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STATE OF MICHIGAN

THOMAS V. LO CICERO  
FACT-FINDER  
HEARING OFFICER

In re:

SHIAWASSEE COUNTY INTERMEDIATE EDUCATION ASS'N.

and

SHIAWASSEE COUNTY INTERMEDIATE SCHOOL DISTRICT

---

FINDINGS AND RECOMMENDATIONS

Thomas V. Lo Cicero  
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962-4677

STATE OF MICHIGAN

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In re:

SHIAWASSEE COUNTY INTERMEDIATE EDUCATION ASS'N.

and

SHIAWASSEE COUNTY INTERMEDIATE SCHOOL DISTRICT

The undersigned Fact-Finding Hearings Officer was appointed by the Michigan Employment Relations Commission on October 25, 1974 and by agreement of the parties, a hearing was held at the School District offices in Corunna, Michigan on December 4, 1974. It was an open hearing with about 25 spectators present. Each party was well-represented, the Education Association by Mr. Charles Agerstrand, Executive Director of the Michigan Education Association, and the School District by Mr. Harry W. Bishop, Assistant Executive Director of the Michigan Association of School Boards. Each had several others present from their respective parties.

Issues: Two principal issues were presented:

I. The Amount of Per Diem pay for those who work beyond the extended contract period of 184 days.

II. Salary Schedule and Retroactivity.

Positions:

I. Per Diem Issue.

In the 1973-74 Master Agreement, Article XIII, Section A provided:

"A. The salaries of employees covered by the Agreement are set forth in Appendix A."

"Any employee who is contracted on a twelve (12) month basis or any employee who contracts to provide a service for a specified number of days beyond the term of his regular assignment will be remunerated on a per diem basis as established by his position on the salary schedule."

From the evidence, it appears that during the summer (after completion of the normal 184 day school year) some educational programs are continued. Some of these are State-mandated (that is, required to be continued by the State and funds provided therefor) other programs, deemed "experimental-innovative" are not required by the State and no money is provided. These "experimental and innovative" programs arise from suggestions made by the teachers and/or the Board, are voluntary, so that a teacher is not required to carry it.

In the 73-'74 year, there was one State-mandated program which required a 230-day "Day-Training program" by the same teacher. This was her normal professional assignment and was paid on a per diem rate equal to her step on the salary schedule.

The summer program is not considered a normal professional assignment. They may be filled by anyone who volunteers for it and are not paid at the per diem rate. However, in the year '73-74, one employee who had volunteered for such a program, raised the question of payment, based on the language of Section A above. She was denied such payment and no grievance was filed.

In order to clarify the intent of Section A, the Board proposed a change in language as follows:

"Employees who are contracted for programs (i.e. Day Training) that are mandated beyond 180 days will be paid on a per diem basis as established by position on the salary schedule. Experimental, innovative or any other program operated beyond the 180th day is not subject to the terms of this contract and salary will be determined by the Administration."

No change had been requested by the Association and no demand was made by the Association to provide payment for "voluntary "experimental and innovative" programs. However, since the Board requested a clarification of the original language to conform to actual practice, the Association is now requesting that all teachers working even voluntary programs during the Summer be paid a per diem equal to the teachers' position on the salary schedule where the same teachers continues from the normal school year into the summer.

The Board points out that the present position of the Association is a surprise since, there had been little or no discussion of the question prior to Fact-Finding, and further that any program, whether originated by the Administration or the Faculty, must first be approved by the Board and submitted to the State for State-Aid; that unless it is so approved, any cost for a voluntary program must come out of the Budget.

Recommendation:

It is basic that the School district is required, by law, to promulgate and conduct such educational programs as the Superintendent of Public Instruction may prescribe and as the Board may direct. In so doing, it shall employ the teachers required to perform such programs. For these services, teachers are paid pursuant to salary schedules established by the Board and in turn, the Board is reimbursed to the extent provided by law.

Thus, it follows that any teacher who performs such educational program so required must be compensated in accordance with the salary schedules so established.

