

1417

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF FACT FINDING  
BETWEEN:

CASE NO. G76 H-1436

McBAIN RURAL AGRICULTURAL SCHOOLS

-and-

McBAIN EDUCATION ASSOCIATION

RELATION

Mario Chiesa

Michigan State University

O P I N I O N

INTRODUCTION

Pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's regulations, a Fact Finding hearing was held regarding matters in dispute between the above parties. Pursuant to an agreement between the parties, the hearing was commenced at 4:00 p.m. at the McBain School, McBain, Michigan, on April 1, 1977. The hearing was completed on that date.

McBain Rural Agricultural Schools shall hereinafter be referred to as the Board, while the McBain Education Association shall hereinafter be referred to as the Association.

The undersigned, Mario Chiesa, is the Fact Finder herein.

APPEARANCES:

FOR THE BOARD

Errol Goldman  
George Van Wierer  
James W. Burchett  
B. Reynolds  
Michael B. Swartz

FOR THE ASSOCIATION

Luis M. Diaz  
Sandra Meyering  
Donna Eason  
James E. Racignol  
R. M. Bowman  
Dale Fredrin

McBain Rural Agricultural Schools

## HISTORY

The application for Fact Finding describes the bargaining unit involved herein as:

"K-12 classroom teachers, guidance counselors, librarians, remedial reading teachers; but excluding per diem substitutes, administrative supervisory and executive personnel."

There are approximately 35 teachers in the bargaining unit.

The prior Collective Bargaining Agreement terminated on August 30, 1976.

The parties have engaged in good-faith bargaining and mediation. Impasse was reached on the issues listed herein and an application for Fact Finding was filed by the Association. The application was received by the Michigan Employment Relations Commission on December 16, 1976.

## ISSUES

The parties have agreed that the new Collective Bargaining Agreement will have a duration of two years. In that context, they have agreed that the following issues must be resolved:

1. Salary
2. Health Insurance
3. Long-term Disability Insurance
4. Life Insurance

### SALARY:

Appendix 1 contains the salary schedule as it existed during the 1975-1976 contract year. It should be noted that during the 1975-1976 contract year, the Board did not pay the five percent retirement contribution attributable to the teachers.

Appendix 2 contains the proposals made by each party for the 1976-1977 contract year. It should be noted that the figures

contained therein do not include Board-paid retirement, but both parties agree that the Board will pay the retirement in 1976-1977.

Appendix 3 contains the parties' offers for 1977-1978.

Again, the figures do not include Board-paid retirement, but the parties agree that the Board will pay retirement during 1977-1978.

The Board has taken the position that it does have the ability to pay the Association's first-year contract demands and, thus, will not be presenting evidence on that point for the first contract year.

Both parties presented extensive evidence on this issue.

Association Exhibit 4 shows the percent increases in revenue received by the Board for the period 1971-1972 to 1975-1976. Basically, the exhibit shows that the percentage of revenue received by the Board from local sources has increased over that period of time, while the percentage of direct apportioned state-aid has decreased. Monetary support is becoming a greater burden upon the local taxpayers than it has in the past. The exhibit further shows that total general fund revenue and incoming transfers minus revolving funds for 1971-1972 amounted to \$530,343. This figure increased to \$880,951 during 1975-1976.

Association Exhibit 5 contains the actual revenues received by the Board in fiscal 1975 and fiscal 1976. In addition, the exhibit contains the estimated revenues that will be received in fiscal 1977 and fiscal 1978. In fiscal 1975, the Board received total revenues of \$714,685.79. During fiscal 1976, this figure rose to \$880,277.86. The Association estimates that the Board will receive \$898,666.15 of total revenue in fiscal 1977. This is based on a \$452,705.56 figure for current taxes at one hundred percent collection. In fiscal 1978, the Association estimates that the Board will receive \$950,159.03. The Association bases this

estimate upon the Governor's proposal, which is now in the legislature. It maintains that the Governor's proposal is the lowest of the three proposals now under consideration.

Association Exhibit 6 shows, inter alia, that teacher salaries have represented approximately a 55.92% portion of current operating expenditures. That figure is based on a five year average covering the period of 1971-1972 to 1975-1976.

