2/5/73 FF
Parties

1401

316

State of Michigan
Department of Labor
Employment Relations Commission

IN THE MATTER OF FACT FINDING

BETWEEN

MANTON CONSOLIDATED SCHOOLS DISTRICT

AND

MANTON EDUCATION ASSOCIATION

FACT FINDERS REPORT AND RECOMMENDATIONS

Sol Elkin 2-5-73

Manton Consolidated Schools District

Appearances:

For the Manton Board of Education

- Sam Williams, Board President
- Francis Restello, Board Treasurer
- Leo Kibbe, Board Secretary
- Richard Siddall, Trustee
- Evert D. Morris, Trustee
- Harry O. Stockwell, Trustee
- Myron Bridson, Trustee

For the Manton Education Association

- Thomas Patterson, Mich. Educ. Assoc. staff
- John Meeder, Mich. Educ. Assoc. Research staff
- Tom Polkinghorne, President, Manton Education Association
- Floyd Del Bello, Chief Negotiator

The Manton Consolidated Schools Board of Education operates a K-12 school system in Wexford, Missaukee, Kalkaska, and Grand Traverse counties which includes approximately 800 students and employs 36 full-time teachers. The Manton Education Association is the collective bargaining representative for the professional staff.

The parties reached an impasse in negotiations for the 1972-73 contract, the previous contract having expired on

June 30, 1972. Mediation was requested and three mediation sessions, the last on November 27, 1972, were conducted without reaching complete accord.

On November 29, 1972, an application for fact finding was filed by the Manton Education Association. The Manton Board of Education did not file a reply. A hearing was held on January 18, 1973, during which it developed that the issues as stated in the application were no longer completely current. By the conclusion of the hearing the issues in dispute could be summarized as follows:

Salary. The Association requests a B.A. base salary of $7,600 to a B.A. maximum of $10,940 in eleven steps, representing a 1.44% index ratio from base to maximum. The Board offers a $7,700 to $10,800 schedule representing a 1.40% index ratio. Both agree on a $500 differential for the Masters degree.

The parties have also agreed on a total dollar amount for regular salaries of $329,542. Either salary schedule can be funded by this sum, within a few hundred dollars. Therefore, the core of the dispute is the minimum and maximum salaries and the index ratio.

Health Insurance. The parties have agreed on a total of $15,190 for health insurance. The dispute centers on selection of the carrier, and the payment of premiums for the summer months for teachers who do not return to Manton in September.

In a written statement of its position (Board Exhibit D) the Board states that ". . . when the Board pays more than 50% of the cost of the insurance . . . we should have a voice in naming the carrier." At the hearing, the Board spokesman indicated the Board should name the carrier. The Association wishes to retain Michigan Educational Special Services Association (MESSA), which is the present carrier.

The Board proposed a $35 per month subsidy toward health insurance, with the Board withholding $105 from each teacher's subsidy as protection against paying for insurance during June, July, and August for a teacher who decides not to return to Manton for the 1973-74 school year. The $105 would be repaid to all returning teachers in September, 1973.

The Association believes that $35.00 per month should be paid for twelve months to all teachers covered by the contract, whether or not they return in September.

Contract Termination Date. The Association proposes a one-year contract retroactive from September 1, 1972 to August 30, 1973. The Board prefers July 1, 1972 to June 30, 1973.

THE ISSUE OF SALARY

The Board offered the following reasons in support of its position:

(1) The 1.44% index ratio sought by the Association could unbalance the budget at some future time. The possibility of a larger

student enrollment and increased capitol expenditures makes future budget considerations important.

(2) A higher beginning salary is necessary to be competitive in recruiting good teachers.

(3) In Manton, additional years of experience has not been found necessarily to result in better teaching performance.

(4) The Board presently rewards teachers for length of service by the $200 longevity increase for each five years of service beyond the salary schedule.

Therefore, the Board prefers a larger increase at the lower end of the salary scale than at the upper end. It urges the continuance of a 1.40% index ratio as in the past five years. This represents, in its view, a fundamental "philosophical" difference with the Association.

