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MICHIGAN EMPLOYMENT RELATIONS COMMISSION FACT FINDER'S REPORT

WOODHAVEN SCHOOL DISTRICT

-and-

WOODHAVEN EDUCATION ASSOCIATION

MERC Case: D91-B-0508

FACT FINDER: Daniel H. Kruger
DATE: June 11, 1992

STATE OF MICHIGAN
BUREAU OF EMPLOYMENT RELATIONS
DETROIT OFFICE

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Woodhaven School District

APPEARANCES

FOR THE ASSOCIATION

Gerald E. Haymond
Kenneth Pfile
Ken Tulp
Patricia Haynie

Mary Elizabeth Lonieck

Michigan Education Association
Michigan Education Association
Michigan Education Association
Michigan Education Association
and Bargainer for Woodhaven
Education Association
Chief Negotiator, Woodhaven
Education Association

FOR THE SCHOOL BOARD

Eugene Washchuck
James Spalding

Director of Personnel
Labor Representative, Michigan
Association of School Boards

(For a complete listing, see Appendix A)

INTRODUCTION

The teachers in the Woodhaven School District went on strike for fourteen (14) days in the September/October 1991. A parent sought an injunction to end the strike. Judge Sharon Finch issued a temporary restraining order on October 11, 1991 forcing the teachers back to work. Bargaining continued but no agreement was reached. On December 13, 1991 Judge Finch issued a Final Order of Permanent Injunction restricting the Association from any further strike action. The Judge further recommended to the Michigan Employment Relations Commission that the labor dispute be submitted immediately to fact finding.

On April 14, 1992 the Michigan Employment Relations Commission appointed Daniel H. Kruger as the Fact Finder.

The first hearing was held on May 13, 1992 at the School District Administration Building in Woodhaven, Michigan. The issues were identified and comparable school districts determined. The Fact Finder directed the parties to prepare their exhibits and set the date for full fact finding on May 26, 1992 at the Administration Building. The Association requested that the bargaining team of the Woodhaven Education Association be released for duty to attend the hearing on May 26, 1992. The Board of Education granted this request and the bargaining team attended the hearing (see Appendix A for persons attending the hearings on May 13, 1992 and May 26, 1992).

At the hearing on May 13, 1992, the Fact Finder was informed that there were both unresolved economic issues as well as contractual language changes proposed by both parties. The spokesperson for the Association, Mr. Gerald Haymond, stated that it would withdraw its contractual language changes if the Board would also agree to withdraw its proposed contractual language changes. The Board spokesperson, James Spalding, stated that the Board of Education was meeting on Monday, May 18, 1992 and he would present

the Association's proposal to the Board. On Tuesday, May 19, 1992, Mr. Spalding called³ the Fact Finder and Mr. Haymond to inform them that the Board would withdraw its proposals on contractual language changes.

Thus at the hearing on May 26, 1992, two issues were thoroughly discussed: 1) the calendar; and 2) the salary schedule for 1991-92, 1992-93, and 1993-94. The issues in impasse are:

ARTICLE 19 / SCHOOL CALENDAR

Position of Education Association

1991-92

176 teacher days and 172 student days, with one of the seven make-up days for 9-10-91 sick out

1992-93

Teacher proposed format, with 184 teacher days and 180 student days

1993-94

Teacher proposed format, with 184 teacher days and 180 student days

Position of School Board

As implemented/proposed, with 171 teacher days and 167 student days

Teacher proposed format, with 184 teacher days and 180 student days

Teacher proposed format, with 184 teacher days and 180 student days

WAGES

1991-92

6%

4%

1992-93

6%

4%

1993-94

6%

4%

Exhibits were introduced by the parties to support their respective positions.

The Fact Finder, at the close of the hearing on May 26, 1992, directed the parties to prepare a written closing statement summarizing their positions. These statements were received by the Fact Finder on Monday, June 1, 1992.

