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STATE OF MICHIGAN  
DEPARTMENT OF LABOR  
EMPLOYMENT RELATIONS COMMISSION

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In the Matter of

THE BOARD OF EDUCATION OF THE  
WATERFORD SCHOOL DISTRICT

-and-

THE WATERFORD EDUCATION ASSOCIATION

On September 28, 1971 the undersigned, Leon J. Herman, was appointed by the Employment Relations Commission as its hearings officer and agent to conduct a fact finding hearing relevant to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of the Public Acts of 1939 as amended, and the Commission's regulations. Accordingly, and upon due notice, hearings were scheduled and held on November 2, 4 and 6, 1971 at the offices of the Board of Education, 6020 Pontiac Lake Road, Waterford, Michigan.

Appearing for the Board of Education:

Clark, Hardy, Lewis & Fine, Attorneys, by Gary A. Marsack  
John Pagen, Superintendent  
Richard L. Higginbotham, Director of Personnel and Employee Relations  
Joseph Giddis, Assistant Superintendent, Business  
Gene Megiveron, Director of Secondary Education  
Chuck Bryan, Principal, Silver Lake  
Roy Alexander, Assistant Superintendent, Instruction  
Maurice D. Pelton, Director of Elementary Education  
Louis H. Schimmel, Jr., Board Member  
Dave Lindsay, Assistant Principal, Mott  
Paul O'Neill, Principal, Pierce  
Tom Keller, Principal, Lotus Lake  
Terry B. Kot, Assistant Director, Personnel  
Don Smith, Administrative Assistant

Waterford School District

Appearing for the Waterford Education Association

Warren Williams, Executive Director  
Lillian Stoner, Counselor, Mott H.S., P.N. Team Member  
John Makowski, P.N. Team Member  
Gil Bergsrud, P.N. Team Member  
Sandra Bunce, P.N. Team Member  
Jan Voelker, P.N. Team Member  
Pat Burns, P.N. Team Recorder  
A. Gerald Lewis, President, Waterford Education Association

The Waterford School District is unique in a number of respects. It covers an area of 42 square miles, embracing the Townships of Independence, Waterford and White Lake and a portion of West Bloomfield. Its enrollment, as of the last count, is 18,562 pupils, subject to minor adjustments. 78% of the taxes in the area are paid by home owners. Eight millage elections since 1966 have resulted in consistent defeats for the Board until May 5, 1970, when a 6 mill increase was granted, raising the total millage to 38.63. This makes Waterford the fourth district in total millage among the 28 districts in Oakland county. It is conceded by the Association that the taxpayers would not approve any further increase. The 6 mills were apparently voted because the District had cut much of its school programs to half days, a procedure which was contested in court and sustained by the State Supreme Court. Enabled by the millage increase, the Board has added a substantial number of teachers and has reestablished full day schedules. In addition, the Board agreed with the Association to limit class sizes to a manageable number of pupils. There are now 796 teachers employed by the system. The SEV per pupil is \$14,229, which ranks the district 23rd among the 28 Oakland County districts.

The Board anticipates revenues for the current fiscal year of \$16,145,110.00, an increase from the previous year of \$922,280.00. It has increased salaries to its secretarial staff and to its custodial and maintenance employees. In addition, it has proposed increases to its school teachers, which have been rejected as inadequate, and intends to offer its supervisory employees a 5% increase in salary.

The Board is faced with an obsolete property dispersion. It supports three senior high schools, three junior high schools, and 27 elementary schools, most of which are small and old and widely scattered throughout the District. The result is a disproportionately high cost in administration and maintenance of the various buildings. Although it is a racially homogeneous area, the Board is compelled to budget \$283,400.00 this year for bus transportation for its children. The reason, of course, is that the schools are too small to accommodate the pupils in their neighborhood. A number of them must be transported to more distant buildings. In addition to 796 teachers and 64 administrators, it employs 56 bus drivers and mechanics, 141 custodial and maintenance men, 80 food service employees, 96 secretarial employees and 131 noon supervisors, crossing guards, teacher aides and parking attendants.

When the Board and the Association found themselves unable to agree upon a contract for the current year, the teachers walked out in protest and remained out for twelve days. They returned to school and resumed negotiations, which resulted in settlement of practically all items with the exception of salaries. This one issue has been left for recommendation through this fact finding proceeding.

The present salary range for non-degree teachers ranges from \$7,000 to \$10,450 in ten steps. The BA range is \$8,000 to \$13,200 in ten steps. BA+20 pays \$8,400 to \$13,200 in ten steps. The Masters schedule is set at eleven steps. The salary for MA teachers is \$8,800 to \$15,100, for MA+15 years, \$9,100 to \$15,500, and for MA+30, \$9,300 to \$15,800.

