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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Fact Finding between
MASON COUNTY INTERMEDIATE SCHOOL DISTRICT,
Public Employer,
and

MASON COUNTY INTERMEDIATE EDUCATION
ASSOCIATION,

Employee Organization.

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

FACT FINDER'S REPORT AND RECOMMENDATIONS

Application for Fact Finding: August 10, 1971
Fact Finder Appointed: September 7, 1971
Fact Finding Hearing Held: September 21, 1971 at Ludington, Michigan
Fact Finder's Report Issued: September 27, 1971

Fact Finder: James R. McCormick
Representing Education Association: Dave Hartman, MEA Area Director;
Pete Barton, President; Charles
A. Miller, Negotiations Chairman

Representing School District: Myrvi M. Miller, President of Board
of Education; James McGuire, Super-
intendent

UNRESOLVED ISSUES

The unresolved issues which are the subject of the Fact
Finding Hearing held in this matter are all of an economic nature.
The principal issue is the salary schedule, while additional issues
concern travel, allowance mileage, automobile allowance, and medical-
hospital insurance.

Mason County Intermediate School District

The Salary Schedule and Fringe Benefits for the 1970-71 school year were as follows:

Step	BA	BA + 18	MA	MA + 20	ED.S
1	\$7,950.	\$8,300.	\$8,550.	\$8,750.	\$9,050.
2	8,300	8,668.	8,930.	9,140.	9,445.
3	8,650.	9,035.	9,310.	9,530.	9,860.
4	9,000.	9,403.	9,690.	9,920.	10,265.
5	9,350.	9,770.	10,070.	10,310.	10,670.
6	9,700.	10,138.	10,450.	10,700.	11,075.
7	10,050.	10,505.	10,830.	11,090.	11,480.
8	10,400.	10,873.	11,210.	11,480.	11,885.
9	10,750.	11,240.	11,590.	11,870.	12,290.
10	11,100.	11,608.	11,970.	12,260.	12,695.
11	11,450.	11,975.	12,350.	12,650.	13,100.
12			12,730.	13,040.	13,505.
13			13,110.	13,430.	13,910.

SPECIAL PROVISIONS

1. Full Family Insurance
2. \$50.00 car allowance
3. 10¢ per mile

The Board's present position is that the above Salary Schedule ought to continue in effect for the new school year of 1971-72 unchanged. The Board of Education would also leave in effect the provision of \$50.00 per year allowance for use of an individual's car on the job. It is noted that the employees of the Intermediate School District include Speech Pathologists, a Diagnostician, Social Workers, and Teachers of trainable students and the home bound. Accordingly, most or all of the eight certified teacher employees of this School District use their private automobiles in the course of their work. The Board of Education would continue the present allowance of 10¢ per mile driven by these employees. The rate for full family coverage in the Michigan Educational Special Services Association "Super-Med" insurance which was in effect between July 1, 1970 and June 30, 1971

was \$443.52 annually per teacher. The MESSA "Super-Mad" full family coverage rate for the period July 1, 1971 until July 1, 1972 is \$559.68 annually per teacher. In other words, the rate for full family coverage has increased approximately \$116 this year. The Board's proposal is to grant to each teacher in the bargaining unit a flat sum of \$500 for this year for purposes of procuring insurance.

During the course of negotiations preceeding this fact finding case, the Board at one point offered a salary schedule based upon the old 1970-71 schedule but reducing by one the number of steps between the beginning level and the top salaries. In other words, teachers would climb to the top of their salary schedules one year sooner than under the 1970-71 schedule. Neither party computed for the Fact Finder the additional costs involved in making such a change. In any event, that proposal was withdrawn prior to Fact Finding. It apparently represented the only forward movement of the Board on the salary schedule issue during the negotiations.