The Association presented these reasons in support of its position:

(1) The 1.44% index ratio is a modest request and well within the Board's ability to pay.

(2) In recent years Manton teachers have fallen behind neighboring school districts in index ratio and maximum salaries. An increase to a 1.44% index ratio would reduce this disparity.

(3) A B.A. base salary of $7,600 to a maximum

of $10,940, will reward teachers for experience and years of service and still permit Manton to be competitive at the hiring level.

For these reasons, it urges a smaller increase at the lower end of the salary schedule and a larger increase at the upper end, with a 1.44% index ratio. The total salary cost for this schedule is approximately equal to the amount already offered by the Board and accepted by the Association.

The parties have negotiated master agreements since 1966. Below are the salary schedules and index ratios for previous years.

	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72
B.A. Base	5,300	5,700	6,200	6,900	7,200	7,400
B.A. Max	6,200	8,447	8,700	9,660	10,080	10,360
M.A. Base	5,500	6,200	6,700	7,400	7,700	7,900
M.A. Max	6,400	8,947	9,200	10,160	10,580	10,860
B.A. Base-B.A. Max Index	1.17%	1.48%	1.40%	1.40%	1.40%	1.40%

The Association introduced evidence to show how Manton teachers at the top of the salary schedule have ranked among the twenty districts in M.E.A. Region 15 in recent years, and their relative position if the Board's offer were accepted. Table I includes a summary of Association Exhibits 1-4.

Table I

Rank of Manton in Relation to Other Districts in Region 15

	B.A. Max	M.A. Max	B.A. Index Ratio	B.A. Base-M.A. Max Index Ratio
1968-69	9	9	7	9
1969-70	7	8	6	11
1970-71	11	13	9	9
1971-72	14	15	10	13
Board's Offer 1972-73	14	15	11	13
Association's Proposal 1972-73	14	15	8	11

The Board stated that its offer is in line with comparable districts in the area and presented these schedules to support this position: (Board Exh. D)

Table II

1972-73

Kingsley	$7,700 - 11,000
Lake City	7,514 - 10,660 (this year) 7,722 - 11,050 (next year)
Marion	7,825 - 11,025
McBain	7,650 - 10,800
Mesick	7,700 - 11,500

If we compare only the four above Region 15 districts (Marion is in Region 13) selected by the Board as most comparable to Manton, from the twenty districts represented in Table I, Manton's relative position is as shown below:

Table III

Rank of Manton in Relation

to Four Selected Districts in Region 15

	B.A. Max	M.A. Max	B.A. Index Ratio	B.A. Base-M.A. Max Index Ratio
1968-69	1	1	1	1
1969-70	1	1	2	2
1970-71	3	3	4	4
1971-72	3	3	5	5
Board's Offer 1972-73	3	3	5	5
Association's Proposal 1972-73	3	3	2	2

There is substance to the Board's concern about adding to their salary obligation in future years as a result of raising the index ratio. However, despite the fact that the pattern of future teacher turnover is not predictable, the probable increased salary expense due to a somewhat higher index ratio is not likely seriously to affect a school district in Manton's sound financial condition. Likewise, while the Board must be cognizant of future needs due to a possible rise in enrollment and the need for capital improvements, this will not be materially affected by the possible added cost due to a modest increase in the index ratio.

While the Board's desire to be competitive at the base salary is understandable, it is the fact finder's opinion that this should not be a major problem. We are in a period of a teacher surplus and all indications are that this situation will prevail for some time. Teacher recruitment should not be difficult. Also, prospective teachers who are career-minded and seeking permanance are attracted by a competitive maximum as well as base salary. Considering the many factors influencing a prospective teacher's decision to choose one school district over another, the $100 base salary difference that is in dispute is not a crucial factor in recruitment.

The Board's contention that additional years of experience and training does not guarantee better teaching performance may well be correct. However, it raises an entirely different set of issues by implying that compensation should be based on performance or merit, either instead of, or in addition to, experience and training. At the very least a plan to base compensation on performance would require agreement by the parties on the method of evaluation and a salary schedule to reflect these evaluations. A system of merit pay has not been proposed and therefore such a salary schedule is not an issue between the parties at this time.

