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STATE OF MICHIGAN
LABOR MEDIATION BOARD
LABOR DIVISION

LABOR RELATIONS LIBRARY

In the Matter of:

SAGINAW BOARD OF EDUCATION
-and-
SAGINAW EDUCATION ASSOCIATION

FACT FINDER'S OPINION AND RECOMMENDATIONS

George T. Rounell, Jr., Fact Finder.

After what the Fact Finder considers good faith bargaining and mediation on the part of both the Saginaw Board of Education (hereinafter called "Board") and the Saginaw Education Association (hereinafter called "Association"), both the Board and the Association petitioned for fact finding. The undersigned was appointed the Fact Finder, and an all-day hearing was conducted on Tuesday, August 27, 1968, at which time both the Association and the Board very ably presented their respective viewpoints and positions as to the available facts. In the spirit of the good faith that has been displayed by both parties, the Fact Finder committed himself to rendered a written fact finding opinion within forth-eight hours or thereabouts, so that the parties may review same in hopes that the fact finding opinion and recommendations could be accepted by both parties so that the Saginaw Public Schools may open on schedule. This commitment was made though in fact it is customary for fact finders to have thirty (30) days in which to render a written opinion. As will be explained later, it is the opinion of the Fact Finder, not because it is his view of the matter, but because of the practicalities of the situation, that the extraordinary effort put forth by both parties in

Saginaw Board of Education

bargaining and what the Fact Finder considers the basic fairness of this opinion, the parties in keeping with their previous good faith efforts should accept this report and recommendations and commence school as scheduled. This point will be re-emphasized time and time again in this opinion.

A preliminary comment is necessary. In the fall of 1967, the parties engaged in collective bargaining. Unfortunately, collective bargaining broke down, and the Association members withheld their services. In turn, the Saginaw Board of Education sought injunctive relief. It was clear in the present fact finding that both the Board and the Association recognized that the better way to resolve the differences between the parties is by collective bargaining. I believe that both the Board and the Association do not wish to repeat the episode of last year. As I have already stated that both sides are striving for a peaceful resolution of their differences as both sides now realize that neither strikes nor Court action are the way to resolve their differences. And because of this, a failure on either party to agree to the recommendations set forth herein (not because of the pride or the feeling of this Fact Finder that he may or may not know all the answers, but because of the practicalities of the situation) then that party should share complete blame for the failure of schools to re-open.

In addition to the above comments, it is quite clear that the Saginaw Board has been plagued with tremendous problems of financing. The public in the past in Saginaw has failed to meet its responsibility in providing adequate financing. The public, to its credit, realize its failure and in the past year did vote an eight mill operational levy. It is very clear that this levy

was needed. Both the Board and the Association are appreciative of the efforts of the public even though the public did vote this millage. In the current year the public will be asked not to increase their taxes but renew a 3.75 millage that expired on July 1, 1968. Both the Board and the Association time and time again before the Fact Finder made it very clear that this renewal is essential to the financial stability of the Saginaw School District, and that both parties urge the public to renew the millage and have indicated that neither wish to engage in any conduct or make any demand that would shake the public confidence in them. With this in mind, I believe that the Association's demands have been tempered, and realizing this I believe that the Board's response has been more realistic than in the past.

There are two basic considerations underlying the recommendations which will be set forth herein. From the Board's standpoint, the Fact Finder believes that the Board wants its problems to be understood by the Association and that it should not be put in an intolerable position between its responsibility to the public, and on the other hand, the practical considerations of meeting the requirements of the Association in order to keep and recruit a competent staff. This opinion though recognizing the merit of many Association's requests, will temper these requests bearing in mind the precarious position that the Board is in. The Fact Finder trusts that the Board and its advisers on this matter will recognize the considerations that the Fact Finder has given to this problem and hopes that it will encourage the Board to accept the fact finding opinion.

On the other hand, the theme of the Association, and a justifiable theme it is, is that Saginaw is one of the major cities of

Michigan and one of the major education systems; that as such in order to keep its high standards, in order to show good faith to people of Saginaw, the system must maintain, keep and recruit a competent staff. The only way that this can be done is that the system be competitive in wages, fringe benefits and teaching conditions. Teachers are like anyone else, they must live, they must buy food, and they must save for their families' futures.

Coupled with the above positions is the statement by the Board that it does have the funds thanks to the citizens of Saginaw in voting the millage in which to operate. However, the Board states that in obtaining the millage the Board committed itself to implementing certain education programs which have been previously cut or not started.

