

1710

FF
8/28/70

1970

David G. Heilbrum

BY APPOINTMENT OF
THE
EMPLOYMENT RELATIONS COMMISSION
STATE OF MICHIGAN

237

IN THE MATTER OF FACT FINDING BETWEEN

UBLY BOARD OF EDUCATION

-and-

UBLY EDUCATION ASSOCIATION

David Heilbrum 8-21-70

REPORT

Introduction

There is a basic two-year agreement between the parties which extends, with the exception of economic issues, to August 30, 1971. The economic issues of salary schedule, extra pay for special assignments, and insurance extend only to August 30, 1970. Negotiations between the parties have resulted in impasse as to each of these three issues.

Based on the Association's application for fact finding and the Board's answer, a hearing was held at Ugly High School on August 21, 1970.

I - Salary Schedule

The teacher salary schedule for the 1969-70 school year was as follows:

Experience (Step)	BA	BA + 15	MA or BA + 30	MA + 15
0	6900	7100	7300	7500
1	7150	7350	7550	7750
2	7400	7600	7800	8000
3	7650	7850	8050	8250
4	7900	8100	8300	8500
5	8150	8350	8550	8750
6	8400	8600	8800	9000
7	8650	8850	9050	9250
8	8900	9100	9300	9500
9	9150	9350	9550	9750
10	9400	9600	9800	10,000

The Association proposes the following salary schedule for 1970-71, which would result in the indicated percentage of increase set forth below at each key point on the proposed schedule:

Ugly Board of Education

BA Min.	-----	7,400	7.2%
BA Max.	-----	10,400	10.6%
BA + 15 Min.	-----	7,700	8.5%
BA + 15 Max.	-----	10,700	11.5%
MA Min.	-----	8,000	9.6%
MA Max.	-----	11,000	12.2%
MA + 15 Min.	-----	8,300	10.7%
MA + 15 Max.	-----	11,300	13.0%

The Board's salary offer is set forth below as to counterpart salary amounts and proposed percentage increases: ¹

BA Min.	-----	7,250	5.1%
BA Max.	-----	10,000	6.0%
BA + 15 Min.	-----	7,450	4.9%
BA + 15 Max.	-----	10,200	6.3%
MA Min.	-----	7,700	5.5%
MA Max.	-----	10,450	6.6%
MA + 15 Min.	-----	8,000	6.7%
MA + 15 Max.	-----	10,750	7.5%

The Association has advanced data concerning local effort, salary history of this school district, graphs and profiles relating to average teacher salaries, state median salaries, financial information on Class L school districts, and comparative salary information in relation to Michigan Education Association (MEA) Region 11 and Huron County.

The Board has advanced information on this issue relative to comparative teacher earnings converted to gross daily pay and the number of contracted days and potential work days in other school districts of the vicinity.

Out of the 45 school districts in MEA Region 11 Ubly ranked 19th in state equalized valuation (SEV) for 1969-70 with \$14,218 per pupil down slightly from the \$14,475 figure of the year before. In the same comparison group Ubly's operational millage for 1969-70 was 14.25, ranking it 33 (out of only 44) up from the 12.75 as a 41st place ranking (out of 45 school districts) for the prior year. Last year Ubly ranked 7 out of 8 Huron County school districts with its \$14,218 SEV. Over the last six years Ubly has dropped from above average to below average in SEV, when compared with other districts of MEA Region 11.

Last year's \$6,900 BA base placed Ubly in a tie with 14 other school districts of MEA Region 11 for 22/35 position out of the total of 45. Using the same comparison grouping its BA top placed it 32nd; its MA base placed it 25/34; and its MA top placed it 35/36.

¹ The percentage figures I use are based only on the dollar increase between last year's salary and the Board proposal at the same salary step and column. In certain newspaper publicity and otherwise the Board has quoted the percentage of increase represented by its economic offer. This percentage includes the Board's increased offer as to health insurance and it is for this reason that differences will be found between the percentages I set forth and those of the Board.