The Board has proposed that the non-degree and bachelor schedules be increased to eleven steps and the MA schedules to twelve steps. The Association has protested the increase in the number of steps. The Board has declared that it was not its intention to increase the number of steps, but to give teachers who are already at the maximum an increase in base pay when their longevity rose beyond the top step on the pay schedule.

Accepting the Board's statement of position on the salary track as genuine, and more clearly to illustrate the differences between the parties, I am relating the positions of the parties, with the addition of the extra increase above the present track system as proposed by the Board:

For non-degree teachers the Board has proposed \$7,100 to start, ranging to \$10,650 at the tenth step, with an increase above the tenth step to \$10,925. The Association asks \$7,200 to start with \$10,900 at the tenth step.

The Board proposes a BA minimum of \$8,100, running to \$13,400 at the tenth step, plus an increase to \$13,675 beyond that. The Association asks \$8,200 to start and \$13,800 at the tenth step.

On the BA+20 track the Board proposes a salary range of \$8,500 to \$14,000, plus an additional increase above the tenth step to \$14,275. The Association asks \$8,600 to \$14,400 in ten steps.

The Board's proposed MA minimum salary range is \$8,900 to \$15,300, plus an increase to \$15,575 beyond the eleventh step. The Association asks \$9,100 to \$15,800 in eleven steps.

On the MA+15 schedule the Board's proposal ranges from \$9,200 to \$15,700, with an increase to \$15,975 beyond the eleventh step. The Association counters with a proposal of \$9,300 to \$16,150 in eleven steps.

The Board's offer for the MA+30 range is \$9,400 to \$16,000, with an increase to \$16,275 beyond the eleventh step. The Association asks \$9,600 to \$16,500 in eleven steps.

The Board has not yet prepared a final budget. It has, from time to time, revised its budget work sheets to include or exclude the various items as changes develop. Its latest work sheet, prepared for the hearing in fact finding, shows a total contemplated revenue for the year of \$16,003,023, representing an increase of \$712,658 from the previous year. It contemplates expenditures of \$16,269,071, an increase of \$990,375 over the previous year, which will result, according to its tentative figures, in a net deficit of \$277,717. The expenditures include the cost of the current offer to the Association members, plus the cost of increased class size. In addition, it includes a 5% increase to general supervision and increases in wages to other employees of the system which have already been contracted for. Interest on loans and increased insurance costs have caused an increase in these factors of \$96,602. The Board contemplates that it must cancel some programs and

eliminate some contemplated items of expenditure in order to wipe out the anticipated deficit and arrive at a balanced budget.

The Board points out that it has already agreed to substantial fringe benefits in the proposed contract, including hospitalization insurance and double indemnity life insurance. Sabbatical leave is allowed for three teachers. Class size restriction will result in the addition of 6 more teachers. The extracurricular payment schedule has been substantially increased. A number of individual teachers will receive increases automatically as a result of the changes in their positions on the track, due to increased educational training.

In addition, the Board has offered paid sick leave, long term disability, leave of absence with pay, payment during jury duty and payment for 2 days during the year for personal business leave.

The Association has not disputed the budget strenuously. It does point out that it does not make provision for salary savings accruing from the current freeze, which on the Board's proposal alone would amount to \$87,365. Under the Association's proposal, the Board would have saved \$121,338. It questions the Board's decision to purchase nine school busses during the year to replace five 1963 model busses and four 1964 model busses, although it does not question that busses 7 years old should be replaced. The expenditure for the busses amounts to \$53,262 and must be paid in the spring, when the busses are to be delivered.

The Association also points out that the Board has granted its secretaries an increase for the year of 6.9%, whereas the offer at the BA maximum scale is only 3.6%. Custodians received an increase of 4.5% and carpenters 5.1%.

The Board counters that secretaries do not receive the same fringe benefits as do teachers. They must earn their sick leave, they have no master medical nor ML rider in the Blue Cross insurance, nor do they receive paid life insurance. They have no paid Association days, no agency shop, no binding arbitration, no three week paid vacations and no sabbatical leave. Custodians and carpenters receive 1/2 day less paid personal leave, \$5,000 less life insurance, no master medical Blue Cross coverage, no unlimited sick leave, no three week vacation until the sixth year of work, no paid union days, no paid in-service days, no sabbatical leave and no family emergency illness leave.