However, where a program is not required (or mandated) by law or by the Board, with the approval of the State, and is voluntary on the part of the teachers and the Board, (and for

which no state funds are received by the Board, it also follows that compensation for the teachers therein involved must be determined simply according to agreement entered into between the Board and its teachers. Such an agreement must be predicated upon whether the Board wants the voluntary program conducted, and, if so, upon the value of the program to the district. Thus, the Board must determine the value of the program to the district and how much money, without state help, it can allocate to it.

In so doing, it seems only reasonable that if the Board, in its judgment, agrees to conduct such voluntary program but with lesser compensation than that provided for mandatory programs, the teacher is not obligated to accept it, but if he does so, then he should be satisfied with the arrangement he has agreed upon.

Certainly, where the teachers may refuse to so agree, it is possible that the Board may determine not to conduct the voluntary program and is not required to do so either.

We, therefore, arrive at the inevitable conclusion that in determining which voluntary programs the Board offers to conduct, it may also establish the compensation to be paid therefor; and teachers are then free to accept or refuse the offer. " And in the event teachers do not accept it, then, of course, the program will not be conducted.

It is my opinion that under such circumstances, the salary (or per diem) offered by the Board does not necessarily have to be equal to the salary schedule normally established for programs mandated by law and for which reimbursement is made by the State.

## II. Salary Schedule.

The dispute on the Salary Schedule is in two parts; (1) the schedule itself and (2) Retroactivity to September 1, 1974.

The Association submitted a proposed Salary Schedule (Ass'n. Exhibit 2) (See attached), wherein the B.A. range is from \$9,315 at the minimum to \$14,040 at the maximum with eleven steps; and the M.A. range is from \$9,890 minimum to \$15,437 at the maximum, with 12 steps.

The Board has submitted a proposal (marked Bd Ex. 2) - (See Attached) in which the B.A. range is from \$9,000 at the minimum to \$14,091 at the maximum, with 12 steps; and the M.A. range is from \$9,571 minimum to \$15,492 at the maximum, with 13 steps.

In support of its proposal, the Association submitted figures relating to the United States Consumers Price Index, (1967 = \$100.00) (Exhibit 3) which indicate a change of 11.10%

between the period from July, 1973 and June, 1974. It further offered Exhibit 4, comparing the salary schedules of the Association and the Board, (Exhibit 6) comparing the cost of each proposal, respectively; and several exhibits relative to the Board's ability to pay the increases requested.

As the hearing progressed, it became apparent that the salary proposals of the two parties were not comparable because the Association proposal did not include the 5% retirement contribution, (now being paid by the teachers themselves, and which the Board has agreed to pay, relieving the teachers' contribution for that fringe benefit) while the Board's schedule did include the 5% retirement contribution agreed to be assumed by the Board. Thus, the two could not be fairly compared.

Further, the Association attempted to work up a revision of the Board's schedule by taking 5% of the salaries rate expressed and reducing each salary; however, overlooking the fact that this was not mathematically accurate because the 5% had to be calculated on the salary in each step (without the 5%), and not on the salary which already included the 5%.

For example, the Board's proposed salary for B.A. at the first step - \$9,450 (which already included the 5%) should be



\$9,000.00, if the 5% was to be eliminated. Yet, the Association multiplied the \$9,450 by 5%, resulting in \$472.50, which was then deducted from the \$9,450 and established a base salary of \$8,977.50 (rounded out to \$8,978). However, the proper calculation is to divide the \$9,450 by 1.05 to eliminate the 5%, thus resulting in a base salary of \$9,000. Then, 5% of \$9,000 equals \$450.00.

In order to properly establish the Board's proposal so as to eliminate the 5% attributable to the retirement cost, the Board agreed to submit a revised schedule, which it did and is attached hereto as Board's Exhibit 2.

The Board originally submitted its Salary proposal including the 5% retirement contribution because it wanted to show the actual cost of that fringe benefit to the community, but in that form, it could not be compared to published salaries in comparable communities which do not include the cost of any fringe items. As part of its proposal, the Board was willing to use the salary schedule which included the 5% retirement contribution if the teachers would continue to pay for their own retirement. In other words, the Board agrees that it was paying out the same number of dollars either way.

