State of Michigan
Department of Labor
Employment Relations Board

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STATE OF MICHIGAN
EMPLOYMENT RELATIONS COMMISSION
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In the Matter of

A Collective Bargaining Dispute

Between

School District of the City of Monroe
Monroe County, Michigan

and

Monroe City Education Association

Monroe; School District of the City of

REPORT WITH RECOMMENDATIONS
of
FACT FINDING HEARINGS OFFICER
(Mark L. Kahn)

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Hearing held August 28, 1969
Monroe, Michigan

Appearances and Observers

For the Association:

Bruce J. Ambs
Executive Director
Jackson Education Assn.
Robert Morris, President
Monroe City Educ. Assn.
Richard E. Wilson, Chairman,
MCEA Negotiating Team
Joel Campbell
Mary Kaykosa
Louise Miles
Ralph Peacock
John Sisco
Members, Negotiating
Team

For the Board of Education:

Robert D. Christiana
Superintendent

Joseph Lake, President
Board of Education
Melvin Waltz
Deputy Superintendent
Thomas Prenkert
Assistant Superintendent,
Business Affairs

DATE OF REPORT:
September 8, 1969

REPORT OF FACT FINDING HEARINGS OFFICER

The only issue in this dispute between the School District of the City of Monroe and the Monroe City Education Association involves the compensation to be paid for the 1969-70 school year to employees represented by the MCEA.

The parties to this dispute, on August 22, 1969, signed a joint request to the Michigan Employment Relations Board (formerly, Labor Mediation Board) for fact finding. The Board received this request on August 25, 1969, and appointed the undersigned to serve as its Fact Finding Hearings Officer on that date. The undersigned, upon receiving his Notice of Appointment on August 26, arranged for a hearing to take place on August 28, 1969, at the premises of the Employer in Monroe, Michigan.

Each party had a full opportunity, during this hearing, to present evidence and argument on behalf of its position. Arrangements were made, during the hearing, for each party to submit certain additional information in regard to the salary schedules for other school districts in Monroe County and for other school districts in Michigan of comparable size to that of the City of Monroe. Such information was received from each party on or before Friday, September 5, 1969, thereby completing the record.

The undersigned has studied and considered all of the evidence in this record as a basis for his recommendations. Because there are no significant differences between the parties as to factual matters, because each party, acting through its representatives, is extremely well-informed, and in order to expedite this Report, I will review only the salient aspects of the present situation in the City of Monroe and confine my analysis rather narrowly to the subject matter of the dispute.

Background

The public schools of the City of Monroe will be providing education during 1969-70 to more than 9,000 students. Almost 400 teachers will be on the payroll of the Board of Education. During the last school year, 1968-69, the total revenues of the school district amounted to $5.9 million and its actual expenditures exceeded its revenues by $100,029. The district has accumulated a prior deficit of $172,372, and with a small adjustment to equity ($1,418), enters the 1969-70 school year with a projected deficit of $270,983.[1]

The latest available estimates for 1969-70 indicate that the district will obtain total revenues during 1969-70 of $6,303,895. This represents an increase over last year's revenues of 7.55 percent. My review of the basis on which the $6.3 million of revenues for 1969-70 has been calculated convinces me that this is a realistic estimate. It is relevant to note that the Board of Education is not permitted to operate on the basis of a prospective deficit budget.

The Board offered the Association in May 1969 a general salary increase for its teachers of 7.7 percent on the same Index contained in Appendix B of the 1968-69 Agreement between the Board and the MCEA. In order to offer a larger percentage salary increase than the percentage increase in its revenues, the Board first reviewed all non-salary items and identified maximum savings of about $159,000 in this category over requirements for 1969-70 as normally estimated. I have reviewed the specific items on which expenditures will be cut, and I am deeply concerned about the extent of the retrenchment. For example, elementary textbook purchases will be reduced from $55,000 to $20,000, while secondary textbook and workbook purchases will fall from $39,400 to $21,000. I agree with the

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1. These figures are the latest available, based on actual data through April 30, 1969, and estimates for the months of May and June 1969.