The schedule under consideration is based only on experience and training. In this respect it is similar to schedules employed by an overwhelming number of school districts and must be judged with this in mind. While the Board grants some recognition for length of service by the longevity provision, a $200 annual increase after 15 years is not sufficient to effect the issue of an adequate index ratio.

With these general observations in mind, the fact finder believes that the answer to this dispute lies in a study of the comparability data. Table I indicates that the salary level of experienced Manton teachers, relative to the other school districts in Region 15, has declined since 1968. The B.A. index ratio has dropped from seventh to tenth and the decline will continue even further to eleventh if the Board's proposal is adopted. Table III indicates that the Manton index ratio relative to four Board-selected districts has declined from first to fifth in this given group and will remain fixed in last place if the Board's proposal is adopted. Considerations such as these strongly suggest the need for an increase above 1.40%.

While this steady erosion of the relative salary position of experienced Manton teachers should be halted, a sudden turnabout would be rash and could conceivably create future financial difficulties. The decline since 1968 has been gradual and financial prudence dictates that reversal of this trend also be gradual. In this way, the Board can remain fiscally responsible and yet assure the Manton teachers of salary equity.

Accordingly, the fact finder recommends a B.A. base salary of $7,650 with a 1.42% index to a B.A. maximum of $10,860 in eleven steps. The $500 differential for the M.A. is continued.

This B.A. base salary will meet the Board's requirement to remain competitive with neighboring districts. Only

Marion (See Table II) will have a significantly higher starting salary.

The recommended salary schedule will result in these comparisons:

Ranking of Manton in Region 15 (20 districts) (See Table I)

B.A. Max	M.A. Max	B.A. Index Ratio	B.A. Base-M.A. Max Index Ratio
($10,860)	($11,360)	(1.42%)	(1.48%)
14	15	9	12

Ranking of Manton in Five Selected Districts (See Table III)

3	3	3	4

The recommended maximums will not restore Manton to its former favorable position in relation to neighboring school districts, nor is it sufficiently higher than the Board's offer to improve its ranking with neighboring districts at the B.A. or M.A. maximum level. However, the increased index ratio does improve Manton's ranking in this respect and, if maintained in future years, would raise the maximum salary.

The total cost to the Board, based on personnel information in Board Exhibit C would be $329,384, approximately equal to the amount previously agreed upon. It is amply clear from a study of the Board's financial position that they can afford this recommended salary schedule.

THE ISSUE OF INSURANCE

The total dollar amount to be paid by the Board ($15,190) having been agreed upon, two insurance issues remain: selection of the carrier, and payment of premiums during June, July, and August for teachers who do not return to Manton in September.

The last three contracts have included an insurance provision but are silent on the specific issues in dispute. The central question is whether the bearer of the cost, i.e., the Board, or the consumer of the services, i.e., the teachers, has the greater claim. There are persuasive arguments to support both positions. However, the Board made no statement nor presented any evidence critical of the present carrier which is the teachers' choice, nor mentioned another carrier believed to be superior. MESSA insurance is widely used by school districts in the State of Michigan and is apparently functioning satisfactorily in Manton. The 1970-71 contract mentions MEA as an "acceptable group plan" and for 1971-72 MESSA was agreed upon as the sole carrier. These circumstances plus the advantage of continuity convince the fact finder that MESSA should be continued as the carrier for the current year.

The Board does not believe that payment of insurance premiums during the summer months is justified for teachers who do not return in September as they are not employed by the Board during that time. It wishes the payment to be "coterminous with the master agreement to end June 30, 1973." (Board Exh. D). The Association's position is that teachers are employed on a twelve-month basis and hence $35.00 per month for twelve months should be paid to every teacher covered by the contract if employed to the end of the school year.

It is the fact finder's opinion that these points are germane to this issue:

1. The Superintendent's testimony established that it has been the practice to pay premiums on a twelve-month basis and that the $15,190 offered by the Board was based on a calculation of $35.00 per month for twelve months for thirty-six teachers.

