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LABOR AND INDUSTRIAL  
RELATIONS COLLECTION  
Michigan State University

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

In re: Fact Finding  
Pontiac School District  
and  
Pontiac Education Association  
Bernard Klein

Case #D88 H1772

STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION  
TELEPHONE OFFICE

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BACKGROUND

The matters currently in dispute between the above-named parties date from the expiration of their Agreement of 1985-1988. This Agreement expired on September 1, 1988. The parties attempted to negotiate a new Agreement since August 1, 1988 and failed to reach agreement on many issues, most notably, wages. They received the services of a mediator and still failed to reach agreement. The union went on strike for several weeks, but honored a back-to-work order from Oakland County Circuit Court.

On September 7, 1988, the School District filed an application with the Michigan Employment Relations Commission for Fact Finding. This Fact Finder was notified promptly and asked by the Commission to hear this case. (Official notification arrived on September 26, 1988.) This Fact Finder contacted the parties immediately, and a pre-conference was held in Pontiac on September 15, 1988 to set up the procedures for the process to begin. Another pre-conference was held on September 19, 1988 for the parties to agree on which issues were still in dispute.

Pontiac School District

The first day of Hearing was set for September 26, 1988, but was adjourned early because the Union requested more time to study the Board's exhibits. The Hearing was then held on September 30, 1988. That Hearing commenced with the Board presenting budget information. The Union protested the introduction of budget information and felt that ability to pay was not an issue in this Fact Finding. This Fact Finder overruled the objection and after a short recess, the Union respectfully notified the Fact Finder that they were withdrawing from the process and planned to file an Unfair Labor Practice. The Union had not protested the introduction of budget data during the pre-conferences, and the Hearing continued with the School Board presenting the facts as they saw them. Regretably, the Union was absent and not able to present their arguments in rebuttal. The rest of the September 30 Hearing dealt with financial data, and another Hearing with the Fact Finder and the School Board took place on October 3, 1988 in which the Board presented information on the specific outstanding issues.

This Fact Finder notified the Union by registered letter on October 13, 1988 that before he closed the record on this Fact Finding, he would avail the Union of another opportunity to present its case in an open Hearing. This Fact Finder was most desirous of avoiding a one-sided process and was pleased when the Union decided to use this opportunity. A Hearing was held on October 31, 1988 with both sides present in which the Union presented its arguments. The Board then requested

another Hearing in which to study and answer the arguments made by the Union. Such a Hearing was held on November 18, 1988.

The Union was represented at these Hearings by Mr. Tom Fette and Ms. Lee Lonfield. The Board was represented at the Fact Finding by Mr. Robert Nyovich and his associate, Mr. Timothy Speedy.

#### GENERAL OBSERVATIONS

Both sides did a very creditable job in presenting the facts as they see them. There is no doubt that the Pontiac School District is a comparatively poor district, one that would certainly benefit from programs to reform and enhance the way Michigan funds its school systems. It is primarily a working class district with older buildings, transitory population requiring much in the way of remedial services, bilingual programs and other costly programs. Added to these problems is the fact that the District is in deficit to the tune of \$2,448,735 from the 1987-88 school year and must submit a deficit reduction plan to the State Department of Education.

Yet any fair reading of the situation in the Pontiac School District must also lead one to the conclusion that much of its financial difficulties are not due to any pampering of its teachers, financially or otherwise. The salaries of Pontiac's teachers are among the lowest in the county, and the percentage of the budget for teachers' salaries has gone down over recent years.

This Fact Finding is an attempt to recognize both the financial plight of the District and the equity of the teachers. Both sides made meaningful presentations, and this Fact Finder does not find it fruitful to get involved in the statistical dispute between the parties as to what constitutes administration costs versus instructional costs, since he is unfamiliar with the State Department of Education's categories. Rather than getting involved in which side was right and which one wrong, an attempt will be made to recommend a package that will not be too damaging for the District and yet represent some improvement in the standard of living of the members of this bargaining unit.

