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State of Michigan
Michigan Employment Relations Commission

In the matter of:

TAWAS AREA EDUCATION ASSOCIATION

-and-

TAWAS AREA BOARD OF EDUCATION

Report of Fact Finder
and Recommendations

before

Kenneth Grinstead
Fact Finder

Appearances

For the Tawas Area Education Association:

Harry Bishop, Michigan Education Association

For the Tawas Area Board of Education:

Tom Basil, Negotiator for Board of Education

DATED: September 1, 1970

*Tawas Board of Education
(Tawas Area Education Association)*

On August 17, 1970, the Fact Finder was duly appointed to conduct hearings and issue a report of findings of fact together with recommendations on the matters in dispute. This followed a request for fact finding by the Tawas Area Education Association (hereinafter Association) filed on August 5, 1970 and supplemented with a statement setting forth the unresolved issues and the current position of the parties on each item in disagreement.

The hearing was held on August 27th, 1970 in the Multi-purpose Room of the East Tawas Elementary, Unit at 255 West M-55, Tawas City.

The parties are currently operating under a master agreement, dated September 9th, 1969 which expires June 30, 1972. Article XVIII, thereof, entitled "Duration of Agreement" reads as follows:

"This Agreement shall be effective as of and shall be in full force until June 30, 1972. However, it is expressly agreed that within one hundred-twenty (120) day (sic) prior to the anniversary (sic) date of this agreement, negotiations shall commence on the following matters: Salary consideration which shall include, schedule, index, insurance, extra duty, substitute pay, compensation for hours earned above degrees, and sabbatical leave pay"

The Association listed, in their petition for fact finding, the following items to be in dispute: Salary schedule, extra duty compensation, health insurance, including the carrier, life (term) insurance, and salary

for overload in teaching assignment.

The Tawas Area Board of Education (hereinafter Board) objected to the inclusion of the item "salary for overload in teaching assignment" claiming the language of the master agreement does not permit annual renegotiation on this specific matter.

Article XVII, entitled "Professional compensation," Section C reads:

"C. The salary schedule is based upon a normal teaching load as heretofore defined in Article V. During normal school year and teaching hours. For extra professional compensation.

1. Substitute compensation--as defined by the Board of Education.
2. A teacher teaching beyond the normal teaching load shall receive a salary equal to that of a substitute teacher performing a similar task (\$5.00 an hour). Teachers performing such duties shall be considered as substitute teachers in these assignments (amount \$900.00)."

It is apparent to the Fact Finder from a reading of the portions of Articles XVIII and XVII quoted above that salary for overload in teaching assignment is based upon substitute teachers' pay (Article XVII) and that substitute teachers' pay is one of the items subject to annual renegotiation.

(Article XVIII) "Substitute pay," upon which pay for overload teaching is based, was not listed in the petition for fact finding as an item in dispute. The Association's proposal for "salary for overload teaching

assignment" is "one-sixth of the said teacher's salary" and is therefore inconsistent with Article XVII (c) (2). The item "Salary for overload in teaching assignment" is excluded from this report since the fact finding petition did not request a hearing on "substitute pay." Findings and recommendations on all other items presented in the Association's petition to the Michigan Employment Relations Commission are included in this report.

Salary Schedule

A common practice in fact finding is that of comparing certain data for neighboring school districts with similar data for the district requesting fact finding. Table I below shows a list of eleven selected districts, including Tawas Area, together with enrollments, state equalized valuation per pupil, and total operating millage for 1969-70. (Data for the 1970-71 school year are not available for all districts.) It can be reasonably assumed that the rankings of the districts for 1970-71 would approximate the 1969-70 rankings.

Table I shows that Tawas Area ranked 5th in total enrollment, 5th in state equalized valuation per pupil, and 8th in total operating millage among the eleven districts. Considering the very low millage now paid in Tawas for debt retirement (1.04 mills) Tawas Area tax payers have generally paid less in taxes for education than most of

the taxpayers in the same geographic region.

