was determined. And since the function of the increment applied to the base produces the maximum a skewed salary cost relationship can result from a very heavy number at maximum. Thus the base does not tell as much as it should in salary cost terms in any given case without the further information as to the number at each step in any given schedule. In Manistique there are 30 at the BA Maximum and 6 at the MA Maximum. This means that nearly half (36)

of the teachers (77) in the district are at their respective Maxima. From his experience the fact finder believes that this is an unusually high percentage. There are only 24 teachers below the 5th step on the schedule or less than one third the staff.

Returning to MEA Exhibit H, Bachelor Degree Rankings in the U.P., it appears that the median base salary among the 55 U.P. schools is \$7800 for 1972-73. On the Board's first proposal of \$7604 BA Base Manistique would rank 43rd in the 55 U.P. salary schedules. This, even taking into account the above skewed cost consideration does not appear fair or reasonable to the fact finder. For it is certain that older teachers are or will be retiring and replacements will doubtless come in at the base or not far above it.

The school budget as presently set up is admittedly tight. However, budgets are established with an eye to revenues and priorities in expenditure. A reordering of priorities is required when an important item has been set at a lower than fair and reasonable figure. Moreover, the fact finder takes note that the district has been the recipient of an increase of \$211,239 in revenue due to the most recent millage increase. This increase should have made possible at least a reasonable rectification of any inequities suffered by the teachers. The fact finder does not believe that a \$104 increase in the BA Base represents such rectification. The Board's last offer made in mediation incor-

porated a base of \$7716 (Provisional) for a total cost of \$828,235. This is closer to the median U.P. base of \$7200 above alluded to.

RECOMMENDATION OF SALARIES FOR 1972-73

The fact finder recommends that this offer be increased to a schedule based on a \$7750 Provisional base. This would produce a salary cost of \$831,885 compared to \$828,235 on the proposed \$7716 base, or \$3650 more in total salary cost than the best offer made so far by the Board.

The fact finder must believe that this is within the range of what was contemplated by the Board when it made the offer. And he cannot believe that it would have been made as the first year of a three year offer if it was not possible to break it out into a one year agreement. For it had to be paid out of the 1972-73 receipts and must have been so budgeted. The fact finder believes that it should be left to the parties as to how the rest of the salary schedule should be set up within the same number of steps as in 1971-72.

This recommendation is \$10,000 less than the best offer made by the Association and a little less than \$18,000 less in total salary cost than its original proposal. But it is made in light of the heavy weight of the cost resulting from the concentration of teachers at the maximum. While he knows this recommendation will not make either party happy, the fact finder believes it to be a fair compromise under

all the circumstances in settlement of the salary schedule for the year 1972-73. This is to be payable for the entire year.

SICK LEAVE ACCUMULATION

The 1971-72 agreement provides for sick leave accrual at the rate of 10 days per school year accumulating to a maximum of 120 days. The Association requests a 12 day per year accrual accumulating to a maximum of 140 days.

Moreover, under the 1971-72 agreement at retirement after 10 years a teacher is paid an amount equal to $7/24$ of accumulated sick leave with a 35 day maximum or \$250, whichever is greater (Article XXIII M.) The Association wants this increased to 41 days.

The Board wants this provision to remain unchanged both as to days per year accrual, maximum accumulation and amount payable on retirement.

It seems to the fact finder that the Association has the burden of establishing the need and justification for these changes at least by reference to other agreements in the area, especially the U.P. It did not effectively assume this burden, in the opinion of the fact finder.

RECOMMENDATION

It is therefore recommended that there be no change as to this disputed item.

WORKMEN'S COMPENSATION SUPPLEMENT

The 1971-72 Agreement provides that a bargaining unit member eligible for Workmen's Compensation shall receive from the Board the difference between the allowance under the Act and his regular salary not to exceed 180 school days. The Association seeks to retain this language while the Board wants a reduction to 80% of the difference.

Discussion revealed that Workmen's Compensation is approximately $2/3$ salary. The Board calculates that under the non taxable features (by IRS or State) of actual benefits a $13 \frac{1}{3}\%$ increase, or up to 80% would leave the teacher in the same position as if he had worked and earned full salary during the period of compensation. It does not feel that the teacher should be in a better position not working than working. The fact finder agrees with this if it is correct. He is not sure, however, whether in the case of a short term disability the calculations of the Board as to the tax features would work out the same as in the case of longer term disability.