The Association also protests that the Board is prodigal in payment of supervisory salaries. The superintendent was paid \$32,000 for the year 1970-71, which ranks the District 8th among 18 districts in Wayne, Oakland and Macomb counties in such payments. The average administration salary in 1970-71 was \$19,163, 12th among the same 18 districts.

The Board insists that, in making comparative evaluations of salary schedules, only B Formula schools in Oakland county should be considered, since Waterford is in that classification. It points to Clarenceville, Oxford, Brandon, Huron Valley, Hazel Park and Madison Heights as the B Formula districts which have settled for 1971-72. The salary for BA minimum in those schools is \$8,100 to \$8,350, with three schools in the \$8,100 range. In the BA maximum the range is \$12,458 to \$13,950, with all except Hazel Park lower at this point than is the Waterford proposal. In the MA minimum

ranking the schools pay \$8,600 to \$9,052. Waterford with an \$8,900 proposal is third in ranking. In the MA maximum rate, the range is \$13,890 to \$15,560, with Waterford standing fourth in its proposed payment of \$15,375. It is pointed out that Hazel Park, Berkeley, and Madison do not have the transportation expense which burdens Waterford, nor do any schools have the excessive number of facilities which must be maintained, serviced and supervised. It is contended that, on the basis of comparative values in similar schools, the Board's proposal is reasonable and fair and should be adopted.

The Association is of the firm opinion that comparisons should not be limited to Oakland county, nor should they further be restricted to B Formula schools. Wayne, Oakland and Macomb Counties are a more or less homogeneous area from the view point of cost of living, and should be considered in determining what is the fair salary range in Waterford. To this end it has shown that BA salaries in Utica range from \$8,600 to \$14,104 and MA salaries from \$9,632 to \$16,958 in the eleven steps. Grosse Pointe pays its BA's \$8,700 to \$14,320 and MA's \$10,000 to \$16,330 in eleven steps. Taylor pays \$8,640 to \$14,256 to its BA teachers in nine steps and \$9,450 to \$16,378 to MA teachers in ten steps. Livonia salary schedules for BA at Level I are \$8,240 to \$13,431 in nine steps; in BA Level II it pays from \$10,794 at the fourth step to \$13,678 at the ninth step. In MA Level I Livonia pays \$9,064 to start and \$14,255 at the ninth step, while in MA Level II it pays \$11,618 beginning with the fourth step and \$15,656 in the eleventh step.



Even considering solely the school systems in Oakland County, the Association points out that Walled Lake pays \$8,450 to \$14,028 to Bachelors in ten steps and \$9,126 to \$15,938 for MA in eleven steps. In Southfield the scale is \$8,464 to \$13,648 in nine steps for BA teachers and \$8,993 to \$16,300 in eleven steps for MA teachers. Rochester pays \$8,300 to \$13,900 on the BA track and \$9,200 to \$15,800 on the MA track, all in ten steps. Pontiac also has a ten step salary schedule of \$8,654 to \$14,033 for BA and \$9,349 to \$16,414 for MA. The Oxford schools pay BA's \$8,150 to \$12,817 and MA's \$8,650 to \$13,890 in eleven steps. Oak Park salaries pay \$8,700 to \$13,900 for BA and \$9,400 to \$15,900 for MA in ten steps. The Madison Heights salary schedule is \$8,100 to \$13,550 for BA and \$9,025 to \$15,600 for MA in eleven steps. Huron Valley has a ten step schedule of \$8,100 to \$14,458 for BA and \$9,050 to \$15,313 for MA. Hazel Park's salary schedule ranges in nine steps with a BA spread of \$8,100 to \$13,950 and an MA spread of \$8,900 to \$15,650. Ferndale salary schedule in ten steps is \$8,475 to \$13,975 for BA and \$9,375 to \$16,075 for MA. Clarenceville's eleven step schedule provides \$8,320 to \$13,312 for BA and \$8,840 to \$15,496 for MA, while Bloomfield Hills has a ten step schedule of \$8,200 to \$13,680 for BA and \$8,900 to \$16,000 for MA.

The Association places particular emphasis on the disparity between the Board's proposals and the settlement in Hazel Park, which it points to as a school district of similar wealth. Hazel Park, with an SEV per pupil of \$14,393 ranks 22nd in the County rating as against Waterford's rank of 23. The 1970-71 tax rate in Hazel Park was 33.97 while Waterford's rate was increased to 38.63.

Hazel Park's beginning BA salary is \$8,100, which compares favorably with the Board's offer of \$8,100 and the Association's proposal of \$8,200. However, Hazel Park has only a nine step track, at which point it pays \$13,950 as against the Association's request for \$13,200 and the Board's offer of \$12,800. In the MA schedule Hazel Park starts at \$8,900, the same rate Waterford has offered and \$200 less than the Association asks. At the top ninth step of Hazel Park's MA schedule a teacher receives \$15,650, contrasted with the \$14,000 offer by the Board and the \$14,400 request by the Association.