Table I

Comparison of total enrollment, State Equalized Valuation Per Pupil and Operating Millage of Tawas Area District and Ten neighboring comparable districts, 1969-70.

| <u>School District</u> | <u>1969-70 Enrollment</u> | <u>1969-70 Sev/PP</u> | <u>1969-70 Operating Millage</u> |
|------------------------|---------------------------|-----------------------|----------------------------------|
| Alcona | 1,219 | 22,850 | 16.80 |
| Arenac | 629 | 9,503 | 20.50 |
| Au Gres-Sims | 536 | 25,362 | 14.75 |
| Gladwin | 1,892 | 12,361 | 18.25 |
| Hale | 645 | 29,368 | 11.00 |
| Oscoda | 4,366 | 11,340 | 12.00 |
| Pinconning | 3,296 | 7,905 | 19.00 |
| Standish | 2,094 | 11,283 | 17.25 |
| *Tawas Area | 1,964 | 21,570 | 13.50 |
| West Branch | 2,287 | 21,677 | 18.80 |
| Whittemore | 1,070 | 16,762 | 12.50 |

Teacher salary data for the eleven districts are shown in Tables II and III below. Table II lists the minimum and maximum salaries paid teachers with a bachelors' degree with no experience (B.A.-Base) and for a masters' degree with no experience (M.A.-Base) for 1969-70 for all districts and for 1970-71, except for four districts not yet settled.

Table II shows that on the Tawas salary schedule for 1969-70, a teacher with a bachelors' degree and no experience received \$6,900 (Column 1). Only one other

district, Alcona, paid less and eight districts paid more. In 1969-70, a teacher with a masters' degree and no experience teaching in Tawas received \$7,300 (Column 2). Nine of the eleven districts exceeded the Tawas Area 1969-70 M.A.-Base.

While parallel data are not complete for 1970-71, five of the districts that have settled exceed the Tawas Area Board's last proposed B.A.-Base offer of \$7,200 for 1970-71. (Column 3) and six districts would exceed the Board's last proposed M.A.-Base offer of \$7,600 (Column 4). Obviously the Board's B.A.-Base and M.A.-Base offers are too low.

Table II

Comparison of 1969-70 and 1970-71 Bachelors and Masters Degree Base Salaries of Tawas Area Schools and Ten Neighboring Comparable Districts, and State Median.

| <u>School District</u> | <u>1969-70 BA-Base</u> | <u>1970-71 BA-Base</u> | <u>1969-70 MA-Base</u> | <u>1970-71 MA-Base</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| Alcona | \$6,850 | \$7,200 | \$7,480 | \$7,863 |
| Arenac | 6,900 | ----- | 7,400 | ----- |
| Au Gres Sims | 7,000 | 7,200 | 7,200 | 7,400 |
| Gladwin | 7,150 | ----- | 7,650 | ----- |
| Hale | 7,000 | 7,300 | 7,400 | 7,700 |
| Oscoda | 7,300 | ----- | 7,700 | ----- |
| Pinconning | 7,185 | 7,700 | 7,685 | 8,200 |
| Standish | 7,000 | 7,500 | 7,500 | 8,000 |
| *Tawas Area | 6,900 | ----- | 7,300 | ----- |
| West Branch | 7,000 | 7,400 | 7,630 | 8,066 |
| Whittemore | 7,000 | 7,434 | 7,500 | 7,965 |
| State Median | \$7,355 | ----- | \$7,927 | ----- |

Table III reveals that on the Tawas Area Salary Schedule for 1969-70, a teacher with a bachelors' degree and ten or more years of experience received \$10,145 (BA MAX, Column 1). Four districts exceeded the amount paid Tawas teachers at the BA-Max level. The Board's last proposal for BA-Max for 1970-71 was \$10,440. Of the seven districts that have agreed on salaries for 1970-71, two exceed the BA-Max offer of the Tawas Board. (Pinconning, \$11,550 and Standish, \$11,250)

On the Tawas Area 1969-70 salary schedule, a teacher holding a masters' degree with ten or more years experience earned \$10,950. This salary figure was exceeded by five of the districts and by the state median. Of the seven districts that have agreed on salaries for 1970-71, four exceed the Tawas Board's last offer of \$11,250 (Table III, Column 4).

