

STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In re Fact Finding

SALINE BOARD OF EDUCATION

-and-

Case No. D76-F-2131

SALINE EDUCATION ASSOCIATION

Elaine Frost 1-11-77 //

FACT FINDER'S REPORT

Appearances:

For the Saline Board of Education: Harold J. Hintz, Superintendent
Fred B. Schwarze, Attorney
John L. Gierak, Attorney

For the Saline Education Association: Richard A. Gray, M.E.A.,
UniServ Director
Howard McCann, S.E.A.,
Chief Negotiator

INTRODUCTION

Saline is one of ten school districts in Washtenaw County. Total enrollment of 3,347 students is spread over three elementary schools, one middle school and one senior high school.

The bargaining unit consists of 174 teachers or 167 full-time equivalents. Wages and conditions of teachers in Saline have been governed by collective bargaining agreements negotiated by the Saline Education Association (the Association) and the Board of Education (the Board). With the exception of a two-year agreement for 1974-76, collective bargaining has been conducted on an annual basis.

Negotiations for the 1976-77 school year opened in June, 1976. After exchanging initial offers the parties met on four occasions, two of these in the presence of a state mediator. The

SEA modified its demand for the last time on September 1st. In order to allow school to open as scheduled, the parties signed an Extension Agreement on September 7th. On September 22nd, 1976 the SEA with the concurrence of the Board petitioned the Michigan Employment Relations Commission for fact finding. Subsequently, on October 28, 1976 the Board improved its offer for the last time.

Hearings were conducted by the undersigned on November 15, 19 and 23, 1976. In all the parties submitted 116 documentary exhibits and were afforded an opportunity to file post-hearing briefs. From these exhibits, together with testimony and arguments, the fact finder has drawn the data upon which the conclusions and recommendations of this report are based.

The unresolved issues before the fact finder are:

1. Salary
2. Longevity
3. Insurance
4. Class Size
5. Department Chairmen
6. Teacher Evaluations
7. Calendar
8. Outside Experience
9. Agency Shop

CONCLUSIONS AND RECOMMENDATIONS

Saline's Financial Resources

The Saline district is in a fiscally sound position. Its total SEV of \$119,367,610 ranks third in Washtenaw County--a

position held since at least 1972. However, the SEV per pupil of \$35,660 has dropped 12.9% in the last year and Saline now ranks 4th in the county as opposed to second, which it ranked from 1972-1975. Both total SEV and SEV per pupil remain above the county averages.

Operating millage was increased 2 mills by the voters last summer to the present level of 27.00 mills. This ranks Saline 8th in county which has a 29.01 mill average. Had the voters approved a 3rd mill requested by the Board in the last election, \$119,368 additional revenue would have resulted.

The Board has forcefully argued, and carefully documented, the financial position and policy of the district. It contends that its demonstrated ability to stay "in the black" is the result of wise money management and fiscal philosophy. Its key concern in this regard is maintenance of an adequate General Fund Balance at the end of each year. Unquestionably, a fund balance provides the district with a cushion against unexpected costs and possible cuts in state aid, and allows the Board to keep its millage requests to a minimum. The Board noted, with concern, that it has experienced a substantial reduction in general fund balance over recent years at a time when fixed expenses are increasing.

Admittedly, the fiscal policy which the Board presents does not determine ability to pay, and it is undisputed that total revenues for 1976-77 total \$4,350,000.

