

STATE OF MICHIGAN
DEPARTMENT OF LABOR
LABOR MEDIATION BOARD

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DETROIT OFFICE

WAYLAND EDUCATION ASSOCIATION,
Affiliated with the Michigan
Education Association and
National Education Association,

Petitioner,

and

BOARD OF EDUCATION OF THE WAYLAND
UNION PUBLIC SCHOOLS,

Respondent.

James P. Kuty

LABOR RELATIONS LIAISON
Fact Finding Under
Section 25, LMA

FACT FINDING REPORT

Pursuant to a Petition for Fact Finding filed by Wayland Education Association, Petitioner herein, dated July 26, 1968, a fact finding hearing was held on August 26, 1968 between the hours of 10:30 a.m. and 6:00 p.m. before the undersigned Fact Finder. The Respondent Board duly filed its response, dated August 12, 1968, to the Petition for Fact Finding. Both parties cooperated fully in presenting a full and complete record in regard to the issues in dispute and in attempting to mutually resolve said issues without the aid of the Michigan Labor Mediation Board. This report will combine throughout the Fact Finder's findings of fact, conclusions upon all material issues presented at the hearing, and recommendations with respect to said issues, along with the reasons and basis thereof, pursuant to Rule 35 of said Labor Mediation Board.

Wayland Union Public Schools, Board of Education of the

The Issues Involved:

The original Petition for Fact Finding set forth some eleven separate issues, four of which dealt directly with salary matters, and the other seven with extra duty compensation, fringe benefits, and non-economic provisions of the contract. The dispute in the instant case involves the third contract between the parties, there having been a contract between them on a yearly basis for the past two years. The basis of the instant dispute, as is generally the case in such fact finding cases, relates to the question of teachers' salaries and inadequate millage on the part of the Respondent Board to meet the demands of the Petitioner.

During the course of the rather extensive fact finding hearing, the parties caucused on two separate occasions and were able to resolve virtually all of the matters in dispute. Accordingly, the issues that have been resolved by the parties will not be set forth in this report. The parties were able to agree that in regard to the salary schedule for teachers, the base pay for teachers with bachelor's degrees would be \$6,250, and that there would be ten annual increments within this salary schedule and any corresponding salary schedule, such as that applicable to those teachers with masters degrees. This base rate represents an increase of \$450, over the \$5,800 base rate for B.A. degrees in last year's contract.

The only issue that the parties were unable to resolve related to the percentage factor for the ten annual increments. Petitioner is seeking a 5 percent annual increment which would apply to all grades in the salary schedule, whereas Respondent wants to retain the 3.75 percent annual increment, which is the amount provided for in the 1967-1968 agreement between the parties.

While the increment factor was the only issue stated by the parties as outstanding at the close of the hearing, Respondent implies in its post-hearing submission of information to the Fact Finder that there may be an extension of this issue relating to the establishment of two new salary schedules for a "B.A. degree plus 15 hours", and an "M.A. plus" schedule. Petitioner's post-hearing submission is silent on the existence of such an issue, so the undersigned will refrain from any findings in this regard, absent a further submission to the Fact Finder in regard to such issue.

Findings of Fact

The parties submitted detailed information as to the financial status of the Respondent, and its ability or lack of ability to pay the amounts requested by the Petitioner. It is unnecessary and would unduly burden this report to summarize all of the financial data that was submitted to the undersigned. Suffice it to say, this data has been carefully reviewed and taken into consideration in my findings and recommendation herein. I note at the outset that the Petitioner's last request relative to the issue in dispute was for a base salary of \$6,300, progressing to \$8,820 in eight annual increments of 5%. The Respondent's last offer was for a salary schedule beginning at \$6,000, and progressing to \$8,385, apparently using the 3.75% progression over ten steps, as per the prior contract. The ten steps equal eleven increments since the schedule progresses from 0 to 10.

The prior contract had provided that the wage rates for the 1968-1969 contract would be set at a base of \$6,500, progressing over ten steps to \$9,750 for a B.A. degree, but such salary schedule was subject to the passage by the voters of an unspecified amount of millage sufficient to support the cost of these pro-

visions of the contract. The agreed minimum of two millage votes were held by Respondent prior to July 1, 1968, and were defeated both times, the amount of millage requested each time being 11 mills. Respondent finally presented to the voters an "austerity" millage proposal in the amount of 6.8 mills, which was passed by the voters on July 22, 1968.

The Board asserts that at the time the 6.8 millage vote was being considered, the parties allegedly estimated that "approximately 4 mills" of the 1968-1969 budget for the district should be devoted to improving salaries and benefits for teachers during the 1968-1969 school year. Petitioner admits an informal discussion between the parties concerning the millage issue at which the Board raised the question of the need for 4 mills to cover increases in salaries, but denies that this was ever a "commitment at the bargaining table." The question of whether such an agreement was made is not dispositive, in my opinion, of the issue herein, but is one further factor that the Fact Finder must take into consideration in making his recommendation herein.

I also note that there is at least some disagreement between the parties as to what constitutes "salaries", for example the cost of using teacher's aides, but the amounts involved are not sufficient to discuss extensively in this report or make a difference in my recommendation herein.