Association Exhibit 7 contains the Board's actual expenditures for fiscal 1975 and fiscal 1976. The exhibit also contains the estimated expenditures for 1977 and 1978. In 1975, the Board spent \$709,899.67. In 1976 this figure was \$803,123.04. The Association estimates that the total cost of its proposal combined with selective increases in expenditures as defined by the Association would mean that in 1977 the Board would spend \$881,530.34. Using the same procedures, the Association estimates that in 1978 the Board expenditures would be \$946,055.44. Association Exhibit 8 shows that the Board's proposal would result in the Board spending 51.44% of general fund expenditures for teacher salaries in the year 1976-1977. For the same year, the Association's proposal would represent an expenditure from general fund of approximately 56.53%. The Board's proposal for 1977-1978 would represent a teacher salaries expenditure which would amount to 54.61% of general fund expenditures. The Association's proposal for 1977-1978 would amount to a 57.54% expenditure.

The Association has based its comparison on three general areas. The first area is comparative-size schools. The information is listed in Association Exhibit 9, 10, 11 and 12. The Association chose school districts with an SEV of less than \$38,251.00 and student enrollment of 502 to 1,002. Association Exhibit 10 shows that the SEV per pupil in McBain is in the upper

one-half of the districts contained in the aforementioned exhibit. In operating millage, McBain is in the lower one-half. In area of total millage, McBain is again in the lower one-half. In the area of current operating expenditures per pupil, again, McBain is in the lower one-half. The aforesaid information is for the year 1975-1976, except for the current operation expenditures per pupil, which is 1974-1975 information. Association Exhibit 11 contains the salary information for the above group of districts for the year 1975-1976. The exhibit shows that in the area of BA minimum, the McBain salary when adjusted for non-payment of retirement, falls in the lower one-half. The same is true for BA maximum, MA minimum and MA maximum. A fair statement would be that while they all fall in the lower one-half, they fall very close to the bottom of the list in the area of MA minimum and MA maximum. The same information for the 1976-1977 school year, using the proposals submitted by the parties, shows that in the area of BA minimum, the Association's proposal is just above the mid-point in the list, while the Board's proposal is below the mid-point. The same observations hold true for the Association's proposals in the area of BA maximum, MA minimum and MA maximum. In those areas, the Board's proposal falls progressively lower on each schedule.

The Association also presented evidence regarding districts that it concludes are within the geographical area of McBain. Association Exhibit 15 shows that on the BA minimum schedule, for 1975-1976, the salary received by McBain teachers, adjusted for non-payment of retirement, would place the level in the lower half of the BA minimum schedule for the comparable districts. The same holds true for the BA maximum, MA minimum and MA maximum. The Association also presented evidence regarding the rank of its proposal and the Board's proposal as compared to the districts in

the geographical area. On Association Exhibit 16, concerning 1976-1977 salaries, it is shown that the Association's offer would place McBain just above the mid-point in the area of BA minimum, while the Board's offer would be below the mid-point. In the areas of BA maximum, MA minimum and MA maximum, the same general observation would hold.

Association Exhibit 17 provides data regarding the districts surrounding McBain. The districts used for salary comparison were Cadillac, Lake City, Pine River and Marion. For 1975-1976, and when the adjustments were made for the non-payment of retirement, the exhibit shows that McBain placed last in the areas of BA minimum, BA maximum, MA minimum and MA maximum when compared to the aforementioned districts. In 1976-1977, when the parties' offers are compared to the salaries paid in the aforementioned districts and the necessary adjustment for retirement is made, it develops that at the BA minimum, the Association's proposal is exceeded only by the salaries paid in Lake City and Cadillac. In the same area, the Board's proposal is exceeded by all districts. At the BA maximum, the Association's proposal is exceeded by Cadillac, while the Board's proposal is exceeded by all other districts. In the area of MA minimum, the Association's proposal is again exceeded only by Cadillac, while the Board's proposal is exceeded by all districts. In the area of MA maximum, the Association's proposal is exceeded by Cadillac, while the Board's proposal is exceeded by all districts. In 1977-1978, in the area of BA minimum, the Association's proposal is the highest when compared to Lake City and Pine River. The Board's proposal is the lowest when compared to the two aforementioned districts. In the area of BA maximum, the Association's proposal is exceeded only by Pine River, while the Board's proposal is exceeded by both Lake City and

Pine River. In the area of MA minimum, the Association's proposal is the highest, while the Board's proposal is the lowest. In the area of MA maximum, the Association's proposal is again the highest, while the Board's proposal is again the lowest.