Salary

Although the parties have traditionally negotiated one-year contracts, a two-year contract was concluded for 1974-76. Under

that agreement the second year (1975-76) salary schedule was established by applying an improvement factor of 40% of the cost of living plus 3%. This resulted in a percentage increase of approximately 6.5%. Last year's schedule was:

<u>Step</u>	<u>BA</u>	<u>MA</u>	<u>MA + 30</u>
1	\$9,160	\$9,900	\$10,220
2	\$9,455	10,170	10,460
3	9,775	10,655	11,030
4	10,250	11,185	11,690
5	10,780	11,715	12,410
6	11,340	12,355	13,180
7	12,010	13,155	13,980
8	12,805	13,950	14,800
9	13,660	14,775	15,680
10	14,645	15,735	16,670
11		16,910	17,890

The Association proposes an increase of 60% of last year's cost of living plus a 3% improvement factor, for a total across-the-board increase of 6.96%. Its last proposal was:

<u>Step</u>	<u>BA</u>	<u>MA</u>	<u>MA + 30</u>
1	\$9,797	\$10,581	\$10,933
2	10,111	10,875	11,188
3	10,453	11,394	11,795
4	10,953	11,962	12,501
5	11,531	12,530	13,275
6	12,129	13,216	14,097
7	12,843	14,068	14,950
8	13,696	14,921	15,831
9	14,607	15,802	16,772
10	15,665	16,831	17,830
11		18,085	18,967

The Board's last offer is structured on dollar increments adding from \$400 to \$1,025 up the BA track and from \$400 to \$1200 up the MA track. Base pay for each track has been minimized, and the MA + 30 track was constructed by raising each step a flat dollar amount over the MA track. The result is:

Step	BA	MA	MA + 30
1	\$9,275	\$10,000	\$10,500
2	9,675	10,400	10,900
3	10,125	10,900	11,500
4	10,625	11,400	12,000
5	11,200	12,050	12,750
6	11,850	12,775	13,475
7	12,575	13,575	14,375
8	13,400	14,475	15,275
9	14,325	15,475	16,375
10	15,350	16,575	17,475
11		17,775	18,700

Based on 167 full-time equivalents (including longevity pay) the Association proposal would cost \$2,441,122 and the Board offer, \$2,379,397. Attention has been given by both sides to the fact that the difference between the parties does not vary more than \$68,115. This figure represents unanticipated 1976-77 state aid based on an increase of 59 students over projected enrollment. Last summer when the Board placed the 3 mill increase before the voters, it warned that less than the full three mills would result in program cuts, including library staff, crossing guards, playground supervisors, clubs and activities, and reading aides. Saline voters subsequently passed only two of the three mills and the cuts costing \$62,161, were ordered. However, the fourth Friday count revealed the 59 extra students and the additional state aid enabled the Board to reinstate these items. The fact finder is not persuaded that this chain of events means that the amount of that aid should be allotted to teachers salaries as opposed to any other budget items. It is however, accurate to say that current revenues were increased by the \$68,115.

The Association bases its case upon the increased cost of living, the modest (in its view) use of last year's COLA, its opinion that salaries in Saline do not compare favorably with the districts relative wealth compared to other schools, and the

page 5

district's ability to meet its demand out of current resources.

The Board counters that the Association proposal places an unjustified strain on its ability to maintain its position of fiscal responsibility as demanded by the community. Nor, it argues, is it necessary to do so when the Board's offer improves the position of Saline teachers relative to other Washtenaw districts and to two other comparative groupings of school districts.

Initially, the undersigned believes that the strength of a salary schedule is best measured by in-county comparisons. Moreover, dropping Ann Arbor and Ypsilanti from the second Board grouping, and adding Clinton and Dundee for the third, is particularly unpersuasive when Board data frequently overlapped the groupings without apparent pattern or consistency.

Within the parameters of the parties' positions, the fact finder recommends first that a cost of living formula be adopted by the parties. The undersigned is aware of the fact that only one other Washtenaw district is presently under such provision, and that Lincoln is in the third year of a three year contract. Nonetheless, the fact finder is not persuaded that the Board's "traditional" approach of arbitrarily adding increments should be followed. Especially is this so where internal consistency in the schedule has prevailed at least since 1974. Further, the Board's approach to fashioning the 1976-77 schedule results in percentage increases of as little as 1.01% and as great as 5.34%. The undersigned therefore recommends the approach adopted by the Association, and specifically recommends that the parties agree to a 5.6% salary increase for 1976-77 at all steps. This figure

corresponds to the 40% COLA + 3% formula adopted by the parties in 1975-76. As with any across-the-board formula it maintains the relative position of the pre-existing schedule, in this case the 1974-75 schedule.

