

8/15/69

1969 FF

James R. McCormick
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STATE OF MICHIGAN

EMPLOYMENT RELATIONS COMMISSION

MONTAGUE PUBLIC SCHOOLS,

Public Employer,

- and -

MONTAGUE TEACHERS EDUCATION ASSOCIATION,

Petitioner.
-----MICHIGAN STATE UNIVERSITY
LABOR AND INDUSTRIAL
RELATIONS LIBRARYFACT FINDER'S REPORTFor the Public Employer:

Dr. Jack E. Meeder, Superintendent

For the Petitioner:Harry Bishop, Michigan Education
Association Representative

The above-captioned matter came on for hearing at Montague, Michigan, before the undersigned fact finder, duly appointed by the Labor Mediation Board (since renamed, by July, 1969 statutory amendment, as the Employment Relations Commission), pursuant to a formal petition for factfinding filed by Petitioner and an informal request for factfinding filed by the Public Employer.

On the basis of exhaustive evidence presented at the hearing, including comparative statistical data and other documentation, the undersigned submits to the respective parties and to the concerned public of the Montague School District the following findings of fact and recommendations for a fair and equitable resolution of the impasse which has developed in negotiations for a 1967-1970 master contract covering teacher salaries and working conditions.

Montague Public Schools

PRELIMINARY OBSERVATIONS

Factfinding is predicated, at least in part, upon three assumptions: (1) that the mobilization of informed public opinion in a community is an effective pressure upon local governmental bodies and the organizations representing their employees to adopt reasonable positions on issues dividing them; and (2) that the public, being unable to individually assess the complex economic issues of the bargaining table, will be inclined to accept the findings and recommendations of a neutral fact finder, appointed by the State, who has had a maximum opportunity to study the issues; and (3) that the parties themselves will, if at all possible, abide by the neutral's recommendations on the theory that the public interest is served by bringing an end to labor relations disputes, even where the parties are not in substantial agreement with the recommendations. Accordingly, factfinding requires the good faith of the parties and a local effort to utilize the fact finder's report to mobilize public opinion behind presumably reasonable solutions.

Based upon my analysis of the Montague dispute, I find that both parties have bargained in substantially good faith in a sincere effort to reach a workable solution. With regard to the most pressing issue, that of salary increases, my findings, simply stated, are that in the Montague District (1) the property valuation is a little higher than average, (2) the millage (property tax) rate is a little lower than average, and (3) the salary schedule offered to the teachers is lower than the average of settlements already reached in the surrounding two-county area (Muskegon-Oceana).

In reading the statistical information I have kept in mind that comparison with salaries and benefits in non-comparable school districts is of limited usefulness. I have tried to resolve issues involving policy, such as the agency shop issue, on a practical basis rather than by trying to impose my particular prejudices upon the parties. On some issues, I have looked to see which party's interests seemed to be of paramount importance, as in the case of the school calendar and longevity pay. Finally, I have sought to state the arguments and issues as briefly as possible in order to make the report a useful tool.

FINDINGS AND RECOMMENDATIONS

ISSUE I: Salary schedule: The 1968-1969 salary schedule was based on a starting salary of \$6,350.00 for a teacher with a Bachelor of Arts degree. The last offer of the Board of Education for the 1969-1970 school year is \$6,700.00 for a beginning teacher, with ten annual step increases leading to a B.A. maximum salary of \$10,050.00 or 1.5 times the starting salary. The Association's last demand is for a starting B.A. salary of \$7,300.00, with ten annual step increases leading to a B.A. maximum salary of \$11,315.00, or 1.55 times the starting salary.

The Board of Education has a tentative budget which incorporates its last offer (\$6,700.00) and is still out of balance by some \$40,000.00. Section 35 and 36 of the 1969 School Aid Act, being Act 22 of the Public Acts of 1969, prohibit deficit budgets and make it a crime for a Board of Education to knowingly adopt a deficit budget. The Association does not dispute the fiscal soundness of the tentative budget, therefore, it is axiomatic that any increase

in salaries above the Board's last offer will have to entail either a cutting of programs, a millage increase, or a combination of the two. The first question, however, is whether any increase above the \$6,700.00 offer is justified.

The state equalized valuation of taxable property in the Montague District, as of December, 1968, was \$15,344.00 per pupil. It was third among the fifteen school districts in surrounding Muskegon and Oceana Counties. (The Montague District lies partly in each of these two counties.) The state equalized valuation (SEV) per pupil for all 526 districts as of December, 1968, was \$14,459.00, while the SEV per pupil for the 74 districts with between 1500 and 2000 pupils was \$11,928.00. (Montague has about 1,950 students). It is thus clear that Montague is in a favorable position in terms of property value per pupil.