#### WAGES

On the table at the time of the Hearing was a 2% increase offered by the Board and a 9% demand by the Union. The Board states categorically that any increase, even the 2%, will still throw the Board's budget into deficit. The question one might ask, then, is the deficit caused by a 2% increase more justifiable than that caused by a 9% increase, or are we simply "haggling about the price?" It has been stated by the Board that each percent of increase to this bargaining unit represents a cost to the general fund of \$298,000. It is quite obvious that 2% does not even take into consideration the rate of inflation unless one also considers the costs of some of the fringes. This Fact Finder would put most of any improvements into a wage package rather than in fringes, since

it would tend to benefit the most of the membership. Yet, he is not unmindful of the precarious financial condition of the District, even if convinced that this condition is not because of any lavish treatment of this bargaining unit. Members of this bargaining unit, whose members have a rougher job than those in more affluent districts, could merit the amount they are asking for. However, this Fact Finder would be irresponsible if he were to recommend it.

This Fact Finder recommends a two-year wage package. The first year should be a 4% increase, and the second year a 5% increase. This still falls short of what each side is demanding, but it is closer to the rate of inflation and equity.

This Fact Finder is recommending a two-year package which represents a compromise between the parties. It would seem that one year asked for by the Board is not enough, since half the year is over and no settlement has been reached. Three years asked for by the Union would be more justified, but there are too many imponderables ahead for even the wisest planner. Such things as changes in state funding, economic conditions, etc. might become more apparent near the end of the two-year period.

## FRINGE BENEFITS

### HEALTH

This fringe benefit is the most costly of all, and is actually a national problem for all employers who provide any health insurance for their employees. Even the District considers this fringe benefit worthwhile, as it points out the increases even in maintaining the present level of health coverage.

The District prefers not to be locked into any single carrier, while the Union asks for the MESSA PAK program. Currently the District provides this bargaining unit with MESSA Super Med 2. This Fact Finder is a believer in allowing an employer to bid out coverage and attempt to contain costs by choosing the low bidder. Locking in coverage with a specific carrier, even a public-spirited one like MESSA, ultimately hurts the members of the bargaining unit, since it means less resources available for other benefits. The Association has offered to allow the District to bid out, providing the coverage is equal to that of the MESSA PAK. In more normal times, that would certainly be a reasonable offer. However, given the financial condition of the District, this demand should be put off till the next round of bargaining at the end of this two-year period. In the meantime, this Fact Finder recommends that the District continue to provide MESSA Super Med 2. The Board will have additional expenditures even with this, but additional coverage does not seem possible at this time.

### CLASS SIZE

The class sizes called for in the current Agreement are unusually high. A district like Pontiac should probably have even smaller class sizes than other richer districts. While this Fact Finder again regretfully cannot go along with the Union's request (because of costs, not lack of merit), the Board should at least make a start in lowering class sizes. They should start either with one or two grades, or the counselor/student ratio, or some token in keeping with space availability. Then each year they should add another group, so that over a few years lower class sizes could be realized. At least this would show the Union some commitment on the Board's part toward this goal, though it might fall short of the Union's request. This limited step should certainly take place by next school year.

### SPECIAL EDUCATION STUDENTS

The requirement of "mainstreaming" special education students does place additional burdens on teachers, and does present one of many arguments for lower class size. However, not enough data were presented to the Fact Finder (other than cost estimates by the Board). Perhaps the two for one ratio is high, and a smaller ratio should be presented. But again, inasmuch as it would be a fairly large increase in cost at this time, special education ought to be considered with the general question of class size which the Board should begin to address even if in an incremental way.

### LEAVE DAYS

The Agreement currently provides teachers with ten (10) leave days which can be used to cover illness, injury, personal time, and approved leave. If unused, they are paid to the teachers at retirement. The Union now seeks five (5) additional paid leave days, three (3) additional days, and two (2) additional religious observance days. These last five (5) days if unused would be paid out at the end of the school year.

While ten (10) paid leave days per school year are not excessive, adding this number is a cost that the District cannot afford.

This Fact Finder recommends adding two (2) additional paid leave days to the current ten (10) as a recognition of the need, but to be treated the same as the current ten (10) and paid out if unused at retirement. Some teachers could use them for religious observance, some for personal business, etc.

This Fact Finder questions the enormity that the District claims this will cost, though realizing that there are, of course, cost implications. Adding two (2) more days provides recognition of the need while deferring payment till retirement should give the District opportunity to budget for this additional modest cost.



BENEFITS FOR PART-TIME CONTINUING EDUCATION TEACHERS

Currently the Board provides a subsidy to part-time continuing education teachers to cover their costs of medical care. The Union has asked that this subsidy be increased to be the equivalent of the MESSA single subscriber rate for those working at least fourteen (14) hours a week. The Board claims that this would entail an additional cost of \$57,900 for the current school year.