The Association's current bargaining position on salaries and fringe benefits is set forth below:

	<u>BA</u>	<u>BA + 18</u>	<u>BA+30</u> <u>MA</u>	<u>MA + 20</u>	<u>Ed.Sp.</u>
1	\$8,400	\$8,750	\$9,000	\$9,200	\$9,500
2	8,770	9,135	9,398	9,606	9,928
3	9,140	9,520	9,796	10,012	10,356
4	9,510	9,905	10,194	10,418	10,784
5	9,880	10,290	10,592	10,824	11,212
6	10,250	10,675	10,990	11,230	11,640
7	10,620	11,060	11,388	11,633	12,068
8	10,990	11,445	11,786	12,039	12,496
9	11,360	11,830	12,184	12,445	12,924
10	11,730	12,215	12,582	12,851	13,352
11	12,096	12,600	12,980	13,257	13,780
12			13,378	13,663	14,208
13			13,770	14,076	14,630
	1.44	1.44	1.53	1.53	1.54

The last column of figures, beginning with 1.44, represents the ratio between the beginning salary and the top step of the schedule for each of the classifications. For example, the \$14,630 proposed to be paid to an educational specialist at the 13th step represents 1.54 times the beginning salary of \$9,500 for that position.

The Association's present position is that the mileage allowance for teachers who drive their own cars ought to be increased from 10¢ per mile to 12¢ per mile and that the flat rate annual car allowance ought to be increased from \$50 to \$100. However, during a mediation session on August 9, 1971 the Association modified these demands. At that time the Association proposed a BA minimum of \$8,325, a one step reduction throughout the five salary schedules, along with a slight improvement in the minimum-maximum ratios for the five salary schedules. Neither party presented any figures to the undersigned indicating the costs of such a modification. At the August 9th mediation session the Association also temporarily lowered its other demands so as to seek a mileage allowance of 11¢ per mile and a flat rate annual car allowance of \$75. The August 9th offer was not accepted by the Board and was later withdrawn by the Association.

FACTS PRESENTED BY THE PARTIES

The Association presented some 27 formal exhibits, along with other unnumbered data. The Board likewise presented a series of formal exhibits in support of its position. The Board's exhibits reveal that there has been a sharp decrease in the surplus in the Special Education Fund at the end of each of the last four school years. As of the end of the 1968 school year there was a surplus in the fund of approximately \$111,000. By 1969 that had been reduced to approximately \$41,000 as a result of construction projects. By 1970 the surplus was

reduced to approximately \$37,000, as a result of an operating deficit (expenses exceeding revenues). As of July 1, 1971 the Special Education Fund surplus was down to approximately \$22,000, as a result of an operating deficit of \$15,000 during the 1970-71 school year. The Board's auditors anticipate an operating deficit of approximately \$12,500 for the current 1971-72 fiscal year which will leave a surplus in the Fund of approximately \$10,000 as of next June 30th.

The projected deficit of \$12,500 for the current school year is admittedly subject to some question. For one thing, it assumes State Aid in the amount of \$64,800, while a more likely estimate of the state aid would be approximately \$69,000. The estimate of state aid for this year was based upon an assumption of \$6,100 to be received from the State for each of the eight Special Education teachers, plus some additional amount for paraprofessional and bus driver employees. Those figures are conceded by the Superintendent of Schools to be quite conservative. The Superintendent now estimates that he will probably receive in the vicinity of \$6,500 for each of the teachers, or approximately \$3,200 more than the State Aid estimate. An Association representative at the hearing indicated information that the per teacher state aid will be approximately \$ 6,700, representing \$600 per teacher more than the estimate used in the proposed budget. \$600 for each of the 8 teachers would represent an additional \$4,800 over and above the budget estimate of State aid. Perhaps a figure exactly between the two current estimates would be most logical for our use at this time. That would be an additional \$4,000 over and above the estimate of \$64,800 used in the Board's proposed budget. That would indicate that the operating deficit would be approximately \$8,000 for the current year, leaving about \$14,000 as a surplus in the Special Education Fund at the completion of the current fiscal year. It is my understanding that these figures assume that there will be no salary increase at all. Therefore, if a salary increase is granted

the operating deficit will be more than the projected \$8,000 and the Fund surplus at the end of the current school year will be less than the projected \$14,000.