DISCUSSION OF THE ISSUES

SCHOOL CALENDAR

Position of the Association

The Association seeks to make up the school days as a result of the strike so as to minimize their wage loss for the 1991-92 school year. The Association is seeking 176 teacher days and 172 student days for 1991-92.

Position of the Employer

On August 22, 1991, the Board of Education passed a resolution unilaterally implementing the first semester of the 1991-92 school year. On November 4, 1991, the Employer implemented a revised calendar and established the date and times for first semester parent-teacher conferences.

Second semester of the school year also began without an agreed upon calendar. Therefore, on December 16, 1991, the Board of Education implemented January 6, 1992, as the date classes would resume after the Christmas break. Finally, on April 6, 1992, the Board of Education implemented a calendar for the remainder of the school year.

Days lost during the 1991-92 school year were the result of an illegal fourteen (14) day teacher strike and another day when a majority of the staff called in sick (September 10, 1991). The Employer long held fast to an initial position that the days lost would not be made up. The Employer stated that the teachers chose to engage in an illegal strike to force a change in the Employer's salary proposal and the teachers should be prepared to accept the consequences of such an act. Later, the Employer became aware that the loss of all of the days would affect the annual retirement credit of the teaching staff, and many support personnel. To earn a full year of retirement, an employee must work at least six (6) hours per day, a minimum of 170 days per year. The Employer's previously proposed 169

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work days would, therefore, have had a detrimental effect on retirement credit virtually district-wide. After careful consideration and setting aside high emotions, the Employer moved from its former position and on March 12, 1992 proposed 171 teacher days assuring all employees an opportunity to attain a full year of retirement. (This is taken, in part, from the Board's Exhibit on "Calendar".)

Thus, the Employer's calendar for 1991-92 consists of 171 teacher days and 167 student days.

The parties are in agreement on the calendar for the school year 1992-93 and school year 1993-94.

Fact Finder's Recommendation

In a real sense the calendar issue is moot. The Employer's calendar calls for the last school day for students to be June 12, 1992. The Fact Finder is seeking to submit his report no later than June 12, 1992.

The Fact Finder nonetheless is making his recommendation that the parties adopt the school calendar of the Employer with its 171 teacher days and 167 student days. The Fact Finder takes especial note that the Board of Education had previously proposed a school calendar of 169 work days. This would have had a detrimental effect on retirement credit. It was stated that to earn a full year of retirement an employee must work at least six (6) hours per day for a minimum of 170 days per year. By implementing a 171 teacher day calendar, the Board of Education assured all its employees including the teachers who were on strike for fourteen (14) days the opportunity to acquire a full year of retirement credit.

The Fact Finder makes this recommendation because the Association's proposal would have school end on June 22, 1992. June 22, 1992 is well into the vacation season.

Of course the teachers want to minimize the wage loss due to the strike. The Board of Education stressed that the teachers did not want to accept the consequences of the strike. They want to add days on the calendar to make up the strike days in order to maintain their income. They want to be made whole for their involvement in the strike but the position of the Board is more persuasive.

The Board also noted that there must be 70% student attendance a day for the day to count as a teacher day. With school continuing until June 22, 1992, there is no guarantee that the 70% attendance requirement could be realized.

THE SALARY ISSUE

Position of the Association

The Association as noted is seeking salary adjustments as follows:

1991-92	6%
1992-93	6%
1993-94	6.5%

The Association maintains that the Board of Education can afford these increases.

The Association indicated the 1990-91 teacher salary costs were \$10,970,343. A six percent (6%) salary increase would cost the School District \$11,628,563 for 1991-92 or \$658,220 in new money. The Association pointed out that the School District "saved" \$821,587 as a result of not paying the teachers for thirteen (13) strike days. The Association stated that based on 184 work days the average salary costs is \$63,199 per day. The figure of \$821,857 was obtained by multiplying \$63,199 x 13. Thus, the Association maintained that even after increasing teacher salaries by six percent (6%) for 1991-92 the School District would realize a saving of \$163,367 (see Union Exhibit #15).

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According to the Association, the total costs of its proposals for the three years is \$1,335,553 based on "Strike Savings" (see Union Exhibit #15 which is reproduced below).