If the Board is willing to guarantee that its offer would not result in a diminution of this benefit below actual salary if working as if provided in the 1971-72 agreement provision on this subject, then he would recommend the Board's offer. If not, he would recommend no change.

TEACHER EVALUATION (NOTICE TO PROBATIONARY TEACHERS)

The Association wants to retain the old language (1971-

72 agreement) providing that a final evaluation report including tenure recommendation be issued by the Board not later than March 15.

Discussion revealed that a fixed date such as March 15 is not realistic as to those who have been hired in mid-year, for example. Therefore, the Board wants language which will tie the notice and recommendation to a number of days prior to the end of the probationary year. This, the Board says, is more consistent with the Tenure Act, as officially interpreted, than is the present March 15 date.

RECOMMENDATION

If not inconsistent with the Tenure Act as officially interpreted by the Commission and the courts, the fact finder recommends that the date of "March 15" be deleted and in its place appear: "no later than 75 days before the end of each probationary year." No other change is recommended on this subject from the 1971-72 language.

MAINTENANCE OF STANDARDS

The Association wants to retain language in the 1971-72 agreement which provides that the duties and responsibilities of a teacher or position shall not be substantially increased.

The Board objects that this language is ambiguous and impinges upon Board authority.

The fact finder agrees that the language is open to

interpretation as are many provisions in most agreements. He also agrees that in granting this language in the first place the Board placed some limitations on its own or administrative authority to increase workload or to change working conditions substantially.

The Board seeks the change. Therefore, one would assume that it would or could point to bad experience with the language as justifying elimination or change.

The fact finder was not presented with such proof, however, and therefore sees no present reason to recommend a change or elimination. The language allows some latitude and the only question that the fact finder can see arising is one of interpretation in the grievance and arbitration procedure of the meaning of "substantially changed."

RECOMMENDATION

The fact finder believes it best to make no recommendation for change in this language.

PAYROLL DEDUCTIONS

The Association wants no change in the 1971-72 language which provides for mandatory payroll deductions authorized by the teacher including optional insurance deductions.

The Board says this is creating an onerous burden on the payroll staff. It is already making numerous deductions and claims that additional ones create an even greater burden.

During discussion of this issue the Association suggested two limitations which it believes appropriate: (1) There are only so many entrees which can be made on the computer. The number was not known at the time by either party. But it was stated the deductions should and could not exceed that number; (2) The Association proposed the following additional limitation: "Any additional insurance deductions which are optional to the teacher shall be limited to those authorized in writing to a carrier by at least 20% of those in the bargaining unit. Such authorization shall occur not later than the end of the second pay period in the first semester or the second semester, as the case may be."

RECOMMENDATION

The fact finder recommends that the above two limitations be incorporated in the 1971-72 language on payroll deductions.

PROFESSIONAL COMPENSATION

The Association wants to retain the 1971-72 language providing a procedure for determining salary credit due to a change in certification status.

The Board's problem with this, it claims, is that teachers simply don't get around to turning in proof of change. The Board says it is willing to accept a report card showing passing grades in courses taken to acquire certification. It says that while it ultimately gets such

notice from the State this can be months after the fact. During this time a payroll accrual is building up. This causes difficulty in payroll. Since the Board tries to keep its indebtednesses paid currently it does not believe it should have to wait for a certificate to be received by a forgetful applicant.

In discussion it was agreed the following change in Article XXIII K first sentence would accomplish the apparently mutually desired purpose:

"The determination for a salary credit for a change in certification status will be made when proof that requirements for such certification have been met is received by the school superintendent" (Underscoring represents the change in language.)

In the second sentence of K the word "his" would be changed to "have" for grammatical reasons only.

RECOMMENDATION

The fact finder recommends the changes just above stated as representing a sensible solution to an administrative problem.

HEALTH INSURANCE PROTECTION

The Association wants to retain the same health insurance coverage and carrier it had under the 1971-72 agreement. More specifically it wants the full family health care protection for the full 12 month period provided by the basic MEA Super Med Program. None of the options are sought.