The full salary schedule reflecting the recommended 5.6% increase, would be as follows:

Step	BA	MA	MA + 30
1	\$9,677	\$10,459	\$10,797
2	9,988	10,744	11,050
3	10,326	11,256	11,652
4	10,828	11,816	12,350
5	11,388	12,376	13,110
6	11,980	13,052	13,924
7	12,688	13,897	14,769
8	13,527	14,737	15,635
9	14,431	15,609	16,565
10	15,471	16,623	17,611
11		17,864	18,899

The following tables place the recommended settlement in perspective to the parties' last positions and the eight other Washtenaw districts with settled 1976-77 contracts: *

	SEA Demand	Board Offer	Recommended 5.6%	Settled Dist. Average
BA Min.	9,797	9,275	9,677	9,340
BA Max.	15,350	15,665	15,471	15,826
MA Min.	10,581	10,000	10,459	10,075
MA Max.	18,085	17,775	17,864	18,107

The average BA and MA increments, following an analogous comparison are:

	SEA Demand	Board Offer	Recommended 5.6%	Settled Dist. Average
Average BA Increment	790	452	642	649
Average MA Increment	887	445	721	803

page 7

*The fact finder is persuaded by the Association that Whitmore Lake, although not formally ratified, should be included in this grouping.

In school year 1975-76 Saline ranked 4th at the BA min. in Washtenaw districts; 8th at the BA max.; 5th at the MA min. and 5th at the BA max. The result for 1976-77 comparing the eight settled districts with the final offers and the recommended schedule is as follows:

	<u>SFA Demand</u>	<u>Board Offer</u>	<u>Recommended 6.5%</u>
BA Min.	2nd	5th	2nd
BA Max.	6th	6th	6th
MA Max.	2nd	5th	2nd
MA Min.	5th	5th	5th

With the exception of the BA and MA minimums, which the Board offer singled out for negligible increases, it would appear that both parties had in mind with their proposals an idea as to where Saline should rank in the county which is consistent with the recommended schedule.

Finally, the recommended salary schedule is viewed as a percentage of expenditures. This approach is complicated by the different methods of computation used by the parties. Adopting, however, the concept provided in Board Exhibit 25, the recommended teacher's salaries would amount to 55% of the total budget assuming \$4,350,000 operating expenditures, or 58% assuming expenditures of \$4,150,000. Of course, total expenditures for the current year can only be estimated. Nonetheless, the range of 55-58% is not, in the opinion of the fact finder, inordinately high or low.

Longevity

Current contract language provides for longevity payments

of 5% of current salary after 15 years service and an additional 5% for each 5 years service beyond 15. The Board offers to red circle the 1975-76 longevity payments now being paid and to pay teachers who will achieve 15 years service as follows: \$730 at top BA; \$845 at top MA; \$890 at top MA + 30. It is undisputed that this schedule would result in higher longevity benefits than those received by teachers in the three other Washtenaw districts who receive longevity. Nor is it disputed that Ann Arbor and Ypsilanti have dropped longevity benefits from their contracts in the last 3 or 4 years. The Association counters that longevity in Saline offsets the historically lower salary level of teachers at the top of their tracks. It proposes that current language be maintained with a downward adjustment to a 4% factor for teachers hired after September, 1976.

When the Board proposed to eliminate longevity at the 1969 fact finding, eight teachers were entitled to the benefit at a cost of \$5465. In 1975-76, 9 teachers earned longevity at a cost of \$12,002. For the 11 teachers presently receiving longevity, the cost under the SEA proposal is \$15,359, under the Board's , \$14,423 and under the recommended schedule, \$15,119. It is not the current cost differential over 1969, but the anticipated increase over current levels, which prompts the Board's offer. It points out that 16 teachers who do not yet receive longevity have over ten years service.

