

MICHIGAN EMPLOYMENT RELATIONS COMMISSIONPUBLIC EMPLOYMENT RELATIONSFACT FINDING HEARING

(Pursuant to Section 25 of the Michigan Labor Mediation Act, Mich. Stat. Ann. 17.454 (27), and Part 3 of the General Rules and Regulations of the Employment Relations Commission.)

In the Matter of:)
)
)

BOARD OF EDUCATION OF THE)
PORTAGE TOWNSHIP SCHOOL)
DISTRICT)

and)
)

PORTAGE TOWNSHIP EDUCATION)
ASSOCIATION)
)

REPORT OF FINDINGS

AND

RECOMMENDATIONS

HEARING OFFICER:

Dr. William E. Barstow, Jr.
Michigan Technological University
Houghton, Michigan 49931

September 22, 1969

Portage Board of Education

I.

HEARING PROCEEDINGS

September 3, 1969 Petition for fact finding filed jointly by both parties.

September 5, 1969 Hearing ordered by Michigan Employment Relations Commission.

September 11, 1969 Hearing held in the Public Meeting Room of the University Branch of the Houghton National Bank, Houghton, Michigan, at which were present:

 (a) For the Education Association:

 Arnold Korpi, Representative, MEA
 Region 18,
 Lynn Keskitalo, Chairman, PTEA,
 Bargaining Committee,
 Fritz Wilson,
 Earl Kaurala,
 Jean Medlyn.

 (b) For the Board of Education:

 Gerald Vairo, Attorney-at-Law,
 Bruce Wolck, Superintendent,
 Ray Wiitanen, Assistant Principal.

September 22, 1969 Report of findings and recommendations issued pursuant to hearing.

II.

FINDINGS OF FACT AND CONCLUSIONSA. AS TO DEVELOPMENT OF THE SITUATION LEADING TO THIS HEARING

1. The Board of Education of the Portage Township School District (hereinafter referred to as the "Board"):
 - (a) Employs approximately 51 persons in its school system engaged in academic teaching, counseling, athletic coaching, and related duties.
 - (b) Recognizes the Portage Township Education Association (hereinafter referred to as the "Association") as the sole bargaining agent for these persons.
 - (c) Has entered into a collective bargaining agreement with the Association in each of several recent years.
2. The Board and the Association has bargained for some time over terms of a new agreement to cover the school year 1969-70:
 - (a) Demands were made by the Association, generally in the form of "total package" proposals, on June 20 (two), June 27, August 22 (three), and August 25 (three).
 - (b) Offers were made by the Board, also in the form of "total package" proposals, on June 20 (two), June 27, August 22 (four), August 25, and August 26.
3. Bargaining reached an impasse unresolved by mediation on September 2, at which time the parties were unable to achieve further progress.
4. The parties jointly petitioned the Employment Relations Commission for fact finding, stipulating the following items of disagreement:
 - (a) Basic Salary Schedule.
 - (b) Master's Degree Differential.
 - (c) Medical and Hospitalization Insurance.
 - (d) Athletic Instruction Salary Schedule.
 - (e) Length of School Calendar.

B. AS TO THE ESSENTIAL ISSUES PRESENTED BY THE PARTIES

1. Contentions of the parties collateral to the items of disagreement:

- (a) The Association contends that other college trained professionals inequitably are paid more than teachers, and even skilled building trades workers and school custodial workers are paid more than or disturbingly close to public school teachers. While this is quite true, it is relevant to the problem of teacher compensation only in a very broad sense and in the long term. The long preliminary training required and intellectual nature of teaching are but two of the many pay criteria in modern society. Some others are the relative societal valuation of various types of work, supply-demand considerations, ability of the employer to pay, economic bargaining strength of the occupational group, hazards and discomforts of the work, stability of the employment status, etc.
- (b) The Association contends that the total annual hours of work required of public school teachers are very close to the requirements of any other occupation, despite the 9 3/4 month calendar. It is probable that the conscientious teacher, faced with lesson plans, classroom work, community demands, and homework, may actually work in excess of forty hours per week without extra compensation. In addition, the increasing difficulty in obtaining casual summer work, plus the increasing liberalization in paid holidays and vacations for other public and private employees, plus increasing state requirements of continuing education for teachers, are making talk of a short teacher work year less valid than formerly. However, this factor also is only one of many criteria in determining compensation.
- (c) Each party contends that the other has distorted its position statistically. Both are correct to the extent that both statistical presentations were sufficiently sophisticated to demonstrate only those aspects favorable to the argument being offered. However, the Hearing Officer finds no evidence of deliberate attempts to offer false information although both parties deserve something less than an "A" for the arithmetic of their presentations.

