

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
FACT FINDING

In Re:

OSCODA PUBLIC SCHOOLS

- and -

Case No. G76 H-1209

OSCODA EDUCATION ASSOCIATION

George Rasmell /

FACTFINDER'S REPORT AND RECOMMENDATIONS

APPEARANCES:

FOR OSCODA PUBLIC SCHOOLS:

Merle W. Grover, Consultant
Robert D. Hodges, Superintendent
James J. Alexander, Director of
Instructions
Duane London, Principal
Elementary School
Roy H. Liddle, Assistant
Principal - High School

FOR OSCODA EDUCATION
ASSOCIATION:

Robert Johnston, President
Oscoda Education
Association
Robert Kennedy, Negotiation
Team
Floyd J. Fitch, Michigan
Education Association
Kurt Schmidt, Negotiation
Team
Wanda Roach, Negotiation
Team
Duane E. Hayes, Negotiation
Team

For the second year in a row, the Oscoda Public Schools (hereinafter "Board") and the Oscoda Education Association (hereinafter "Association") have reached an impasse at the collective bargaining table and have had to rely on factfinding as a possible solution to their impasse.

The issues separating the parties include wages, duration of contract, dental insurance, health insurance, life insurance benefits, extracurricular pay, earlier retirement, class size limitations, sick leave and medical leave language, funeral leave language, provisions for personal leaves, payment of sick leave on retirement, additional compensation for librarians, and other miscellaneous matters. Obviously, most, if not all, of the issues here are economic in nature.

There is no magic employed by a factfinder in resolving economic issues when parties have reached an impasse. Basically, what a factfinder must do is apply certain criteria or guidelines against the parties' respective positions. Among these criteria are: the ability to pay, comparables with other school districts and other employees generally in the community, and the bargaining history, both past and current, between the parties.

Basically, the Board does not question its ability to pay. For the period from 1971 to 1974 the Board experienced a fluctuating general fund equity. In fact, in 1973-1974 the Board operated in excess of its current revenues. However, beginning in 1974, the general fund equity began increasing pragmatically so that, by

the 1975-1976 school year, the general fund equity had increased to a figure in excess of \$500,000.00. A further indication of the Board's relatively financial stable position is a financial summary published by the Board on October 25, 1976 showing its revenue expenditures for the 1975-1976 fiscal year. This summary is as follows:

October 25, 1976

FINANCIAL SUMMARY

Beginning Cash July 1, 1975		\$ 75,611.08
Revenues	4,537,222.25	
Expenditures	4,434,813.79	
Excess Revenues Over Expenditures		<u>102,408.46</u>
Funds To Be Accounted For		\$178,019.54

CHANGES IN FUND BALANCE

Decreased Accounts Receivable	(\$11,869.17)	
Decreased Accounts Receivable (Food Services)	(\$21,135.41)	
Increase - Taxes Receivable	\$ 65,628.04	
Increase - Prepaid Expenses	21,208.67	
Decrease - Accounts Payable	<u>20,830.37</u>	\$ 74,662.50
		\$103,357.04
Community Education Account		<u>51.04</u>
		\$103,306.00
Petty Cash Account		<u>2,500.00</u>
Ending Cash June 30, 1976		<u>\$100,806.00</u>

This summary confirms that the general fund equity is increasing, for, as a result of the fiscal 1975-1976 year, the District was able to add to a general fund equity, approximately \$100,000.00. In other words, the District, in the 1975-1976 school year, actually received, after adjustments, about \$100,000.00 more than it expended, which, of course, is a compliment to the Board's managerial ability along with that of their Superintendent and Business Manager.

A further point along this line is a second summary prepared by the Board and published on October 25, 1976 making a six-year budget comparison. This comparison is as follows:

October 25, 1976

SIX YEAR BUDGET COMPARISONS

<u>Year</u>	<u>Revenues</u>	<u>Expenditures</u>
1970-71	\$ 3,662,426	\$ 3,488,191
1971-72	3,776,071	3,842,685
1972-73	3,909,657	3,846,411
1973-74	3,975,933	3,982,150
1974-75	4,170,774	4,070,276
1975-76	4,537,222	4,434,814
1976-77	4,965,965	4,957,110

DELINQUENT TAXES RECEIVABLE

<u>Year</u>	<u>Receivable</u>
1970-71	\$ 81,656
1971-72	93,439
1972-73	111,307
1973-74	166,380
1974-75	364,932
1975-76	430,560

As already noted, the Board did operate at a current deficit in the 1973-1974 school year. The same was true in the 1971-1972 school year. However, the Board has been blessed by good management in the last two years and operated with excess revenues over expenditures of approximately \$100,000.00 each year. There are, however, dangerous signals. The 1976-1977 budget, as is shown on the above comparison, would indicate very tight budgeting, as the Board is within \$8,000.00 of spending its entire revenues that it expects during the 1976-1977 school year. Likewise, the Board does have increasing delinquent tax receivables.