Montague has a voted operation millage of 12 mills, which is eighth highest among the 15 districts in the two-county area, where voted millage ranges from a high of 18 to a low of 5. Montague's total operation millage is 20.35, eighth out of the twelve districts in Muskegon County. Its overall millage, including debt retirement and building and site, is 23.85, ninth out of twelve districts in Muskegon County.

The 1968-1969 State median starting B.A. salary was \$6,804.00, which was \$454.00 higher than Montague's \$6,350.00. Available information reveals that the median will increase substantially this year by virtue of new contracts. Figures representing settlements in nine districts near Montague reveal an average starting salary of \$6,936.00,

representing an increase of 8.8 per cent over 1968-1969 contracts. This is in accord with U.S. Department of Labor figures revealing a rise of 4.6 per cent in the consumer price index for the nine-month period ending May, 1969. Projected over a year, this would constitute an inflationary price increase of six per cent per annum.

The Board's last offer (\$6,700.00 starting salary) represents an increase of 5.5 per cent, while the Association's last demand represents an increase of 14.9 per cent.

The total SEV for the Montague District is approximately \$30,000,000, which means that a one-mill tax increase (one dollar per thousand dollars of assessed valuation) raises approximately \$30,000.00. With approximately 85 teachers in the system, an increase of \$100.00 per year at the B.A. entrance level costs the district about \$10,000.00. An increase from the tentatively budgeted \$6,700.00 starting salary to \$6,850.00, along with minor fringe benefit increases, would cost in the neighborhood of \$20,000.00. If the projected \$40,000.00 deficit is added, it appears that \$60,000.00 more in revenue would be required in order to maintain present program levels and to raise the starting salary to \$6,850.00.

The undersigned finds and concludes that a salary schedule based on a B.A. base of \$6,850.00 is the minimum required to keep Montague competitive with surrounding school districts. Compared with last year's starting salary of \$6,350.00, it represents a raise of 8 per cent, enough to cushion inflation and permit teachers to better their relative financial position to a modest degree. I find that a salary schedule based on \$6,850.00 with ten increases to a B.A. maximum of 1.5 times \$6,850.00 can be financed by increasing

the voted millage by an additional two mills. Since there is no building and site millage in Montague, and since the present overall millage is relatively low by either area standards or State-wide median, I find that an increase in the operation millage from twelve to at least fourteen is justified and imposes no undue burden on the taxpayers of the area.

Therefore, I recommend that the Board of Education provide for a millage election at the earliest possible date. I further recommend to the voters of the Montague District the public necessity and justice of a favorable vote on a two mill increase. I recommend that the Association abandon its \$7,300.00 position and settle for \$6,850.00 with a 1.5 factor as the B.A. maximum. Salaries at other levels of the schedule should be in accord with this concept. I recommend that the parties consider entering into an interim contract pending such a millage election. As an alternative, I recommend that a final and binding contract be entered into now, providing for necessary program and personnel cuts in the event of a rejection of a millage increase by the voters. My review of the tentative budget reveals no areas in which large savings could be made except by a cut back in teaching staff or custodial staff, either one being highly undesirable.

ISSUE II: Health Insurance: The District currently pays \$11.00 per month towards the health insurance of each teacher. It has offered \$12.00, while the Association is insisting upon \$15.00. An annual contribution of \$144.00 (\$12.00 times 12 months) is fairly typical of MEA Region 13, the area of the State in which Montague is situated, although that area is one of the lowest in the State in health insurance

contributions by school boards for teachers. I recommend that the teachers accept the offer of \$12.00.

ISSUE III: Schedule B: This is the schedule of extra pay for coaching and other co-curricular activities. The amounts proposed by the parties are not substantially different, but a precedent is involved here. The schedule is based on a percentage of a certain base salary. For example, the head football coach would receive nine per cent extra pay. The Board wants this percentage to be based on an annual salary figure of \$6,300.00, while the Association wants it to be tied to the B.A. minimum, so that the extra compensation will increase every time the B.A. minimum is increased in subsequent years. The undersigned finds that the Association's approach is superior, since it obviates the necessity of renegotiating Schedule B each year. I recommend that the Board of Education concede on this proposal.

ISSUE IV: Longevity Pay: None has been paid in the past. The Association wants to "establish the concept", while the Board states that it can not afford this additional fringe. A relatively high percentage of Montague teachers have climbed the eleven steps of the salary schedule and have no possibility of further increases except through renegotiation of the entire salary schedule. One of the chronic problems of the teaching profession as a career is early peaking of salaries, creating a lack of incentive for veteran teachers. The longevity proposed here is estimated to cost in the neighborhood of \$5,600.00. I find that this is a necessary expenditure in terms of equity to experienced teachers, providing an additional step increase at the 16th, 21st, 26th, and 31st years of service. It can be financed out of the two mill increase proposed above.