- (d) The Board charges the Association with unfair bargaining, based on the repeated fluctuation of various items in the Association's several demands. The Hearing Officer finds no evidence of a malicious intent to subvert the bargaining process that would support such a charge. Instead, the evidence tends to indicate a misunderstanding of the needs of the bargaining process. The Association appeared to believe themselves engaged in a form of "total package" bargaining in which the total cost of all items would be the principal criterion for settlement.
- (e) The Board argues that compensation has not been a problem because it has received 10 - 12 applications for every vacancy during the past summer, and offers evidence that recent terminations have failed to reflect significant financial dissatisfactions. However, it is noted that the presence of a university in the community provides an unusually large supply of applicants who plan to retain positions for a short time only. Also, while the Board presentation indicates that the school has kept pace with regional pay patterns of up to the time, this history is irrelevant to the present negotiation of future wages.

2. Financial position of the school district:

- (a) Both parties discussed the financial position of the school district at the present time. The most effective point made by the Association is that local instructional salaries as a percentage of total operational expenditures have been decreasing for the past five years, while the opposite has been true in other F type school districts in the state. The Board stressed the continuing erosion of its cash position over the past few years, and the financial difficulties foreseeable from any outcome of the Elo-Askel student-transfer problem.
- (b) While a detailed financial analysis of the school district is not within the scope of the instant proceeding, the evidence in balance is found to indicate a currently sound position, but one with some problems and too little "fat" to permit large budgetary adjustments to meet unexpected additional major expenses. There is a "spotty" record in a recent building and site millage election, and the current operating millage is only slightly below the state median. Future problems are apparent, such as the overall age of the physical plant and Stanton Township's discontent with tuition charges,

although these have not had a serious effect as yet. In the opinion of the Hearing Officer, it should be possible to budget instructional compensation adjustments to the extent of recent regional settlements with only a limited reassessment of operational priorities. It is impossible, of course, to estimate future school revenues with the precision that one might wish.

3. Total-package bargaining:

- (a) It is probable that the parties actually have been much closer to agreement than has appeared on the surface.
- (b) Several times during negotiations some of the matters here at issue might have been settled if it hadn't been for the handling of the "total package" bargaining concept. The Association in particular has not seemed to appreciate that items could be settled tentatively one at a time, even within terms of the concept.
- (c) In the observation of the Hearing Officer, the "total package" concept at best has only qualified validity in a public employment bargaining situation, and unless employed by experienced and knowledgeable negotiators can seriously imperil the bargaining relationship.

4. Basic salary schedule:

- (a) Negotiation of a salary schedule for public school teachers at the present time involves (i) an increase of more than \$300 just to keep pace with added tax, cost-of-living, and related fixed-cost increases, and (ii) an improvement factor to keep pace with the changing social valuation of teaching services which has been observable throughout the state. In other school settlements in this region, the improvement factor alone has ranged approximately from 3.5 to 5% of last year's base.
- (b) Since the late 1950's, this state has experienced an accelerating erosion of the old view that certain occupations with social-service implications, such as teaching or hospital work, should be compensated less than other work requiring equivalent training. Commencing after World War II and continuing during this change has been a trend toward increased teacher training requirements.
- (c) A further pressure on teaching salaries specifically in the Upper Peninsula region originates in the post-World War II erosion of the practice of regional pay differentials. Primary causes of this

change include both indirect (especially) and direct governmental wage supports and the increasing integration of social systems. This has caused strong drives in the upper half of Michigan to move toward state-wide wage equity.