Association Exhibit 18 contains the ranking of the parties' proposals in the area of BA minimum, BA maximum, MA minimum and MA maximum for 1977-1978, using the salaries of all the districts used for comparison in the Association exhibits. The exhibit shows that at the BA minimum, the Association's offer is slightly higher than the mid-point, while the Board's offer is next to the last. In the area of BA maximum, the Association's offer is at the mid-point, while the Board's offer is last. In the area of MA minimum, the Association's offer is at the mid-point, while the Board's offer is next to last. In the area of MA maximum, the Association's offer is just below the mid-point, while the Board's offer is last.

Association Exhibit 21 is a summary sheet which shows, inter alia, that based upon the Association's calculations, the fund balance as of June, 1977, would be \$158,747.96, if the Association's proposal were accepted. The Association maintains that this represents 19.18% of the proposed expenditures for 1977-1978. In addition, the exhibit shows that if the Association's offer were accepted for 1977-1978, there would be an addition to the fund equity of approximately \$4,103.59.

The Board also submitted a substantial amount of evidence on this issue.

Board Exhibit 1A displays the projected costs of the various proposals. For 1975-1976, the cost of salaries and insurance amounted to \$418,613.00. Of course, retirement cost is not included because the Board was not paying the teachers' portion of the retirement contribution in that contract year. For 1976-1977,

the Board's proposal would cost \$423,476.00 for salaries, \$21,174.00 for retirement, and \$17,280.00 for health insurance. The Association's proposal for the same year would cost \$434,626.00 for salaries, \$21,731.00 for retirement and \$22,775.00 for insurance. The total cost of the Board's proposal in 1976-1977 would be \$461,930.00, while the total cost of the Association's proposal would be \$479,132.00. For 1977-1978, the Board's proposal would cost \$441,815.00 for salaries, \$22,091.00 for retirement, and \$19,008.00 for insurance. For the same year, the Association's proposal would cost \$485,595.00 for salaries, \$24,280.00 for retirement and \$27,157.00 for insurance. The insurance figure is based on 1976-1977 rates, which are to increase on July 1, 1977. The total cost of the Board's proposal is \$482,914.00, while the total cost of the Association's proposal is \$537,032.00.

Board Exhibit 1C concerns the Board's proposal for 1976-1977, as to relates to the BA scale. The exhibit shows that the Board's proposal, except for the last step and new teachers, amounts to approximately a 10.2% increase over the previous year's salary scale, including Board-paid retirement and increments. The last step would receive an increase of 5.96%.

Board Exhibit 1D shows the Board's proposal in relation to the BA + 10 scale and again for the year 1976-1977. The exhibit shows that the salary increase, including increment and Board-paid retirement, would be approximately 10.1% over that received in the previous year. Last step increase would be 5.95%.

Board Exhibit 1E shows the Board's proposal for 1976-1977 as it relates to the MA scale. The exhibit shows that the Board's proposal, including increment and Board-paid retirement, would represent approximately a 10% increase over the prior year's salary. The last step in the salary schedule would receive a 5.93% increase.



Board Exhibit 1F concerns the BA scale during the 1976-1977 contract year and how it would appear if the Association's salary proposal were accepted. It shows that including increments and Board-paid retirement, the Association's salary proposal would range from a 10.92% increase at the 11th step to 15.36% at the 10th step.

Board Exhibit 1G shows the same information for the BA + 10 scale. The exhibit shows that the Association's salary proposal ranges from a 12.04% increase at the 11th step to 16.47% increase at the 10th step. Again, the increases include Board-paid retirement and the increments.

Board Exhibit 1H shows the same information for the MA scale. If the Association's salary proposal were adopted, the increases would range from 14.93% at the 11th step to 19.35% at the 10th step. Again, increments and Board-paid retirement are included.

