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STATE OF MICHIGAN
DEPARTMENT OF LABOR
RIVERVIEW BOARD OF EDUCATION
VS
RIVERVIEW EDUCATION ASSOCIATION

Jesse R. Bacalis 9-6-68

FACT FINDER'S REPORT ON JOINT
PETITION FOR FACT FINDING

The parties herein have stated that the following constitutes the fundamental issues on which they require fact finding:

1. Agency shop.
2. Economic package.
3. Calendar.
4. Class size.
5. Scheduled absences.
6. Contract life.

This matter then having come on for hearing, and the parties each having respectfully submitted their evidence on these various issues, your Fact Finder does respectfully report as follows:

1. Agency shop, this is primarily a legal question.

A recommendation about whether not there should be an Agency shop is not the proper subject of a Fact Finder's Report under the Act in question. Therefore, your Fact Finder makes no finding or recommendation on this issue.

2. Calendar, the parties are in dispute as to whether

or not there should be 180 days or 181 days in the school calendar. The critical date appears to be Friday, January 3rd during the Christmas vacation period. The Board's calendar calls for 181 days, the Union's calendar calls for 180 days. It is the Fact Finder's recommendation that

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the decision as to which ought to be followed should be resolved in favor of the children who are the recipients of the instruction time. Therefore, your Fact Finder recommends that in this particular situation, the school calendar should be 181 days.

3. Class size, prior to fact finding, the parties had negotiated and agreed upon specific contract language in Article VI entitled "Teaching Load", and each of the negotiators placed their initials thereon. Your Fact Finder can find no valid reason for setting aside or disregarding the prior tentative agreement made by the parties herein. There is no meritorious reason to the Board's position of wanting to change the agreement. The best evidence of what is reasonable is that to which the parties have previously agreed in May of 1968. Accordingly, your Fact Finder recommends that class size be determined in accordance with the agreed upon language of Article VI entitled "Teaching Load".

4. Scheduled absences, the parties herein have previously agreed upon contract language involving scheduled absences. This language is identified as Article 23 and bears the initials of each of the negotiators and is dated May of 1968. For the same reasons as set forth in the preceding paragraph, your Fact Finder can find no good and sufficient reason to sustain the Board of Education's attitude in wanting to set aside this language at this time, having previously agreed thereto. The best evidence of what is fair or reasonable is that to which the parties themselves have previously agreed upon.

5. Contract life, originally, the Union wanted a one-year contract and the Board wanted a two-year contract. However, during the course of fact finding, it was agreed by the parties that the contract life would be for a period of one year.

6. Economic Package, in order to justify the conclusions stated hereunder, specific findings of fact are herewith set forth as follows:

1. Riverview Community School District has already enrolled 169 teachers and probably will have enrolled 170 with a potential student enrollment of 3400. The School District operates one high school, one junior high school, and five elementary schools, one of which is being opened for the first time this September.

2. The revenues available to the Riverview Community School District total \$4,053,938.77. The Board's projected budget is \$3,253,698.41 which leaves a potential bank balance for June 30, 1969 of \$800,240.36 (see the details hereof attached hereto in Exhibit A). These figures represent an agreement between the Board and the Union as to what the finances are in terms of meeting the demands of the union.

3. It was brought to your Fact Finder's attention that there was miscellaneous income from the cafeteria and other school operations, but there was evidence that such income is exceeded by operational expense to the extent of \$30,000.00.

4. That the operational millage in excess of allocation voted by the taxpayers of the District amounts to 10 mills which millage expires after the 1969 tax collection. The allocated millage for the District is 8.9, making a total levy of 18.90. On its capacity to utilize the available millage, Riverview ranks 36 out of 42 school districts in the Wayne County area (see Exhibit B) attached hereto and made a part hereof.

5. The people of Riverview have defeated a request for the 10 mill operational levy on three separate occasions in 1968, to-wit: February 11, June 10 and July 27, 1968.

6. Since 1956, the Riverview District had a bonus plan for teachers who do not report sick. The plan is called "Scheduled Absences". It provides that after three years of work attendance without an absence, the teacher is paid in cash over and above his or her annual salary an amount equal to ten days' work at his daily rate as a bonus. If he leaves the District

in good standing at any time, he is paid in cash one half the amount of his accumulated days. (A copy of said schedule of accumulated days is herewith attached and is hereby identified as Exhibit C-1 through 4).

7. Last year, 59 school teachers collected a bonus under the schedule absence policy of \$28,500.00. The Board estimates that the cost on the same basis for the coming year will be approximately \$36,000.00.

8. A scheduled absence plan as presently in force does not appear in the salary schedule. It has been treated as a bonus and therefore in a measure represents a hidden cost in any existing schedule.

9. Because of the fact that the bulk of the income of the District comes in March of each year, the Board claims it must have a minimum of \$750,000.00 in cash in the Bank on July 1 of any given year with which to operate so as to be able to borrow sufficient money to meet the coming year's obligations.

10. For the past three years, the District has exceeded its income by the amounts of \$88,000.00 in 1965, \$305,000.00 in 1966, and \$707,000.00 in 1967 (round figures).