- (d) In the light of the above considerations, the \$6700 B.A. degree salary base demanded by the Association is not out of line for a Class C school in this area. However, the \$10,556 maximum demanded is found to be excessive for a school of this size and location which faces the financial uncertainties now existing in Portage Township. Instead, a 4.5% progressive step increment from the B.A. base is found to be more consistent with recent area school settlements. Both parties appear to have accepted a ten step schedule, which is about average in this area.

5. Master's degree differential:

Negotiation over the M.S. degree differential has found the parties at \$550 and \$700, a \$150 separation in viewpoints. The Hearing Officer finds, based on factors such as cost of additional education, motivational principles and practices, and trends in state requirements for teacher qualification, that an equitable M.A. differential must be in the vicinity of 10%. This standard is close enough to the midpoint (\$625) between the parties to justify recommending that they split their differences. Regional settlements have varied roughly from \$500 to \$800.

6. Medical and hospitalization insurances:

- (a) The philosophy underlying employer assumption of the cost of medical insurance is that (i) the health of the employee should be a cost of doing business, and (ii) freedom from financial catastrophe due to family illness makes an employee more physically and emotionally secure and therefore more reliable and productive. Perhaps because this view is persuasive, a majority of regional teacher settlements have incorporated full cost assumption of a full family insurance plan.
- (b) However, medical insurance is a fringe benefit, and is properly not a part of basic compensation. The Hearing Officer finds that the Association's demand (to make a full family rate in dollar amount available to each teacher for optional application, whether or not he is responsible for a family) would seem to treat such insurance as basic compensation, is incompatible with the philosophy of the fringe, and is inconsistent

with community interests.

7. Athletic instruction salary schedule:

- (a) The Association argues that athletic coaching today is teaching of a highly technical nature, a vital contribution to the emotional and physical development of youth, and a basic element of public school education. This would seem incontrovertible in the light of modern psychological and medical knowledge. However, in reviewing actual practices in payment of coaches throughout the state, it is apparent that payment for coaching is still largely a question of personal negotiation in most schools. The offer of the Board to increase all present pay practices contain several variations from the pattern observable in most other schools.
- (b) The problem inherent in the present practice of freely negotiated coaching pay is that it is even more difficult to evaluate the relative complexity and merit of a particular coaching performance than it is to evaluate a particular type of academic instruction. It is a virtual certainty that such happenstances as genetic distribution of athletic talent and recruiting fortunes have more to do with athletic results than do nuances of coaching skill.
- (c) The Association proposes a different pay scale for each sport, expressed as a series of percentages of salary as an academic instructor which increase in size in accordance with years of experience as an athletic instructor through a 20 year period. The obvious problems in this demand are as follows:
 - (i) The Association has failed to show why coaching pay should increase at a "double bite" rate -- an increase for coaching experience on top of a teaching base that also incorporates an experience increase factor.
 - (ii) The demand bases its percentage variances from sport to sport on differences in estimated hours of coaching in some instances, but ignores this weighting in other instances.
 - (iii) The Association offers estimates (not a clocked log) of required coaching work in each sport. The Hearing Officer finds these figures to be highly suspect, in view of such factors as variance from common experience, pay practices in other schools

throughout the state, and inherent bias in preparation of the data. Even if they were not suspect, they could not be valid from year to year. Finally, while a great many hours are involved in adequate coaching, it is just not true that all are performed outside of normal teaching hours. Many of the tasks are "sandwiched-in" by even the most conscientious coach, and each coach exercises a considerable discretion as to the hours he devotes to the work.

