

IN THE MATTER OF  
FACT FINDING

Mona Shores Education  
Association

-and-

Mona Shores Board of  
Education

State of Michigan  
Circuit Court for the  
County of Muskegon  
File No. 78-12250.CL

Michigan Employment  
Relations Commission  
Case No. 78-F 987

APPEARANCES

For the Education Association

Mr. Stan Burnell, Executive Director

For the Board of Education

Dr. Gerard Keidel, Superintendent

Date: October 30, 1978

S. Eugene Bychinsky  
Fact Finder

*Mona Shores Education*

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A fact finding hearing was held on October 5, 1978, pursuant to concurrent orders issued by the Michigan Employment Relations Commission, dated September 22, 1978, signed by Robert Pisarski, Director of the Employment Relations Commission and appointing S. Eugene Bychinsky as fact finding hearings officer in the matter between the parties; and an order of the Circuit Court for the County of Muskegon, File No. 78-12250-CL, dated September 20, 1978, which inter alia includes the following order:

"---- It is hereby ordered, pursuant to the stipulation of the parties, as follows:

1. The fact finder assigned by the Michigan Employment Relations Commission, Dr. S. Eugene Bychinsky, is hereby appointed as a special equitable master.
2. The master shall expedite, with reasonable haste, the process of fact finding, and shall issue his recommendations on or before October 31, 1978. He may also convene the parties and further collective bargaining during the course of such fact finding as he deems appropriate.
3. Within two weeks, subsequent to the issuance of his recommendations the parties shall, as determined by this special master and mediator Howard Case, engage in intensive bargaining under the supervision of said fact finder and said mediator, who shall report to this court on the conduct of the parties. Such report shall be considered by this court in any further equitable proceedings in open court in accordance with the existing case law, including, Holland Board of Education vs. Holland Education Association - 380 Michigan 314 ---."

Following the issuance of these two orders, one by the Michigan Employment Relations Commission and the other by the Circuit Court for the County of Muskegon, the parties held a telephone conference with the fact finder at which time

procedural matters pertaining to the fact finding formal hearing were discussed and an agreed upon framework for the submission of evidence was evolved. Prior to the hearing, the parties submitted to the fact finder, agreed upon statements of the issues that were unresolved in the matters in dispute between the parties. On October 5, 1978, commencing at 7:30 p.m., the Mona Shores Education Association presented the facts and arguments that they wanted the fact finder to consider as an assistance to him in resolving the positions of the parties followed by a similar presentation by the Board of Education. The Mona Shores Education Association was represented by Mr. Stan Burnell, and the Mona Shores Board of Education was represented by Dr. Gerard Keidel, Superintendent of the Mona Shores Schools. During these presentations, numerous questions and discussions took place aimed at clarifying the presentation of an understanding of the exhibits. Following each side's presentation, the other side was afforded the opportunity of further argument or discussion. Because of the completeness of the presentations that were made by both the Education Association and the Board of Education, neither side requested that summary briefs be provided to the fact finder, nor did the fact finder request such summary briefs.

As of September 25, 1978, there were twelve unresolved issues that separated the parties from a contract. At the time of the fact finding hearing, four of these issues were indicated to the fact finder as being resolveable by the parties and hence were not presented to the fact finder for his con-

sideration. These four issues are as follows:

1. Article XVII, A, 1-2 (Contract Language Regarding Salary)
2. Salary schedule credit for working less than full load or less than full year.
3. Mileage (For teachers authorized to use their own car as part of their assignment).
4. Supplementary salary schedule (Article XVII, C)

The issues that were submitted to fact finding, and at the hearing were believed to be the only issues to be resolved by the fact finder are as follows:

1. Salary Schedule (Article XVII-A)
2. Longevity Pay (Article XVII, D)
3. Health Insurance (Article XIX-A)
4. Long Term Disability Insurance (LTD) Article XIX-C)
5. Dental Insurance (Article XIX-D)
6. Substitute teachers in lieu of contract teachers (Article XXI)
7. Calendar (Article XXII)
8. Duration (Article XXIII)

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SALARY SCHEDULE

Article XVII-A, D, XIX-A-C & D  
Longevity, Health Care, and LTD and Dental Insurance

Background

The Mona Shores School District had a student enrollment of 5,108 in 1977-78. The area lies close to the border line of the Counties of Ottawa and Muskegon, Michigan, and Lake Michigan. It is the fourth largest district in these two counties, surpassed in enrollment only by the districts of Muskegon City, Grand Haven, and Holland, which larger districts

had enrollments ranging from 8,665 to 5,276 in 1977-78. There are 16 other districts having smaller enrollments in this 2 county area, having enrollments ranging from a high of 4,968 for Jenison to a low of 1,014 for North Muskegon.