The Board seeks to compare last year's salaries in this district with those paid in 10 other Intermediate School Districts in the Northern half of the lower peninsula of Michigan. Comparisons are made with the Intermediate School Districts of Manistee County, Oceana County, Wexford-Missaukee County, Mecosta-Osceola, Traverse Bay Area, COP (Cheboygan, Otsego, Presque Isle), Charlevoix-Emmet, Newago County, Clare County and COOR (Crawford, Oscoda, Ogemaw, Roscommon). The Board points out that these are rural counties of similar economic status to that of the Mason County Intermediate School District. Salary comparisons for the 1970-71 school year with the 10 above named Northern Lower Peninsula intermediate school districts are quite favorable to Mason County Intermediate School District. For example, the 1970-71 BA starting salary of \$7,950 placed Mason County ahead of all of the other named districts except Clare County. The BA maximum of \$11,450 placed Mason County 5th among the 11 districts. The same comparisons reveal that Mason County was second place at the MA minimum, with a salary of \$8,550, while it was in 1st place for the MA maximum, with a salary of \$13,110. Again, it was in second place for the MA + 30 range or educational specialist at the minimum, and in 1st place at the maximum step. In the area of allowances for driving cars, all of the 11 named districts paid 10¢ per mile, and Mason was the only district paying a lump-sum (\$50) extra per year for driving one's own car. Mason, for 1970-71, was also ahead of all of the other above named intermediate school districts in the area of health insurance, except for Charlevoix-Emmet, which also had full family coverage.

The School District presented figures from those of the above

named intermediate school districts which have arrived at salary schedules for the current school year. The schedule for nearby Manistee County is only slightly better than last year's Mason County schedule. It is likely that the schedule for nearby Oceana County will be a little less than last year's Mason County schedule. Wexford-Missaukee has not yet begun negotiations and is paying on its last year's schedule. Although the Board representative at the hearing indicated that Mecosta-Osceola was believed to be continuing with last year's salary schedule, that fact was not confirmed during the hearing. Last year's salary in that district was substantially below comparable figures for Mason County. The five county area covered by the Traverse Bay Area Intermediate School District has settled for a schedule which is approximately the same as last year's Mason County schedule. Although the COP District is unsettled, a representative of the administration from that District has provided estimated figures which would place it at about the level of last year in Mason County. Charlevoix-Emmet has settled for a schedule which closely approximates last year's Mason County Schedule. Newago County and COOR have not yet settled, while Clare County has set salary schedules at a level somewhat higher than last year's Mason County schedule. The BA range in Clare County for the current year is \$8,200 - \$12,300. The MA figures for Clare County this year are \$9,020-\$13,520. All four of those figures are significantly higher than the Mason County figures for last year. It is apparent from the above information that Mason County will surrender its relatively high standing among these 11 Northern Lower Peninsula districts if last year's salary schedule prevails for the current year.

In its Exhibit D the School District calls attention to certain additional points which it has taken into consideration in formulating

its own bargaining position this year. First the Board indicates that audit reports show a weakening financial position. This refers to the continuing decline in surplus in the Special Education Fund. The second point made by the Board is that this intermediate school district has for several years "paid more salary and fringe benefits than our closest neighbors". Third, the Board points out that it has taken official action seeking to be attached to the Traverse Bay Area Intermediate School District. In this connection notes that it feels "an ethical obligation" to the TBA District to adjust salaries "in such a manner so as to be more in line with our closest neighbors and with Traverse Bay Intermediate District". As noted above, the current year schedule for the Traverse Bay Area District is still slightly under last year's Mason County figures. Finally, the Board points out that it presently offers no "hard of hearing" program. It apparently has contemplated institution of such a program and emphasizes that such a program will "cost several thousand depending on numbers of children involved". Nothing is contained in the current budget for such a program. It is not known to the undersigned whether it is contemplated to commence such a program during this fiscal year or whether this is simply a reference to a needed program sought to be implemented in future years.