There was one other document published on October '25, 1976 by the Board which is of interest. This is the budget comparison between the 1975-1976 school year and the 1976-1977 school year which is as follows:

October 25, 1976

BUDGET COMPARISONS

1975-76----1976-77

<u>Revenues:</u>	<u>Percentage 1975-76</u>	<u>Percentage 1976-77</u>
Local	44.2	45.0
State	36.3	35.2
Federal	<u>19.5</u>	<u>19.8</u>
	100.0	100.0

<u>Expenditures:</u>		
Instruction	65.8	64.0
Administration	2.6	2.7
Health	.4	.4
Transportation	9.3	10.3
Operation & Maintenance	12.0	11.2
Fixed Charges	8.1	8.9
Capital Outlay	.3	.4
Community Education and Services	.8	1.0
Revolving Fund	.2	.4
Student Activities	<u>.5</u>	<u>.7</u>
	100.0	100.0

	<u>1975-76</u>	<u>1976-77</u>
Total Dollars Expended	\$ 4,434,814	\$ 4,957,110
District Valuation	\$97,873,718	\$107,499,413
Number of Students	3,954	4,048
Expenditure Per Pupil	\$ 1,122	\$ 1,212

The budget reveals that the Oscoda District does rely on receiving over one-third (1/3) of its source of revenue from state aid and about twenty (20%) percent from Federal aid, which, in a substantial part, comes to it by virtue of the fact that the District serves the Wurtsmith Air Force Base.

From 1971 through 1974, the District had approximately 12 mills allotted to it, which included 9 to 9.7 mills from the County allocation and 3 extra voted mills. In the last three years from 1974, the citizens of Oscoda Area Schools have voted 10.30 extra mills, and the County allocation has fluctuated from 9.25 mills and 9.30 mills. This means that, in the 1976-1977 school year, the Board will have at its disposal 19.55 mills. However, it is noted that the budget projections indicate that at least a percentage point dropped in state aid, but this decrease was compensated for by an increase in local revenue plus Federal aid. The point is, with budget restraints on the state, local districts, relying on state aid, find it impossible to be accurate in their predictions because of possible cuts in their source of revenue, as was experienced in the 1975-1976 school year. Again, this is another warning signal that suggests that one should be cautious in analyzing the Board's financial ability.

Presumably, the proposed 1976-77 budget includes the Board's last offer. Furthermore, it will be noted that, in the 1976-77 budget, 1.8% less is spent on instruction than in the previous school year. Both of these points will be commented on later in this report.

There is one final observation. A big employer in the Oscoda School District is the Wurtsmith Air Force Base. It produces tax revenue through homes and other real estate holdings by Air Force personnel. It also produces federal funding and, obviously, increases student enrollment, which forms a basis for state aid. According to information furnished the Factfinder, the Department of Defense is proposing to close Kincheloe Air Force Base in the upper peninsula in Michigan and to make major activity reductions at Loring Air Force Base in Maine. However, because of the impact that closing Kincheloe and reducing Loring will have upon the areas in which they are located, the Department of Defense is considering closing two other bases in the alternative, including Wurtsmith Air Force Base in Michigan and Blytheville Air Force Base in Arkansas. The Board is concerned that, if Wurtsmith Air Force Base is closed, it might have a substantial adverse economic impact on the Board's financial ability. The possibility of such a significant decrease in funds causes the Board to follow fiscal restraints because of an uncertain financial future. The Board previously has known deficit financing and proposes not to engage in same in the future.

In summary, the Board does have financial ability, as indicated above. It has a healthy general fund equity, and, in the recent past, its revenues have exceeded its expenditures. There are some warning signals, as already noted. It must cushion itself against too heavy of a reliance on state aid because of the problems with the state's own budget, and it must cope with the

rising delinquent tax receivables, as well as guard against any possible closing of Wurtsmith Air Force Base. These factors suggest to the Factfinder that the Board is correct when it says it has the ability to pay. But, because it has the ability to pay, does not mean that the Board should be penalized for being good financial managers and that consideration should not be given by the Factfinder in guarding against the warnings suggested above. However, as this report will note below, the warning signals should not serve as a shield to a district that has financial ability to pay a competitive comparable rate of pay for its teachers.

Having analyzed the financial ability to pay of the Oscoda School District, and recognizing the reasons for the Board's conservative fiscal policies and giving due credence to them, the Factfinder must turn to the other criteria suggested above in gauging the parties' current positions.

The Factfinder recognizes that the Board, through its representatives at the factfinding hearing, suggested that the Board was only concerned with Oscoda, and not with comparisons. Just as it would be unrealistic not to consider the warning signals of the Board's financial picture in analyzing this situation, it is unrealistic for the Board to take such an attitude, for all employees, whether Union or non-Union, compare themselves with their peers in determining the economic benefits they receive from their employment. A prime example of this in Michigan is the fact that employees at the American Motors Corporation expect to receive approximately the same economic benefits as employees at the other automotive companies,

even though American Motors is not as financially sound. This is just an economic fact of life. It goes to the basic proposition as to what the market place is paying. The Factfinder suggests that every Board member, whether professional or non-professional, compares his or her economic place in life based on comparisons. For example, those who farm compare their economic results with those of their neighbors to gauge their place in the market place. Those who are in professions do the same. Thus, not only are comparisons a recognized guideline or criterion for Factfinders, it is a recognized guideline throughout this country.