Board that such massive cutbacks represent a highly undesirable step that can reasonably be endured only on a temporary basis.

The Board also found it necessary to reduce the teaching and administrative staff by 13-1/2 persons below the number initially planned for 1969-70. These reductions include five elementary teachers (1 Art, 1 Physical Education, 2 Vocal Music, 1 Instrumental Music), three secondary teachers, an elementary librarian (there will be none), the position of Director of Special Education plus two others in that important field, the position of Assistant Superintendent, and a half-time Mathematics Supervisor.

With such personnel cutbacks and the savings on non-salary items noted earlier, the Board determined last May that it could offer a general increase of 7.7 percent within its $6.3 million of expected revenues. Under the Board's offer, the first-year B.A. teacher would be paid $7,000 (instead of $6,500 last year), and the tenth year M.A. teacher would obtain $11,760 (compared to $10,920 last year). Thus, the absolute increases would vary from a minimum of $500 to a maximum of $840, depending on one's position in the salary structure. Each returning teacher also moves, of course, to the next salary step.

The Board, during mediation in August, offered the alternative of a non-Index schedule which also started at $7,000 for the new B.A. teacher but reached a $12,000 maximum for the 10-year M.A. teacher. Because of lower salaries at many of the intermediate steps than would be paid under the Board's "$7,000 Index" offer, the Board's August non-Index offer actually represented $72,820 less than its Index offer. Both offers have been rejected by the MCEA.

The essence of the MCEA's latest bargaining proposal accepts a $7,000 starting point for the new B.A. teacher but moves to a salary of $12,040 for the tenth year M.A. teacher. Under the MCEA's formula, there would be more uniform annual increments within each teacher category: $420 for the B.A.; $420 or $490 for the B.A. plus 15, the B.A. plus 30, and the M.A.; and uniform $490 increments for the Specialist. In addition, the starting Index value would be somewhat higher (by .02 or .01) for the top three categories. All told, the MCEA's proposed schedule represents a payroll expenditure of $56,730 above the Board's <u>best</u> offer (and is $129,550 above the Board's August non-Index proposal).

Collective bargaining between the Board and the MCEA originated in 1966, and their first contract covered the 1966-67 school year. The Agreement signed in September 1968 had a two-year duration on all except economic items. Within the scope of the presently bargainable economic items, the only differences between the parties relate to the salary levels and structure, as described above. Both parties deserve commendation for their constructive and informed approach to collective bargaining as displayed during the fact-finding hearing.

<u>Findings and Recommendations</u>

Both parties have acted wisely in placing emphasis on salary improvement. The Board must have a higher salary schedule if it is to retain and obtain competent teachers, and the teachers are entitled to higher earnings if they are to share in the nation's continuing growth in productivity and if they are not to be penalized by a continuing decline in the value of the dollar. The general increase of 7.7 percent offered by the Board in May is certainly the kind of improvement that is essential at this time, in spite of the extreme cutbacks in books, supplies, personnel and other items -- hopefully temporary -- that are required to implement this salary offer.

The MCEA salary proposal would represent, of course, even more improvement. On its merits, I can agree with the MCEA that the resulting schedule would constitute a sound and reasonable compensation formula. Regrettably, I am convinced that the Board simply does not have the resources this year for raising salaries that much. Were it to do so, the additional cuts in personnel and non-salary items -- over and above the drastic economies already scheduled -- would do serious harm to the educational quality of the Monroe Public Schools, a result that MCEA and its members certainly do not want.

The Board's August proposal is undesirable because it represents a deterioration of the salary Index in between the extremes. In fact, the main structural distinction between the Board May offer (on the Index) and the MCEA proposal is that the MCEA seeks to improve the Index, not weaken it. It is my judgment that the Index should be improved, and that <u>some</u> of the improvement should take place now.