Table III

Comparison of 1969-70 and 1970-71 Bachelors and Masters Degree Maximum Salaries for Tawas Area Schools and Ten Neighboring, Comparable Districts, and State Median.

| <u>School District</u> | <u>1969-70 BA-MAX</u> | <u>1970-71 BA-MAX</u> | <u>1969-70 MA-MAX</u> | <u>1970-71 MA-MAX</u> |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Alcona | \$9,741 | \$10,239 | \$11,616 | \$12,210 |
| Arenac | 10,000 | ----- | 10,500 | ----- |
| Au Gres Sims | 9,500 | 9,950 | 10,200 | 10,650 |
| Gladwin | 10,175 | ----- | 10,888 | ----- |
| Hale | 8,650 | 10,000 | 9,050 | 10,400 |
| Oscoda | 11,388 | ----- | 12,012 | ----- |
| Pinconning | 11,029 | 11,550 | 11,796 | 12,300 |
| Standish | 10,250 | 11,250 | 11,000 | 12,000 |
| *Tawas Area | 10,145 | ----- | 10,950 | ----- |
| West Branch | 9,664 | 10,360 | 11,250 | 12,096 |

Table III cont.

Table III Cont.

| | | | | |
|--------------|----------|--------|----------|--------|
| Whittemore | 8,517 | 10,436 | 10,351 | 11,181 |
| State Median | \$10,600 | ----- | \$11,690 | ----- |

It is readily apparent from examination of enrollment, financial, and salary data from neighboring school districts and the state that the Board of Education of Tawas has paid its teachers less than an impartial third party would reasonably expect. Further, the Board's last salary proposal would continue this position.

Other school boards in the area have responded with competitive wage scales. The Fact Finder does not wish to imply here that the teachers demands for salary in 1970-71 are acceptable while the Board's proposals are not. The Association proposed a BA minimum of \$7,800, a BA maximum of 11,466, a MA minimum of \$8,200, and a MA maximum of \$12,300.

The Fact Finder notes that the cost of living index of the Bureau of Labor Statistics for September, 1969 was 129.3 and for July 1970 was 135.7, or an increase of 6.4 on the index scale.

Following is the Fact Finder's 1970-71 Recommended salary schedule.

Fact Finder's Recommended
Salary Schedule
for
1970-71

| <u>Scale & Step</u> | <u>BA</u> | <u>MA</u> |
|-----------------------------|-----------|-----------|
| Base | \$7,500 | \$7,900 |
| .5 | 7,575 | 8,025 |
| 1.0 | 7,800 | 8,150 |
| 1.5 | 7,900 | 8,275 |
| 2.0 | 8,000 | 8,250 |
| 2.5 | 8,050 | 8,375 |
| 3.0 | 8,250 | 8,500 |
| 3.5 | 8,375 | 8,800 |
| 4.0 | 8,500 | 9,100 |
| 4.5 | 8,650 | 9,350 |
| 5.0 | 8,900 | 9,600 |
| 5.5 | 9,025 | 9,725 |
| 6.0 | 9,150 | 9,925 |
| 6.5 | 9,325 | 10,025 |
| 7.0 | 9,525 | 10,150 |
| 7.5 | 9,750 | 10,375 |
| 8.0 | 9,900 | 10,500 |
| 8.5 | 10,100 | 10,700 |
| 9.0 | 10,325 | 10,925 |
| 9.5 | 10,650 | 11,400 |
| 10.0 | 11,000 | 11,900 |

Continue in effect the provisions for credit earned beyond the Bachelors' and Masters' Degrees as shown on page 33 of master agreement.

The proposed schedule would cost \$745,825 for 78 teachers. (Some disagreement arose about the exact number of teachers to be employed. The Board's proposal showed 78 teachers and that figure has been used in this report to cost out the salary schedule. The Association suggested only 75 teachers would be employed. Data in this report are clear; Tawas Area School District should improve its teachers' salary structure to remain competitive with neighboring districts.

The Fact Finder is aware that in order to meet the proposed salary schedule, an end of the year deficit can be expected if the current 13.5 mills levy is not increased.

It is the Fact Finders' firm belief that when taxpayers are fully informed about the needs of the schools for more money, they have responded positively. During the Fiscal year, July 1, 1969 through June 30th, 1970, voters in Michigan were asked to approve millage for operational purposes in 653 elections and rejected their school boards' requests only 196 times for a success rate of 70 per cent. (See Michigan School Board Journal, Vol. XVII, No. 4, August, 1970 at page 15.)

