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September 27, 1967

MINIST
 LABOR
 RELATION

Mr. Robert G. Howlett, Chairman
 Labor Mediation Board
 932 Michigan Trust Building
 Grand Rapids, Michigan.

In re: Pentwater Board of Education -
 Teacher Dispute
 Our File No. 7404

Dear Mr. Howlett:

I would like to take this opportunity to report to you on my assignment as fact-finder in the collective bargaining disagreement between the Pentwater Board of Education and the Pentwater Education Association on September 5, 6 and 7 of this year.

After making arrangements to meet with the parties I was presented with a list of five major areas of disagreement between the parties. These included:

1. Salary schedule;
2. Master's Degree differential;
3. Non-degree salary schedule;
4. Teacher placement on salary schedule;
5. Credit for hours beyond degree.

I conducted a hearing that lasted approximately four hours in my capacity as a fact-finder. In addition to the bargaining representatives of both groups there were also in attendance, Tom Patterson, a representative of the M. E. A. from Lansing and also almost the entire teaching staff of approximately 20 persons. Each side put in a number of exhibits and I am attaching a copy with this letter which I believe you will find self-explanatory. These exhibits include cost of living profile, comparison with other school districts, millage comparisons, etc.

Pentwater Board of Education

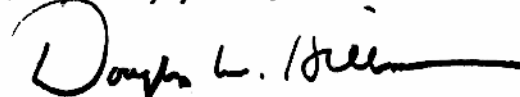
Following the hearing both sides requested that I stay on in the evening to see if I could assist in mediating the areas of dispute. I was, of course, willing to assist in any way that I could. We adjourned for dinner and at that time I conferred at some length with the superintendent of schools. As in all of these disputes the superintendent is in an awkward position but I found Mr. Banninger to be very forthright and extremely helpful in reviewing the areas of dispute. I asked his opinion on the various subjects and he was very frank in his responses. With some I agreed and others I disagreed. In any event following dinner we met with all of the parties present and I made certain recommendations on each of the five issues. This was not very difficult since Mr. Mason had spent a good deal of time with these parties and when he left they had each arrived at a position which was relatively close to each other. Consequently on most of the disputed issues it was my recommendation that the parties split the difference. On the question of the teacher placement on the salary schedule this was a particularly difficult subject and neither side was willing to budge so I recommended binding arbitration on that one issue. The parties then caucused separately and as might be expected neither was totally satisfied and came back with counter-proposals but by 12:30 in the morning both sides accepted the compromise proposal which I had suggested.

Generally I felt that the parties concluded the negotiations on a friendly basis. I was interested to discover that the deepest antagonism was on the part of the Board but it was not directed so much against the teachers as it was over the fact that the teachers had brought in an outside representative from Lansing. For some reason this was deeply resented. As a matter of fact it was my opinion that Mr. Patterson represented the teachers in a very quiet and dignified manner and I could see no reason why the Board felt as it did, except perhaps for the reason that he was an "outsider".

This whole proceeding was a new experience for me and I found it extremely interesting and am appreciative for the assignment.

I am closing my file on this matter and am attaching our statement for services which I trust you will find reasonable and in accordance with my instructions.

Very truly yours,



Douglas W. Hillman

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SEP 29 1967

DWH:rm
Enc:

Associations Opening Statement

It is the intent of the Association, to substantiate its position currently held in the five areas of impasse between the School Board and itself. The Association further intends to show, through exhibits and testimony that the teacher salary schedule as they have proposed, in light of other production worker incomes, relative position of the Pentwater teachers to teachers in other comparable school districts, and the increases in the cost of living are in no way out of line from what a professional should have every right to expect in return for services rendered.

The Association will also make every effort to acquaint the fact-finder with the difficult conditions under which they must perform their services in this school district as well as pointing out some of the most serious inequities, from a personnel point of view, that have existed in the district for a number of years.