Although comparisons are vital, they must be made in light of the general collective bargaining history between these parties, both past and present. This follows because, in the final analysis, all public employment factfinding in Michigan is an attempt to avoid strikes, for public employment strikes, supposedly, are illegal. Admittedly, factfinding does not always work, but it is recognized that factfinders ultimately must base their decisions upon what they believe the parties would have resolved if they were left to their own economic devices. Past bargaining history and comparisons furnish a guide to such possible resolution.

This brings the Factfinder to the question of the comparables. Naturally, comparables must be analyzed, that is, they must represent the market place in which the teachers of Oscoda are competing. The comparables vary from geographical region to geographical region of Michigan. There is one economic trend prevalent in the metropolitan area of Detroit which suggests higher rates than that paid

in Oscoda. There is a different tendency around other urban areas of Michigan, such as the Grand Rapids area, the Flint area, the Lansing area, and, to a lesser extent, the Kalamazoo area. Likewise, rural areas tend to have different economic factors which effect the rate of pay paid to public employees, including teachers, in those areas.

It would seem realistic to make comparisons with the school districts near Oscoda, because this is the relevant market place and represents the economic factors of the northeastern lower peninsula in Michigan. Although the Association attempted to include many districts outside of the geographical area of Oscoda, at the urging of the Factfinder, the comparisons were reduced to the following districts: Hale, Essexville-Hampton, Bangor Township, Pinconning, Alcona, Alpena, West Branch-Rose City, and Whittemore-Prescott. These were the Districts whose salary comparisons were presented to the Factfinder.

Attached hereto are Appendices A through F, which represent the salary comparisons between the aforementioned districts, beginning with the school year 1970-1971 and ending with the 1975-1976 school year at the BA minimum, BA maximum, MA minimum and MA maximum levels. The figures in parenthesis indicate the steps that it takes to reach the maximum. These comparisons are revealing in several respects.

Essexville-Hampton and the Bangor Township School Districts, at the maximum rates both at the BA and MA levels, traditionally have tended to be more than the other comparable school districts. This is evident as far back as 1970. Thus, it is noted, for example, that at the MA maximum, Essexville-Hampton, in 1975-1976, was at least \$1,000.00 more than any other school district compared, except Bangor Township, which was at least \$1,700.00 more than any school district compared. Thus, when it is reported that Essexville-Hampton is now paying \$19,037.00 at the MA maximum and that Bangor Township is paying \$18,664.00 at said level, it would seem that those two districts, because of their historically high pay at the MA maximum, are not fair comparisons. Essexville-Hampton has continued the same pattern at the BA maximum level. However, Bangor Township has been more comparable with the other districts, including Oscoda, at the BA maximum. The point is, though, that for comparable purposes, the Factfinder will not compare Bangor Township and Essexville-Hampton, because of their historical difference at the MA maximum. Instead, the comparables should be with the other school districts listed above because they really represent the market place. Furthermore, the Factfinder does note that Essexville-Hampton and Bangor Township are both influenced by the Bay City-Saginaw urban area which, in turn, has some General Motors influence in it.

On the other hand, the other districts enumerated are in the same geographical area as Oscoda and have basically the same economic influences, except that, in the case of Oscoda, there is the influence of Wurtsmith Air Force Base and the Federal funds flowing into the district because of same.

Excluding Essexville-Hampton and Bangor Township, it is noted that, in the 1975-1976 school year, of the districts compared, only Pinconning paid more at the BA maximum than Oscoda. At the MA maximum, the picture was somewhat different. At least three of the districts paid more, namely, Pinconning, Alpena, and West Branch. The BA minimum and MA minimum represented a different picture, but this is not as important. It is the maximums, rather than the minimums, that present the problems here, for, of the one hundred ninety-three (193) teachers on the Oscoda faculty, seventy-two (72) or thirty-seven (37%) percent are at the maximum level. Furthermore, with the large teacher supply, the minimums are not needed to be raised substantially to attract teachers into the profession. However, the maximums and upper levels of the schedule need additions in order to retain qualified teachers in the profession.

The conclusion is, therefore, that the parties, through their own bargaining history, have recognized that Oscoda should be at a relatively high pay level at the BA maximum and at a similar position, as compared to the comparables, at the MA maximum. This is what the salary history reveals.

This conclusion is verified by an examination of salary comparisons all the way back to 1970. In 1970, Oscoda paid the highest BA maximum of any district compared. The same was true at the MA maximum, with the exception of Alpena. In 1971, 1972, and 1973, the same comment can be made. That is, Oscoda paid the highest of any district at the BA and MA maximum levels, with the one exception of West Branch at the BA maximum level in 1971 and the

exception of Alpena at the MA maximum level. In the 1974-1975 school year, the District gave no raises. This was presumably because, during the previous year, it operated at a deficit. As a result, there was some change in the comparison. Even under such circumstances, though, Oscoda, at \$14,500.00, still paid more at the BA maximum than any other comparable school district. At the MA maximum, other districts, such as West Branch, Whittemore, Pinconning, as well as Alpena, began to surpass it. In the 1975-1976 school year, Pinconning exceeded Oscoda at the BA maximum, but Oscoda jumped ahead of Whittemore at the MA maximum, but still was behind Pinconning and West Branch, two districts which it traditionally had exceeded at the MA maximum, and had fallen substantially behind Alpena, which, by the 1975-1976 school year, was paying \$1,278.00 more than Oscoda at the MA maximum.