It is incumbent upon the Board of Education and their administrative staff to furnish strong leadership to seek improvement in the Tawas Area District's financial condition. I am therefore recommending that the Board of Education and

Superintendent begin preparations now to inform the voters of the district's long range financial needs and request their support. The Fact Finder is confident the voters of the Tawas Area School District will respond positively. One other important matter should be stressed at this point. The District should not curtail its educational program. The fiscal capacity exists to provide adequate educational offerings at all levels.

Extra Duty Compensation

Pay schedules for extra duty assignments of the teachers in the Tawas Area School District were compared with school district in the NBC athletic conference (Oscoda, Standish, Ogeman, Gladwin, Pinconning, Garber, and Carrollton). Eighteen different extra duty positions were listed for comparison purposes and Tawas was the lowest of the eight districts in almost every category.

The Association advanced a proposal that extra duty be based upon a percentage of the base of teachers' salary schedule rather than a fixed dollar amount. The Association's proposal may well be the better way; but it has not been the practice in Tawas nor has it gained widespread acceptance in the area.

Recommendations for extra duty presented in this report, using dollar amounts rather than percentages, should be adopted for 1970-71 and a detailed study

undertaken during the ensuing year to develop a more adequate rationale for the salary for each extra duty position. Likewise, there appears to be a need to explore the possibility of paying some teachers who sponsor and/or supervise extra-curricular activities not included on the list. It is apparent from the extra pay schedule that athletics enjoy a high priority in Tawas, and I make no criticism about that policy. However, other extra-curricular activities should be encouraged through broadening extra pay provisions for other extra duty assignments. The Fact Finder is encouraged to make the foregoing suggestion after reviewing the budget for 1970-71 and observing that the Board of Education has allocated \$23,154 for the Community School Program. Such a commitment indicates a sincere desire on the part of the Board to broaden its educational services. Strengthening the non-athletic part of the extra-curricular program would be a further extension of this policy.

Fact Finders Recommended
1970-71 Extra Duty
Pay Schedule

| | |
|-----------------------------------|-------|
| Head Varsity Football | \$750 |
| Assistant Varsity Football | 550 |
| Head Junior Varsity Football | 525 |
| Assistant Junior Varsity Football | 375 |
| Head 9th Grade Football | 375 |
| Assistant 9th Grade Football | 350 |
| Head Varsity Basketball | 750 |
| Junior Varsity Basketball | 550 |
| 9th Grade Basketball | 450 |
| 8th Grade Basketball | 450 |
| Head Varsity Baseball | 550 |
| Junior Varsity Baseball | 450 |
| Head Track | 525 |
| Head Cross Country | 350 |
| Assistant Track | 350 |
| Cheerleading Coach | 250 |
| Assistant Cheerleading | 150 |
| Head Golf | 375 |
| Girl's Basketball | 375 |
| Debate | 250 |
| Forensics | 175 |
| Department Heads | 225 |
| Lockers | 225 |
| <hr/> | |
| Special Education | 500 |

All teachers employed for extra hours during the day for hall, playground, or lunch room supervision shall be paid at a rate of \$5.00 per hour for the extra hours.

Health Insurance

Providing a comprehensive health insurance policy supplied by a carrier which commands the confidence of the teachers is essential to the settlement of this dispute. The Fact Finder possess no expertise on the subject of health insurance. However, it should be noted here that health insurance is a matter of concern at the highest levels of government evidenced by the fact that a bill was introduced recently in the United States Senate sponsored by two Democrats and two Republicans calling for a viable national health insurance. In introducing the bill, the Senators called attention to the urgent need for vast improvements in the health care for all citizens.

The teachers, through their representative, expressed a strong lack of confidence in the present carrier and made the following proposal which is adopted as the recommendation in this report for health insurance:

"The Board shall provide without cost to the teacher, full family health care insurance benefits. Each teacher shall have the choice of (1) coverage for one person, (2) coverage for two persons, or (3) full family coverage.

This insurance shall be carried by Blue Cross-Blue Shield. This policy will include semi-private service with rider D45M, DCCR, CC, OPC, IMB, and MVF-2 with ML rider and master medical."