The Board argues that when it asked for the increased operational millage it promised the citizens of Saginaw that it would institute certain programs. It believes that if all the money was put into teachers' salaries and benefits it would be violating this representation. I appreciate this position. However, I must add, that no program can be instituted without good competent teachers. Therefore, the Board still must be competitive if it is going to get the teachers and keep the teachers its needs to develop these programs which the people of Saginaw expect. The people of Saginaw must understand, (many of whom are employees of General Motors and recently bargained for substantial increased wages because of the cost of living problems and other problems), that the Board must give the teachers adequate compensation so as to be competitive with other systems.

In making the conclusions and recommendations that follow, I have considered the following factors: The ability to pay, the competitive position of the teachers in the Saginaw system, the fact that Saginaw is a leading city in Michigan and not merely a rural community, and that as such it must pay higher salaries to be competitive with other large Michigan cities, that the people of Saginaw have a high wage level, that the cost of living is high in Saginaw, plus the fact that this fact finding and recommendations is a pragmatic one designed to arrive at the same results, if in fact there was a strike in Saginaw School system this year. All of these are proper considerations.

I have also considered very seriously the commitment of the Board to the people that they must establish certain programs. These recommendations will permit this on a gradual basis.

I have also considered that the teachers do not wish to strike. I have considered that the Board does not wish to have a strike.

The Associations has asked for two modifications in its present agency contract. As to the first modification I would recommend it be adopted.

It is my view that this language is reasonable, fair, and that the Board should not have any objection to.

As to the second modification in connection with adding the word "united profession", the Board's representatives have pleaded that because of certain circumstances that it is best to consider the main consideration of this matter until another bargaining time. I am sympathetic with the Association and would give favorable consideration to this clause but for the special circumstances. I take the Board's basic representations at face value and because I am interested in seeing that the parties appreciate the practicalities of this opinion and recommendations I am willing to forego recommending that the second part of the agency clause request not be included in the contract, at least this year.

The Association asked for a change in the class size language of the contract. No one can quarrel with the proposition that small classes lead to more maximum educational experience. The Association argues that their proposed language will not cost the Board of Education any additional monies because as a practical matter it reflects the practice now. The Board argues on the other hand that it is in the throws of budgetary problems, and has had financial problems. The Board will recognize the principal of small classes, but must not be tied to specific language at this time in order to give some readjustment. I am willing to forego recommending the Association's language at this time, but I tell the parties that in my opinion, that if the Board during the 1968-69 year retreats from the small class concept that they have followed in the last year, then I would recommend to

the Association that they make this a hard core issue in future negotiations. By making this statement we must recognize that there may be minor exceptions to class size which the parties must tolerate because of the practicalities of the teaching and scheduling.

There have been certain positions as to additional compensation for those who do special tasks in the school system. There is not a great difference between the Board's position and the Association's position. After weighing all the factors it is my recommendation as to the special teaching circumstances that the following be included in the current contract:

Part A - No change.

Part B - No change.

Part C - 4% of MA maximum.

Part D - 7% of MA maximum.

Part E - No change. (Keeps a 1967-1968 date in)

Part F - No change.

Part G - No change.

Part H - No change.

Part I - No change.

Part J - \$22.50 per day going to \$25.00 after ten days.

I must in making the above recommendations particularly point out the area of substitute teachers. Substitute teachers are difficult to find. In a system of 990 teachers it is essential that substitute teachers be available. Therefore, I am recommending the increase in substitute pay as set forth above.

This brings us to the basic wage scale. Including the special compensation problems as set forth above, when I entered fact finding and in the fact finding I found the parties substantially apart. The wage package asked by the Association would have cost the Board \$1,300,000. The package offered by the Board was approximately \$917,000.00. I use the words "approximately" because I may be off several thousand dollars. The Board says we have the money but we must begin adopting the special programs. Of course, the Association said yes but we must do something for the teachers.

Both sides are attempting to be reasonable. They know, and I will tell the citizens of Saginaw this, that if the citizens do not renew the 3.75 millage which is not an increase in taxes but a renewal this coming year, disaster of hugh proportion will fall upon the school system, and nobody in Saginaw wants this. It is with this in mind that I am attempting to write a fact finding opinion and recommendations that can be acceptable to both sides and be understandable to the public, so that no member of the public will feel that either party has gone back on its word to the public.