The Association questions the relevance or comparability of the 10 Northern Lower Peninsula intermediate school districts selected by the Board for comparative purposes. From a purely geographical approach, Mason County is actually located in the central third of the lower peninsula. In addition to the somewhat industrialized city of Ludington, the County contains a good deal of farm land along with large stretches of undeveloped forest and a number of small towns. The Association points out that the greater number of the 10 districts sought to be compared by the Board of Education are not organized by

employee organizations. However, that factor cannot be accorded great significance in determining a fair salary schedule for Mason County. The question as to whether or not any group of teachers employed by an intermediate school district will be organized is one which must be decided by the teachers themselves. If the teachers do not choose to be organized that fact does not disqualify the district from consideration when making salary comparisons. The Association presents salary figures for last school year from 47 out of the state's 59 intermediate school districts. These 47 are apparently all those for which figures were available to the Association. At the BA minimum Mason County's \$7,950 ranked it 15th among the 47 districts. This placed it a little above the State mean of \$7,812 as well as the state median of \$7,775. At the BA maximum level Mason County last year ranked 23rd out of the 47 districts, which also placed it slightly above the state-wide mean and median. At the MA Minimum level Mason County was 11th out of the 47 districts, which placed it approximately \$200 above the state-wide mean and median. At the MA maximum Mason County was 14th among the 47 districts, which placed it \$400 above the state-wide mean and \$600 above the state-wide median. At the Educational Specialist or MA + 30 minimum Mason County ranked 11th out of 27 districts which were compared. This placed it approximately \$150 above the state mean and \$250 above the state median. At the Educational Specialist or MA + 30 maximum Mason County ranked 12th out of the 27 compared, which placed it approximately \$150 above the state-wide mean and approximately \$250 above the state-wide median. It is noted that Wayne County is not listed among the 47 districts for which comparisons were made, while neither Wayne nor Oakland were included among the counties compared at the Educational Specialist level.

It may be concluded from the above synopsis of facts presented to the undersigned that Mason County Intermediate School District last year compared quite favorably among the Northern Lower Peninsula Districts and that it was a little above average even on a fairly comprehensive state wide comparison.

The next point raised by the Association is the matter of the ranking of Mason County Intermediate School District in the area of millage. Of the 83 Michigan counties, Mason County is listed in 32nd place in operating millage, with 21.277 mills. The state average is presented as 24.155 mills. The parties were uncertain as to the source of the state average, since the mean average would be 42nd place Montcalm County's 19.953 mills. In the area of millage levied for all school purposes, including building and site and debt retirement, Mason County is listed as ranking 35th among the 83 counties, with 25.028 mills. The state average is listed as 28.330 mills. Again, it is uncertain as to exactly what is the method of calculation for determining the state average, since 42nd place Newago County's mean average would be 24.376 mills. It is assumed that the state average is weighted in accordance with the population of the various counties. The conclusion from the above figures is that Mason County is doing reasonably well in allocating millage for the purpose of supporting its school system.

Next the Association presented figures from the 83 counties showing the state equalized valuation per pupil in each county. Mason County ranks 44th out of the 83 counties with \$15,583 SEV per pupil. This is slightly below the mean average of the 83 counties and considerably below the state wide calculated average of \$17,699 SEV per pupil. The significance of these figures is that the imposition of a given rate of taxation in Mason county will produce a little less revenue than the same tax rate will produce in the average district.

Exhibit 18 presented by the Association reveals that Mason County, with 6,135 pupils, ranked 47th in the state in numbers of pupils. The same exhibit shows that the other northern lower peninsula districts selected by the Board for comparison are nearly all below Mason County in number of pupils. Only Grand Traverse and Newago Counties have more pupils than Mason in the 11 district group used by the Board for comparisons. However, the Association did not present an alternative set of counties as being a more logical comparison.