In terms of State Equalized Valuation per pupil, Mona Shores ranks 6th of these same two county districts. The State Equalized Valuation per pupil of Mona Shores was \$28,537 in 1977-78, with the five higher school districts ranging from \$28,573 to a high of \$38,597 for Grand Haven. The 14 lower State Equalized Valuation per pupil districts ranged between a high of \$27,553 to a low of \$13,264 for Oakridge.

Operational millage for 1977-78 for Mona Shores was 30.0, or fifth in the two county area. North Muskegon, the highest district had a total of 31.5 millage. The districts with lower operating millage numbered 15, and ranged from a high of 29.995 in Holland to a low of 24.335 for Hudsonville.

The 1977-78 per pupil revenue from the local tax levy and direct membership aid totaled \$1,364 for Mona Shores, and placed it in fifth position in the two county listing. North Muskegon, the district with the highest per pupil revenue total had \$1,410. The 13 districts having a lesser figure ranged between \$1,137 for Hudsonville to \$1,324 for Zeeland. Holland had the same figure as Mona Shores.

From the above data, it can be seen that, in the two county area surrounding Mona Shores, the district generally

resides, in so far as these factors are concerned, at about the upper quartile of these districts.

Of the 14 districts having available figures, Mona Shores, had a General Fund Balance of \$897,927 for the fiscal year 1977-78, which amount placed it in seventh position of these 14 districts that had reported, when computed on a per pupil base. However, this General Fund Balance, according to the Board of Education, should be reduced by \$82,424 because of the negative South County Fund balance. South County is a school operated by Mona Shores as fiscal agent of record. A further reduction of \$119,581 is due to the financial impact of buses of \$90,155, and \$29,426 advance received on state aid; leaving a General Fund Balance, per the audit report, of \$695,922. This reserve represents approximately one months operating resources for the school district, and is characterized by the districts auditors as representing

"----a rather modest reserve---."

In the past six years, the Mona Shores district has had a Fund Equity balance, as a percent of expenditures, as follows:

as of 7-1-72	8.5% (based on following years expenditures)
7-1-73	8.2%
7-1-74	8.7%
7-1-75	8.9%
7-1-76	10.2%
7-1-77	7.9%
7-1-78	8.0% (based on expected expenditures)

In each of the above cases, the percentage of General Fund is for the following<sup>year</sup> and for 1978 is computed on a projected basis, and assumes that the teachers salaries will

be at the level that the Board had offered to the Mona Shores Education Association at the time of the fact finding hearing.

The Mona Shores Board of Education claims that it has stressed both the breadth and quality of its educational programs at all levels. For example, Mona Shores, and only two other schools in the county offer courses in Art; of these, two districts offer no Vocal Music; and three offer no physical education.

Four neighboring districts have a mean class size in elementary school of between 25 to 27, as contrasted to Mona Shores 23.9. Numerous other comparisons with select neighboring districts are ample evidence to support the claim of the Mona Shores Board with respect to diversity of its offerings in the grades of 7 through 12.

All in all, we see in summary a school district that has managed to maintain, what the evidence discloses, a very full, diversified and broad combination of offerings to its students. Also to be noted is the fact that mean class load of the teachers has been maintained at a comparative reasonable level.

Student enrollment at Mona Shores has undergone a rather sharp decline; a loss of 23.5% in the past six years. This rate is sharper than any other school in the county, and it is claimed among the highest in the State. To partially offset this decline the Board has begun to accept tuition students, and has commenced a shared time program with a local parochial

school. Since 1972, Mona Shores student population has declined from 6,286 to 4,808, in 1978. The other shcool districts in the county declined an average of 12.95% in contrast to Mona Shores 23.5%. In comparing projected enrollment of other Intermediate School Districts of the counties throughout the state, with Mona Shores, these projections indicate a further decline in Mona Shores enrollment by the 1980-81 school year of -16.19% from the 1975-76 level. This projected decline is second only to the projected decline in Wayne County, of 18.31% for the same period, in the State of Michigan.