The Fact Finder calculated that the Association's salary proposal excluding strike savings would cost \$2,157,140 for the three years: 1991-92, 1992-93, 1993-94 (based on Union Exhibit #15).

Salary Schedule Costs - Association Proposal

1991-92 - 6%

\$11,628,563 - \$10,970,343	= \$658,220 (new money)
\$11,628,563 - 184	= \$ 63,199 (184 school calendar days)
\$ 63,199 x 13	= \$821,587 * (13 strike days)
\$ 821,587 - \$ 658,220	= <u>(\$163,367)</u>

1992-93 - 6%

\$12,326,276 - \$11,628,563 (1991-92 costs)	= <u>\$697,713</u> (new money)
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1993-94 - 6.5%

\$13,127,483 - \$12,326,276 (1992-93 costs)	= <u>\$801,207</u> (new money)
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TOTAL COST = \$ 1,335,553 (based on "Strike Savings")

* = "strike" savings

The Association also called attention that there were 242 teachers employed in 1991-92 (Union Exhibit #13). 220 teachers are projected to be employed in 1992-93 since the Association maintained that twenty-two (22) teachers had received layoff notices for the 1992-93 school year and this must be taken into account in analyzing costs of both the Association's and Board's salary proposals. The Association maintained that the Board did not take these layoffs in account in costing out its proposals.

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The Association maintained that when the "strike savings" and twenty-two (22) layoffs are excluded both from 1992-93 and 1993-94 salary costs its salary proposal for three (3) years cost a total of \$757,360 (see Union Exhibit #24).

The Association stated that when the strike savings and layoffs are taken into account the Board's salary proposals for the three years will cost \$20,277 in new money (see Union Exhibit #25).

The Association further called attention that the Board of Education, (Employer Exhibit, page 13 to be discussed below) shows a cost based on 242 teachers. At the hearing on May 26, 1992, the Board spokesperson stated that it expected to employ fourteen (14) less staff in 1992-93 (Association's Closing Statement, page 2). According to the Association, this would alter the Board's cost estimates for 1992-93 and if carried over, would also alter the costs for school year 1993-94.

In summary, the Association maintained that its proposals are less than average increases granted in the comparable districts (see Union Exhibit #34). It argued that the Board's proposals will widen the gap between Woodhaven and the better paid comparable districts (see Union Exhibit #32 and Union Exhibit #33). The Association further maintained that the District could afford to pay for the Association's proposals.

Position of the Board

The Board introduced the table below (Employer Exhibit #13) to show the differences in the salary BA MIN and BA+ 18 MAX under both proposals. The table also compares the two salary proposals. As noted above, the Association maintained that the Board's proposal is based on 242 teachers. The Board spokesperson indicated that there would be 228 teachers in 1992-93.

The Board indicated in its Exhibit, page 13, the difference between the two proposals is \$1,438,166 (see chart below).

COST OF SALARY PROPOSALS

UNION / EMPLOYER CURRENT SALARY PROPOSALS

YEAR	BA MIN / BA+18 MAX		MA MIN / MA MAX	
1991-92	Union demand	\$25,597 / \$46,936	Union demand	\$29,051 / \$50,729
	Employer offer	\$25,114 / \$46,050	Employer offer	\$28,503 / \$49,772
1992-93	Union demand	\$27,133 / \$49,752	Union demand	\$30,794 / \$53,772
	Employer offer	\$26,118 / \$47,892	Employer offer	\$29,643 / \$51,763
1993-94	Union demand	\$28,897 / \$52,986	Union demand	\$32,796 / \$57,267
	Employer offer	\$27,163 / \$49,808	Employer offer	\$30,829 / \$53,834