ISSUE V: Terminal Leave Pay: This is a new Association proposal, calling for a special retirement payment of \$50.00 for each year of teaching within the Montague District. It would be payable to persons who have taught for at least ten years in the system. While any question as to the legality of such a benefit has been removed by a recent statute, the undersigned finds that^x is not so clearly necessary or justified as to call for its adoption in the Montague District at this time. This is a question of priorities. Accordingly, I recommend that the Association abandon this proposal.

ISSUE VI: Agency Shop: No agency shop has been in effect in the past, although Association dues have been deducted from pay checks of consenting teachers and remitted by the Board to the Association. Nevertheless, for the 1968-1969 school year 73 out of the 84 teachers were dues-paying members of the Association. The Board opposes an agency shop in principle, contending that the Association ought to recruit its own members, not seek to compel the equivalent of dues payment by making it a condition of employment. The undersigned can not seek to resolve this socio-economic and political controversy by imposing my own peculiar notions of right and wrong. However, viewing the issue in the Montague context, I must observe that the Association has done well in recruiting members without benefit of an agency shop, and therefore the need for one is not pressing, even from the Association's point of view. On the other hand, this is first and foremost a question of the rights of teachers, and not a question of primary concern to the general public or the Board of Education as such. Here, the Board places itself in the role of defender of teachers, a role for which the teachers have selected the Association by majority vote.

In an effort to balance the conflicting interests, I recommend that the parties agree to contractual language calling for a secret ballot vote of the teachers on the agency shop, which vote would be supervised by a neutral person selected jointly. If two-thirds of the eligible teachers vote in favor of an agency shop, then, as of a selected date all teachers would be required to join or to pay the equivalent of three-fourths of the combined Association, MEA and NEA dues. The reason for the three-fourths figure is to answer the objection that a certain amount of dues money is used for purposes other than direct representation of teachers vis a vis the administration.

ISSUE VII: Starting Time: Presently teachers are required to be in the building and at their teaching stations at 8:15 A.M., thirty minutes before classes begin. The Association seeks to remove the language requiring teachers to be at their stations (class rooms), thereby giving them professional discretion to spend the time in the library, audio-visual room, etc., or in discussing mutual problems with fellow teachers. The Board says that this, in practice, often means spending the time in the lounge socializing and drinking coffee. The undersigned recommends that teachers be permitted absolute discretion as to their whereabouts in the building until 8:30 A.M., at which time they may be required to be at their teaching stations. The practice in other districts varies widely on this question, but this recommendation appears to be in keeping with professional discretion while providing for supervision of children who are permitted in the rooms early.

ISSUE VIII: Class Size: The 1968-1969 contract set 25 as the maximum number of students for classes in the first three grades. No maximum is contractually provided for other grades. The Association seeks to extend the 25 maximum to the fourth grade this year, while the Board would like to drop the existing maximums. There can be little argument as to the desirability of limiting class sizes. However, this does not appear to be the time to extend the existing maximums, in view of the overall fiscal crisis in the Montague District. Once again, priorities dictate that the Association abandon this proposal, which would necessitate the hiring of an additional fourth grade teacher this year.

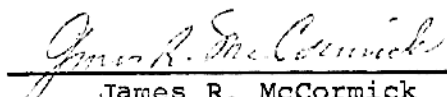
ISSUE IX: School Calendar: The Board is willing to negotiate regarding teacher attendance days, but not regarding pupil calendar, which it considers to be its exclusive prerogative. In practice, the two are interdependent, since pupils can not be in school without teachers. I find the difference to be conceptual but not actual. The fact is, however, that proposals on a calendar have been exchanged, and the parties' respective proposed calendars are extremely close.

Whether or not the selection of an opening day for the school year is a mandatory subject for bargaining, it remains true that the employer may implement its final proposal after a legitimate impasse has been reached. In my opinion, the calendar ought to be the first item on the agenda for bargaining in the Spring of the year, and should be resolved prior to June. In the event no agreement can be reached on that issue, the Board ought to be permitted to declare

an impasse and announce an opening date for the forthcoming year,
entirely apart from the extent of progress on other issues.

In view of the closeness of the positions of the parties
here and in view of the lateness of the hour, it is recommended
that the Association concede to the school calendar prepared by
the Board.

Respectfully Submitted this 15th day of August, 1969.



James R. McCormick
Fact Finder