The forecasting of the financial impact of a declining level enrollment situation is complicated in the secondary fact that selection of different courses by the students yields irregular class size reductions. Assuming that individual classes having 25 students could be eliminated, the net income loss, would be, by Board estimates, \$26,900. However, expenditure reductions occassioned by the discontinued class, would be only \$13,300, or a net loss to the District of \$13,600. A loss of 300 students, based on the same assumptions, would yield an operating loss to the District of \$163,200. In actuality, the Mona Shores District was able to reduce only 3.4 teachers even though there was a 300 student reduction. The net loss to Mona Shores in 1978-79 was approximately \$276,000,

#### Position of the Parties

#### on the Salary Issue

The Association is seeking a 7.7% increase at each step of the 1977-78 Salary Schedule, with the column and index to remain unchanged. The Board's position is either:



1) A 5.1% across the Board increase

or

2) A flat \$850 increase at each step of the Salary Schedule.

In presenting its demands, the Education Association joins with the Board's position that the district truly has an outstanding school system, that its offerings are well diversified, that class loads are not a particular problem, and all in all, that the district is in the forefront of K-12 districts, and for that very reason, the teachers should be recognized as having formed the base for the high quality of the district, and should receive appropriate recognition in the way of the salary demands that the Association has made on their behalf. In support of their position, the Association referred to the Salary Schedules of the other districts at each of the three columns that form the Mona Shores Salary Schedule. In considering these comparisons, it was important to bear in mind that the Mona Shores district has but three columns; that of BA, that of MA, and that of MA + 30. Furthermore, the index for the steps in these columns do not represent a uniform progression. In the BA column, there is a 2.2% increase to attain the 2nd step, and a 6.65% increase on attaining the third step; 3.94% to the fourth step; 4.06% to the fifth; thereafter the step increments range between 4.08 and 4.23%. Similarly, in the MA column, the first increment is 3.07%; the second 8.0%, and the third 4.5%, and the rest of the increments around 4.65%. In the MA + 30 column the first

increment is 4.5%, the second is 9.56%, and the rest range around 4.56 to 4.74%. This particular system was not challenged at the fact finding hearing and hence is not an issue to be resolved. However, its significance cannot be overlooked because of the concurrent distortion that is produced at the lower end of each of the three columns or scales when comparing Mona Shores data with the data of other districts in the county that have a more uniform progression, step to step.

In analyzing the 1977-78 BA salary schedule for 12 districts in this county, Mona Shores was in 7th position at the first step, 11th position at the second step, 6th position at the third step, 8th position at steps four through 10, 5th position at 11th step, 6th position at step 12, but ends up at 3rd position at step 13. This analysis is especially significant because, at the BA level, 90 of the 143 teachers are at the top of the steps, (step 13). Twenty-six more teachers will reach the top of the BA column within a three year period. In the MA column, 49 out of 72 are at the top step, and 17 more will reach the top step in three years, and there are no teachers currently below the 4th step. In the MA + 30 column, there are no teachers below the 6th step, 28 of the 34 teachers are at the top step, and 4 more will achieve that top step in two years.

The data just recited is of special significance for these additional reasons. The beginning step of the MA and MA + 30 column do not apply to any current teacher, and the

first five steps of the BA column apply to only 9 of the 249 teachers in the district as shown in the Board Exhibit No. 19. Thusly, in comparing data of the other school districts of the county special significance was given to the top half of the data that was presented, and particular emphasis was given to the very top step of each column, where 167 out of the 249 teachers are at the top step.

Except for the BA column, Mona Shores salary schedule for 1977-78, as applied to incumbent teachers, is particularly high ranking, as compared to the other districts in areas of the step progression that are populated by the teachers.