The Board declares Hazel Park's school district to be a far cry from a comparable system. The salaries paid in Hazel Park have resulted in a deficit budget for the past three years. In 1969-70 Hazel Park had a deficit of \$957,399. In 1970-71 the deficit was \$708,057 and in 1971-72 it was \$441,950. As of January, 1970 the Hazel Park Board was forced to slash spending for text books, library books and other supplies by \$266,107. Hazel Park does not bus any students to school, except for Special Education children, whereas Waterford must spend \$283,400 of its operational funds to bus students, over and above the state reimbursement.

In addition, since 1969-70, when Hazel Park sustained a deficit of almost \$1,000,000, it was forced to reduce its staff by 60 teachers. For 1971-72 it has reduced its staff by another 13 teachers, 2 because of a drop in enrollment and 11 because of financial conditions. Furthermore, Hazel Park has 1 senior high school, 2 junior high schools and 9 elementary schools for a total

of 12 buildings, whereas Waterford maintains 3 senior high schools, 3 junior high schools and 27 elementary schools, 33 in all.

The Board argues that if Waterford reduced its staff by a similar percentage and discontinued bussing it would save \$266,400 in salaries on its proposed salary schedule and \$283,400 on busses. The District cannot afford to pay Hazel Park salaries and at the same time reduce class size.

It has become a basic precept among fact finders that teachers are entitled to a decent living wage. In determining what is fair and reasonable consideration must be given to salaries paid in other schools, to increases in the cost of living, and to such elements as earnings of people in other types of occupations. The latter item has occasioned considerable difficulty, since so many disparate factors are involved. The educational requirements and duties of the various jobs, and the fringe benefits which go along with these jobs and which vary from occupation to occupation, are all matters of cost which must be taken into consideration. Thus, the salaries and salary increases of secretaries, custodians and maintenance men are not too relevant. Nor should it be necessary to search beyond the confines of the immediate area to determine what is a fair and reasonable wage. The fact, for example, that Grosse Pointe pays its teachers the highest salaries in the state, and probably in the country as a whole, does not ordain that the teachers in Waterford receive similar salaries. They should, however, be paid roughly the equivalent of salaries paid throughout the Oakland County area, where all teachers sustain a similar cost of living and are entitled to live on a similar scale.

The fact that the Board of Education does not have enough income to pay a reasonable living wage to teachers is not greatly material. The old maxim that the worker is worthy of his hire still applies. It is up to the Board as employer to provide the funds to pay its teachers a fair and reasonable stipend for their work, either by obtaining the necessary monies for that purpose or by reducing expenditures in other areas to meet the teachers' requirements. The teachers are not to be expected to subsidize the cost of education by reducing their own proper scale of living.

I do not believe that the salaries paid to supervision in this system is an objectional factor. The extraordinary number of school buildings requires a disproportionate number of principals, assistant principals and secretaries, as well as custodian and maintenance employees. Particular reference has been made to the salary of the school superintendent as compared to salaries paid to similar positions in other systems. I have neither authority nor intent to determine whether the salary paid by the Board to its superintendent is fair or is out of line with that paid in other systems. I am, however, of the opinion that the large number of supervisory employees, necessitated by the inordinate number of school buildings in the system, puts a burden upon the superintendent far in excess of that which will be found in most systems of comparable size. I believe the salary paid to the superintendent in Waterford is reasonable in the circumstances in which he must work, and because of the extra duties which are forced upon him by the nature of the system in which he is employed.

I agree with the Board that Hazel Park is not a fair comparison to Waterford. The Hazel Park School Board has permitted its finances to get so far out of hand as to jeopardize the welfare of the pupils. I believe that the Waterford Board is doing its best to maintain a sound financial stature. This is as important to the teachers as it is to the pupils, if the present complement of teachers is to be continued.

I am also aware that the total cost of the Board's package does not reflect the saving which has been made and which may be made for some time in the future as the result of the current wage freeze. At the last computation this saving amounted to \$87,365, which the Board can well afford to apply to teachers' salaries, since it has already been committed for that purpose and has not yet been expended.

I do not question the Board's expenditure for new busses. I am of the impression that the Association is of the same attitude. Old and obsolete busses constitute a danger to the students which neither Administration nor teachers can afford to risk. The Board has wisely purchased the busses at a time when their prices are frozen, so as to save what may be a substantial sum. It is a necessary expenditure, made in the interest of pupil safety, and should not be criticized nor eliminated.