The teachers in the Pentwater school system are all anxious to resolve this dispute and begin the duties assigned them for the normal school year. However, during the process of mediation the Association was asked by the mediator for their rock bottom position that could be accepted by their people and this position was given. The position still stands and the Association takes the position that its last proposals can be met by the board, and certainly should be met, in order that further delay in the beginning of school may be avoided.

AVERAGE GROSS WEEKLY EARNINGS OF
PRODUCTION WORKERS IN MICHIGAN

| <u>Industry</u> <u>Description</u> | <u>Gross Weekly Wage</u> | <u>Annual Gross Wage</u> <u>52 Weeks</u> |
|---------------------------------------|--------------------------|---|
| Durable Goods | \$144.43 | \$ 7510.36 |
| Gen. Manufacturing | 141.01 | 7332.52 |
| Furniture | 106.75 | 5530.70 |
| Stone, Clay & Glass | 128.27 | 6670.04 |
| Metal Works | 143.12 | 7442.24 |
| Steel Works | 162.03 | 8425.56 |
| Foundries | 132.32 | 9880.64 |
| Fabrication of Metals | 148.71 | 7732.92 |
| Machinery | 157.26 | 8177.52 |
| Engine & Turbine | 179.48 | 9372.96 |
| Metal Working Machine | 182.56 | 9493.12 |
| Gen. Ind. Machines | 141.61 | 7363.72 |
| Transportation Equip. | 146.53 | 7619.56 |
| Motor Vehicles & Equip. | 147.53 | 7671.56 |
| Non-Durable Goods | 126.05 | 6554.60 |
| Average Annual | | \$ 7,784.00 |

Information from Michigan Manpower Review, Vol. XXII, No. 5,
May, 1967.

Costs of College Education

The following figures represent the average cost of college education in the State of Michigan.

A. All Public Colleges and Universities

| | |
|----------|-------------|
| One year | \$ 1,784.43 |
|----------|-------------|

| | |
|------------|----------|
| Four years | 7,137.72 |
|------------|----------|

B. All Non-public Colleges and Universities

| | |
|----------|----------|
| One year | 1,985.51 |
|----------|----------|

| | |
|------------|----------|
| Four years | 7,942.04 |
|------------|----------|

C. All public and Non Public Colleges and Universities

| | |
|----------|----------|
| One year | 1,935.24 |
|----------|----------|

| | |
|------------|----------|
| Four years | 7,740.96 |
|------------|----------|

(Information from College Estimate of Student Expenses,
Dec. 1, 1966, Fact Sheet 3, produced by the State
of Michigan, Dept. of Education, Bureau of Higher
Education.)

Teacher Investment before Employment with a B.A. Degree

| | |
|--|----------|
| Loss of Salary from four years of professional training | \$24,000 |
|--|----------|

| | |
|------------------------|-------|
| Total cost of training | 7,000 |
|------------------------|-------|

| | |
|------------------|-----------|
| Total investment | \$ 31,000 |
|------------------|-----------|

If this investment was considered a long term investment of
20 years, the rate of return per year would have to be \$1,550.

Computation of "Teacher Salaries" on the Basis
of "Production Workers" Wages.

| | |
|---|---------------|
| Average annual for production workers salary | \$ 7,784 |
| Per cent of teachers hours compared to annual hours worked by production | <u>x 83.3</u> |
| Readjusted salary on the basis of 83.3% annual wage. | \$ 6,483 |
| Return for professional training over a 20 year period | <u>1,550</u> |
| Sub Total | \$ 8,033 |
| To maintain purchasing power in view of increase in cost of living | <u>477</u> |
| Total | \$ 8,510 |

Comparable base B.A. salary should equal \$ 8,510.00

COST OF LIVING PROFILE

Cost of Living

The cost of living based on a \$7,000 salary has increased about 3.5%, or in dollars and cents \$245, during the fiscal year of July 1, 1966, to June 30, 1967.

(Information from Salary Developments, Salary Consultant Service, National Education Association, Vol. X, No. 1, Fall 1966.)