The salary ranking for school districts of Huron County during the 1969-70 school year was as follows:

<u>BA MIN.</u>		<u>BA MAX.</u>	
1. Caseville	7000	1. Bad Axe	9750
2. Bad Axe	6900	2. Harbor Beach	9434
3. Elkton-Pigeon-Bay Port	6900	3. <i>Ubly</i>	9400
4. Owendale-Gagetown	6900	4. Owendale-Gagetown	9250
5. Harbor Beach	6900	5. Port Austin	9248
6. <i>Ubly</i>	6900	6. Caseville	9200
7. North Huron	6850	7. Elkton-Pigeon-Bay Port	9050
8. Port Austin	6800	8. Port Hope	8300
9. Port Hope	6500	9. North Huron	7850 (5)

<u>MA MIN.</u>		<u>MA MAX.</u>	
1. North Huron	7600	1. Bad Axe	10150
2. Caseville	7500	2. Harbor Beach	9914
3. Harbor Beach	7380	3. <i>Ubly</i>	9800
4. Elkton-Pigeon-Bay Port	7350	4. North Huron	9800
5. Owendale-Gagetown	7300	5. Owendale-Gagetown	9800
6. Bad Axe	7300	6. Caseville	9700
7. <i>Ubly</i>	7300	7. Elkton-Pigeon-Bay Port	9450
8. Port Austin	6900	8. Port Austin	9384

At the time of the hearing four school districts of Huron County had settled for 1970-71. The following shows the salary schedules of these various settlements:

<u>BA MIN.</u>		<u>BA MAX.</u>	
Bad Axe	7500	Elkton-Pigeon-Bay Port	10500
Elkton-Pigeon-Bay Port	7500	Bad Axe	10500
<i>Ubly - teachers</i>	7400	<i>Ubly - teachers</i>	10400
North Huron	7398	<i>Ubly - board</i>	10000
<i>Ubly - board</i>	7250	Caseville	9620
Caseville	7200	North Huron	8640 (6)
<u>MA MIN.</u>		<u>MA MAX.</u>	
North Huron	8208	Elkton-Pigeon-Bay Port	11000
Elkton-Pigeon-Bay Port	8000	Bad Axe	11000
Bad Axe	8000	<i>Ubly - teachers</i>	11000
<i>Ubly - teachers</i>	8000	North Huron	10584
Caseville	7700	<i>Ubly - board</i>	10450
<i>Ubly - board</i>	7700	Caseville	10120

The latest year for which there is a full comparison of percentage expenditure of general fund for the total instructional salaries is 1967-68. In that year the state averages for Class F and Class L school districts were 69.75% and 71.20%, respectively. In that year the percentage expended for total instructional salaries at *Ubly* was 71% and for teacher salaries alone was 56%. In the following year (1968-69) as to *Ubly* alone the percentage of expenditure for total instructional salaries dropped to 65%; the teacher salaries percentage dropped to 52%; and the salary for administration dropped to 12% from 15% in the year before. The Association estimates that its salary package (including insurance) amounts to approximately 55% of the district's anticipated revenue, which was stated during the course of the hearing as \$800,000. ²

² While this figure was verbally approximated I note from Exhibit 4, page 5 that the income projection shown in graph form appears nearer to \$700,000.

The 1970-71 school year at Ubly will contain 185 contractual days. The collective bargaining agreement provides two personal business days for teachers. Other school districts of the vicinity have varying provisions in this regard, including Bad Axe and North Huron, where the number of contractual days is 190. The Board assumes that personal business days will be used where available and has stated a number of dollar figures representing gross daily pay for teachers in these various districts under the respective salary minimums and maximums. By illustration I select their calculation for the Ubly district of their BA minimum salary proposal yielding \$39.62 per day and their MA + 15 maximum salary proposal yielding \$58.74 per day.