It is questionable as to how many part-time teachers need this coverage, since some must carry such coverage at their other jobs. Yet to those who need it, it can be a very crucial fringe.

This Fact Finder recommends that the Board bid out health coverage for these employees at the single rate, but provide a subsidy (a lesser amount) to those who do not wish or do not need such coverage. This should be provided for all part-time employees of ten (10) hours or more.

REDUCTION OF NUMBER OF STUDENT CONTACT HOURS  
FOR FULL-TIME CONTINUING EDUCATION TEACHERS

The current Agreement provides for thirty (30) contact hours per week for full-time continuing education teachers, and the Union requests lowering that to twenty-five (25) contact hours per week. In its presentation, the Union stated its position that it seeks to cut these to twenty-eight (28), not twenty-five (25), contact hours per week.

While very little reasoning was given for this request, its additional cost seems to be worthwhile, especially at the twenty-eight (28) contact hour level.

#### PROFESSIONAL TECHNICAL EMPLOYEES

The current Agreement calls for a 215-day work year for professional technical employees. The Union seeks to lower this to 185, so as to make them equal to the teachers.

This would appear to be justified, again except for its costs. This Fact Finder recommends a smaller reduction, say to 205 next year and ten (10) days each year thereafter until parity is reached with the teachers. This approach should also give the Board a chance to see whether some cuts in some of these services could be tolerated, and thereby lessen the costs of this change.

#### RETIREMENT SICK BANK PAYOFF

The current maximum payoff at retirement for unused accumulated leave days is forty-eight (48), and under the Union proposal it would be increased to 180. This is excessive, and even the Union's Exhibit 96 showed only West Bloomfield as providing such a benefit. Obviously, Pontiac District does not have the resources of West Bloomfield School District, and Pontiac does not do badly on this benefit in comparison to other Districts in Oakland County.

No change is recommended on this benefit.

LONGEVITY PAY

The Union proposes to increase both the amount paid in longevity payments as well as lowering the number of years required.

This year would be the wrong time to bring about substantial increases of costs of longevity payments. Some improvements should be negotiated after the two years of this proposed Agreement are over.

SUBSTITUTE TEACHERS

This Fact Finder is sympathetic to the Union's request to cease substituting teachers for administrators and using other staff members as substitutes for teachers. The Board has offered a compromise in that the Board would cease assigning teachers to substitute for administrators, but continue to assign non-load bearing staff members as substitutes for teachers. The Union opposes this compromise, and this Fact Finder agrees with the Union on the basis of professionalism needed in these tasks.

The main portion of this demand, as well as this related issue, would require hiring additional substitutes on certain occasions. This would appear to be justified, except in certain emergency situations which the parties should agree upon.

### TUITION REIMBURSEMENT

The Union proposes increasing the total amount available for tuition reimbursement for qualifying courses from \$55,000 to \$80,000. This Fact Finder considers improved professional education for teachers a very worthwhile expenditure and recommends adoption of this modest proposal.

### WORKERS' DISABILITY COMPENSATION DAYS

The Union has proposed that workers' compensation days not be deducted from paid leave days for the payment of the difference between the statutory benefit levels and the teachers' regular pay scale. A better approach to this issue would be to work up a proposal to merely use leave days to maintain the take-home pay rate, which would be less costly to the District. The Board does not quantify the costs of a change, but at this point no change is recommended, and the matter needs further negotiation.

### TEXTBOOKS AND SUPPLEMENTARY MATERIALS

No change is recommended on this score, except that for the good of the District, the Board should make every good-faith effort to provide the necessary educational materials to the teachers and students.

### TEACHER LOSS

Currently the Agreement provides reimbursement to teachers for loss, damage, or destruction of personal property used or stored while on duty, with a limit of \$200 subject to deduction of insurance payment received by the teacher. The Union seeks this to increase to \$500 and any damage to cars parked on school property. The Union proposal would not require teachers to deduct or submit claims to their insurance companies. This Fact Finder is very sympathetic to the plight of the teachers in poor districts. As a start, it is recommended that the limit be increased to \$350, with changes in automobile liability and possible elimination of deductions the subject of future bargaining.

### SPECIALIZED COURSES

The Board has the difficult task of instituting cuts in programs to enable the District to operate. This Fact Finder would love to be able to see the reestablishment of many of those worthwhile programs, but would be highly irresponsible if he were to mandate them in the recommendations.