State Income Tax

To the increase in the cost of living and the increase in Social Security taxes, we must add the newly adopted State Income Tax. Assuming a family of married taxpayers with two children, with an annual income of \$7,000, and property taxes of \$160, an example may illustrate the amount of state income tax that this individual would pay.

| | |
|------------------|-------------------------|
| \$ 7,000.00 | Annual Income |
| <u>-4,800.00</u> | \$1,200.00 exemption |
| \$ 2,200.00 | Adjusted Income |
| <u>- 28.50</u> | Property Tax Credit |
| \$ 2,171.50 | Taxable Income |
| x .026 | Tax Rate |
| <u>\$ 56.45</u> | <u>State Income Tax</u> |

This example illustrates that roughly \$56.00 would be paid by this individual for State Income Tax.

Source: Legislative Bulletin, Michigan Education Association, No. 26, July 5, 1967.

Social Security

In 1965 the Social Security was paid only on earnings up to the first \$4800 on a basis of 3.62% of the first \$4800. This amounted to \$174.00.

In July of 1966, the Social Security increased to 4.2% of the first \$6,600 of annual earnings. This increase meant that as much as \$277.20 could be paid toward Social Security.

Social Security is going to increase this year, we believe in January, to 4.4% of the first \$6,600 of annual earnings or to as much as \$290.40.

This represents an increase of \$116.00 over the \$174.00 which was paid in June of 1965.

(Information from Salary Developments, Salary Consultant Service, National Education Association, Vol. X, No. 1, Fall 1966.)

Federal Income Tax

Assuming the same family as used in the state income tax illustration, this individual would pay \$60 additional federal tax for the surtax.

(Information from "If Taxes are Raised: Effects on Business and You," U. S. News & World Report, July 31, 1967, p. 50.)

Maintaining Purchasing Power

Considering the \$245 rise in the cost of living, the \$116 increase in Social Security, the \$56 state income tax, and the \$60 surtax, this amounts to a total decrease of \$477 in purchasing power.

RANK - COMPARISON STATE EQUALIZED VALUATION PER
PUPIL
 1966-67

| <u>District</u> | <u>S.E.V. Per Pupil</u> |
|----------------------------------|-------------------------|
| Richmond | \$12,433 |
| Buchanan | 12,422 |
| Pineknob | 12,348 |
| Madison County Eastern | 12,255 |
| Hillsdale | 12,245 |
| Hillman | 12,237 |
| Pontwater | 12,171 |
| South Haven | 12,148 |
| National Mine | 12,031 |
| East Jordan | 12,007 |
| Clinton | 11,960 |
| Mesick | 11,942 |
| Watervliet | 11,940 |
| Benton Harbor | 11,922 |
| Detour | 11,915 |
| Gull Lake | 11,875 |
| Rapid River | 11,864 |
| Mendon | 11,691 |
| Kentwood | 11,683 |
| West Ottawa | 11,581 |
| Schoolcraft | 11,572 |
| Niles | 11,560 |
| Hastings | 11,530 |
| Waldron | 11,501 |

Information from MEA Teacher Salary Schedule Study, 1966-67

EXTRA VOTED OPERATIONAL MILLAGE
(LOCAL EFFORT)
 1966-67

| <u>District</u> | <u>Voted Operation Mills</u> |
|--------------------------------|------------------------------|
| National Mine | 18.20 |
| Gull Lake | 15.00 |
| Detroit | 10.00 |
| West Ottawa | 9.50 |
| East Jordan | 9.00 |
| Benton Harbor | 8.85 |
| Killedale | 8.50 |
| Suchanan | 7.40 |
| Niles | 7.00 |
| Schoolcraft | 7.00 |
| Kentwood | 6.15 |
| Waldron | 6.00 |
| Mesick | 5.00 |
| Richmond | 5.00 |
| Watervliet | 5.00 |
| Hastings | 4.50 |
| Clinton | 4.00 |
| Hillman | 3.00 |
| Mendon | 3.00 |
| Pinckney | 3.00 |
| Rapid River | 3.00 |
| Wasen County Eastern | 2.00 |
| Pontwater | 2.00 |
| South Haven | .30 |