Also basic to the Association's position is to eliminate the so-called anomaly and to reduce the steps to eleven. I agree with this position. I will eliminate the anomaly as to the last two steps and will reduce the steps to eleven. I think it is fair and reasonable. With this in mind, I feel that at \$6,825.00 base beginning for the BA program and corresponding beginnings for the MA program should be established, and, therefore, I recommend the same on the following basis:

100 - 157.2	0 - 11 steps
108 - 174	0 - 11 steps
115 - 192	0 - 11 steps

I do not profess to be a mathematician particularly when I am asked to render an opinion and fact finding in a very short time. If my mathematics are incorrect or if the parties feel, and they were in the fact finding sessions with me, that I have incorrectly misinterpreted a point as to the mathematics, I would be glad to work with a representative of the Board and a representative of the teachers to work out this particular schedule. I believe the parties know my point of getting at a \$6,825.00 schedule and doing it in eleven steps.

In addition, the question of insurance has been brought up. Teachers ask that there be paid \$2,000.00 a year life insurance purchased through the Michigan Education Association. The Board counters and says it has a very liberal medical and hospitalization program and we cannot go any further. However, Saginaw must be competitive. Eighteen out of thirty-one school districts that are equivalent in one way or another with Saginaw have given paid insurance. Equally important is the fact that I am sure that I can take notice of the fact that many citizens of Saginaw who work under collective bargaining contract who receive some form of life insurance paid by their employer. The total cost of a \$2,000.00 insurance package asked by the Association is \$17,000.00. I think this is a fair request, and I recommend it.

The Association has asked for a change in the MA plus 30 program. I am ^{not} inclined to recommend any change from the just expired contract because I believe there is only so much money that can be

paid in teachers' benefits in view of the fact that other programs must be established. I believe that the recommendations I have thus far made on this point is as far as the Board can be asked to go this year.

As I view it with some perhaps mathematical slight miscalculations, the program I have set out above will give to the teachers a total wage package of approximately \$1,180,000.

My belief is that under all their circumstances, including the commitment to the public and the necessity, the absolute necessity of passing the renewed millage, the Association members cannot expect more, and no matter how long they may consider striking I have great doubts whether they could get more.

On the other hand, the Board may be unhappy with my recommendation but they too must be practical. Some of the programs may have to be instituted a little more gradually than others. There may have to be some reconsideration of budget items, but with the assistance of its able administrative staff in reworking the budget, I am confident that money can be made available and the programs can be established within a gradual time period.

The Board must remember that other communities of equal size are paying substantial salary increases. It would be a tragedy for many of the fine teachers of Saginaw to leave for better paying communities. There is no need for this. The people do not want it. The teachers do not want it. I know that each individual Board member does not want it.

Both parties should realize that I have listened to their positions very carefully, and that this recommendation has certainly considered both positions. If this opinion is read carefully it becomes obvious that both parties have gained certain aspects of their respective positions.

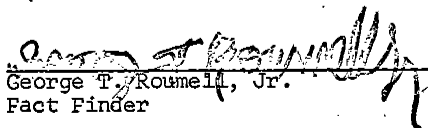
It may be that after this recommendation is implemented, and the Board finds that it cannot put in programs into effect, that the Association at the next negotiations may have to consider this in making their demands. On the other hand, it is very conceivable that the Board was more apprehensive than they should have been about their ability to meet the teachers, at least to some degree in their demands. Now, by this last statement I must say to the public that both the Board and the Association have bargained in good faith, and they have tried as sincerely as I have ever seen to reach agreement.

I might add to the public that you have 990 teachers. That although we are talking substantial sums it is only because you have a large school system and when you multiply \$1.00 by many members the figures get big. But when you apply them to each teachers and when you see what smaller communities are doing around the state then you will realize the increases recommended are reasonable under all the circumstances.

I remind both the Board and the Association that the experience thus far this year has been that a number of school districts have been settling prior to fact ^{finding} or immediately after, and I would urge that Saginaw be another school district that has followed this path.

RECOMMENDATION

Because of the time factors in preparing this fact finding opinion and recommendation, I have combined my opinion, conclusions, finding of facts and recommendations together, and, therefore, my recommendations are those as set forth above in the body of the opinion. I further add that I think these recommendations are the same results the parties would have reached if they continued bargaining during or following a strike.


George T. Roumell, Jr.
Fact Finder

Dated: August 30, 1968