For example, in the MA column, there are 3 teachers at the 5th and 6th steps, that rank 8th when compared to the other districts of the County, 3 teachers at the 7th and 8th step that rank 6th in the County, but the remainder of the MA teachers, numbering 66 of the MA teachers, rank no lower than third position, in the County, and <sup>of</sup> those 66 teachers, at least 54 rank second highest in the County. The MA + 30 column teachers have fared even better. 32 of the 34 teachers are in a position to receive the highest rate for the County.

If salary received is a measure of teaching ability, it can be seen that Mona Shores administration has recognized that quality of teaching that is possessed by the holders of MA and MA +30 degrees, and in view of the contention by the Board that Mona Shores school district presents high quality public education, they also reward that high quality.

Viewing the 1977-78 salary matter, it would appear, rather convincingly, that Mona Shores has emphasized the Masters and Masters + 30 requirement of its teachers, but has been rather average in its salary recognition for those that hold only a bachelors degree and have been in the district for less than 12 years. But it must be kept in mind that, of those who hold only the Bachelors degree, and have been in the district for at least 13 years (and this means 90 out of the 143 teachers in this category) this group has also fared fairly well, being ranked third in the tabulation of the other schools in this county, with only \$16 per year separating them from the second ranking in the county.

At the fact finding hearing, the Board stressed the idea that, available to all BA and MA teachers was the automatic increase that would be available on attainment of the requisite post graduate formal education, and the more advantageous increments that would ensue throughout the teachers' career, as a consequence.

It is impossible for any firm conclusion to be reached that would compel a recommendation that the apparent and claimed philosophy of the district, with respect to the unusual salary schedule, be altered in any way.

Both parties agree that they have an exceptionally fine school district, and this unique salary schedule may well be one of the factors in the accomplishment of high quality.

In striving for a conclusion as to what should be the adjustment to the salary schedule for the current year, special emphasis will be placed on the top of the BA scale, and the higher ends of the MA and MA + 30 scale. The lower ends of the MA and MA +30 scale have no practical application in this district, and the first 10 steps of the BA scale are recognized as being very close to the average for the other districts of this County, in the 1977-78 school year.

The Board proposals of either 5.1% or \$850 for each step on the scale would leave Mona Shores the highest salary attainable at any district in the County (Association Ex. No. 12). The Association demand of 7.7% would make the highest attainable salary \$21,684, which would be \$1,298 higher than that attainable in the other districts of the County.

Considering next the BA maximum scale, Mona Shores is at the 6th rank in a two county area and would be \$564 behind the two county leader (Zeeland), under either of the Board proposals. In the MA Maximum, the Board proposals would leave Mona Shores at \$19,296 (under the 5.1% plan) and \$19,251 (under the + \$850 plan), or \$554 and \$599 less, respectively, behind the two county leader, Holland. However, within the Muskegon County school districts, the Board proposal would place Mona Shores second only to Muskegon schools at the MA Maximum rate under the + \$850 plan, and also under the Board's 5.1% plan.

In terms of comparisons to other contiguous school districts, either of the Board proposals appears to leave the

MA and MA + Maximum levels at or near the top for the Muskegon County, and within the top 5 schools in the 2 county area.

However, the flat dollar proposal, of \$850 for each step would tend to flatten out the salary schedule, and be disadvantageous to a very large percentage of the teachers, who are at the top of the scale.

Considering next the Association exhibits that compare the Mona Shores percentage increase of 5.1% to the percentage increase received at the other schools in the 2 county areas, it is recognized that, excluding the Mona Shores 5.1%, the other districts averaged 7.23% increase this year in BA Maximum salaries. In the MA Maximum, the average was 7.14% increase. While data was offered to show the effect on historical salaries in terms of real dollars, these figures are somewhat limited in persuasiveness because of their failure to include increases in total compensation over the year. This is true due to the substantially increased fringe benefits that have been acquired by the teachers, including such items as retirement benefits and health care coverage.

The Board has presented compelling arguments which, in essence, says that they are not pleading inability to pay. Rather, they are saying, that, concern must be afforded to not only the current priorities for the money that they are entrusted with, but also to the long range effect of any salary and

fringe awards that could adversely affect what all parties regard as an exemplary school district. This fact finder cannot argue with this contention. On the other hand, the teachers, through their Association, are saying that it is they who make the school district exemplary, and it is they who should be rewarded by higher salary increases than the Board is currently willing to award.