Another method of analyzing the figures is to compare the percentage increases in each comparable school district since 1973. The chart below indicates these percentage increases at the BA minimum, BA maximum, the MA minimum and the MA maximum.

PERCENTAGE SALARY INCREASES

BA MINIMUM

<u>DISTRICT</u>	<u>1972-1973</u> <u>1973-1974</u>	<u>1973-1974</u> <u>1974-1975</u>	<u>1974-1975</u> <u>1975-1976</u>	<u>1975-1976</u> <u>1976-1977</u>
Hale	.025		.0800	.0699
Pinconning	.0254	.068	.0366	.1172
Alcona		.0375	.06	.0941
Alpena	.0549	.024	.0799	.0350
West Branch-Rose City	.025	.062	.0600	.0258
Whittemore-Prescott		.106	.0219	.0490
Oscoda	5%		.0476	E.A. .0652 Bd. .0738

BA MAXIMUM

Hale	.052	.5613	.1112	.0399
Pinconning	.0153	.0339	.0612	.0500
Alcona		.067	.0625	.0941
Alpena	.0549	.024	.0800	.0350
West Branch-Rose City	.0598	.08390	.0600	.0165
Whittemore-Prescott		.21	.0219	.0489
Oscoda	.058		.0551	E.A. .0652 Bd. .0457

PERCENTAGE SALARY INCREASES

MA MINIMUM

<u>DISTRICT</u>	<u>1972-1973</u> <u>1973-1974</u>	<u>1973-1974</u> <u>1974-1975</u>	<u>1974-1975</u> <u>1975-1976</u>	<u>1975-1976</u> <u>1976-1977</u>
Hale	.047	.0055	.0800	.0699
Pinconning	.0239	.064	.0549	.0500
Alcona		.038	.0625	.0941
Alpena	.0549	.0249	.0800	.0350
West Branch-Rose City	.0250	.0625	.0600	.0237
Whittemore-Prescott		.106	.0219	.0489
Oscoda	.0574		.0434	E.A. .0652 Bd. .0572

PERCENTAGE SALARY INCREASES

MA MAXIMUM

<u>DISTRICT</u>	<u>1972-1973</u> <u>1973-1974</u>	<u>1973-1974</u> <u>1974-1975</u>	<u>1974-1975</u> <u>1975-1976</u>	<u>1975-1976</u> <u>1976-1977</u>
Hale	.060	.7032	.0799	.0700
Pinconning	.0144	.0912	.0738	.0500
Alcona		.038	.0625	.0941
Alpena	.0550	.0249	.0800	.0350
West Branch-Rose City	.0644	.0844	.0600	.0140
Whittemore-Prescott		.179	.0219	.0489
Oscoda	.055		.0526	E.A. .0652 Bd. .0437

The above charts indicate that Oscoda was not the only school district in the compared group that, in at least one year, did not get pay raises. This happened in 1973-1974 in Alcona and in Whittemore-Prescott. Although, subsequent to 1973, the districts vary in the amount of their percentage wage increases, Alcona, varying as high as nine (9%) percent, seems to be among the districts with the highest percentage increases. It is interesting to note that Whittemore-Prescott, in the 1974-1975 school year, gave increases as high as twenty-one (21%) percent, apparently compensating for the year of no raise. Oscoda, on the other hand, following the 1974-1975 school year, hovered around five (5%) percent, although, in the past, the district has given as high as a 5.8% increase, as noted in the 1973-1974 school year at the BA maximum, and a 5-1/2% increase at the MA maximum.

As inflation hit northeastern Michigan, though, as it did the rest of the country in the 1975-1976 school year, the traditionally low paying districts, such as Hale, gave higher percentage increases in an attempt to reach the market place set by such districts as Pinconning and Alpena.

If the Factfinder eliminates Alpena as a comparable, because there has been a traditional difference between Alpena and Oscoda, and even the teachers in their offer have recognized this difference, it would seem that a reasonable comparable, both at the BA and MA maximum levels, would be Pinconning, because Pinconning and Oscoda have been leaders in the comparable area. It is true that West Branch, at least in 1973-1974 and in 1975-1976, did lead Oscoda at the MA maximum, but this was because West Branch in 1973 and in 1975 gave a 6% increase at the MA maximum level.

Of course, there are different factors in every school district that go into making the District salary schedules. Among other things, it depends upon the census of the teachers and where they are placed on the scale. Furthermore, there is some argument concerning the number of steps in the salary scale. Nevertheless, when one analyzes the Oscoda historical bargaining pattern and compares its salary schedules with those of various school districts, one must conclude that the Oscoda Education Association and the Oscoda Board of Education believe that their District should be among the better paying districts in Northeastern Michigan. And it would seem that, based upon this historical pattern, the Oscoda-Pinconning comparisons would be fair comparisons.

Below are the 1976-1977 settlements among the same school districts, excluding Essexville-Hampton and Bangor Township.