Neither party has provided data as to the ages and years of service of the 11 on longevity, the 16 with ten years service, or the teaching staff as a whole. Similarly, there is no indication as to how this type of data would compare with the

page 9

teaching staffs since 1968. Thus the fact finder would have to speculate as to how many of the 11 teachers are likely to have retired before the year(s) when some or all of the 16 reach their 15th year. Nor can the fact finder discern if it has been unusual for 26 teachers, in any given year since 1968, to have acquired more than ten years service. For this reason and the reliance that doubtless exists among teachers who remain in Saline, and thereby benefit the system and its students by their experience, the fact finder recommends adoption of the Association's proposal.

Insurance

Article XXIII of the 1974-76 contract provides in part that the Board pay "either Blue-Cross Blue Shield (Master Medical) or MESSA (Super-Med)". The Petition for fact finding indicates the Association's position is continuation, not improvement, of that provision. At the hearing the Association first explained that its proposal was upgrade to Super Med II and MVF II, which was then changed to a request for Super Med I or the most comparable BC/BS plan. Its post-hearing brief sets forth BC/BS (Master Medical) or Super Med I as the proposal. Although the fact finder is reticent to bind any party to the opposition's statement of its position, the apparent confusion which surrounds the Association's suggested improvement, and the undersign's belief that the Board was under the good faith impression that the Association sought no improvement, leads the fact finder to conclude that the Association should be bound by the statement of position in the Petition.

The Board's concern over skyrocketing insurance premiums is well justified. Both parties anticipate an April, 1977 BC/BS

premium increase of 30-35%. As to MESSA, its rates were raised 44.4% in July, 1975 and 33.3% in July, 1976. Due to this magnification Ypsilanti has eliminated MESSA coverage from its 1976-77 contract and now offers only the less expensive BC/BS plan. The increase in MESSA coverage are decried by the Board not only for their amount, but also for the reason, that the MESA-administrator can amend coverage without notice to or negotiation with the school districts that provide such coverage.

Other Washtenaw districts have met the problem of premium increases by agreeing to limit the districts' obligation to BC/BS rates (Milan, Chelsea) or offsetting, at least in part, the amount of increases by adjustment to teacher's salaries (Ann Arbor, Willow Run).

Under the Extension Agreement the Board pays the health and dental insurance premiums in effect June 30, 1976. Since BC/BS rates change as of April 1st and MESSA rates as of July 1st, the Board did not absorb the 1976 increase in MESSA rates and teachers who continue to take that coverage pay the difference. Fifteen teachers switched to BC/BS to avoid this increase so that there are now only 33 teachers taking MESSA rather than BCBS.

The Board proposes to continue paying the rate in effect on June 30, 1976. This would be consistent, argues the Board, with all former contracts save 1974-76 which provided a flat dollar cut off on insurance premiums. Under the Board proposal teachers who elect MESSA coverage would continue to pay the difference resulting from the July, 1976 increase and those electing BC/BS would have to absorb the upcoming increase in April, 1977. The Board also proposed, without opposition, that

pro-rata insurance coverage be provided for less than full-time teachers.

The Board submits that its offer will increase district costs by \$18,000, while continuation of 1974-76 coverage would cost between \$30,000 to \$42,000, depending on the number of teachers who switch to MESSA.

The Association argues that four of the other Washtenaw districts have health plans superior to Saline's and that the admitted large increase in premiums is not a problem peculiar to this district. The Association cautions that the proposal to pass through the increase in premiums is an attempt to set a disastrous (from the teacher's view) precedent; is basically unfair; and jeopardizes chances for ratification of a new contract.