Turning now to the two proposals, we find that the Association proposal would result in a general 4% increase from the 1973-74 rates plus the 5% retirement contribution or a total of 9%.

The Board's proposal would result in increases as follows:

<u>Min</u>	<u>B.A.</u>	<u>Max</u>
0.48%	-	0.89%

(However, the steps would be increased to 12 from 11. Without the 12th step, the maximum would be increased by 1.11% over the equivalent step in 1973-74.

<u>Min</u>	<u>M.A.</u>	<u>Max</u>
0.64%	-	4.38%

(However, the steps are increased to 13 from 12. Without that 13th step, the maximum would be increased by 1% over the equivalent step last year.

The Board contends that it is granting an increase of 9.6% throughout its salary schedule. (See Board Exhibit I - M & N attached) This schedule is based upon the Board's original proposal (with the 5% retirement added) and includes the regular step increase which teachers receive each year. Obviously, it is not correct since it includes the 5% retirement contribution (which is a fringe item) and also includes the normal step increase which teachers have already earned by working a year for it. At best, Board's exhibit I - M only show how many actual dollars will be paid to or for the teachers if it is adopted.

The Association did not submit percentage increase figures but an analysis of its schedule shows that it has increased all of the steps 4% over the 1973-74 schedule.

The Board's exhibits show increases over the 1973-74 rates, as follows:

<u>Min.</u>	<u>B.A.</u>	<u>Max.</u>	<u>Min.</u>	<u>M.A.</u>	<u>Max</u>
0.48%	-	4.38%	0.64%	-	4.37%
(in 12 steps)			(in 13 Steps)		

It is necessary, at this point, to ascertain the increases given and salary schedules of other comparable districts.

To this end, the Association produced Exhibit 10, which covers 18 intermediate districts in the State, among them Ingham County (adjacent to the south of Shiawassee County) and Genessee County (adjacent to the East). In Ingham County, it appears that an increase of 9% was given at the B.A. level (consisting of 5% for the non-contributory retirement benefit, and 4% for salary increases) and an increase of 7% given at the M.A. level (with 5% for retirement and 2% for salaries).

In Genessee County, no salary increases were given, but the 5% retirement was given.

The average increases for all 18 Intermediate districts were 8.82% at the B.A. level (3.82% in salaries and 5% for retirement); and 8.64% at the M.A. level (3.64% in salaries and 5% for retirement).

The Board introduced its Exhibit I which lists 19 Intermediate districts throughout the State, (including 11 districts cited in the Association's Exhibit 10). From this Exhibit, it is impossible to calculate the percentage salary increases given; only the minimums and maximums for B.A. & M.A. levels are given for each district.

The Association also introduced its Exhibit 11, including ten K-12 districts (8 in Shiawassee and 2 in Clinton County) This evidence reveals that these school districts gave an average of 3.04% salary increases (except in Orosco and Perry districts where only the 5% retirement was given ) at the B.A. minimums, an average of 7.15% at the B.A. maximum, 5.02% at the M.A. minimum and 6.90% at the M.A. maximums.

In this connection, the Association contends that Intermediate District salaries are about \$1,000 higher than K-12 salaries, as shown in Association's Exhibit 9.

It is my belief that a more composite view can be had by listing the salary rates in both Association Exhibit 10 and Board's Exhibit I, covering some 24 Intermediate districts:

They may be summarized as follows:

<u>Districts</u>	<u>B.A.</u>		<u>M.A.</u>		15
Jackson Co.	\$9,050	- \$14,253	\$9,678	- \$15,921	
Lenawee Co.	9,137	- 14,287	9,947	- 15,647	
Lenawee Co. Tech.	9,052	- 14,002	10,032	- 15,002	
Berrien Co. Chap.	8,640	- 12,690	9,990	- 15,765	
St. Joseph Co.	9,795	- 13,516	10,784	- 16,457	
VanBuren Co.	8,594	- 13,810	9,203	- 16,038	
Ingham Co.	9,882	- 15,571	10,641	- 17,652	
Montcalm Co.	8,900	- 12,200	9,900	- 14,200	
Lapeer Co.	9,175	- 14,854	9,924	- 15,817	
Clare-Gladwin Int.	9,573	- 14,360	10,531	- 15,796	
Coor Int.	8,950	- 13,425	9,550	- 14,775	
Mason Co.	9,000	- 14,220	9,600	- 16,282	
Macosta-Osceola	8,750	- 12,840	9,333	- 13,957	
Markegen Inter.	10,131	- 16,521	10,739	- 18,388	
Navaygo Co. Chap.	8,800	- 15,136	15,711	- 15,711	
Oceana Co. Chap.	8,550	- 12,825	9,150	- 14,183	
Charlevoix-Bennett	8,800	- 11,676	9,661	- 14,415	
Genesee Int.	8,765	- 11,852	9,265	- 15,788	