SETTLEMENTS

1976-1977

<u>DISTRICT</u>	<u>BA</u>	<u>BA MAXIMUM</u>	<u>MA</u>	<u>MA MAXIMUM</u>
Hale	9,360	14,822 (12)	10,169	15,679 (12)
Whittemore-Prescott	9,374	15,163 (11)	10,023	16,330 (11)
Pinconning	9,960	16,380 (12)	10,080	17,325 (12)
Alcona	9,300	13,206 (9)	10,137	15,624 (11)
Alpena	10,132	13,678 (8)	11,145	17,883 (12)
West Branch-Rose City	9,243	14,331 (9)	10,054	16,785 (11)

This now brings the Factfinder to the offers that the parties have on the table. On August 30, 1976, the Board made an offer based on a two year contract in twelve steps. In 1976-1977, the Board proposed a BA minimum of \$8,900.00; a BA maximum of \$15,800.00; a MA minimum of \$9,700.00; and a MA maximum of \$16,500.00. For the 1977-1978 school year, the Board proposed a \$9,150.00 BA minimum, a \$16,300.00 BA maximum, a MA minimum of \$9,950.00; and an MA maximum of \$7,000.00. The schedule for both years was based on a 1.85% index. Subsequently, the Board modified its position so that it proposed a year contract with thirteen steps with a BA minimum of \$9,450.00; a BA maximum of \$16,000.00; a MA minimum of \$10,150.00; and a MA maximum of \$16,700.00. The index

of the salary schedule on the second proposal was 1.76%.

The Oscoda Education Association proposes the following schedule for the 1976-1977 school year:

<u>DISTRICT</u>	<u>BA</u>	<u>BA-Max.</u>	<u>MA</u>	<u>MA-Max.</u>
Oscoda E.A.	\$9,374	\$16,298	\$10,226	\$17,044

When one compares the offers of the two parties, one notes that the Board's offer falls short, for example, at the BA maximum, as the Board would pay \$16,000 versus \$16,380 at Pinconning. Oscoda traditionally has paid more than Pinconning at the BA maximum. At the MA maximum, Pinconning has paid as much as \$500.00 more than Oscoda in recent years. The offers of the Board would widen this gap, when tradition dictates that the gap between the two districts should be closed. It is true that Pinconning, for the 1976-1977 school year, is giving a 5% increase at both the BA and MA maximums. The Board, apparently, believes it would be competitive to give a 5% increase at the BA maximum, but at the MA maximum, for some reason, the Board is insisting on only a 4% increase, thus, widening the gap with districts such as Pinconning.

For the last two-year period, 1975-1976 and 1976-77 combined, Pinconning, for instance, had been giving their teachers a 12% raise. Alcona, during this same period, had given a 15% raise. Districts such as Hale have also followed the 15% pattern. Alpena, which is substantially higher than all the districts involved, had given a 12% raise at the MA maximum. Similar analysis can be made at the BA maximum. The point is, the Board is proposing at the MA

maximum a 9% increase over two years. This is not consistent with most of the Northeastern Michigan comparables.

In emphasizing the Pinconning comparables, this Factfinder is not suggesting that this is the only comparable or that the Oscoda sun rises and falls on Pinconning. Such a position would be unrealistic. The only reason emphasis had been put on Pinconning is that the Board wishes to eliminate Alpena as a comparable, and, likewise, Essexville-Hampton and Bangor Township as comparables. Nevertheless, the Board cannot ignore that, over the last five or six years of bargaining, it has established a pattern that clearly makes Oscoda teachers among the better paid teachers in Northeastern Michigan. Hale, Whittemore, and Alcona for years have been behind Oscoda. The true comparison with the higher paid districts would be a district such as Pinconning. This is the only reason why Pinconning has been emphasized. But, in emphasizing Pinconning, this Factfinder has also made comparisons with Whittemore, Alcona, and West Branch-Rose City, as well as Hale, to determine the percentage increases so as to keep Oscoda in its traditional relative position with these other school districts as said position has been developed in previous collective bargaining.

It is for this reason that the Factfinder will recommend a twelve step schedule with the BA maximum being \$16,218.00, representing a 6% increase, and a MA maximum at \$16,980.00, representing a 6% increase. At the minimums, the Factfinder agrees with the Association's minimums and will recommend the schedule set forth as Appendix G. A 6% increase at the MA maximum and a 6% increase at the BA maximum is consistent with Pinconning and the other northeastern Michigan comparables which have given similar percentage increases over the last two years, such as Alcona and Whittemore, as well as Hale.

Thus, these recommendations are consistent with the traditional school board bargaining patterns in northeastern Michigan.

For the second year of the contract, the Factfinder will recommend a 5% increase at each BA and MA minimum and maximum and at all other steps of the salary schedule over the 1976-1977 school year schedule, as set forth in Appendix-G. The second year recommendation at 5% follows the various percentage patterns of increases, as outlined above, in the various comparable school districts. This second year recommendation recognizes the rising cost of living.

The recommendation will contain the same two BA and MA tracks as in past contracts. The Oscoda Education Association has not been able to bargain in the past any middle tracks such as BA+18 or an MA+15. In this respect, the Factfinder will leave the parties where he found them. This is an item that can wait until future negotiations.

In considering the salary package here, the Factfinder sees no reason why the steps should be increased to 13. The district has fluctuated between 12 and 13 steps. There is a tendency in the comparable districts to have a maximum of 12, but some have a 10 and 11. Thus, 12 steps seem more appropos.