The Fact Finder wishes to emphasize that the above recommendation is not based upon his evaluation of the present

health insurance carrier or the carrier recommended but solely on the preference of the teachers for Blue Cross-Blue Shield.

The teachers proposed that the Board of Education provide a minimum of \$35.00 per month in fringe benefits to all teachers. For example, the cost of medical insurance to the District for one person would be about \$17.00 per month. The Board of Education would then contribute an additional \$18.00 per month for that teacher to pay for selecting additional fringe benefits (life insurance, disability insurance, tax sheltered annuity, etc.). If the cost to the District for a teacher's health insurance exceeds \$35.00 per month, as would be true for a teacher requesting health insurance for the entire family, that teacher would not be entitled to additional fringe benefits according to the teachers' proposal.

Because of the teachers' deep feelings about improving their health insurance program and the Fact Finders belief that the Board will accept his recommendation on this item, the Association's demand for a minimum guarantee of \$35.00 per month in fringe benefits is excluded from the recommendation.

The Fact Finder is fully cognizant of the effect of his recommendation in creating a discrepancy in the dollar amounts of fringe benefits made available for individual

teachers. However, it is of great importance that the recommendation on health insurance be adopted. About 70 per cent of the teachers will be included under either the full family or two person coverage insurance program.

Term Life Insurance

Many private, and a growing number of public, employers provide, as a fringe benefit to their employees, term life insurance in varying amounts. The benefit appears more and more frequently in teacher-school board master agreements.

The Association proposed the Board provide a \$10,000 term life insurance policy for each teacher. The Board of Education made no counter proposal on this item and supported its position at the hearing by introducing data showing that among 10 neighboring districts, only the Pinconning District has agreed to provide term life insurance (\$2,000 per teacher).

The Fact Finder in making his report and recommendations may consider trends which occur state-wide. He has commented previously that term life insurance is appearing with increasing frequency in teacher-school board master agreements. It is a common practice in private employment. It is only one of a growing list of fringe benefits found in recently negotiated agreements.

Recommendations on the matter of term life insurance are as follows: for 1970-71 the Board provided without

cost to the teacher, a \$2,500 term life insurance policy with double indemnity provision for accidental death. For 1971-72, the Board provide without cost to the teacher a \$5,000 term life insurance policy with double indemnity provision for accidental death.

Conclusion

Several observations are in order. First, the recommendations included in this report will not be satisfactory to either side in the dispute. The proposed salary schedule and extra duty pay schedule fall short of the teachers' final proposal. Likewise, the schedules exceed the board's final offer. Since compromise is an essential part of collective bargaining, the recommendations offer a basis for settlement. I urge speedy acceptance by both sides.

On the matter of health insurance, the teachers position is sound and the Board should improve the health insurance fringe benefit and arrange for a contract with a carrier that is acceptable to the majority of teachers. The extension of additional fringe benefits to some teachers to provide a minimum of \$35.00 per teacher is not convincing when weighed against the potential of making health insurance improvements for all teachers and their dependents.

The recommendations for term life insurance are modest,

but in the opinion of the Fact Finder are sound and offer grounds for settlement.

At the risk of sounding paternalistic, several comments are in order.

The granting of concessions by the Board of Education and the teachers is not a sign of weakness or of failure by their skilled negotiators. But what would be a weakness, and perhaps catastrophic in the long run, would be for either or both sides in this dispute to close their eyes to reality.

A school system is a reflection of the community it serves. The school stands either as a shining example of the residents belief in education and the value they place on youth, or as a tarnished symbol that identifies that community as one that places a value on saving money through low taxes above the value of investing in good education. Meeting the Fact Finder's recommendations will require an increase in taxes--perhaps two or three mills. Likewise, the teachers will be required to accept salary scales and fringe benefits that are below those received by teachers in some of neighboring districts.

The Fact Finder retains jurisdiction of this matter after making this report to the Commission, the Association, and the Board of Education. He is hereby requiring the respective parties to advise him by Monday, noon, September

7th, 1970 as to whether or not they will accept this report or otherwise reach an agreement by that time. If either party rejects the report and no other agreement is reached, the Fact Finder will issue a public statement advising the citizens of the Tawas Area School District of his recommendations.

DATED: September 1, 1970

Kenneth Grinstead

Kenneth Grinstead
Fact Finder