- (iv) Even if the hourly evidence were valid and similar from year to year, it would be only generally relevant. Coaching pay in the public schools is not based on hours of work. In practice there seems to be a voluntary element present in coaching. If a teacher withdraws his or her coaching services, it normally does not constitute a resignation from the academic teaching position, even though the ability and willingness to coach may have been a contributing factor in the original placement. Also, this is still an occupational area where society considers voluntary uncompensated effort normal and meritorious, and a significant part of the general population contributes personal time freely to a broad cross-section of amateur youth athletic programs. Only in the public schools and colleges is this effort subsidized in any significant degree, and nowhere at public school level is the subsidy closely related to hours of work. If a change is to occur in this sociological pattern, it presumably will begin in a larger and wealthier school system than Portage Township.
- (v) Job authorities are in general agreement that work experience after 10 years is markedly subject to the principle of diminishing marginal utility.
- (d) In both regional and state wide patterns of coaching compensation, four general trends are apparent:
 - (i) Salaries vary sharply in size between major and minor sport categories.
 - (ii) Pay within each of these two categories exhibits some degree of consistency, and

no single sport is favored in either category.

- (iii) Primary coaching in a minor sport tends to be paid a little over half of major sport primary coaching pay.
- (iv) Assistant coaches in major sports tend to be paid about the same as primary coaches in minor sports.
- (e) It is a standard and accepted principle of employee compensation that an internally consistent, easily understood, and externally competitive wage structure is most conducive to good employee relations. For this reason, the Hearing Officer recommends an established schedule for coaching pay, which recognizes added experience, which is consistent with practices observed elsewhere in the state, and which is competitive (at a range from \$200 to \$968) with regional settlements in coaching pay.

8. Length of school calendar:

- (a) The parties do not appear to have intensively bargained about this issue. It is difficult to understand why it is an issue at all.
- (b) Uncontested testimony indicates that the state now will require a minimum 180 days of instruction of equal length, that part days may not be added to make a full day, that compliance as soon as possible is requested, and that compliance next year is mandatory.
- (c) It is found that the added 2 1/2 days of instruction proposed by the Board's calendar beyond the basic 180 are not unreasonable, in view of needed half-day administrative contacts with students.
- (d) It is found that the further Board proposal of an additional 3 1/2 teacher days over the period of two semesters is not excessive for administrative purposes, and therefore is not unreasonable.

III.

RECOMMENDATIONS WITH RESPECT TO THE ISSUESA. BASIC SALARY SCHEDULE

<u>Step</u>	<u>Index of B. A. Degree Base</u>	<u>B. A. Degree Salary</u>
0	1.0000	\$6700
1	1.0451	7002
2	1.0921	7317
3	1.1412	7646
4	1.1925	7990
5	1.2462	8350
6	1.3024	8726
7	1.3610	9119
8	1.4222	9529
9	1.4863	9958

B. MASTER'S DEGREE DIFFERENTIAL

An additional \$625 at each step of the basic salary schedule, as follows:

<u>Step</u>	<u>M. A. Degree Salary</u>
0	\$ 7325
1	7627
2	7942
3	8271
4	8615
5	8975
6	9351
7	9744
8	10154
9	10583

C. MEDICAL AND HOSPITALIZATION INSURANCE

100% of either single subscriber or full family coverage under the basic MEA Health or Blue Cross-Blue Shield insurance plan, to the extent that each teacher qualifies for such service.

D. ATHLETIC INSTRUCTION SALARY SCHEDULE

	Years 0-3	Coaching 4-10	Experience over 10
Major Programs*			
Head Coach	\$800	\$880	\$968
Assistant Coach	500	550	605
Junior High Coach	300	330	363
Minor Programs**			
Head Coach	500	550	605
Assistant Coach	300	330	363
Junior High Coach	200	220	242

*Generally, these are 2 to 3 month programs involving complex team play, interscholastic competition, a substantial number of participants, and major regional emphasis, such as football, basketball, and hockey.

**Generally, these are 1 or 2 month programs involving largely individual efforts, interscholastic competition and any number of participants, such as track, baseball, wrestling, skiing, golf, and swimming.

E. LENGTH OF SCHOOL CALENDAR

As proposed by the Board, including 182 1/2 total instruction days and 186 total teacher days.

Respectfully submitted,

William E. Barstow, Jr.
William E. Barstow, Jr.
Hearing Officer

WEB/hb