The Board says it does not want to take away any benefits, but it wants the opportunity to bid them with other carriers to see whether they can be had at a more reasonable cost. It says this is only good business and that as the public servant it has or should have the opportunity to bid the carrier. It is disturbed by the fact that it got an unanticipated extra billing of \$5000 last year from MEA Super Med which it had not budgeted for and consequently wonders whether it could do better with another carrier. It is willing to have any independent insurance expert or state agency examine the proposed bid to be sure the benefits match those provided by MEA Super Med before any bid is let. Moreover, the Board agrees the servicing must be equal to that currently provided. It says that it may well return to or stay with MEA Super Med but it wants the opportunity to check cost on a bid basis.

The fact finder can see no possible objection to this. It is not conceivable that the Association is interested in more than equal benefits and service from whatever carrier. And where the employer is paying the bill it seems reasonable to seek bidders within those limitations.

However, the financial status, stability and reliability of the carrier are of great importance too. Thus, it would seem that relatively untested carriers of this type insurance would be a legitimate concern to both parties.

It appears to the fact finder that if, for whatever reasons, the Association wishes to remain with the MEA Super Med

carrier its members should be willing to assume any cost difference which may be revealed by other bidding carriers.

Thus, it is recommended that the Board put out bids for identical benefits and services to responsible carriers with a history of reliability in the health insurance field; that the MEA Super Med carrier should be included among those allowed to bid; that the results of such bids and the full details thereof should be made known to the Association; that no final action be taken to sever the present carrier until the Association is satisfied as to benefits, service and carrier reliability. (Alternatively, it is recommended that if the Association's members wish to remain with the current carrier even though the premium cost is higher for the same benefits they should assume whatever higher premium cost is reflected by the bids.) These are the fact finder's recommendations as to this disputed item.)

JOINT POLICIES COUNCIL

In the 1971-72 Agreement there was language providing for the establishment of a Joint Policies Council. The Association claims that it has not been implemented and has never had an opportunity to function. It asks that it now be implemented.

The Board has spent a considerable amount of time drafting rules of procedure of this entity which will not conflict with legal responsibilities of the Board. These

were in the form of two resolutions #2431 and 2433 which were read at the fact finding hearing. They are lengthy and in their present form may or may not do the implementation job the Association seeks.

RECOMMENDATION

The fact finder recommends that the Association study these documents and then take up any desired changes in them with the Board. If finally agreed upon these resolutions perhaps in amended form could then be incorporated by reference in the collective bargaining agreement. This is the only recommendation the fact finder believes appropriate to make on this matter.

The above constitutes the full report and recommendations on all items of dispute between the parties.

March 31, 1977
DATE

James T. Dunne
JAMES T. DUNNE, ARBITRATOR



WILLIAM G. MILLIKEN, Governor
BARRY BROWN, Director

DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

400 TRUST BUILDING, GRAND RAPIDS, MICHIGAN 49502 - Phone 458-3631

March 5, 1973

COMMISSIONERS

ROBERT G. HOWLETT,
Chairman
LEO W. WALSH
MORRIS MILMET

William M. Ellmann

Mr. Richard Bonifas, Superintendent
Manistique Area Public Schools
Manistique, Michigan 49854

Mr. Pat Moberg, Representative
Manistique Education Association
P. O. Box 205
Manistique, Michigan 49854

Re: Manistique Area Schools and
Manistique Education Association

Gentlemen:

NOTICE OF APPOINTMENT OF FACT FINDER

The Michigan Employment Relations Commission has reviewed the petition for fact finding filed by the Manistique Education Association on February 5, 1973, and the answer thereto from the Manistique Area School Board, received February 22, 1973 and has concluded that the matters in dispute between the parties may be more readily settled if the facts involved in the dispute are determined and publicly known.

We have made our determination on the petition above and the Employment Relations Commission has accordingly appointed Mr. James T. Dunne as its Hearings Officer and Agent, to conduct a fact finding hearing pursuant to Section 25 of the Labor Mediation Act (Mich.Stat. Ann. 17.454 (27); Mich.Comp. Law 423.25 and Part 3 of the Board's General Rules and Regulations. The fact finder will conduct a fact finding hearing and issue recommendations with respect to the issues in dispute.

The fact finder's address and telephone number are:

Mr. James T. Dunne
2029 M 28 East
Marquette, Michigan 49855
(906) 249-1317 Home Telephone

The fact finder has been requested to schedule a hearing in this matter as promptly as possible.

Yours very truly,

RGH:la
cc: Mr. James T. Dunne

Robert G. Howlett
Chairman

Mr. Dunne: We enclose a copy of the petition and answer thereto.