Likewise, in making a comparison, the Factfinder has recognized the some of the compared districts do not pay the 5% contribution to teacher retirement which will be mandatory by state law beginning July 1, 1977. However, such districts as Pinconning, Hale, and Whittemore do pay the 5%. Thus, comparisons with districts such as these have been fair.

Obviously, by recommending a second year on the contract, this Factfinder is recommending a two year contract. The reason for this is simple. It has taken some time to resolve this contract. By the time the contract is resolved, over half of the 1976-1977 school year will be completed, and the parties would normally begin bargaining for the 1977-1978 school year contract quite soon. This makes bargaining a continuous process. Such a continuous process is not conducive to good labor relations. Bargaining should be concise, to the point and completed with reasonable dispatch so that the parties can have some labor peace for a period of time. It is in both parties' best interest, therefore, to conclude a two year contract so that they will have time to reflect on their respective positions in preparation for negotiations two years from now. At that time, both parties will have better conceptions as to the economic climate in northeastern Michigan, as well as in the State of Michigan.

In arriving at the recommendations on economics, the Factfinder was influenced by several considerations. To begin with, the proposed 1976-1977 budget calls for 64% of the budget for instruction, whereas in the previous year, the percentage was 65.8%. This is a clue that the Board's last offer was below comparables. It is true that instruction includes more than teachers, but it would seem that, in a government unit where its major business is teaching, absent unusual circumstances, and there are none here, the percent of budget for instruction should be somewhat constant. If, for instance, the teachers' demands reflect a substantially larger percentage of the budget than in the past, then there may be some merit to the Board's position.

The second factor that influenced this Factfinder in making the above wage recommendation is a review of the fringe benefits. The comparables, exclusive of Essex or Bangor, have the following fringe benefits package:

FRINGE BENEFITS 1976-77 .

	<u>Health Ins.</u>	<u>Life Ins.</u>	<u>Dental Ins.</u>	<u>Long Term Disability</u>	<u>Longevity</u>	<u>Early Retire.</u>	<u>COL</u>
Hale	MESSA-2	10,000	Yes	Yes	Yes	Yes	No
Whittemore	MESSA-2	Yes	No	Yes	Yes	No	No
Pinconning	MESSA-1 Blue Cross	5,000	Yes	No	No	No	No
Alcona		10,000		Yes	Yes	No	Yes
Alpena	Blue Cross	Yes	Yes	No	Yes	No	No
West Branch-R.C.	Blue Cross	Yes	Yes	Yes	Yes	Age 60 to 62 250/mo.	No
Oscoda	Blue Cross	5,000	No	No	No	No	No

One of the benefits that the Association has asked for in the second year of the contract is dental insurance. The program proposed by the Association would cost the Board approximately \$250.00 per family. Based upon the above chart, this Factfinder would normally recommend such insurance. However, there is a special circumstance in Oscoda that has been brought to the Factfinder's attention, namely, that there is at least one dentist on the Board of Education as well as a dentist's wife. Said Board members believe if the dental insurance program were to be recommended, there would be a conflict of interest. However, the Factfinder emphatically believes that there is no such conflict of interest here. Dental insurance is a growing phenomenon in labor contracts in Michigan, particularly in teacher contracts. This is true in northeastern Michigan, as well as in other parts of the state. However, even though the Factfinder finds no such conflict of interest, he is realistic enough to know that such a proposal at this time unfortunately would not be accepted by the Board. For this reason, the Factfinder is not recommending dental insurance, but leaves this topic for bargaining in the future. In the meantime, the fact that the Board is saving on this fringe benefit only buttresses the recommendations made here for wage increases.

The fringe benefits package clearly requires a \$10,000 life insurance policy with accidental death and dismemberment. The fringe benefits packages of the comparable districts such as Hale and Alcona, among others, have increased their insurance to \$10,000, and there is no reason why this cannot be done in Oscoda.

On the other hand, early retirement, which is requested by the teachers, is not prevalent in northeastern Michigan. Because it is not, this Factfinder is obliged not to recommend same.

Longevity and long term disability present some interesting problems, and there is indication that both deserve serious consideration in Oscoda. However, the Factfinder was not presented with sufficient facts by the Association to establish what the Association meant by long term disability or by longevity. The Factfinder cannot reach for ideas out of thin air. A Factfinder must be presented with concrete evidence, including the reasons for the need, the basis for the need, and the exact programs that the Association wants in both areas. This was not done, and for this reason, the Factfinder lacks the record that is needed in order to establish a recommendation in both of these areas. Consequently, he will leave the issues of longevity and long term disability for future contract negotiations.

Although the Factfinder has rejected dental insurance for the reasons set forth herein, he is prepared to recommend MESA Super-Med II as an option, with the difference in costs over present coverage to be paid by the teachers in the contract beginning July 1, 1977. This represents no costs to the Board and may be a desirable feature for those teachers who wish it.

As for any additional increase in the Blue Cross/Blue Shield coverage, the Factfinder is recommending against it because of the increase in costs of the medical insurance in Michigan. It appears that the present program, which is quite comprehensive, will represent continued benefits to the teachers and no doubt will represent continued increased costs to the Board, as this has been the recent experience with Blue Cross/Blue Shield premiums.