Both sides have merit to their position. A school system can only succeed if both Administration (the Board of Education) and the teachers both excel. It must be added that recognition must be given to the fact that many other factors go into the creation of quality, and one of these factors, and a very important one, is community support and willingness to pay for whatever has been attained. Surely, the Board has shown fiscal responsibility and this is a factor in maintenance of community support for quality education.

The most significant element yet to be considered is the element of inflation and its deleterious effect on teachers' salary. As pointed out earlier herein, 68% of the teachers in this district are at the maximum of the step progression of the salary scale. Without comment on the development of the step progression (usually 10 to 13 or 14 annual steps of automatic progression based solely on continued employment), nevertheless, the step progression represents in part, the fulfillment of an expectation that, barring some disaster, such as proven incompetency, or retrenchment, a teacher would receive added compensation, automatically, in theory at least,

to recognize the value of their added experience. In part this theory has limited application in reality, because it presumes that the maximum value of a teacher is gained immediately after the 13th step (years) has been realized. The development of the additional columns, such as we see here at Mona Shores, appears to be subject to the same limitation, in that even with a Masters and 30 graduate credits beyond a Masters, a teacher "peaks out" in compensation increases after the Top Step in the salary schedule is attained. If we assume that a graduate of a teacher's college is 23 years old at the time of graduation, and assuming that during the ensuing 13 years, that teacher undertakes the self development that would yield a Masters + 30 condition, that teacher would at age 36 attain the highest of earning capacity, and be presumed to have attained the maximum skill that is rewardable monetarily at least, as a teacher!

In what would appear to be an effort to offset this "stagnation" of compensation advancement, the concept of longevity pay has crept into teachers contracts. In Mona Shores, after 15 years of service, under the most recently expired contract, and annually thereafter until they have taught 20 years, each teacher receives a 2% "longevity" payment as additional compensation. It is interesting to note that in progressing to the 13th year of teaching an increment of \$653 was provided in the BA scale. But on going to the 14th year, there is no added compensation. Nor is there any added compensation ongoing to the 15th year. On completion of the



15th year, the longevity payment provides an increment of \$334.00. Is a teacher having 15 years of teaching accomplished, worth only \$334.00 more than a teacher having 13 years? Of course this fact finding cannot attempt to resolve these basic and profound problems. But it is important and especially significant to be aware of these problems, whatever was the reason for their presence, in understanding why, with 68% of the teachers in Mona Shores at the top of their step, they feel that there has been an erosion of their income. With the cost of living having gone up at least 6+% in the past year (and 7.9% August 1978 from August 1977), we must view the plight of the teachers with concern.

In any analysis of this sort, the total compensation must be taken into account. The other factors in teachers compensation must of necessity include not only the longevity payment, but also the cost of Health Care or other benefits that affect cost of living.

While the Board seeks to reward productivity and professional growth and not merely longevity, it should not penalize the teachers for the adverse effect of inflation on whatever has gone on in previous contracts. Until some new system is evolved, pragmatism demands that we work with whatever we have before us.

Consider the following Board Proposal:

Base Salary Increase	5.1%
Increase in Health Care	
Cost	1.2% (Board estimate)
(from \$72.37 to \$101.18	
for Full Family Super Med I)	
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	6.3%

In this connection, it is specifically noted that on Association Exhibit 21 Medical Care and Medical Care Services are in the listing of those items included in the cost of living index. Ignoring, for this analysis the roll up cost of retirement on any salary increment, (this issue was not raised as a separate issue at the Fact Finding hearing) we see that the Board's offer is, in fact, short of maintaining the teachers at an income level that would counteract the increased cost of living. It must also be realized that not all teachers in the district will require the full amount of Full Family health care insurance - thereby rendering the Board's estimate of a 1.2% increase in the cost of Super Med I, high to some degree. Assuming a "mid-summer" to "mid-summer" cost of living increase of 7%, 1977 to 1978, the Board's position would be in the neighborhood of 1% low. In reaching the conclusions that are reached herein, it must be kept in mind that arriving at a recommendation is not an exact science, and there is no such thing as a "right" figure. Presumably, the "right" figure would be that which the parties ultimately agree is "right". As an aid in arriving at a "right" figure the following is recommended:

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RECOMMENDATIONS:  
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For the 1978-79 year, the Board grant the following

compensation and fringe benefit package:

1. Increase Long Term Disability coverage from the current coverage of 50% to 75% of the current cost of this feature, and that this dollar amount be set as the Cap for this coverage for the duration of this contract. (Estimated cost \$10,000.00 and equivalent to .25% of salary).
2. Increase Health Care to a cap of the current cost of Super Med I. Estimated cost equivalent to 1.0%, giving each teacher the option to pay the difference if they desire to obtain Super Med II.
3. A 0.8% improvement in the 5.1% across the Board salary increase. Stated differently, that the across the board salary increase be raised from 5.1 to 5.9%.

Thusly, for the first year of the contract - for the year 1978-79, the following improvements are urged:

- Salary 5.9% increase at all levels.
- Long Term Disability .25 increase to 3/4 current cost. (\$10.50 per month)
- Health Care - 1.00% increase to cost of full coverage of Super Med I.  
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7.15% (plus retirement increment and roll up)

The Board offered options on Health Care coverage as contained in the Board's last offer on all unresolved issues is supported and recommended to be maintained but with the increase noted for L.T.D. and including the provision that those teachers not wishing health insurance may elect one or more MESSA options at a cost not to exceed \$25.00 per month.

Inasmuch as the recommended increase in salary, L.T.D., and Health Care has now approximated the increase in the cost of living, (plus the cost, and benefit of increased retirement costs attendant thereon), no change is recommended in Longevity

payment, or on the requested dental care program.

For 1979-80, it is recommended that a flat 7% be afforded to each of the steps on the current salary schedule. This recommendation is in keeping with the President's recently announced policy with respect to wages, and approximates the improvement in compensation that was afforded this year. If the Association chooses to effect a Dental Care program it is recommended that such program be instituted at a cost to the Board not to exceed \$44,000, but that the across the Board salary improvement then be reduced from 7% to 6%. The \$44,000 figure should be adjusted upwardly or downwardly in direct relationship to the 244.4 full time equivalent teachers that are currently provided for.

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REMAINING ISSUES

Substitute teachers in lieu of contract teachers.

The Board has stated that, in this matter a state law provides certain specified benefits to substitute teachers who teach 60 consecutive days in the same position. There appeared to be no compelling reason, based on problems in the district to alter the provision of the contract, as augmented by the State law.

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Calendar

The Board has taken the position that it can modify the calendar, which modification was necessitated by the strike, to provide for 183 of the 186 formerly scheduled days. It

accordingly would reduce teacher salaries by 183/186. Following any kind of a work stoppage in which the use of public funds are involved, extreme caution must be taken to insure that public funds are not utilized to pay for the time lost in that work stoppage. A contrary position could wreak havoc in future millage raising activity. It is noted that substantial calendar adjustments have already been accomplished by the Board. However, it is noted that January 2, a Tuesday, has not been scheduled as a class day. It is recommended that January 2 be scheduled as a student day, or if in the judgment of the Administration further scheduling changes are against the community interest, that January 2 be made available as a conference or other teacher day, and that the formula that is applied be 184/186 of pay for the current school year.

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### Third Year

While a third year contract would be highly desirable, this fact finder cannot see the validity of a third year prognostication that is not, in some fashion, related to the cost of living. In any longer term consideration each party must necessarily take some chances. It is strongly recommended that the parties agree to a third year contract, and that the cost of living be a base for such third year. It is urged that a cost of living ranging from a minimum of 5.5% to a maximum of 7.5% be agreed upon, but that the Association have the option of applying the entire amount of cost of living increase to either the salary schedule, or to cover the increased costs

of health care, L.T.D. or a dental package.

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ACKNOWLEDGEMENT

It should be noted that throughout the entire process in which this fact finder has been involved, both the Board and the Association, and all of their members that have any dealings with the fact finder, have disported themselves in a completely professional and forthright manner. The fact finder sincerely trusts that his judgments in these matters will be given similar regard, and that his recommendations will serve as a base for a period of tranquility and further progress in an exemplary school district.

S. Eugene Bychinsky  
S. Eugene Bychinsky  
Fact Finder

Date: October 30, 1978