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12/18/1969 FF
Robert S. Bowers K
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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of
Marcellus Community Schools
-and-

MICHIGAN DEPARTMENT OF
LABOR
RELATIONS

Marcellus Faculty Association Robert Bowers 11-12-69

The undersigned was appointed by the Employment Relations Commission as its Hearings Officer and Agent to conduct a fact finding hearing relevant to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended. The appointment was made on October 24, 1969. Upon due notice, hearings with the parties were held on November 12, 1969 at the Marcellus High School, Marcellus, Michigan.

DeRand Jones, Superintendent of Schools, represented the Board of Education.

Ruth E. Cobb, Chairman of the Negotiating Team, represented the Marcellus Faculty Association.

This school district employs approximately 45 teachers and has a population of around 1120 students. Negotiations between the parties began on April 29, 1969. At the time of the hearings, the following issues were unresolved and were submitted for fact finding: (1) Salary schedule; (2) Insurance; (3) Percentage of the budget; (4) Driver education pay.

Marcellus Community Schools

POSITION OF THE ASSOCIATION

(1) Salary Schedule

For 1968-69, the salary schedule for the BA degree was from \$6300 to \$8451 and for the MA degree \$6700 to \$9476.

The Association is asking for a base for the BA of \$6800, with an increment of 4% and a MA base of \$7200, also with a 4% increment.

The maximum for each would be \$9248 and \$10,368 respectively.

The Association points out that Marcellus has been significantly below the State median for the BA and MA minima and maxima for the past five years. Using the county schools, athletic conference schools and adjacent school districts for a comparison, the Association shows that the rank in percent of gain from 1968-69 to 1969-70 for the Board proposal for the BA and MA minima and maxima is substantially below the median for these schools. Also, the Association points out that in the ranking of these districts in terms of salary for 1969-70 for the BA minimum and maximum and the MA minimum and maximum, the Board's offer would place Marcellus at the lower half of the rank.

The Association also refers to the fact that the cost of living has risen substantially the past year.

(2) Insurance

The Association requests \$144 per teacher for health insurance. In support of this request, the Association points out that in 1967, 94% of plant and office workers had some form of health insurance to which

their employers made some contribution. Most of the reporting school districts in Michigan have some amount of subsidy. For 1968-69, in Region 5 the average subsidy per teacher was \$160.30. For the State of Michigan the average subsidy per teacher was \$233.99, and the median per teacher was \$299.78. In 1969-70, the amount of subsidy per teacher in school districts in the immediate vicinity ranges from \$96 to \$180. The request for \$144 would represent considerable improvement; the offer by the Board of no subsidy would put Marcellus at the bottom.

(3) Percentage of the Budget

The Association wishes to maintain the percentage of the budget allocated to teachers' salaries. During the past four years, the percentage of the operating budget allocated to teachers' salaries has fluctuated from 56.4% in 1965-66 to 60.47% in 1968-69. The Association maintains that this percentage should not be decreased for the coming year. Furthermore, Marcellus spends a lower percentage on teachers' salaries than the State average. For the year 1967-68, the State was 62.04% and that for Marcellus was 59.28%.

(4) Driver Education Pay

The Association asks for \$5.00 per hour for driver education pay. The present rate of \$4.00 per hour has been in effect for the years 1966-67 and 1967-68. The offer of the Board for \$4.40 per hour is an increase of 10% but this would not keep pace with the cost of living

increase. Furthermore, since it has been agreed that the rate would continue through the summer of 1970, this is further indication that this amount would not keep pace with the times. The requested rate of \$5.00 per hour would neither put Marcellus at the top nor at the bottom of the scale in area schools.

POSITION OF THE BOARD

(1) Salary Schedule

The Board is offering a BA minimum of \$6700, with an increment of 3.75%, which would mean a BA maximum of \$8959. The MA minimum would be \$7100 and the MA maximum would be \$10,026. The non-degree schedule would range from \$5830 to \$6700 in seven steps. Both the Association and the Board agree that the non-degree maximum should be the same as the BA minimum.

The Board summarizes its financial position as follows: As of July 1, 1969, the deficit was \$86,282.78. It is now contrary to State law for school districts to operate under a deficit budget. The Board estimates that its revenues for 1969-70 will exceed its expenditures by some \$31,000. This balance should be used toward last year's deficit so that the probable deficit for June 30, 1970 will be around \$54,000.