The parties are in dispute over the extracurricular pay schedule. The Association desires a percentage schedule, where traditionally at Oscoda there has been a fixed amount schedule. Again, considering the bargaining history criteria and recognizing that the fixed amount has been the method of compensating the Appendix B-1 Extra-Duty Schedule, this Factfinder will opt for the fixed amount. In Appendix H herein are the recommendations for the fixed amounts for both years of the contract. It will be noted that Appendix H reflects, in the second year of the contract, about a 5% increase over the amount recommended for the first year of the contract. This recommended increase reflects the normal expected increase in cost of living for said period.

Class size is another item that is in dispute. The Association urges that the class size language in the contract be modified to reflect some guarantee as to the maximum number of students that will be assigned to certain classes. However, there is only so much that can be accomplished by factfinding. If the class size is really that large of an issue in Oscoda, then this should be made a major issue of negotiation. Here the Association, by this factfinding, has made substantial gains in economics. By lowering class sizes the way proposed, the Association may place the Board in the position of not being able to meet the economic recommendations herein. Furthermore, the Association, through years of bargaining, has been limited in its ability to obtain language that it desires. There is just so much that can be obtained in factfinding at one particular time, and the major thrust here has been to emphasize the economics.

As to the issue of sick leave, including changes in the amount of sick leave payable at the time of retirement and other similar changes concerning the use of personal days, the Factfinder will leave the parties where he found them. The parties have left too many issues to factfinding, and, as a result, only so much can be accomplished at one particular time. Likewise, the Factfinder makes no recommendation for the change as to additional salary for librarians.

The recommendations that follow emphasize the two areas of economics: the wages and the Extra-Duty Schedule, Appendix B-1. As to the other issues, the Factfinder basically, with some exceptions, has left the parties where he found them. These recommendations are well within the Board's financial ability and yet permit the Board to continue to follow a conservative fiscal policy as already noted.

RECOMMENDATIONS

1. The collective bargaining agreement shall be a two year contract effective July 1, 1976 and expiring June 30, 1978.

2. The salary schedule will be as provided in Appendix G to this report effective July 1, 1976. Beginning July 1, 1977, said schedule for the 1977-1978 school year shall be increased by 5% at each step over the 1976-1977 school year as set forth in Appendix G.

3. There shall be two tracks, a BA and an MA track.

4. The extra duty pay scale shall be as set forth in Appendix H, commencing as soon as possible in the 1976-1977 school year. The District shall provide each member with \$10,000 life insurance benefits including accidental death and dismemberment.

5. Beginning on July 1, 1977, teachers, at their own expense over the Board paid cost of current medical-health insurance, shall have the option to include MESSA Super-Medical II in their insurance package.

6. All other terms of the contract, as they existed in the 1974-1976 contract, unless otherwise agreed to between the parties, shall be carried over into the contract recommended here.


George T. Roumell Jr.
Factfinder

Date: December 30, 1976

APPENDIX A
1970-71 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Hale	2	7,300	10,000 (11)	7,700	10,400 (11)
Essexville-Hampton	3	8,000	12,800 (12)	8,873	14,000 (12)
Bangor Township	3	7,700	10,780 (10)	8,408	13,500 (13)
Pinconning	3	7,700	11,935 (12)	8,200	12,710 (12)
Alcona	3	7,200	10,239 (8)	7,863	12,210 (10)
Alpena	8	7,750	10,463 (8)	8,525	13,485 (12) ✓
West Branch-Rose City	6	7,400	10,360 (9)	8,066	12,096 (11)
Whittemore-Prescott	5	7,434	10,436 (10)	7,965	11,181 (10)
Oscoda	2	7,500	12,100 (12)	8,000	12,800 (12)

APPENDIX B
1971-72 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Hale	2	7,750	10,700 (11)	8,150	11,100 (11)
Essexville-Hampton	3	8,300	13,600 (12)	9,000	14,700 (12)
Bangor Township	3	8,239	11,535 (10)	8,996	14,445 (13)
Pinconning	3	7,700	12,621 (12)	8,200	13,440 (12)
Alcona	3	7,350	10,452 (8)	8,026	12,465 (10)
Alpena	8	8,050	10,868 (8)	8,850	14,208 (12) ✓
West Branch-Rose City	6	7,600	10,930 (9) ✓	8,284	12,761 (11)
Whittemore-Prescott					
Oscoda	2	7,700	12,900 (12)	8,300	13,600 (12)

APPENDIX C

1972-73 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Hale	3	7,900	11,500 (11)	8,400	12,000 (11)
Essexville-Hampton	3	8,500	14,300 (12)	9,300	15,600 (12)
Bangor Township	4	8,651	12,112 (10)	9,446	15,167 (13)
Pinconning	3	7,850	13,050 (12)	8,350	13,880 (12)
Alcona	5	7,700	10,934 (8)	8,393	12,936 (10)
Alpena	8	8,382	11,316 (8)	9,220	14,794 (12)
West Branch-Rose City	6	7,800	11,586 (9)	8,502	13,527 (11)
Whittemore-Prescott	5	7,900	11,672 (8)	8,450	13,766 (10)
Oscoda	2	8,000	13,700 (12)	8,700	14,400 (12)