The Association has provided no evidence, however, to contradict the assertion that the more expensive MESSA coverage is in some way superior to the comparable BC/BS plan. For this reason, and the opinion of the fact finder that passing through increased premiums for the basic contract coverage would be an unreasonable burden on the teachers, the fact finder recommends the following: That the Board pay the unlimited cost for Blue-Cross Blue Shield (Master Medical) coverage but that teachers who elect the continued option of MESSA (Super-Med) coverage would have their premiums covered only to the extent of the current Blue-Cross Blue Shield rate. The Board's proposal with respect to part-time teachers should also be added to the contract.

Class Size

Article VI of the 1974-76 contract provides for a norm of 20 students and maximum of 24 students in Agriculture classes and a norm of 30 with a maximum of 34 in Hygiene. The Board proposes that Agriculture class size be increased to a norm of 30 and maximum of 35 and that Hygiene be increased to 35 and 40. Admittedly, the Board is concerned that grievances have been filed with respect to an Agriculture class over the contract limits. Nonetheless, the Association offers no concrete rebuttal to the Board's analysis of the changes in the teaching approach, class room facilities and increased interest in the three Agriculture classes which in the fact finder's judgment supports its recommendation. Nor does the Association present any real challenge to the increase in Hygiene classes which is presently in conflict with the Physical Education classes between which students alternate.

The fact finder believes that neither increase is an arbitrary attempt to push class limits upward or that they place any special burden on the teachers. I therefore recommend adoption of the Board's proposal on class size.

Department Chairperson

The Board proposes that the language of Article VII, A be altered to give new discretion to the Board. It would then read:

"The teachers in any department of the High School and the Middle School which has five or more members shall select a department chairperson if authorized by the Board." (new language underlined)

Under this suggested language the Board would be entitled to block selection of a Department Chairperson for financial reasons

and to require that a department contain five full-time equivalent to be entitled to a Chairperson.

The Association answers that the Board should not have discretion to eliminate Chairpersons for financial reasons--a prerogative that exists as to extra duties. It views Department Chairpersons, unlike extra duty assignments, as an integral part of the curriculum. It adds that part-time teachers are frequently in the greatest need of a Department Chairperson and that the full-time equivalent requirement could defeat that legitimate need.

The fact finder agrees with the Association that Department Chairpersons should not be treated as are extra duty assignments. I therefore recommend that the Board accede to the Association's position that present contract language be maintained.

Teacher Evaluations:

Article XVI of the 1974-76 contract presently governs teacher evaluations. Both sides seek language changes that would substantively alter its provisions. The crux of the dispute is a recent arbitral award holding that probationary teachers are entitled to grieve teacher evaluations. Understandably the Association seeks to maintain the arbitral victory for its probationary teachers. The Board counters that the outcome of that award was never, and would not have been, negotiated as part of the contract. In the fact finder's opinion the presentations of both parties evince awareness that the evaluation procedure has become a fertile ground for future grievances. The fact finder is not convinced by the preceived approach of either Board or Association that the parties have fully explored this difficult area. I therefore remand the issue with the following suggested

guidelines. Statements of rights, purpose and procedure should be set forth; specificity should be added as to time limits; teacher discretion as to manner and timing of evaluation should be delineated; and the appeal procedure of adverse evaluations should be fully spelled out. As the quid pro quo for "tightening up" the procedure the fact finder would suggest exclusion of probationary teachers' right to grieve evaluations. Absent the parties' ability to resolve their dispute along these guidelines, the fact finder recommends that they must "lie in their beds" and that current language be maintained in its entirety.

Calendar

There is no dispute as to an instructional calendar, but the parties disagree over the number of non-student work days. The Board proposes three such days while the Association proposes two.

The teacher's position is that the 1975-76 calendar consisted of only 181 teacher days and that the Association has already agreed to increase that by one additional day. It argues that only one other Washtenaw county has increased teacher work days for 1976-77. The Board answers that the average number of instructional days for 1976-77 in Washtenaw will be 181.5 and that the average teacher work days will be 184.5--both well above the Board proposal of 180 and 183 days.