Board Exhibit 1I shows the Board's salary proposal for the year 1977-1978 at the BA scale. It compares the 1977-1978 proposal to the salary paid in 1975-1976. Including increment and Board-paid retirement, the exhibit shows that the increase over 1975-1976 ranges from 8.29% to 17.3%.

Board Exhibit 1J concerns the MA scale and shows that if the Board's salary proposal were accepted for 1977-1978, including increment and Board-paid retirement, it would represent a percentage increase over 1975-1976 ranging from 8.17% to 16.65%.

Board Exhibit 1K concerns the BA scale and the Association's salary proposal for 1977-1978. It shows that if the Association's salary proposal were accepted for 1977-1978, including increment and Board-paid retirement, the percentage increase over 1975-1976 would range from 17.52% to 27.10%.

Board Exhibit 1L concerns the MA scale. It shows that if the Association's salary proposal were accepted for 1977-1978, it would represent, including increment and Board-paid retirement, a percentage increase over 1975-1976 ranging from 21.28% to 30.79%.

Board Exhibit 1Q is entitled Keeping Pace with the Cost of Living. It compares the increase in CPI and the increase in teachers' salaries for three different blocks of time. The first comparison involves the increase in CPI during September, 1973 to September, 1976. It shows that the CPI increased 27.4%. During 1973-1974 to 1976-1977, the increase in salaries, including increment and 5% percent Board-paid retirement, amounts to 35.2%. The second block of time concerns the CPI increase from September, 1974 to September, 1976. The increase was 13.8%. For 1974-1975 to 1975-1976, increase in salaries including increment and 5% Board-paid retirement, amounted to 21.5%. In the last comparison, the increase in CPI is measured from September, 1975 to September, 1976. The increase was 5.5%. The increase in salaries from 1975-1976 to 1976-1977, including increment and 5% Board-paid retirement, amounted to 10.2%.

Board Exhibit 2A shows the area in which the Board has sought comparative data. The area includes districts encompassed by a circle with a radius of 30 miles from McBain. The districts included therein are Cadillac, Evart, Farwell, Forest Area, Harrison, Houghton Lake, Lake City, Manton, Marion, Mesick, Pine River, Reed City, and of course, McBain.

Board Exhibit 2B shows the historical rank that McBain has held with the aforesaid districts at the BA minimum. It includes the period of 1973 thru 1976 with a ranking of the Board's and the Association's proposal in 1976-1977. All of the figures contained in the exhibit have been adjusted to include the five percent Board

paid retirement. The exhibit shows that in 1973-1974 out of 12 districts listed, McBain ranked 10th. In 1974-1975, out of 12 districts listed, McBain ranked 9th. In 1975-1976, 13 districts were listed and McBain ranked 11th. In 1976-1977, there are 13 districts listed. The Association's offer ranks 6th, while the Board's offer ranks 11th.

Board Exhibit 2C follows the same format, but concerns the BA maximum. In 1973-1974, McBain ranked 11th out of 12th districts. In 1974-1975, McBain was again 11th out of 12th districts. In 1975-1976, McBain ranked 12th out of 13 districts. In 1976-1977, the Association's proposal ranks 8th out of 13 districts, while the Board's proposal would rank 12th out of 13th districts.

Board Exhibit 2D follows the same format and concerns the MA minimum. In 1973-1974, McBain ranked 10th out of 12 districts, while in 1974-1975, it ranked 11th out of 12 districts. In 1975-1976, McBain ranked 12th out of 13 districts. In 1976-1977, the Association's proposal would rank 5th out of 13 districts, while the Board's proposal would rank last.

Board Exhibit 2E follows the same format, but concerns the MA maximum. In 1973-1974, McBain ranked 11th out of 12 districts, while in 1974-1975, it maintained that rank. In 1975-1976, McBain ranked 12th out of 13 districts. In 1976-1977, the Association's proposal would rank 7th out of 13th districts, while the Board's proposal would rank 12th out of 13 districts.

Board Exhibit 2F shows that there has been a continuing trend wherein the revenue is being supplied more and more from local sources than from either State or Federal sources.