APPENDIX D
1973-74 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Hale	3	8,100	12,100 (11)	8,800	12,800 (11)
Essexville-Hampton	3	8,670	14,729 (12)	9,486	16,068 (12)
Bangor Township	4	8,997	12,596 (10)	9,824	15,774 (13)
Pinconning	3	8,050	13,250 (12)	8,550	14,080 (12)
Alcona	5	7,700	10,934 (8)	8,393	12,936 (10)
Alpena	8	8,843	11,938 (8)	9,727	15,608 (12) ✓
West Branch-Rose City	6	8,000	12,280 (9)	8,720	14,390 (11)
Whittenore-Prescott	5	7,900	11,672 (8)	8,450	13,766 (10)
Oscoda	2	8,400	14,500 (12)	9,200	15,200 (12)

APPENDIX E
1974-75 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Bale	3	8,100	12,826 (12)	8,800	13,568 (12)
Essexville-Hampton	3	9,190	15,613 (12)	10,055	17,032 (12)
Banger Township	4	9,357	13,100 (10)	10,217	16,405 (13)
Pineconing	3	8,600	14,700 (11)	9,100	15,365 (11)
Alcona	5	8,900	11,360 (8)	8,720	13,440 (10)
Alpena	8	9,064	12,236 (6)	9,970	15,998 (12)
West Branch-Rose City	6	8,500	13,300 (9)	9,265	15,615 (11)
Whittencore-Prescott	5	8,744	14,145 (11)	9,350	15,233 (11)
Oscoda	2	8,400	14,500 (13)	9,200	15,200 (13)

APPENDIX F
1975-76 SALARY COMPARISONS

<u>District</u>	<u>Scales</u>	<u>BA</u>	<u>BA Max</u>	<u>MA</u>	<u>MA Max</u>
Hale	3	8,748	14,253 (12)	9,504	14,653 (12)
Essexville-Hampton	3	9,489	16,120 (12)	10,382	17,586 (12)
Bangor Township	4	9,500	14,368 (10)	10,587	18,209 (13)
Pinconning	3	8,915	15,600 (11)	9,600	16,500 (11)
Alcona	5	8,500	12,070 (8)	9,265	14,280 (10)
Alpena	8	9,789	13,215 (8)	10,768	17,278 (12)
West Branch-Rose City	6	9,010	14,098 (8)	9,821	16,552 (10)
Whittemore-Prescott	5	8,936	14,456 (11)	9,555	15,568 (11)
Oscoda	2	8,800	15,300 (12)	9,600	16,000 (12)

APPENDIX G

1976-1977 SALARY SCHEDULE

<u>STEP</u>	<u>B.A.</u>	<u>M.A.</u>
1	9,374	10,226
2	9,623	10,483
3	9,873	10,741
4	10,307	11,175
5	10,742	11,610
6	11,176	12,045
7	11,611	12,479
8	12,548	13,392
9	13,486	14,305
10	14,350	15,130
11	15,290	16,050
12	16,218	16,960

1977-1978 SALARY SCHEDULE

<u>STEP</u>	<u>B.A.</u>	<u>M.A.</u>
1	9,863	10,737
2	10,104	11,007
3	10,367	11,278
4	10,812	11,734
5	11,279	12,191
6	11,735	12,647
7	12,192	13,103
8	13,175	14,062
9	14,160	15,020
10	15,067	15,887
11	16,055	16,853
12	17,029	17,808

APPENDIX H
EXTRA DUTY SCHEDULE

	<u>1976-77</u>	<u>1977-78</u>
Head Football	1,200	1,260
Head Basketball	1,200	1,260
Head Wrestling	1,200	1,260
Head Swimming	1,200	1,260
Head Girls Basketball	1,200	1,260
Head Baseball	800	840
Head Track	800	840
Head Girls Track	800	840
Head Cross Country	800	840
Head Girls Softball	800	840
Head Golf	800	840
Head Girls Volleyball	800	840
Assistant Football Varsity	650	680
Assistant Wrestling	650	680
Assistant Swimming	650	680
Assistant Track	650	680
Assistant Girls Volleyball	650	680
Assistant Girls Softball	650	680
Head J. V. Football	650	680
Head J. V. Basketball	650	680
Head Girls J. V. Basketball	650	680
Head J. V. Baseball	650	680
Head Freshman Football	650	680
Assistant J. V. Football	650	680

	<u>1976-77</u>	<u>1977-78</u>
Assistant Freshman Football	650	680
Freshman Basketball	650	680
Athletic Director	925	970
Jr. High Basketball-Boys	650	680
Jr. High Basketball-Girls	650	680
Cheerleading, High School		
Varsity	300	315
Junior Varsity	250	260
Freshman	250	260
Cheerleading, Junior High School	250	260
Band	900	945
Summer Band	Contract Extension	
Student Council Advisor	350	365
H. S. Play Director	350	365
Junior High Play Director	350	365
Yearbook	550	575
Newspaper	200	205
Debate	750	785
Forensics	750	785
Senior Class Advisor	250	260
Junior Class Advisor	200	205
Blue Marlins Director	350	360
Audio Visual	350	360
Keyettes	200	205
Driver Education	5.75 per hour	6.00 per hour
Key Club Advisor	200	205