The Board presented salary schedules for 1969-70 for 43 schools in the Marcellus area and summarized the comparison as follows:

- Two have a lower base than \$6, 700
- Six have the same BA base of \$6, 700
- Three have a lower MA base than \$7, 100
- Five have the same MA base of \$7, 100
- Five have a lower BA maximum than \$8, 959
- Five have a lower MA maximum than \$10, 026

This includes some very large and/or very wealthy districts as compared to Marcellus. Under the Board's proposal teachers would gain a total of \$20, 627. The Board estimates that the Association's proposal would cost \$15, 948 more. That is 1 1/2 mills on the local tax rolls.

Marcellus is one of the highest schools in total taxes in this five county area. Very few of the 43 schools in this area exceed Marcellus in total millage. It would be very difficult to get a positive vote for extra millage.

(2) Insurance

The main reason why the Board is unable to offer an insurance plan at this time is insufficient funds. Moreover, not until September of this year did the Association request an acceptable package. By that time it was too late for this year.

Insurance at \$144 per teacher would cost \$7, 200. Special education teachers and administrators would also have to be included in any benefit given to the teachers.

(3) Percentage of the Budget

The Board maintains that the percentage of the budget formula is

an improper basis on which to determine wages. If this formula were used, teachers would be forced to accept the percentage even in those years where its application would result in a cut in pay. To establish the same percentage as last year as the basis for determining this year's allocation assumes that last year's percentage was correct. Since expenditures exceeded revenues by \$20,038.47, the spending schedule turned out to be incorrect. To use the same percentages all through the budget would increase the debt.

(4) Driver Education Pay

The Board offers \$4.40 per hour for driver education pay. The Board points out that the average of all hourly wages paid in the Marcellus area for the current year is \$4.79 per hour. This includes wealthy and large districts whose pay scale for teachers is above that of Marcellus. Marcellus is already paying more than the State reimbursement for driver education. The more that is paid the greater the deficit.

The Association is asking for a 25% increase for part-time driver education. The Board believes there is no justification for this. The Board's proposal of \$4.40 per hour is in line with other salaries in Marcellus and eight of the area schools are paying less than \$4.40.

RECOMMENDATIONS

(1) Salary Schedule

The following salary schedule is recommended:

BA	\$6725 - \$ 9,146 (4% increment)
MA	\$7125 - \$10,260 (4% increment)
Non-Degree	\$5855 - \$ 6,725 (7 steps)

For the BA degree this represents an increase of 6.7% for the minimum and 8.2% for the maximum. For the MA degree, the increase is 6.3% for the minimum and 8.4% for the maximum. This proposed schedule together with the annual increment would make for a respectable increase for each teacher. In general, Marcellus will be able to maintain approximately the same relative position in the area.

The Fact Finder is restrained from proposing larger increases because of the financial position of the school district. The district has been operating with a deficit and the Board is concerned with its legal position in running a deficit. However, the recommendations of the Fact Finder do not put the Board in debt and do not even add to the deficit. According to the latest budgetary predictions by the Board, the revenues for the current year will exceed expenditures. The cost of the Fact Finder's recommendations is a modest part of the anticipated surplus. Funds will still be available for debt reduction. Moreover, the Board cannot afford to permit its salary schedule to deteriorate relative to other schools in the area and the teachers should not be asked to bear an unduly large burden in order that the

deficit might be reduced at a faster rate.

(2) Health Insurance

It is recommended that \$100 per teacher be contributed by the Marcellus School District toward a health insurance program for the teachers. Because of tax arrangements, dollars allocated in this way are of the highest benefit to the teaching staff. The Board has recognized that the Association has lately presented an acceptable insurance plan. The amount of \$100 is quite modest in comparison with other school districts. It is less than half of the average contribution in the State and it is in the lower fourth of the amount paid by other school districts in the Marcellus area. Only one other school in the area fails to make a contribution toward health insurance.

(3) Percentage of the Budget

Teacher's salaries should not be a constant percentage of the budget. To do so would introduce an element of inflexibility and rigidity into the formulation of the budget which, over a period of time, might well result in inequitable salary adjustments for the teaching staff. Furthermore, there does not seem to be a precise way of determining exactly the correct percentage of the budget which should be allocated to salaries.

(4) Driver Education Pay

It is recommended that \$4.40 per hour be the amount for driver

education pay. This amount is a 10% increase over that paid in the previous year and such a percentage is equitable. This amount maintains the same relative position of Marcellus in the rank of area schools--that is, in the lower fourth.

Dec 8, 1959
Kalamazoo, Michigan

Robert S. Bowers
Robert S. Bowers, Fact Finder