<u>Districts</u>		<u>E.A.</u>		<u>M.A.</u>
C.O.P.	\$9,373	-	\$12,695	\$10,395 - \$14,195
Huron	9,159	-	12,309	9,159 - 14,259
Barry	9,000	-	14,152	9,550 - 14,746
Clinton	9,000	-	14,040	9,720 - 15,840
Traverse Bay	8,927	-	12,525	9,735 - 15,083
Kent	9,000	-	13,900	10,100 - 15,100

The averages of this group of 24 Intermediate districts cited by both sides, are as follows:

Averages:                      \$9,096 - \$13,652                      \$10,097 - \$15,459

Comparing these averages with the rates suggested by the two parties,

Association:                      \$9,315 - \$14,040.                      \$ 9,890 - \$15,437  
Board:                              9,000 - 14,091                      9,571 - 15,492,

reveals that the Association's proposed E.A. minimum exceeds the average while the B.A. maximum of both parties exceed the average, but the Board reaches its maximum in 12 steps, as against 11 steps in 1973-74. At the 11th step, the Board's maximum is almost identical to the average.

Further, the M.A. minimums are both below the average, while the maximums are almost identical to the average except that again the Board M.A. maximum is reached in 13 steps as against 12 steps of 1973-74. At the 12th step, the Board's M.A. maximum is substantially lower than the average.

It is my opinion that salary schedules should reflect not only reasonable minimums and maximums, but also a reasonable progression each year, creating an incentive to stay with the school district, and, at the same time, granting somewhat equal benefits to all employees, no matter on which step they may be.

Furthermore, it is my opinion that the maximum rate is more important than the minimum because it applies to an employee who has already demonstrated his or her desire to dedicated service to the district, whereas the minimum relates only to the ability of the Board to hire new teachers at that rate.

Therefore, I have prepared a new salary schedule (Fact-Finder's Exhibit A) which I believe carries out the thoughts expressed above at a minimum additional cost to the Board. It provides a reasonable set of minimums and maximums, generally within the averages of other districts and maintains the existing relationships wherever possible. It also continues the number of steps previously agreed upon, for to add a step does not give the teachers on lower steps any increase. Furthermore, Exhibit 10 seems to indicate that less than 12 steps for B.A.'s and 13 steps for M.A.'s prevail in other comparable districts.

At the hearing, the Board contended that the Clinton Intermediate District was most comparable to Shiawassee. That district's ranges are:

	<u>B.A.</u>			<u>M.A.</u>	
<u>Min.</u>	-	<u>Max.</u>	<u>Min.</u>	-	<u>Max.</u>
\$9,000	-	\$14,040	\$9,720	-	\$15,840

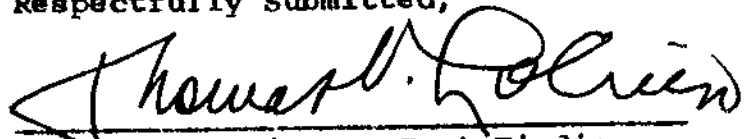
so that the suggested rates are in fact lower at each maximum.

Exhibit

The Board also presented in its/I - C, d, e and f, the minimums and maximums of salaries in the K-12 constituent districts. Eight of the same districts are listed in the Association's Exhibit 11, but without adding to the salaries the 5% cost for retirement. Yet, without the 5% cost for retirement, these salaries compare favorably with the suggested scales. The important fact revealed by a study of these and other exhibits is that teachers in the Intermediate districts generally receive more money than in the K-12 districts especially at the M.A. levels.