I find particular relevance in Exhibits 56B and 56C, submitted by the Association, which indicate the average of the settlements made in the Oakland County area. At the BA minimum the

average is \$8,308, as against the Board's offer of \$8,100 and the Association's request of \$8,200.

At BA maximum the average is \$13,645, against which the Board has offered \$13,675 and the Association asks \$13,800.

The average of MA minimum salaries is \$9,040, while the Board has offered \$8,900 and the Association has asked \$9,100.

At the MA maximum the average is \$15,678. The Board has offered \$15,575 and the Association has asked \$15,800.

I have been given no indication that Waterford should vary materially from the average of settlements made in the districts in its own county. I believe those averages should be seriously considered in determining the recommendations that I am to make in this matter. The averages do not show what is paid, if at all, on the remaining BA and MA tracks in use in this district. As to those I can only offer my best judgment and trust that it will be found acceptable.

I make my recommendations solely at the beginning and top of each track. I believe it safe to assume that the parties can negotiate the intermediate steps without difficulty.

There are only three people on the non-degree track. The Board has offered a starting salary of \$7,100 with a tenth step payment of \$10,650 and an eleventh step of \$10,925. The Association asks a range of \$7,200 to \$10,900 in ten steps.

I recommend a starting salary of \$7,150 for non-degree teachers to increase to \$10,750 at the tenth step and \$10,925 at the eleventh step.

The Board has offered \$8,100 to start in the BA minimum schedule, to increase to \$13,400 at the tenth step, increasing to \$13,675 for those above the tenth step. The Association asks a range of \$8,200 to \$13,800 in ten steps. The average shown by the Association for bachelors is \$8,308 to start and \$13,645 at the maximum.

I recommend a starting BA salary of \$8,200 increasing to \$13,500 in ten steps, with teachers above the tenth step to receive \$13,675. It is noteworthy that 118 teachers qualify for this higher salary.

In the BA+20 track the Board has offered \$8,500 to start and \$14,000 at the tenth step, with \$14,275 beyond that. The Association has asked \$8,600 to \$14,400. I recommend a starting salary of \$8,550 increasing to \$14,150 at the tenth step, with the teachers of longer longevity to receive \$14,300.

The Board has offered an MA minimum of \$8,900, increasing to \$15,300 at the eleventh step and \$15,575 beyond that. The Association asks \$9,100 to \$15,800 in eleven steps. The Oakland county average is \$9,040 to \$15,678.

I recommend a starting salary for MA minimum at \$9,000, increasing to \$15,500 at the eleventh step and thereafter increasing to \$15,675.

The Board has offered to pay for MA+15 a salary range of \$9,200 to \$15,700 in eleven steps, thereafter increasing to \$15,975. The Association has asked \$9,300 to \$16,150 in eleven steps.

I recommend the starting salary of \$9,250, increasing to \$15,800 in eleven steps, to be increased thereafter to \$16,000.

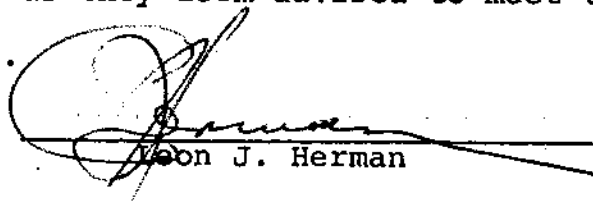
For MA+30 the Board has offered \$9,400 to \$16,000 in eleven steps and thereafter \$16,275, while the Association has asked \$9,600 to \$16,500 in eleven steps.

I recommend the starting salary for MA+30 of \$9,500. The rate at the eleventh step should be \$16,100 and beyond that \$16,300.

It may of course be understood from the foregoing that I do not recommend any increase in the number of steps. I am rather accepting the Board's statement that it is willing to pay an additional longevity increase to teachers who are in their employ beyond the completion of the track limitations.

It should be remarked that in spite of the problems which have beset the negotiating teams on both sides, the parties have throughout this proceeding been courteous, calm and cooperative. I thank them sincerely for their attitude and hope that my suggestions will lead to a prompt settlement which both parties will consider equitable.

As a footnote, it should be mentioned that I have come to the foregoing recommendations without consideration of either Phase I or Phase II of the current wage freeze. The sketchy reports of late in the newspapers lead me to believe that the recommendations will fall within the prospective guidelines. Should this not be so I leave it to the parties to take such action as they deem advised to meet the requirements of the regulations.



Leon J. Herman