Information from MEA Teacher Salary Schedule Study, 1966-67

Ranking of Total Operation Millage, 1966-67

| | |
|---------------------------|--------------|
| National Mine..... | 25.00 |
| Gull Lake..... | 24.00 |
| West Ottawa..... | 18.27 |
| Benton Harbor..... | 17.90 |
| East Jordan..... | 17.50 |
| Hillsdale..... | 17.10 |
| Niles..... | 17.05 |
| Detour..... | 16.82 |
| Buchanan..... | 16.45 |
| Schoolcraft..... | 16.00 |
| Clinton..... | 15.22 |
| Watervliet..... | 15.05 |
| Kentwood..... | 15.00 |
| Waldron..... | 14.60 |
| Richmond..... | 13.61 |
| Mendon..... | 13.00 |
| Hastings..... | 12.50 |
| Mesick..... | 12.30 |
| Pinckney..... | 11.80 |
| Hillman..... | 10.50 |
| <u>Pontwater.....</u> | <u>10.47</u> |
| Mason County Eastern..... | 10.00 |
| Rapid River..... | 10.00 |

Information from MEA Teacher Salary Schedule Study, 1966-67

Ranking of 1966-67 Grand Total Millage

| | |
|------------------------------|-------|
| Detour | 29.82 |
| Gull Lake | 26.00 |
| National Mine | 25.00 |
| West Ottawa | 24.37 |
| Niles | 22.05 |
| Buchanan | 22.00 |
| Watervliet | 21.93 |
| Schoolcraft | 21.30 |
| Kentwood | 21.00 |
| Hillsdale | 20.60 |
| East Jordan | 20.50 |
| Clinton | 19.72 |
| Benton Harbor | 19.34 |
| Mesic | 18.80 |
| Mendon | 16.70 |
| Pinckney | 16.60 |
| Waldron | 16.35 |
| Richmond | 16.26 |
| Pontwater | 15.47 |
| Hastings | 14.75 |
| South Haven | 13.70 |
| Rapid River | 12.80 |
| Mason County Eastern | 12.50 |
| Hillman | 12.10 |

Information from MEA Teacher Salary Schedule Study, 1966-67

**BA MINIMUM-MAXIMUM SALARY PROFILE
1966-67**

| <u>District</u> | <u>Minimum</u> | <u>District</u> | <u>Maximum</u> |
|------------------------|----------------|-------------------------|----------------|
| National Mine. | \$ 5500 | Benton Harbor | \$ 8640 |
| Hillsdale | 5400 | Gull Lake. | 8262 |
| Benton Harbor. | 5400 | Kentwood | 8208 |
| Gull Lake | 5400 | Richmond | 7900 |
| Kentwood | 5400 | West Ottawa. | 7900 |
| Richmond | 5350 | South Haven | 7875 |
| Buchanan | 5300 | Hillsdale | 7770 |
| East Jordan. | 5300 | Hastings. | 7730 |
| South Haven. | 5250 | East Jordan | 7698 |
| Clinton | 5200 | Pinckney | 7697 |
| Hastings | 5200 | Buchanan. | 7685 |
| Watervliet | 5200 | Watervliet. | 7600 |
| Pinckney | 5200 | National Mine | 7500 |
| West Ottawa. | 5200 | Detour. | 7258 |
| Hillman. | 5200 | Clinton | 7200 |
| Rapid River. | 5150 | Schoolcraft | 7140 |
| Niles. | 5100 | Hillman. | 7072 |
| Schoolcraft. | 5100 | Niles. | 7038 |
| Pentwater. | 5100 | Rapid River | 7027 |
| Detour | 5100 | Mason County Eastern. . | 6700 |
| Waldron. | 5000 | Pentwater. | 6600 |
| Mendon | 5000 | Wesick. | 6500 |
| Mason County Eastern. | 5000 | Waldron | 6400 |
| Wesick | 5000 | Mendon. | 6100 |