11. The Riverview School District is the 5th highest in the State of Michigan on the basis of State equalized valuation. The Board has traditionally ranked extremely low in terms of assessed millage. Exhibit B reflects that they rank 36th from the top out of 42 school districts in Wayne County, Michigan.

12. The Fact Finder is impressed with the School Board members and their desire to provide quality education in Riverview. Further, the Fact Finder is impressed with the desire of the School Board members to act as prudent managers who are trying to maintain an operating reserve of approximately \$932,000.00 as reflected in Exhibit A. The fundamental question issue therefore, is not the ability of the School Board to pay its

salary increase. The issue is whether the salary schedule proposed by the Board (see Exhibit D attached) or that requested by the teachers (see Exhibit E attached hereunto) is reasonable and fair in light of all the circumstances.

13. It is not to be expected that the tight financial situation should be borne in a great part by the teachers, who after all, must also meet the higher costs of living which is facing all the citizens of the State and this community. Teachers are not expected to subsidize governmental operations if sufficient funds are not provided through tax revenues. There is no evidence that the school board has a policy of seeking discounts from vendors of buildings or other materials that the School Board purchases in the open market, nor is there any evidence that they seek to cut the wage rates of employees of contractors providing these goods and services. If they are willing to pay the going competitive rates for goods and personnel provided by outsiders, logic dictates that they should do so in paying the salaries of teachers.

ECONOMIC RECOMMENDATION

(A). Based upon the evidence submitted to your Fact Finder, (see Exhibit F) as to what other School Districts in the immediate are have settled for, and taking into consideration the foregoing facts stated in the premises, your Fact Finder does find that the salary range should be \$7,050.00 for a B.A. minimum, \$7,265.00 for B.A. plus 10, \$7,575.00 for B.A. plus 20, \$7,785.00 for M.A., \$8,050.00 for M.A. plus 10, \$8,350.00 for M.A. plus 20, \$8,850.00 for educational specialists, \$9,250.00 for Ph.D. Your Fact Finder does further recommend a salary schedule of no more than 11 steps with a longevity steps in the 16th year of service. Further, your Fact Finder does recommend that each year in the various steps there will be a salary increase of \$375.00 as an illustration,

the B.A. minimum, the first step would be \$7,050.00, the second step would be \$7,425.00, and on through the 16th step which would be \$11,175.00. The same pattern of adjustment would be made on each of the steps above the basic amount indicated herein.

(B). Your Fact Finder further recommends that in the matter of extra curricular activities shall be increased by 12 % above the amount indicated on Exhibit G 1-2. This applies to clubs and activities only.

(C). Your Fact Finder does further recommend that as to coaching salaries that all of the various percentages as reflected in Exhibit H 1 and 2 should be retained with the exception of Marching band director whose percentage should be increased to 10%. That these persons covered by Exhibit H 1 and 2 would not receive an across the board increase 12 % as in other clubs and activities, for the reason that the adjustment is made at the basic salary level where the increase is reflected in my findings above. (Recommendation A).

OBSERVATIONS

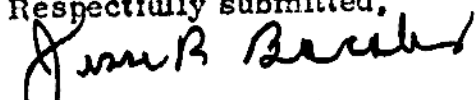
1. Your Fact Finder has orally communicated in a preliminary and tentative way his fact findings to the parties herein. It is your Fact Finder's impression that the Union is willing to accept the Fact Finder's report as binding, and that the Board basically is willing to accept Fact Finder's report with the exception of the right to include the cost of scheduled absences into the salary schedule.

2. Your Fact Finder has tried to recognize that in determining fair and reasonable compensation, the amount of bonus value reflected in the scheduled absence policy should be considered when determining the salary ranges. With this approach, I have reduced my original preliminary salary range finding of B.A. minimum \$7,150.00, and M.A. maximum of \$12,575.00 by \$100.00 to the figures recorded above, (Recommendation A) in recognition of the argument of the Board.

3. The Board is in the unfavorable position of now wanting to change its scheduled absence policy for the coming year 1968-69 after having previously agreed upon the continuation of scheduled absences and endorsing their signature on the same as described in the premises in May of 1968. Your Fact Finder can find no way to justify the position of the Board at this time, especially in view of the fact that the scheduled absence policy has been in existence since 1956. Your Fact Finder did detect some willingness on the part of the Union to consider a buyout of the equity that the teachers have vested in said scheduled absences as reflected by Exhibit C 1-4 but that it could not be negotiated at this late crisis hour because of the necessity for more time to create an equitable plan. Your Fact Finder has suggested to the parties that arbitration on this specific issue some time in the near future would be an amicable way to resolve the problem and to put the teachers back in school. However, this suggestion did not receive approval.

4. Your Fact Finder is impressed with the Board's simultaneous desire to provide quality education and to avoid going into deficit financing. In view of the extremely low rating that Riverview has in terms of utilizing its available millage, it is your Fact Finder's recommendation that the Board of Education go again to the voters with an increased millage request such as will enable them to continue to remain in a solvent position.

Respectfully submitted,


JESSE R. BACALIS

DATED: September 8, 1968.