I, therefore, recommend that the suggested schedule be agreed upon by the parties and, further, that they be made retro-active to September 1, 1974. It is my opinion that retroactivity should not be a bargainable issue when both parties are sincerely attempting to reach agreement, as both have here. I have calculated the relative cost of each proposal (See Fact-Finder's Exhibit B) and do not believe the additional cost of my recommendation is excessive.

Respectfully Submitted,



Thomas V. LoCicero, Fact-Finding  
Hearing Officer

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2372 First National Building  
Detroit, Michigan 48226

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## Board Exhibit

Yearly Increments	BA	BA+30/45	MA	MA+15/23	MA+45/MSW	Ed. Spec.	Ph.D-Ed.D
1	9,000	9,238	9,571	9,714	9,809	9,952	
2	9,348	9,596	9,925	10,092	10,257	10,411	
3	9,863	10,065	10,495	10,685	10,877	10,933	
4	10,333	10,704	10,995	11,194	11,396	11,454	
5	10,802	11,061	11,494	11,703	11,913	11,974	
6	11,272	11,475	11,994	12,212	12,431	12,495	
7	11,742	11,944	12,494	12,721	12,948	13,016	
8	12,212	12,414	12,994	13,229	13,467	13,537	
9	12,681	12,884	13,494	13,739	13,985	14,057	
10	13,151	13,354	13,992	14,247	14,502	14,577	
11	13,620	13,823	14,492	14,757	15,020	15,098	
12	14,091	14,293	14,992	15,265	15,540	15,619	
13		14,762	15,492	15,774	16,057	16,140	

\*plus Retirement @ 5% of salary, Range \$450.00 - \$807.00  
equivalent to Board offer of 9.6%



## Board Exhibit

Yearly Increments	BA	BA+30/45	MA	MA+15/23	MA+45/MSW	Ed. Spec.	Ph.D-Ed.D
1	9,000	9,238	9,571	9,714	9,809	9,952	
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4	10,333	10,704	10,995	11,194	11,396	11,454	
5	10,802	11,061	11,494	11,703	11,913	11,974	
6	11,272	11,475	11,994	12,212	12,431	12,495	
7	11,742	11,944	12,494	12,721	12,948	13,016	
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10	13,151	13,354	13,992	14,247	14,502	14,577	
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12	14,091	14,293	14,992	15,265	15,540	15,619	
13		14,762	15,492	15,774	16,057	16,140	

\*plus Retirement @ 5% of salary, Range \$450.00 - \$807.00  
equivalent to Board offer of 9.6%

## PLACEMENT OF TEACHERS ON SALARY SCHEDULE

[illegible]

Board Exhibit

Issue: Salary Schedule

What type of increase in compensation would the Shiawassee teachers receive under the Board proposal?

B.A. Step	'73 - '74 B. A. Schedule	'74 - '75 Proposed B. A. Schedule	Dollar Gain to Teachers	% Improvement over '73 - '74
1	\$ 8,957	*( \$ 9,450 ) <sup>with 5.6% increase</sup> includes 5.6%		
2	9,450	9,817	860	9.6
3	9,900	10,357	907	9.6
4	10,350	10,850	950	9.6
5	10,800	11,344	994	9.6
6	11,250	11,837	1,037	9.6
7	11,700	12,330	1,080	9.6
8	12,150	12,823	1,123	9.6
9	12,600	13,316	1,166	9.6
10	13,050	13,810	1,210	9.6
11	13,500	14,303	1,253	9.6
12		14,796	1,296	9.6

\*New Teachers Only

1-221

Board Exhibit

Issue: Salary Schedule

What type of increase in compensation would the Shiawassee teacher receive under the Board proposal?