After carefully examining all the material that has been presented on this issue I recommend the following salary schedule for this district during the 1970-71 school year. Its features are a \$7,300 BA base and an increased increment amount for the last four salary steps. I have set forth the respective percentage increase in my recommendation over last year's salary at the 0 step. As to step 10 the upper percentage figure represents the straight arithmetical percentage increase, while the lower percentage figure represents the actual increase that would accrue to a teacher moving from the 9th to the 10th step commencing this school year. I do this to illustrate the fact that, except for teachers already at the 10th step, a new school year will mean not only a basic salary increase but an increment increase as well. It therefore follows that this should be illustrated to avoid the misleading impression of teacher pay improvement being confined to the straight percentage increase of a given salary figure at a given point on the schedule, carried from one year to the next. I understand that of the 52 teachers to be employed during the coming school year only one is paid at the MA + 15 salary column. My complete recommended schedule is:

Experience (Step)	BA	BA + 15	MA or BA + 30	MA + 15
0	7300 (5.8%)	7550 (6.3%)	7750 (6.2%)	8000 (6.7%)
1	7550	7800	8000	8250
2	7800	8050	8250	8500
3	8050	8300	8500	8750
4	8300	8550	8750	9000
5	8550	8800	9000	9250
6	8800	9050	9250	9500
7	9100	9350	9550	9800
8	9400	9650	9850	10,100
9	9700	9950	10,150	10,400
10	10,000 (6.4%) (9.3%)	10,250 (6.8%) (9.6%)	10,450 (6.7%) (9.4%)	10,750 (7.5%) (10.3%)

Professional compensation for teachers should be set at the most favorable level possible. A problem in establishing higher salaries in this school district is the limited local effort that appears from the evidence. Ubly's SEV dropped last year as compared to the year before and its operational millage in the same period increased only 1.5 mills. Operating millage was quite low and total millage was next to last in 24 comparison Type L school districts last year. While SEV for Bad Axe was lower in a recent period its operating millage shows 2.5 mills higher than Ubly. The Elkton-Pigeon-Bay Port school district exceeds Ubly in SEV by 50% and operated last year on 1.25 more mills.

An important criterion in determining equitable salaries is cost of living data. The Association fixes last year's rise at 7% while the Board claims that official figures show it to have been 6.1% for the year. Advance Sheet 10:159 dated July 23, 1970 issued for *Collective Bargaining Negotiations and Contracts*, Bureau of National Affairs, Inc. shows a 6.0 percentage change in the consumer price index for Detroit as of June 1970. (See Sheet A)

Although I am not informed of the distribution of teachers throughout the salary schedule, it is typical that many would experience an increment increase and if not, I have recommended special improvement for the upper salary steps where the absolute percentage increases range from 6.4% to 7.5%. I have reason to assume that the distribution of teachers is weighted towards the higher step, since in the 1966-67 school year the average salary at Ubly was \$1,000 more than the county-wide average and several hundred dollars above the average for Class F districts, whereas its salary standing compared with MEA Region 11 minimum and maximum salary figures showed a lag ranging from \$100 to \$1,357.

I am less concerned with state medians and area-wide rankings than with comparison of immediately adjacent districts of the same county. In this regard Ubly ranked rather well in most categories in 1969-70 and even in the lowest (MA minimum) lacked only \$80 of being tied for third position of the eight districts. Significantly, Ubly has remained close in key salary points with Harbor Beach, although the latter has greater total millage and much greater SEV.

My recommendation also continues a steady improvement in the ratio of BA minimum to MA maximum. After considerable fluctuation in the mid-1960s ³it came to 1.37% in 1968-69, increased to 1.42% in 1969-70, and would under my recommendation again increase in stable fashion to 1.43%.

I am not significantly influenced by the evidence or arguments concerning number of contracted days, personal business entitlement, or equivalent daily gross pay. I have instead attempted to recommend that salary schedule most indicative from the facts of the case.

II - Extra Pay for Special Assignments

The various athletic and special pay assignments were set forth in Appendix B of the agreement with appropriate lump sum compensation for each. The Association proposes that the sum of \$650 be provided for extra pay and distributed at the Association's discretion. The Board offers \$500 on this point. The respective percentages of increase on the total amount paid as extra pay are stated as 20% and 11%, respectively. I have considered the arguments made on this point and feeling that the Board's offer is adequate, recommend that it be adopted.