COST OF UNION EMPLOYER SALARY PROPOSALS

COMPUTATION	UNION	EMPLOYER	DIFFERENCE
1990-91 Teacher Salary Cost	\$10,890,067.00	\$10,890,067.00	
Increment Cost (1.28%)	\$139,350.00	\$139,350.00	\$0.00
Schedule Increase (6% / 4%)	\$661,765.00	\$441,177.00	\$220,588.00
1991-92 Teacher Salary Cost	\$11,691,182.00	\$11,470,594.00	\$220,588.00
1991-92 Teacher Salary Cost	\$11,691,182.00	\$11,470,594.00	
Increment Cost (1.28%) appx.	\$149,647.00	\$146,824.00	\$2,823.00
Schedule Increase (6% / 4%)	\$710,450.00	\$464,697.00	\$245,753.00
1992-93 Teacher Salary Cost	\$12,551,279.00	\$12,082,115.00	\$469,164.00
1992-93 Teacher Salary Cost	\$12,551,279.00	\$12,082,115.00	
Increment Cost (1.28%) appx.	\$160,656.00	\$154,651.00	\$6,005.00
Schedule Increase (6.5% / 4%)	\$762,716.00	\$489,471.00	\$273,245.00
1993-94 Teacher Salary Cost	\$13,474,651.00	\$12,726,237.00	\$748,414.00
Grand Total Teacher Salary Cost	\$37,717,112.00	\$36,278,946.00	\$1,438,166.00

The Board stated that it is facing a financial crisis and cannot afford the level of salary increases sought by the Association. The Board noted its current fund balance of \$41,459 will not cover one-half (1/2) of a one day payroll. Teacher salaries cost approximately \$60,000 for one day (see Board's Closing Statement, page 1). The Board stated that it had to reduce expenditures to remain within its revenues (Board's Closing Statement, pages 1-2).

The Board stated that it is having a millage election on June 8, 1992.

Fact Finder's Recommendation

As noted above the School District is having a millage election on June 8, 1992. The Fact Finder cannot take this election and its outcome into account in framing this Recommendation. He must focus on the record made at the hearings.

The Association called attention to the amount of money lost by each teacher as a result of the strike. In the view of this Fact Finder, loss of income because of a strike is not a persuasive argument for a salary increase. The teachers went on strike contrary to state law. They should have known that they were taking a risk and that they may not be paid for the days they were on strike.

The Association also called attention to the difference in teacher salaries between Woodhaven and Allen Park and between Woodhaven and Trenton. Allen Park and Trenton have the highest salaries of adjacent school districts - the comparables used (see Union Exhibit #33). The comparison is interesting but irrelevant. Each school district is unique. Each has its own characteristics, its own S.E.V., its own quality of life, its own student mix, and its own tax base. A school district has both tangible and intangible advantages and disadvantages and just company salaries is only one aspect of the comparison.

This Fact Finder is impressed that the majority or more of the teachers at Woodhaven are at the top of the salary schedule. It is apparent that these teachers are of the view that Woodhaven School District is a good place to work or they would have pursued their own self interest by seeking employment in Allen Park and Trenton or other districts more to their liking.

The Fact Finder is well aware of the financial crisis in the State of Michigan which has resulted in significant and drastic belt-tightening. The State aid to schools has been greatly affected. State government has been forced to lay off large numbers of its employees. All institution/governmental units receiving state funds have had their allotments greatly reduced also.

The Fact Finder must state the obvious: unemployed workers do not pay income taxes or unemployed workers adversely affect sale tax receipts.

The Federal Government likewise has reduced funds to support K-12, special education and vocational education. The stark reality is that local school districts are forced to look at their own financial resources to support its school system. At the same time, the voters in the school districts throughout the state are opposed, generally, to raising taxes to support anything.

In short, these are difficult times for many public supported institutions. This Fact Finder has concluded from the exhibits introduced that the Woodhaven School District is faced with a severe shortfall in revenue. An argument can be strongly made that the District has been living beyond its means.

Nonetheless, the District did give its Administrators a five percent (5%) increase. The District also proposed to the Association a five percent (5%) for each of the three years but the teachers rejected it. Even since this offer was made, it appears that the financial situation of the District has deteriorated even more.