Board Exhibit 2H shows the unemployment rates for the United States, Michigan and Missaukee-Osceola-Wexford County in January, 1977. For the United States, the rate was 7.3%, while the Michigan

unemployment rate was 9.7%. The unemployment rate for Missaukee-Osceola-Wexford County amounted to 15.4%.

Board Exhibit 2K shows the SEV per state aid member for the districts used by the Board. The exhibits shows that in 1972-1973, McBain had a SEV per member of \$13,769. This gave it a rank of 11 out of 13 districts. In 1973-1974, McBain still had a rank of 11 out of 13 districts, but had a SEV per member of \$14,842. In 1974-1975, the SEV per member increased to \$17,983, while the rank did not change. In 1975-1976, McBain realized a SEV per state aid member of \$27,846, and ranked 7th out of 13 districts. In 1976-1977, McBain had a SEV per state aid member of \$26,253, and ranked 8th out of 13 districts.

#### DISCUSSION AND RECOMMENDATION

After analyzing all of the evidence, the Fact Finder has come to the conclusion that neither of the parties' offers are acceptable. First, in light of the comparative data and the ability to pay, the Fact Finder has come to the conclusion that the Board's offer is much too low. This is especially so in light of the recent increase in the SEV per state aid member. By the same token, the Fact Finder takes the position that the Association's offer is somewhat high. This is true when one considers the salary rates being paid in surrounding districts in light of the historical rank that McBain has held.

Nevertheless, the Fact Finder feels that a substantial salary increase is warranted for the year 1976-1977.

For the year 1976-1977, the Fact Finder recommends the following salary schedule:

1976-1977

<u>Step</u>	<u>BA</u>	<u>+10</u>	<u>+20</u>	<u>+30</u>	<u>MA</u>
1	9,287	9,443	9,596	9,751	9,788
2	9,678	9,840	9,999	10,161	10,199
3	10,084	10,253	10,419	10,587	10,627
4	10,508	10,683	10,857	11,032	11,073
5	10,949	11,132	11,313	11,495	11,538
6	11,409	11,600	11,788	11,978	12,023
7	11,888	12,087	12,283	12,481	12,528
8	12,387	12,595	12,799	13,006	13,054
9	12,907	13,123	13,336	13,552	13,602
10	13,450	13,675	13,896	14,121	14,174
11	14,015	14,249	14,481	14,714	14,769

The Fact Finder feels that the 1976-1977 recommendation is warranted because of a number of items. When the recommendation is correlated with Board Exhibits 2B, 2C, 2D, and 2E, it becomes apparent that the recommended salary schedule moderately improves McBain's standing in the list of districts offered by the Board. For instance, at the BA minimum, McBain would rank 8th out of 13 districts, as opposed to the Board's offer, which would rank 11th out of 13, and the Association's, which would rank 6th out of 13. In the area of BA maximum, the recommended schedule ranks 8th out of 13 districts, as does the Association's offer, as opposed to the Board's offer which ranks 12th out of 13 districts. At the MA minimum, the recommended schedule would rank 11th out of 13 districts, as opposed to the Association's offer, which would rank 5th out of 13, and the Board's offer, which would rank last out of 13 districts. At the MA maximum, the recommended salary schedule would rank 9th out of 13 districts, as opposed to the Association's proposal, which would rank 7th out of 13 districts, and the Board's proposal, which would rank 12th out of 13 districts. As can be seen, the recommended salary schedule provides a moderate improvement in the historical rank that McBain has held with nearby districts and yet does not catapult McBain to a level that would ignore historical ranking.

There can be no denying that if the 1976-1977 recommendation is expressed in percentage terms, that the percentage increase including retirement would be high. However, in dollar figures, the figures at the BA minimum, BA maximum, MA minimum and MA maximum favorably compare with the figures that exist in nearby districts, as well as surrounding districts. The Fact Finder is not convinced that McBain should remain at the rank that it historically held on the comparative list.

As to cost, it suffices to say that the Fact Finder's recommendation would cost more than the Board's and slightly less than the Association's.