III - Insurance

As effective during school year 1969-70 Article XIX of the agreement read as follows:

3

School years 1965-66, 1.33%; school year 1966-67, 1.53%; school year 1967-68, 1.33%.

Insurance Protection

The Board shall provide \$15 a month for a 12 month period to the individual teacher for health insurance (Blue Cross - Blue Shield or Major Medical MEA Health or Super Medical or any other MEA type insurance). This applies only to fulltime teachers.

The Association has made a comprehensive insurance proposal designed primarily to provide needed health insurance protection for its members. The proposal contemplates the use of MEA Super Med for either full family, teacher and spouse, or single subscriber coverage in the respective monthly premium amounts of \$36, \$26, and \$14.65. Blue Cross - Blue Shield could in the alternative be selected by teachers as their insurance carrier.

A feature of the Association's proposal is that for teachers not needing basic health coverage because of duplication the \$14.65 amount could be used for selected optional coverage, such as life insurance, dental care, or income protection. The Association estimates the cost of its proposal as \$26 per teacher.

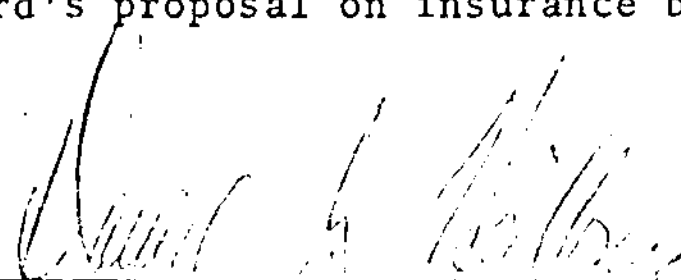
The Board has offered to increase its monthly premium contribution to \$20 for the coming school year, or a yearly total of \$240.

In the 1968-69 school year the insurance benefit ranking in Huron County showed the following:

Harbor Beach	\$158
North Huron	144
Port Austin	144
Udly	120
Bad Axe	75
Elkton-Pigeon-Bay Port	60
Caseville	-0-

At the time of the hearing known settlements for school year 1970-71 were reported by the Association for Bad Axe, Elkton-Pigeon-Bay Port, Caseville, and North Huron as \$244, \$240, \$200, and \$156, respectively, in insurance benefits. The Board asserts that the actual health insurance coverage in the Bad Axe school district is based on a \$244 maximum per teacher, but with the possibility that individual instances of coverage might only cost a portion of that amount.

I believe that the Association's proposal is progressive in theory and reflects developments on this subject, both in private and public employment. On the other hand a significant change in principle of this type is better negotiated at the time an entire collective bargaining agreement is up for renewal. There are subtle interrelationships that exist between insurance benefits and other major provisions of typical teacher contracts. The Board's proposal is an appreciable increase and puts it at about the top of known settlements to date. Accordingly, I recommend that the Board's proposal on insurance be adopted.



David G. Neilbrun
Hearings Officer

Dated at Southfield, Michigan,
this 28th day of August, 1970.

SHEET A

74 LRR 293 dated July 27, 1970 issued for *News and Background Information*, Bureau of National Affairs, Inc. stated that the June consumer price index rise of 0.4% to 135.2 for "all items" nationally raised the index 6.2% above one year earlier. This same source commented that the June increase of only 0.4% " ... confirmed speculation that the price spiral in the first half of the year peaked in April, when the overall advance reached 0.6%" and further described the June change as "holding to the moderate-level advance of the previous month ..."

In the latest available data another publisher shows that the "all items" cost of living increase from July 1969 to July 1970 was only 5.9%. In this report the July 1970 "all items" index was 135.7 nationally and 135.6 for Detroit. Report 105, *Supplement to Labor Law Reports*, dated August 21, 1970, Commerce Clearing House, Inc.