After examining all the facts, the Fact Finder strongly makes the following salary recommendations:

1991-92	5% salary increase
1992-93	5% salary increase
1993-94	4% salary increase

A comparison of the costs of the proposals of the Association, the Board, and the recommendations of the Fact Finder are presented in Table 1 below.

TABLE 1

COSTS OF ASSOCIATION, BOARD, AND FACT FINDER PROPOSALS

COMPUTATION	ASSOCIATION	BOARD	FACT FINDER
1990-91 Teacher Salary Cost	\$10,890,067.00	\$10,890,067.00	\$10,890,067
Increment Cost (1.28%)	\$139,350.00	\$139,350.00	\$139,350
Schedule Increase (6%/4%/5%)	\$661,765.00	\$441,177.00	\$551,470
1991-92 Teacher Salary Cost	\$11,691,182.00	\$11,470,594.00	\$11,580,887
1991-92 Teacher Salary Cost	\$11,691,182.00	\$11,470,594.00	\$11,580,887
Increment Cost (1.28%) appx.	\$149,647.00	\$146,824.00	\$148,235
Schedule Increase (6%/4%/5%)	\$710,450.00	\$464,697.00	\$586,456
1992-93 Teacher Salary Cost	\$12,551,279.00	\$12,082,115.00	\$12,315,578
1992-93 Teacher Salary Cost	\$12,551,279.00	\$12,082,115.00	\$12,315,578
Increment Cost (1.28%) appx.	\$160,656.00	\$154,651.00	\$157,651
Schedule Increase (6.5%/4%/4%)	\$762,716.00	\$489,471.00	\$498,929
1993-94 Teacher Salary Cost	\$13,474,651.00	\$12,726,237.00	\$12,972,258
Grand Total Teacher Salary Cost	\$37,717,112.00	\$36,278,946.00	\$36,868,723

The grand total teacher salary costs for the three (3) years are highlighted below:

Association	\$37,717,112
Board	\$36,278,946
Fact Finder	\$36,868,723

This data was construed using Table 1 presented above using a modified version of the Board Exhibit #13. The Association maintained that the Board in this table overstated the cost because it included salaries not paid to teachers during the strike. The Association also called attention that the staff has been reduced by fourteen (14) for 1992-93. The Fact Finder acknowledges that the salary costs for 1991-92 for the Association, Board and Fact Finder are overstated approximately \$780,000 (\$60,000 a day salary costs x 13 days). As for overstating the salary costs for 1992-93 because of layoffs, it is not certain that all these fourteen (14) teachers will be laid off. Usually the layoff notices are sent out pursuant to the labor agreement and once the financial situation has been determined, many teachers are called back. Accordingly, the School District has to take into account its maximum liability.

With respect to the five percent (5%) salary increase for 1991-92, the Fact Finder takes the position that the School District has the ability to underwrite the cost of the five percent (5%) increase. In addition, it initially offered a five percent (5%) increase to the teachers which was rejected.

The Fact Finder's recommendation for a five percent (5%) increase in 1992-93 is based on two factors. The first is due to internal comparability with the Administrators', the initial proposal made by the Board but rejected. The second factor is the behavior of the Consumer Price Index. It is estimated that the Index will increase between four and five percent (4-5%) for 1992.

The four percent (4%) increase for 1993-94 is based on a hope and a prayer, not a strong pervasive argument or basis for a salary increase. No one knows if the economy in the Nation and especially in southeast Michigan will improve significantly. The economic base of the region is the auto industry. The prospects of the Willow Run General Motors plant closing will have far reaching implications for the area.

It is also highly doubtful if Wayne County will experience any significant economic and industrial expansion as experienced in Oakland and McComb counties or any kind of industrial and commercial expansion to enlarge the tax base of the district and county. Moreover, it is doubtful if taxpayers who are also voters will enact additional taxes to finance among other things increased salaries for teachers. The Detroit Free Press of June 6, 1992 reported the following on the millage election for June 8, 1992's millage election in the Woodhaven School District:

Proposal 1

Shall there be a 1.01 mill increase: Yes 1620 No 1440

Proposal 2

Should there be 4 mill increase: Yes 1440 No 1636

It is not known what the 1.01 mill increase will do. It may negate some or all of the proposed layoffs which the School District has indicated it will do. In many other school districts in Wayne County, the voters rejected millage increases (Detroit Free Press, June 9, 1992).