Association exhibit No. 19 presents settlement figures from other intermediate school districts for the current school year. While figures are sketchy, representing only 12 other districts, they reveal that teachers in these other districts on the average receive a 4.99 per cent increase at the BA minimum level and a 6.27 per cent increase at the BA Maximum level. As pointed out above, the Mason County Intermediate School District is proposing no increase at all for this school year. It follows that Mason County will sink considerably farther down the ladder in all categories if it merely maintains the status quo this year. Figures presented by the Association in Exhibit 20 reveal that in settlements to date intermediate school district teachers have received a 5.15 per cent increase at the MA minimum level and an 8.60 per cent increase at the MA Maximum level. The Association, in its Exhibit 23, shows that its proposed salary schedule, beginning with the \$8,400 BA base, will result in increases over last year in amounts a little over 5% in each of the salary schedules. At the BA minimum it would represent an increase of 5.66 per cent, for example. From comparison with the state average of intermediate school district settlements to date, an across the board increase of 5 per cent in this district would appear well calculated to maintain its present salary schedule

position vis a vis other intermediate school districts. An across the board 5 per cent increase would also maintain the 1970-71 per cent of total operating expenses devoted to teachers salaries. For last year 67.83 per cent of total operating expenses went to teacher salaries. While there is nothing magical in maintaining the last year's percentage of total operating expenses devoted to teacher salaries, it can be considered one guidepost to determining a reasonable settlement. While the district is employing 8 Special Education teachers this year as opposed to the 7 of last year, revenues are increasing substantially this year so as to permit the 8th teacher to be absorbed without having an adverse affect upon the financial position of the district.

As to health insurance, the Association proposes full family "super med." insurance under MESSA. Last year the Board paid "full family insurance", which came to a maximum of \$443.52 per teacher. Of course the figure was less as to those teachers who were either single or were married but did not support children. This year the Association proposes the continuation of full family MESSA "super med" insurance. MESSA has guaranteed an annual rate of \$559.60 per teacher for the year ending June 30, 1972. This represents an increase of approximately \$116 per year for full family coverage. The Association, in its Exhibit No. 25, points out that some of the teachers do not need full family coverage and that the outlay by the district for them would be considerably less than the \$559.60. For example, a teacher supporting children but without a spouse would cost \$399.12, while a teacher with a spouse under the plan but without children would cost \$488.88. A single individual would cost \$216.48 and, under the Association proposal, would be eligible for an additional \$120 toward the purchase of insurance options such as income protection. The Association has added up the costs for the 8 Special Education teachers

employed by this District, under its proposal, and concludes that the total cost to the District for the year would be \$3,881.04. However, the Association contends that the District would be obligated to pay at any increased rate which might be imposed by MESSA subsequent to July 1, 1972. In other words, for the remainder of next summer the rate might be calculated considerably higher than this year's \$559.60. As a result the grand total cost to the District under this year's contract under the Association's proposal, might come to approximately \$4,000 for health insurance. The Board of Education itself proposes a flat payment of \$500 for each of the 8 teachers, to be used for health and related kinds of insurance according to the wishes of each teacher. That would come to a flat figure of \$4,000 for the year. In other words, there is no significant difference in the cost of the Association's proposal and the Board of Education's proposal. The only difference is the disparity between what would be received by different teachers under the Association's proposal. Some would receive considerably more in the way of a benefit than others.