Information from MEA Teacher Salary Schedule Study, 1966-67

**Ranking of 1966-67
M.A. Base Salaries**

| | |
|----------------------|---------|
| National Mine. | \$6000. |
| Kentwood | 5940 |
| Benton Harbor | 5832 |
| Richmond | 5750 |
| Gull Lake | 5700 |
| Hillsdale | 5700 |
| Hastings | 5668 |
| South Haven | 5650 |
| Pinckney | 5600 |
| East Jordan | 5600 |
| Hillman | 5600 |
| Clinton | 5600 |
| Buchanan | 5600 |
| Detour | 5500 |
| West Ottawa | 5500 |
| Watervliet | 5500 |
| Pentwater | 5500 |
| Niles | 5406 |
| Mason County Eastern | 5400 |
| Rapid River | 5350 |
| Schoolcraft | 5350 |
| Waldron | 5300 |
| Mesick | 5300 |
| Mendon | 5200 |

**Ranking of 1966-67
M.A. Maximum Salaries**

| | |
|-----------------------|---------|
| Benton Harbor | \$9720. |
| Kentwood | 8856 |
| Gull Lake | 8721 |
| Richmond | 8504 |
| South Haven | 8475 |
| Niles | 8415 |
| West Ottawa | 8300 |
| Hastings | 8198 |
| Buchanan | 8197 |
| East Jordan | 8135 |
| Pinckney | 8097 |
| Hillsdale | 8070 |
| National Mine | 8000 |
| Watervliet | 7900 |
| Schoolcraft | 7798 |
| Detour | 7658 |
| Hillman | 7616 |
| Clinton | 7600 |
| Rapid River | 7300 |
| Mason County Eastern. | 7100 |
| Pentwater | 7000 |
| Mesick | 6800 |
| Waldron | 6700 |
| Mendon | 6600 |

Information from MEA Teacher Salary Schedule Study, 1966-67

RANKING OF B.A. - M.A. INDEX RATIO - BASE TO MAXIMUM
1966-67

| <u>District</u> | <u>B.A. Index</u> | <u>District</u> | <u>M.A. Index</u> |
|-------------------------------|-------------------|-------------------------------|-------------------|
| Benton Harbor. | 1.60 | Benton Harbor. | 1.67 |
| Gull Lake. | 1.53 | Niles. | 1.56 |
| West Ottawa. | 1.52 | Gull Lake. | 1.53 |
| Kentwood. | 1.52 | Richmond. | 1.51 |
| Richmond. | 1.51 | West Ottawa. | 1.51 |
| South Haven. | 1.50 | South Haven. | 1.50 |
| Hastings. | 1.49 | Kentwood. | 1.49 |
| Pinckney. | 1.48 | Schoolcraft. | 1.48 |
| Watervliet. | 1.46 | Buchanan. | 1.46 |
| East Jordan. | 1.45 | Hastings. | 1.45 |
| Buchanan. | 1.45 | Pinckney. | 1.45 |
| Hillsdale. | 1.44 | East Jordan. | 1.45 |
| Detour. | 1.42 | Watervliet. | 1.44 |
| Schoolcraft. | 1.40 | Hillsdale. | 1.42 |
| Clinton. | 1.38 | Detour. | 1.39 |
| Niles. | 1.38 | Clinton. | 1.36 |
| Hillman. | 1.36 | Hillman. | 1.36 |
| National Mine. | 1.36 | Rapid River. | 1.36 |
| Rapid River. | 1.36 | National Mine. | 1.33 |
| Mason County Eastern. | 1.34 | Mason County Eastern. | 1.31 |
| Mesick. | 1.30 | Mesick. | 1.28 |
| Pentwater. | 1.29 | Mendon. | 1.27 |
| Waldron. | 1.28 | Pentwater. | 1.27 |
| Mendon. | 1.22 | Waldron. | 1.26 |

Information from MEA Teacher Salary Schedule Study, 1966-67