Contentions of the Parties

Petitioner contends that despite the reduced amount of millage obtained by Respondent, its budget clearly is adequate to support the aforesaid demand of the teachers. The Petitioner notes that Respondent's 1968-1969 budget, using the 3.75%

increment factor, contains a surplus, which varies from approximately \$65,000 to \$70,000, depending on whether the Board's figure or the Petitioner's figure is accepted as accurate. This surplus, of course, declines as the increment factor is raised, standing at approximately \$25,000 or \$31,000 at the 5% level. Petitioner contends that such surplus should be used to raise the level of teachers' salaries to a level of greater parity with other districts in its county and surrounding counties, and it objects to the maintenance of a surplus when there exists liberal State programs for borrowing by school districts. It also notes that granting its proposal would provide the Board with an even greater surplus than last year.

Respondent Board, on the other hand, takes the position that it has achieved solvency only by cutting back in all areas of its educational program and expenditures, except where committed to the voters to a stable program in regard to extra curricular activities, and that it should not be forced into a position of deficit financing due to the demands of the Petitioner. It further contends that its proposals are not out of line for a district such as Wayland, which is largely rural in make-up and has very little industry. It also contends that with rising costs it has to maintain at least a small surplus in its budget to meet such costs and to be able to meet fixed commitments for the months following the end of the fiscal year in June prior to receipt of anticipated revenues, thereby avoiding the cost of short term loans and financing. The Board also points out the substantial increase that the teachers will receive under its present offer and expresses concern that such a large increase will place too great a financial strain on the 1968-1969 budget, as well as in following years. The Board

is also concerned about the possibility that its income figures may be overstated for the coming year based upon a possible decline in the number of students.

Conclusions and Recommendations

As is typical in labor negotiations, both parties have equities on their side of the issue in dispute, which makes the task of the Fact Finder that much more difficult. Any answer the Fact Finder offers as a solution to the dispute will as a practical matter leave both sides less than satisfied, unless a complete victory for one side or the other is recommended, which the undersigned does not intend to do under the facts in this case. No one factor or contention of the parties is dispositive of the issues herein, but the Fact Finder has taken all contentions into consideration in making his recommendation herein, which hopefully will be fair to the contentions of both sides.

The Petitioner undoubtedly has strong equities in its argument that teachers have been and are underpaid, and that the salaries of Respondent's district could be higher, even in comparison with other districts. However, the disparity is not so great to cause, in my opinion, a mass exodus of teachers from Respondent's district, barring other intolerable conditions. The Petitioner also argues with some degree of cogency that Respondent's proposed budget does have a surplus, and in a situation where teachers are underpaid any such surplus should be used to raise teachers' salaries whenever possible.

The Board, on the other hand, has made a good faith attempt to cut the budget pie as fairly as possible. It has trimmed its budget wherever possible and omitted many so called extras, such as special reading teachers and counselors, in order to balance

its budget. Further, I am unable to accept Petitioner's argument that the Board should not attempt to end the fiscal year with a surplus, the Petitioner arguing that other school districts are commonly doing this and the legislature has recognized it as a fact of life in school financing. I would hold that the Board is exercising sound management when it attempts to end with a surplus that will carry it over the lean months of the next fiscal year and avoid costly borrowing, while at the same time creating a contingency fund for emergency expenditures. Accordingly, I reject Petitioner's contention that the mere existence of a surplus in the Board's budget should necessarily be used exclusively for teachers' salaries, or that the Board is neglecting its school program by having such a surplus.

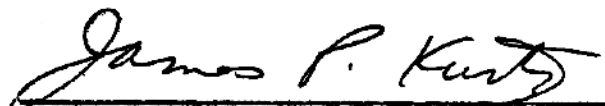
Given the aforesaid facts and positions of the parties, the major question is how to resolve the dispute. The undersigned concludes that some division of the surplus should be made which will accede partially to the positions of both sides, since both have equities favoring their particular position. In studying all the financial data presented to the Fact Finder, I recommend a yearly increment factor of 4.25% as a basis for solution herein. This will not quite match the Association's last demand of a \$6,300 base, with eight steps at 5%, to a maximum of \$8,820, but will at least come close to that figure. It will be, however, considerably below the proposed 1968-1969 salary schedule that the Petitioner hoped to receive when it negotiated its last contract. But the voters rejected the necessary millage to pay for that package, so new figures must be arrived at within the amounts allotted to the Board. The Board, on the other hand, will still end up with a substantial surplus with this recommendation, barring

any unforeseen expenditures, even though the total salary increase, by its calculation, will be in the area of 5.3 mills, rather than the 4 mills which it intended to use as a guideline for the increase in teachers' salaries this year. Nevertheless, I believe the 4.25% increment factor will provide a substantial increase for the Wayland teachers, while at the same time leaving the Board with a surplus to apply toward the next fiscal year, although the amount of the surplus is less than it desires to maintain.

Accordingly, the Fact Finder makes the following recommendation, based upon the aforesaid discussion:

The 1968-1969 agreement between the Wayland Education Association and the Wayland Union Schools should include an annual increment factor of 4.25% added to the salary base and schedules agreed upon between the parties.

Respectfully submitted this 10th day of September 1968,
at Detroit, Michigan.


James P. Kurtz, Appointed Fact
Finder, Michigan Labor Mediation
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