The Fact Finder is aware that the Board's exhibits show that the percentage gain, including increments and retirement, is substantial when considering the Board's salary proposal and much more substantial when considering the Association's proposal. However, there is always a question of whether or not the incremental increase should be considered when one considers a pay scale improvement. Historically, at least in Michigan, the incremental increase was used to increase the compensation a teacher received because of the additional experience which a teacher acquires by remaining in the district. It is questionable whether the incremental increase can be considered an increase in salary directed at compensating for increases in cost of living and other items which initiate a general salary increase.

For the year 1977-1978, the Fact Finder has again rejected both of the parties' proposals. The Board's proposal was rejected because when compared to the available evidence regarding comparable districts, the Board's proposal falls far short of the prevailing salary rates. Nevertheless, the Association's proposal was also rejected because when it was compared to the salary rates paid by surrounding districts, in every area except the BA maximum, it

would have ranked first. That is not true if the Association's proposal were compared to all the comparable districts offered by the Association, but it must be kept in mind that the Association offered districts which it stated were of the same size, but not necessarily in the same geographical area; districts in a large geographical area; and surrounding districts. When the Association's proposal is evaluated in light of all the districts, its adoption would place McBain at approximately the mid-point of all the districts used. This represents a rather substantial increase in the rank held by McBain.

After evaluating all of the evidence, the Fact Finder recommends the following salary schedule for 1977-1978:

<u>1977-1978</u>					
<u>Step</u>	<u>BA</u>	<u>+10</u>	<u>+20</u>	<u>+30</u>	<u>MA</u>
1	9,687	9,840	10,010	10,171	10,209
2	10,094	10,253	10,430	10,598	10,637
3	10,518	10,684	10,868	11,043	11,084
4	10,960	11,132	11,324	11,507	11,550
5	11,420	11,600	11,800	11,990	12,035
6	11,900	12,087	12,296	12,494	12,540
7	12,400	12,595	12,812	13,018	13,067
8	12,921	13,124	13,350	13,565	13,616
9	13,463	13,675	13,911	14,135	14,188
10	14,029	14,263	14,495	14,728	14,784
11	14,618	14,862	15,104	15,347	15,404

The above recommended schedule represents approximately a 4.3% increase in the salaries recommended for 1976-1977.

The cost of the schedule would be much less than the Association's proposal and substantially more than the Board's.

The above recommendation compares favorably with the data available from comparable districts for 1977-1978. Further, the recommendation is framed in terms of a modest percentage increase because of the substantial amount of cost that the Board would have to assume in 1976-1977 if the Fact Finder's recommendation were adopted. It should be noted that the 4.3% increase does not include increments.

HEALTH INSURANCE:

The prior Collective Bargaining Agreement stated:

"The Board of Education will pay \$50.50 per month for medical and health insurance to those full time teachers who are eligible."

The Association proposes that for the first year of the Collective Bargaining Agreement the teachers should receive Super Med, full coverage, with the premiums being paid by the Board. In the second year of the Collective Bargaining Agreement, the Association proposes that the Board assume the cost of full coverage, MESSA Super Med II.

The Board proposes that in the first year of the Collective Bargaining Agreement, it would provide up to \$59.10 per month for full-family coverage; up to \$54.97 per month for self and spouse or self and child; and up to \$24.02 per month for individual coverage. In the second year of the Collective Bargaining Agreement, the Board proposes a 10% increase over the 1976-1977 rates. This would mean that the Board would provide up to \$65.01 per month for full-family coverage; up to \$60.47 per month for self and spouse or self and child; and up to \$26.42 per month for individual coverage.

The Association produced evidence regarding the fringe benefits available in surrounding districts. In Marion, Cadillac and Pine River, the teachers receive full-family MESSA Super Med II. In Houghton Lake and Lake City, the teachers receive full-family Blue Cross. In addition, the teachers in Cadillac receive \$5,000 in life insurance, dental coverage, cost of living and longevity. In Houghton Lake, teachers receive an LTD policy, \$10,000 in life insurance and longevity. In Pine River, teachers are afforded \$22.90 worth of options for those not taking health insurance. In Marion, teachers are afforded the benefit of a COLA clause.



The evidence shows that all of the surrounding districts receive health insurance coverage which is superior to that offered in McBain. There is no doubt that the Super Med II policies offer greater protection than the Super Med sought by the Association herein. Also, the evidence shows that for 1976-1977, none of the surrounding districts have imposed a cost cap.