2. Making insurance premium payments coterminous with the master agreement implies that a teacher leaving the Board's employ at the end of the school year has already received a full twelve months' subsidy by being paid the benefits for the previous summer. However, a new teacher cannot begin to collect this benefit until reporting for work in September. Thus, by the end of the master agreement period on June 30 he has not received the full twelve-month benefit.

3. Superintendent Shotwell testified that an average of one to two teachers may resign unexpectedly during the summer months in a typical year. Even if one accepted the proposition that these people are not entitled to summer insurance benefits, the possible monetary loss to the Board is hardly sufficient to justify the inconvenience to the entire staff which would be entailed by the Board's proposal to have each person make three separate summer payments which the Board would later reimburse.

4. American Arbitration Association Case #54-30-0340-69

"In the Matter of the Arbitration between Warren Education Association and Warren Consolidated Schools" (Association Exhibit #14) involves a similar issue. Although this is an arbitration of a grievance under an existing contract, the reasons given for finding for the W.E.A. are generally applicable here.

5. Teachers are employed on an annual basis at an annual salary despite the fact they are assigned no duties during the summer months. Proof of this is the payment of insurance benefits during the summer months for teachers who do return in the Fall.

6. Teachers who return to work in September and those who do not return have completed an equal amount of work, are equally compensated in salary, and therefore should be equally compensated in fringe benefits.

7. It is not unusual for an employee to receive payment after services are rendered. For example, a Manton teacher may elect to receive his salary in twenty-six payments throughout the year (1971-72 contract, Article XVI). It seems clear that just as basic salary is earned during the school year and is often paid in equal installments throughout the calendar year, so payment of fringe benefits can be likewise distributed. Once the teacher has completed the school year he has already earned his annual compensation whether he returns to his job in September or not.

For the above reasons, the fact finder recommends that teachers be paid $35.00 per month toward health insurance for a full twelve-month period, and that teachers who complete the school year be entitled to this subsidy for June, July, and August.

THE ISSUE OF CONTRACT TERMINATION DATE

The Association argues for a full twelve-month contract from September 1, 1972 to August 30, 1973, while the Board's position as set forth in Board Exhibit D (para 1B) proposes a "master agreement to end June 30, 1973, as previous contracts have been written." As the term of previous contracts has been from July 1 to June 30, the Board presumably agrees to a twelve-month contract. The dispute is whether the contract should terminate on June 30 or August 31.

There are good reasons why Manton and many other school districts have negotiated master agreements terminating in June. For example, the Superintendent testified that the June 30 termination date is convenient because of the timing of the State aid payment. From a public policy viewpoint, an added benefit is that it encourages negotiations while school is in session and everyone is available, and avoids the crisis of a August 31 deadline that could delay the opening of school if agreement is not reached on time.

As no evidence is available that Manton teachers have been disadvantaged by the June 30 termination date there is no compelling reason to depart from past practice.

Therefore, it is recommended that the master agreement be effective retroactively as of July 1, 1972 to June 30, 1973.

RECOMMENDATIONS

Recommendation 1. The salary schedule in the master agreement shall be as set forth in the attached Appendix A, retroactive to September 1, 1972.

Recommendation 2. The present insurance carrier, MESSA, shall be continued under conditions presently in effect until the end of the contract period, June 30, 1973.

Recommendation 3. The contract shall contain a provision to the effect that teachers will receive a $35.00 per month subsidy toward health insurance for twelve months and that teachers employed at the end of the school year shall be entitled to this subsidy for the following June, July, and August whether or not they return to the Board's employ in September.

Recommendation 4. The agreement shall be effective retroactively as of July 1, 1972 and shall continue in effect until June 30, 1973.

Sol M. Elkin

Sol M. Elkin
Fact Finder

February 5, 1973

Appendix A

SALARY SCHEDULE

1972-73

B.A. Degree

Step	
0 -	$ 7,650
1 -	7,971
2 -	8,292
3 -	8,613
4 -	8,934
5 -	9,255
6 -	9,576
7 -	9,897
8 -	10,218
9 -	10,539
10 -	10,860

Masters degree will pay $500 extra.

Longevity - $200 for each block of 5 years continuous service beyond salary schedule.