ANALYSIS AND RECOMMENDATIONS

The Association's salary schedule proposal for 1971-72 would result in salary expenditures for the year of \$93,872. This figure represents 67.81 per cent of the district's proposed operating expenditure. A flat 5 per cent increase (slightly less than the Association's proposal) would also result in salary expenditures in the neighborhood of 67 per cent of the proposed operating budget. Although the Board of Education would stand pat with last year's schedule, each of the teachers would move one step ahead on that schedule and would therefore automatically receive a built-in pay increase. The total outlay for teacher salaries without any new wage increase would be \$90,128, or 64.92 per cent of the District's proposed operating budget for 1971-72. In other words,

if there are no salary increases except the automatic annual increments the percentage of the total budget to be devoted to teacher salaries will decrease from a little over 67 per cent to a little under 65 per cent. Again, there is nothing magical about the precise percent of the operating budget to be devoted to teacher salaries, but it is one of those guideposts which tend to reveal whether proposals are realistic. Neither of the parties presented figures indicating the percentage of the budget of the average school districts devoted to teacher salaries. The figures from this District however do reveal that an increase in the neighborhood of 5 per cent across the board would maintain the approximate percentage of the total operating expenditures devoted to teacher salaries as existed in the previous year.

To summarize the statistical comparisons made by the parties, it may be said that Mason County Intermediate School District last year stood near the very top of the salary schedules in intermediate districts in the northern part of the Lower Peninsula of Michigan, while it stood somewhat above average on a state wide comparison of districts for which figures were available. This appeared generally true at both the minimum and maximum steps for the BA, MA, and Educational Specialists. To summarize further, teacher settlements in intermediate school districts for the current year, while far from complete, reveal that such teachers are, on the average, receiving increases of at least 5 per cent. It would therefore appear that a 5 per cent increase is necessary for Mason County Intermediate School District if it is to remain in the same relative position to other districts in the area of salaries. In the push-pull system of upward spiraling salary schedules, there is no immutable law to the effect that a district must always maintain its historic position with respect to other school districts.

There is a certain logic in seeking to maintain that position in the absence of factors which would render that injurious or impossible. In this instance the parties have not presented data to the undersigned comparing fringe benefits of this district with all other intermediate school districts. Therefore I am somewhat handicapped in determining whether this district's fringe benefits are a plus factor or a minus factor in the overall consideration of its treatment of its teachers. In comparison with the other districts of the Northern Lower Peninsula however it may be said that the Mason District has done well in the past and will probably be doing well if the Board's proposals are put into effect. The parties likewise have failed to document any non-economic improvements in this year's contract. At times economic benefits are traded off for non-economic concessions in the process of collective bargaining. Unfortunately I am not in a position to know whether either party made economic concessions this year in order to gain non-economic goals such as improved Union security, an improved grievance-arbitration procedure, or other working conditions.

In support of the Board's stand pat position on salaries an argument can be made that the Board's position is consistent with the current national policy of discouraging inflationary wage and price increases. Of course, no increase whatsoever can be granted until the expiration of the 90 day Presidential freeze on wage increases. Recent news releases indicate that the prohibition on increases will possibly be modified or lifted at the end of the 90 day period, which will expire in November, 1971. Any increases recommended by the undersigned as justified by the circumstances of the case could not be implemented until such time as the ban is lifted. Further arguments made by the Board of Education include the hoped-for "hard of hearing" program, which will cost an unspecified amount. As noted in the discussion above, the Board projects a surplus in its fund of approximately \$10,000 at the end of the present fiscal year if no additional wage

is granted, and the undersigned has calculated that the surplus will be in the neighborhood of \$14,000 in the absence of a wage increase. The difference is based upon the likelihood of state aid exceeding expectations. The difference between the Board's proposal of no salary increase and the cost of a 5 per cent across the board increase for these 8 teachers comes to less than \$4,000. As noted above, state aid will probably be in the area of \$4,000 more than projected by the Board in its proposed budget. Of course that money could be spent on the initiation of a program for the hard of hearing, and the Board still emphasizes that its accumulated surplus is going down each year and will soon be wiped out at the present rate. However, the Board's concerns appear to be unnecessary in view of the phenomenal increase about to occur in the total property valuation of Mason County for tax purposes. Consumers Power Company is engaged in construction which is projected at \$340,000,000 within Mason County over the next few years. Between \$80,000,000 and \$100,000,000 is being invested at this time. Only 25 per cent of the state equalized valuation of this increase will go on the tax books at first, but eventually Consumers Power Company development will add at least \$150,000,000 to the state equalized valuation of Mason County property. That is more than the entire state equalized valuation of all property in the County at the present time. This will represent a tremendous new source of revenue for the schools of the county, both regular Kindergarten through 12th grade schools and the Intermediate School District. The Intermediate School District is financed by three-fourths of a mill levied upon all property in the county, along with an additional millage allocated by the County Board of Commissioners. The continuing construction at Consumers Power Company will add substantially each year to the revenues of the District for the foreseeable future. On that basis there appears to be no reason for fear that the Special