Thus, the only conclusion that the Fact Finder can arrive at is to recommend that the Board provide full paid Super Med coverage for the first year of the Collective Bargaining Agreement. The recommendation is warranted in light of the insurance coverage received by teachers in surrounding districts. True, the recommendation represents an increased cost to the Board, however, the upgrading in coverage is necessary in order to maintain some level of comparability to surrounding districts.

The evidence further shows that in the contract year 1977-1978, Pine River provides full-family Super Med II and Lake City provides full-family Blue Cross. Also, it is unlikely that the coverage provided by the other surrounding districts would be diluted. However, there is a possibility that cost caps will be imposed.

For the 1977-1978 contract year, the Fact Finder recommends that the Super Med coverage that was recommended for the prior contract year be continued and that the Board continue to absorb the full cost thereof. It is true that a number of the surrounding districts have insurance plans which are superior to Super Med. However, it must be remembered that by recommending Super Med coverage in the first year of the contract, the Fact Finder has imposed upon the Board substantial cost increases. Arguably, the rates will increase during the second year of the contract and at this point in time, and with the record in its present condition,

the Fact Finder cannot additionally recommend Super Med II for the second year of the agreement.

LONG-TERM DISABILITY:

The prior Collective Bargaining Agreement did not provide for long-term disability insurance.

The Board makes no proposal regarding this benefit for either year of the new Collective Bargaining Agreement.

The Association proposes that the Board provide an LTD policy providing 59% of salary in the case of long-term disability. The Association proposes that the LTD policy be adopted in the first year of the Collective Bargaining Agreement and continued through the second year.

The evidence shows that including both the surrounding districts, and the other districts offered by the Board, an LTD policy is not offered by a majority of the districts. In fact, an LTD policy is available to only a small portion of the teachers employed by the surrounding districts and other districts offered by the Association. Further, even though the Association argues that it is inadequate, in the last contract, the parties negotiated a sick leave bank with the intention that teachers suffering from a disability, could draw upon that bank and maintain their income. The prior Collective Bargaining Agreement allowed the accumulation of up to a maximum of 90 days in the sick leave bank. The evidence does not reflect whether this type of benefit is available in the other districts.

In light of the above, the Fact Finder can only recommend that the status quo be continued and that the parties do not adopt a long-term disability provision in the new Collective Bargaining Agreement.

#### LIFE INSURANCE:

The prior Collective Bargaining Agreement did not contain a provision regarding life insurance.

The Board proposes that none be included in the new Collective Bargaining Agreement.

The Association proposes a \$5,000 life insurance policy be implemented in the 1977-1978 contract year.

The evidence shows that out of the surrounding districts, Cadillac provides a \$5,000 life insurance policy, while Houghton Lake provides a \$10,000 policy. The evidence is silent as to other two surrounding districts. The Association's evidence regarding other school districts of similar size and in the geographic area of McBain shows that a vast majority of the districts do not provide life insurance. The evidence contained little directed at establishing the cost of this benefit. However, what evidence is available indicates that the cost is very small. Further, the evidence does indicate that the surrounding districts provide benefits which are superior to those provided by the Board herein. For instance, Cadillac provides \$5,000 of life insurance, dental coverage, COLA and longevity. Marion provides a cost of living allowance, while Houghton Lake provides an LTD policy, \$10,000 life insurance and longevity. Pine River provides \$22.90 of options for those not taking health insurance.

In light of the above, and in considering the other benefits available in surrounding districts, the Fact Finder must conclude that the Association's proposal be adopted for the second year of the Collective Bargaining Agreement.

#### CONCLUSION

The Fact Finder assures the parties that he has carefully considered the available evidence in making the above recommendation.

Further, he feels that the recommendations can serve as a basis of settlement in this matter.