The present Index is clearly weakest at the third salary step, where its value is 1.06. This conclusion is borne out by a comparison with salary structures in other school districts within Monroe County as well as school districts in Michigan comparable in size to Monroe City. Last year, the difference between the second and third salary step for the B.A. teacher, for example, was only $195. Under the Board's Index proposal, the $195 became $210. I consider this inadequate, both in relation to the relatively substantial increase at the fourth step (for which the B.A. Index is 1.14) and to the prevailing practices in other school districts.

Accordingly, it is my recommendation that the parties should accept a settlement based on the Board's $7,000 Index proposal -- which constitutes a general increase of 7.7 percent above1968-69 -- <u>plus</u> an increase in the Index at the third step, for all teacher categories, of 0.02. Expressed in terms of money on a $7,000 base, .02 equals an additional $140. Corresponding adjustments are required at Step 2-1/2 and at Step 3-1/2, for each of which the salary rate would increase by $70 (equal to 0.01 on the Index). I have attached, as Appendix A, a summary of the resulting Index values and salaries. The total additional cost of this improvement in the Index during 1969-70, based on the anticipated number of teachers at Steps 2-1/2, 3 and 3-1/2, is $3,570 above the Board's $7,000 Index offer.

I do not propose to tell the Superintendent and the Board wherein it should further economize in order to accomodate this additional salary expenditure within its $6.3 million budget; but the amount is small in relation to the decided improvement in the Index that it will produce when expended in the fashion I have recommended. For that reason, the money should and can be found.

I have one final observation, intended more for the residents of the City of Monroe than for the parties. I hope and believe that the Board and the MCEA will accept my recommendations as the soundest basis for operating during 1969-70 within the monetary resources that will be available. There should be no doubt in anyone's mind, however, that the teachers of Monroe must have, and will be entitled to receive, additional salary increases in 1970-71. More funds will also be imperative for reversing the stringent cutback in non-salary items and for hiring additional teaching personnel who should have been on the payroll this year. All present operating millage expires in December 1969 and a new high school bond issue is also needed. Consequently, it is my urgent recommendation to the people of Monroe that they respond favorably to the needs of their schools as they will be identified in millage elections during 1969-70.

Mark L. Kahn

Mark L. Kahn
Fact Finding Hearings Officer

DATED: September 8, 1969

(See Appendix A, attached.)

APPENDIX A

Index Values and Salaries Recommended for 1969-70

Salary Step	B.A.		B.A. plus 15		B.A. plus 30		M.A.		Specialist	
1	1.00	$7000	1.04	$7280	1.08	$7560	1.10	$7700	1.15	$8050
1.5	1.015	7105	1.055	7385	1.095	7665	1.115	7805	1.165	8155
2	1.03	7210	1.07	7490	1.11	7770	1.13	7910	1.18	8260
2.5	1.055	7385	1.095	7665	1.135	7945	1.155	8085	1.205	8435
3	1.08	7560	1.12	7840	1.16	8120	1.18	8260	1.23	8610
3.5	1.11	7770	1.16	8120	1.21	8470	1.23	8610	1.31	9170
4	1.14	7980	1.20	8400	1.26	8820	1.28	8960	1.39	9730
5	1.22	8540	1.28	8960	1.34	9380	1.36	9520	1.47	10290
6	1.30	9100	1.36	9520	1.42	9940	1.44	10080	1.55	10850
7	1.36	9520	1.42	9940	1.48	10360	1.50	10500	1.61	11270
8	1.42	9940	1.48	10360	1.54	10780	1.56	10920	1.67	11690
9	1.48	10360	1.54	10780	1.60	11200	1.62	11340	1.73	12110
10-15	1.54	10780	1.60	11200	1.66	11620	1.68	11760	1.79	12530

Note: No change in amount of longevity pay for service above fifteen years.

This is part of the Report with Recommendations of the Fact Finding Hearings Officer (Professor Mark L. Kahn of Wayne State University) in regard to the dispute between the School District of the City of Monroe, Michigan, and the Monroe City Education Association, dated September 8, 1969.