Education Fund surplus will be wiped out and that the District will be pressed into deficit financing to continue its present program or even to improve it. That leaves only one argument against a 5 per cent increase in salaries: namely the desire of the Board of Education to maintain some comparability with the Traverse Bay Area Intermediate School District because of the possibility of a merger. The merger has not yet taken place and there is no good reason why Mason County should fall behind its 1970-71 ranking among other intermediate school districts for such a negative reason as a desire to hold its salaries down to those being paid by the Traverse Bay Area District. If the merger takes place there will be a later opportunity for further negotiations if it is deemed necessary to equalize salaries between Mason County and the other five counties in the Traverse Bay Area Intermediate School District.

In addition to the fact that a 5 per cent increase would keep this district in its relative position with respect to other intermediate school districts in the state, and the fact that it can be financed without difficulty in light of the Consumers Power Company development, the undersigned also takes cognizance of the fact that the cost of living has increased approximately 5 per cent during the 12 months since the 1970-71 salary schedule was put into effect. In terms of buying power a five per cent salary increase will do no more than maintain for these teachers their 1970-71 buying power. Furthermore, the Presidential 90 day freeze on wage increases presumably will prevent a five per cent increase from being effectuated until approximately November 15th, resulting in a real net increase for the year of approximately 4 per cent. Such an increase is not inflationary and is within the financial ability of the district to pay without any undue strain upon its future surplus position. Thus, all key considerations seem to converge upon a 5 per cent increase as being necessary for maintainanc


of teacher purchasing power, within the financial means of the District, and in line with increases being received in other intermediate school districts across the state.

The undersigned recommends that the lump-sum payment to teachers for use of their automobiles remain at \$50 per year, which is \$50 more than is paid in the other intermediate school districts in the Northern Lower Peninsula with which comparisons were made. The undersigned recommends that the mileage allowance for driving be increased to 11¢ per mile in recognition of the continuing increase in the cost of gasoline, the cost of auto repairs, the cost of automobile purchase, and the cost of automobile insurance. At one point in the negotiations the Association reduced its demand to 11¢ and the undersigned feels that it ought to settle for that. In the area of hospital-medical insurance, the undersigned recommends that the parties settle for the \$500 per teacher proposal as outlined by the Board during the course of the Fact Finding hearing. That offer is capable of being converted into total dollar figures for the year, which is an advantage to the Board in calculating its anticipated expenses. It is also more equitable to all teachers in that each one receives a medical benefit of the same value, rather than the disparity inherent in the Association's proposal.

The undersigned recommends that the salary schedule of 1970-71 be increased by the addition of 5 per cent across the board, for BA, MA, MA+18, and Educational Specialist. This would apply at both the minimum and maximum steps, and the number of steps would remain the same as in the old contract. While a settlement slightly above or below the 5 per cent figure would also be fair and equitable to all sides, including the public, the settlement should not diverge very much from the 5 per cent figure. The above recommendations are based upon a careful analysis of all financial data presented to the

undersigned by the Association and the School District. The parties should consider these recommendations as those of a neutral and disinterested observer and should promptly meet for further negotiations, using these recommendations as the focal point for resolving their bargaining impasse and arriving at a mutually acceptable collective bargaining agreement.

September 27, 1971.



JAMES R. MCCORMICK, Fact Finder