---

MARIO CHIESA

Dated: May 20, 1977

APPENDIX A - 1

MC BAIN PUBLIC SCHOOLS

SALARY SCHEDULE

1974 - 1975

STEP	E.A.	E.A. +10	E.A. +20	E.A. +30	M.A.
1	8,507	8,607	8,607	8,957	9,607
2	8,847	8,997	9,147	9,297	9,547
3	9,201	9,351	9,501	9,651	9,701
4	9,559	9,719	9,859	10,019	10,069
5	9,932	10,102	10,252	10,402	10,452
6	10,330	10,500	10,650	10,800	10,850
7	10,744	10,914	11,064	11,214	11,264
8	11,105	11,275	11,425	11,575	11,625
9	11,512	11,682	11,832	11,982	12,032
10	11,922	12,092	12,242	12,392	12,442
11	12,340	12,500	12,650	12,800	12,850

1975 - 1976

STEP	E.A.	E.A. +10	E.A. +20	E.A. +30	M.A.
1	9,617	9,767	9,917	10,067	10,217
2	9,978	10,128	10,278	10,428	10,578
3	10,339	10,489	10,639	10,789	10,939
4	10,700	10,850	10,999	11,149	11,299
5	11,061	11,211	11,361	11,511	11,661
6	11,422	11,572	11,722	11,872	12,022
7	11,783	11,933	12,083	12,233	12,383
8	12,144	12,294	12,444	12,594	12,744
9	12,505	12,655	12,805	12,955	13,105
10	12,866	13,016	13,166	13,316	13,466
11	13,227	13,377	13,527	13,677	13,827

LAST PROPOSALS  
FROM  
BOARD  
AND  
ASSOCIATION

APPENDIX Z

1976 - 1977

SALARY SCHEDULEBoard's Position

STEP	B.A.	B.A. + 10	B.A. + 20	B.A. + 30	M.A.
1	9100	9250	9400	9550	9600
2	9464	9614	9764	9914	9964
3	9843	9993	10143	10293	10343
4	10236	10386	10536	10686	10736
5	10646	10796	10946	11096	11146
6	11072	11222	11372	11522	11572
7	11514	11664	11814	11964	12014
8	11975	12125	12275	12325	12375
9	12454	12604	12754	12904	12954
10	12952	13102	13252	13402	13452
11	13470	13620	13770	13920	13970

Board Paid Retirement in Addition to the figures listed aboveAssociation's Position

STEP	B.A.	B.A. + 10	B.A. + 20	B.A. + 30	M.A.
1	9345	9545	9745	9945	10045
2	9737	9946	10154	10363	10467
3	10146	10364	10581	10798	10906
4	10573	10799	11025	11251	11365
5	11017	11252	11488	11724	11842
6	11479	11725	11971	12216	12339
7	11961	12217	12473	12729	12857
8	12464	12731	12997	13264	13398
9	12987	13265	13543	13821	13960
10	13533	13822	14112	14402	14547
11	14101	14403	14705	15007	15157

Board Paid Retirement has also

LAST PROPOSALS  
FROM  
BOARD  
AND  
ASSOCIATION

APPENDIX 3

1977 - 1978SALARY SCHEDULEBoard's Position

STEP	B.A.	B.A. + 10	B.A. + 20	B.A. + 30	M.A.
1	9300	9450	9600	9750	9800
2	9672	9822	9972	10122	10172
3	10059	10209	10359	10509	10559
4	10461	10611	10761	10911	10961
5	10880	11030	11180	11330	11380
6	11315	11465	11615	11765	11815
7	11767	11917	12067	11217	12267
8	12238	12388	12538	12688	12738
9	12728	12878	13028	13178	13228
10	13237	13347	13537	13687	13737
11	13766	13916	14066	14216	14266

Board Paid Retirement in Addition to the figures listed aboveAssociation's Position

STEP	B.A.	B.A. + 10	B.A. + 20	B.A. + 30	M.A.
1	9900	10100	10300	10500	10600
2	10316	10524	10733	10941	11045
3	10749	10966	11183	11401	11509
4	11201	11427	11653	11879	11992
5	11671	11907	12142	12378	12496
6	12161	12407	12652	12898	13021
7	12672	12928	13184	13440	13568
8	13204	13471	13738	14004	14138
9	13759	14037	14315	14592	14732
10	14337	14626	14916	15205	15350
11	14939	15240	15542	15844	15995

Board Paid Retirement in Addition to the figures listed above