The differences in the Association, Board, and Fact Finder's proposals are presented below:

Fact Finder's Proposal	\$36,868,723
Board's Proposal	36,278,946
Difference	589,777
Association's Proposal	\$37,717,112
Fact Finder's Proposal	36,868,723
Difference	848,389

This data was taken from Table 1 stated above (see page 12 of this Recommendation for the table).

his Fact Finder pays particular attention to new money which the teachers will receive over the three (3) year period over the salary costs in school year 1990-91:

<u>School Year</u>	<u>Board</u>	<u>Association</u>	<u>Fact Finder</u>
1991-92	\$ 580,527	\$ 801,115	\$ 690,820
1992-93	1,192,048	1,661,212	1,425,511
1993-94	1,836,170	2,584,584	2,082,191
Total	\$3,608,745	\$5,046,911	\$4,198,522

(calculated from Table 1, on page 12 of this Recommendation)

Under the Fact Finder's recommendations, the Woodhaven teachers over the three (3) year contract will receive in new money almost four million dollars (\$4,000,000) [Fact Finder's emphasis]. The Board indicated that there were 241.4 teachers in 1991-92 and 229.4 teachers in 1992-92. (see Board Exhibit, Appendix A). The Board did not give an estimate of the number of teachers who will be employed in 1993-94.

The Fact Finder used the figure of 235 teachers, the average for the two years 1991-92 and 1992-93. Under the Fact Finder's proposal, each teacher, on the average, will receive in new money over the three-year period (1991-92, 1992-93, 1993-94) approximately a total of \$17,866 [Fact Finder's emphasis]. The calculations are as follows:

\$ 690,820 ÷ 235	=	\$ 2,940
\$1,425,511 ÷ 235	=	\$ 6,066
\$1,957,575 ÷ 235	=	\$ 8,860
TOTAL FOR THE THREE-YEAR PERIOD		\$17,866

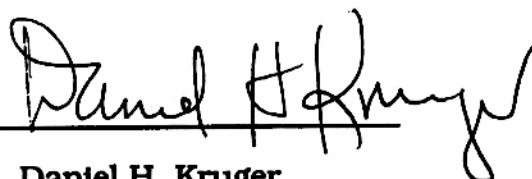
SUMMARY

In summary, the Fact Finder strongly recommends the school calendar proposed by the Board of Education for the reasons stated above.

With respect to the salary issue, the Fact Finder strongly recommends that the Employer grant a salary increase of five percent (5%) for 1991-92, five percent (5%) for 1992-93, and four percent (4%) for 1993-94. Moreover, the Fact Finder recommends that the salary increase for school year 1991-92 be retroactive to the beginning of the school year.

The Fact Finder has sought to deal with the unresolved impasse issues in light of the data presented at the hearing. He strongly urges that the parties accept his recommendations and get on with the business of providing high quality to the students of the Woodhaven School District.

June 11, 1992

A handwritten signature in dark ink, appearing to read "Daniel H. Kruger", written over a horizontal line.

Daniel H. Kruger
Fact Finder

DHK/djb

APPENDIX A

Complete listing for the attendees of the May 26, 1992 meeting:

FOR THE ASSOCIATION

Gerald E. Haymond
Kenneth Pfile
Ken Tilp
Patricia Haynie

Mary Elizabeth Lonieck

Mike Herron
Janne Becker
Wayne Parsons
Mary Weipert
Kimberly A. Kubas
Loreleen Hyden

Michigan Education Association
Michigan Education Association
Michigan Education Association
Michigan Education Association
and Bargainer for Woodhaven
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FOR THE SCHOOL BOARD

Eugene Washchuck
James Spalding
Gary Troy

Director of Personnel
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Business Manager