The fact finder agrees with the Board. Although no other Washtenaw district has negotiated a 2 day increase this year, the other increasing district Ypsilanti, went from 184 to 185. Moreover, only two districts in the county will have few days this year than Saline under the Board's proposal.

Prior to fact finding the parties agreed to an in service day on September 7th as well as to the calendar through Thanksgiving break. But no agreement could be reached as to the commencement of Christmas and Spring vacations. Unfortunately, the fact finding recommendations were not available before Christmas and the issue has consequently become moot. As for Spring vacation, the Board suggests no school on April 8th, Good Friday, to avoid any conflict with the religious sector of the community. The Association answered that the community would not object to school on Good Friday. As to work day in addition to September

7th, the Board proposed one additional in service day on March 25th and a teacher work day on the last day of school. The Board feels a full day on the 25th allows for a better program.

It also argued that it is under pressure to eliminate half days which create problems for working parents and, in the Board's opinion, short change the students. The Association proposed a calendar with a half day in service on March 25th and half days for students on June 10th and 13th. The Association plan reflects the preferences of the teachers, but no convincing evidence was presented to refute the Board's conception of the needs and preferences of parents and students. Accordingly, I recommend that the Association accede to the Board's version of the calendar.

Outside Experience:

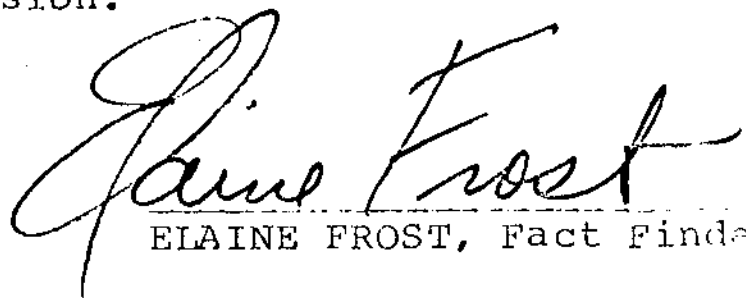
The 1974-76 contract provides, in part, that "new teachers shall be given full credit up to and including eight (8) years of previous teaching experience." The Board suggests that this provision be altered to provide for an upper limit of five years experience and to be further altered to the effect that any credit for outside experience be at the discretion of the Superintendent. The Board's justification for a change is the current abundance of teachers which would allow the Superintendent to hire experienced teachers at salaries that do not account for prior experience. The Association's proposal recognizes this abundance of teachers but resists the idea of granting the Superintendent full discretion as to outside credit. The Association proposes that the section be changed to read five years with three additional years upon mutual approval of the Association.

Although modification of the present section appears to be in order, the fact finder is not convinced that affording the Superintendent carte blanche from none to five years credit is necessary to allow Saline to benefit by the supply of experienced teachers. Nor is there any support for the workability of the Association's additional three year suggestion. The fact finder concludes that the present language should be maintained but that the eight year factor be changed to five years.

Agency Shop:

The issue of agency shop is of utmost importance to both Board and Association. There is no question but that Saline's contract is unique to Washtenaw and indeed to Michigan in not providing agency shop. In every round of negotiations since the Association became the bargaining representative it has fought for this provision. Its classical argument is that all unit members, whether or not Association members, should pay their fair share of the cost of their representation. The fact finder personally shares the Association's philosophical and financial aversion to the concept that it must non-discriminatorily represent unit members who make no contribution. But I am convinced that the Board's opposition to agency shop, particularly in light of pending litigation on its legality under PERA, is adamant and would stand in the way of contract settlement. I therefore recommend that the agency shop not be included in this contract.

In conclusion, the fact finder expresses her appreciation to both parties for the quality of their presentations. I hope that this report will be of help in bringing this year's negotiations to a fair and amicable conclusion.


ELAINE FROST, Fact Finder

Dated: January 11, 1977