### BOARD'S PROPOSALS

#### LEAVES OF ABSENCE--CAREER OPTION

The Board seeks to eliminate the ability of a tenured teacher to have a two-year (2-year) unpaid leave to explore other careers and a one-year (1-year) period to explore another

school district and return to Pontiac. No substantial data were submitted as to the effects of this benefit, and it would seem to go along with treating teachers in a professional manner. It is recommended that no change be made in this matter.

#### MEDICAL VERIFICATION

The Board seeks the right to require medical verification from an employee's physician whenever a teacher is absent for three (3) consecutive days due to illness.

The Board has not made any case showing widespread abuse of sick days, and lacking that, it would be somewhat insulting to the teachers, and unnecessary.

#### CONCLUSIONS

This Fact Finder is fully cognizant of the additional costs that the recommendations impose upon a financially strapped school district. Obviously, they are far less costly than the total of the Union's proposals, most of which have varying degrees of merit. Yet, the teachers should not bear an inordinate amount of the sacrifice. Their frustrations are understandable, and some steps must be taken to improve their stake in the school district. The question then arises as to where the district should get the additional resources to meet even these modest recommendations.

First of all, the Board must work with the State Department of Education to handle the deficits. This Fact Finder understands that representatives of the State Board did meet with the Pontiac School Board on this issue, and it is regrettable that their recommendations were not available for consideration in this Fact Finding process. They have an awesome obligation to work with the district so as not to deprive the students of the district of their rights to a quality education.

Additional funds should be realized from retirements that should be coming along these next two years. These people are usually replaced by less senior teachers, resulting in savings to the Board. It might even be useful for the Board to devise inducements for early retirements that could benefit both the teachers and the district financially.

Greater effort must be made to get the voters to approve additional millage for the school district, even while political efforts should be made to change the methods of financing education in Michigan and lessening the gap between the affluent and the poorer school districts.

Finally, while the Board and the Union differ as to the amount spent on administration versus instruction, it would help the district to make some cuts in administration both as a symbol of more equitable sacrifice as well as to achieve some savings.

The asbestos issues were not made clear in the Fact Finding, but if there is any way to defer some of the expenditures, it should be done.

This Fact Finder readily recognizes that the recommendations on issues contained herein will not meet the expectations of either of the parties, and might even be attacked by both sides. These recommendations are, of course, not binding upon the parties and either side can choose to file them in the waste basket. Yet, it is the sincere hope of this Fact Finder that the parties can use these recommendations as a basis of settlement of this long and bitter dispute, and that both sides begin the long process for more permanent solutions to the problem of restoring the Pontiac School District to its former quality.



SUMMARY OF RECOMMENDATIONS

Wages: 1988-89 4%, retroactive to September, 1988  
1989-90 5%

Health: No change

Class Size: Board should set in motion a gradual long-range plan to lower class size in a way to minimize the costs.

Special Education Students: In keeping with above, consideration should be given to weighting of special education students, though not necessarily at a two for one ratio

Leave Days: Two additional leave days with unused days paid out at retirement.

Health Benefits for Part-time Continuing Education Teachers:  
Board should seek bids to provide health coverage for part-timers of ten hours or over, and pay a lesser amount to those not needing coverage.

Reduction of Student Contact Hours for Full-time Special Ed Teachers: Contact hours should be reduced from thirty (30) to twenty-eight (28) hours per week.

Professional Technical Employment: A gradual reduction of number of days, starting with 205 in 1989-90 and reducing it by ten (10) days each year thereafter till it reaches 185.

Retirement Sick Bank Payoff: No change.

Substitute Teachers: No using teachers to substitute for administrators, or other professionals to substitute for teachers, except in emergency situations agreed upon by the parties.

Tuition Reimbursement: Amount available for this purpose should be increased from \$55,000 to \$80,000 per year.

Workers' Compensation Days: No change, but further negotiation recommended.

Textbooks and Materials: No change in Agreement, but Board should try its best to provide these.

Teacher Loss: Increase amount of loss reimbursed from \$200 to \$350, minus amounts recovered from teachers' insurance coverage.

Specialized Courses: No change.

Leaves of Absence--Career Options: No change.

Medical Verification: No change.

Dated: December 15, 1988

Dearborn, Michigan

Respectfully submitted,

A handwritten signature in cursive script that reads "Bernard Klein".

Bernard Klein

Fact Finder