M.A. Step	'73 - '74 M. A. Schedule	'74 - '75 Proposed M. A. Schedule	Dollar Gain to Teachers	% Improvement over '73 - '74
1	\$ 9,510	*(\$10,050)		
2	10,055	10,423	913	9.6
3	10,534	11,020	965	9.6
4	11,012	11,545	1,011	9.6
5	11,491	12,069	1,057	9.6
6	11,970	12,594	1,103	9.6
7	12,449	13,119	1,149	9.6
8	12,928	13,644	1,195	9.6
9	13,406	14,170	1,242	9.6
10	13,885	14,693	1,287	9.6
11	14,364	15,218	1,333	9.6
12	14,843	15,743	1,379	9.6
13		16,268	1,425	9.6

\*New Teachers Only

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**FACT-FINDER'S SUGGESTED SALARY SCHEDULE**  
1974-1975

Step	B.A.	BA+ 30/45	M.A.	MA +15/23	MA +45	ED. SPEC.	PH.D/Ed.D
1.	9080	9239	9890	10065	10223	10371	10772
2.	9600	10068	10437	10620	10803	10857	11277
3.	10050	10518	10937	11128	11321	11377	11817
4.	10500	10968	11437	11638	11839	11897	12357
5.	10950	11418	11937	12146	12356	12417	12897
6.	11400	11868	12437	12655	12873	12937	13437
7.	11850	12318	12937	13163	13391	13457	13977
8.	12300	12768	13437	13672	13908	13977	14517
9.	12750	13218	13937	14181	14426	14497	15057
10.	13200	13668	14437	14690	14943	15017	15597
11.	13650	14118	14937	15198	15461	15537	16137
12.		14568	15437	15707	15978	16057	16677

COMPARATIVE DOLLAR & PERCENTAGE COST  
OF EACH PROPOSAL OVER 1973-1974

No.	Classifications (step)	1973-1974	Board's Proposal	Association Proposal	Fact-Finder's Proposal
1.84	BA (1)	16481	16560	17140	16707
1	MA (1)	9510	9571	9890	9890
2	MA 45 (1)	19654	19618	20440	20446
1	Ed.Spec. (1)	9975	9952	10374	10371
2	BA (2)	18900	18696	19656	19200
1	MA (2)	10055	9925	10457	10055
1	MA 15/23 (2)	10238	10092	10648	10620
1	MA 45 (2)	10421	10257	10838	10803
1	ED. SPEC. (2)	10475	10411	10894	10475
2	BA (3)	19800	19726	20592	20100
1	MA (3)	10534	10495	10955	10937
1	MA 15/23 (3)	10725	10685	11154	11128
2	BA (4)	20700	20666	21528	21000
1	BA 30/45 (4)	10598	10704	11022	10968
2.16	BA (5)	23328	23332	24261	23652
1.	MA (5)	11491	11494	11951	11937
1	MA 15/23 (5)	11700	11703	12168	12146
1	MA 45 (5)	11910	11913	12386	12356
1	MA (6)	11970	11994	12449	12437
1	MA 45 (6)	12406	12431	12902	12873
1	MA 15/23 (7)	12675	12721	13182	13163
1	MA (8)	12928	12994	13445	13437
1	MA (10)	13885	13992	14440	14437
1	MA 15/23 (10)	14138	14247	14704	14690
2	BA (12)	27000	28182	28080	27300
1	MA (12)	14843	14992	15437	15437
2	MA (13)	29686	30984	30874	30874
1	MA 15/23 (13)	15113	15774	15718	15707
1	MA 45 (13)	15384	16057	15999	15978
37		426,523	430,168	443,584	439,888
<u>COST</u>		<u>BOARD</u>	<u>SUMMARY</u>	<u>ASSOCIATION</u>	<u>FACT-FINDER</u>
At 1973-1974 Rates		\$426,523		\$ 426,523	\$426,523
At 1974-1975 Rates		430,168		442,584	439,888
Increase-(Salaries)		\$ 3,645 (.85%)		\$ 17,061 (4%)	\$ 13,365 (3.13%)
- (5% Ret.)		21,508		22,179	21,994
Total Incr. Cost-		25,153 (5.9%)		39,240 (9.2%)	35,359 (8.30%)
		+ 40		+4.0	4.0
		FACT-FINDER'S EXHIBIT "B"			
		9.9%		13.2%	12.3%