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BY APPOINTMENT OF
THE
EMPLOYMENT RELATIONS COMMISSION
(FORMERLY LABOR MEDIATION BOARD)

STATE OF MICHIGAN

Michigan State University
COLUMBIA CENTRAL HIGH SCHOOL
COLUMBIA LIBRARY

In the Matter of Fact Finding Between:

COLUMBIA EDUCATION ASSOCIATION)
)
-and-)
)
COLUMBIA BOARD OF EDUCATION)
David Neilbrum 9-15-69)

REPORT

INTRODUCTION

A 2 year Agreement between these parties expired June 30, 1969. Negotiations for a new Agreement have resulted in impasse as to salary, health insurance and agency shop.

Based on the Association's application for Fact Finding, a hearing was held at the Columbia Central High School on September 3, 1969.

I. - Salary Schedule for 1969-70

The latest salary schedule, effective during 1968-69, contained 12 steps(0-11 years experience), 3 tracks and a \$6,400 BA base.

The Board has proposed a schedule for the new school year of a \$6,900 BA minimum base. Other significant figures of the Board's proposal are a BA maximum of \$10,000, a MA minimum of \$7,200 and a MA maximum of \$10,750. The Association seeks a schedule \$250 above the Board's offer. An exception appears as to the Association's proposed schedule for \$8,500 at the 6th BA step and it proposes a Non-Degree schedule of one less step than that in effect last year(and proposed by the Board this year) with an appreciable increment increase at the 4th step where there is some concentration of Non-Degree teaching staff.

The Board's proposal would result in the following percentage

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increases over 1968-69 on the basic schedule (without reference to increments or fringe benefits):

BA min.	-	7.8%
BA max.	-	11.1%
MA min.	-	7.4%
MA max.	-	10.2%

The Association's proposal would result in the following counterpart percentage increases:

BA min.	-	11.7%
BA max.	-	14.0%
MA min.	-	11.2%
MA max.	-	12.8%

The Association has advanced cost of living data; surveys as to personal income, family budgets, buying power and employment trends; information as to wealth of the District, operational millage, past expenditures, projected revenue and area settlements.

The Board has advanced information on out-of-county bargaining; salary percentage increases for administrators, faculty and non-instructional employees; citizens committee recommendations and rationale; local educational effort; scope of property tax increases; tax collection expectations and projections as to revenue and expenditures.

Allowing for the uncertainty of estimating student membership, which the Board projects at 2,020 and the Association at 2,050, this District is comparable in the amount available per student to Hanover-Horton and Michigan Center. Both these districts have settled their 1969-70 salary schedule. The minimum and maximum salary amounts are shown below (* - indicates minor variation between figures reported by Association and Board):

	<u>BA min.</u>	<u>BA max.</u>	<u>MA min.</u>	<u>MA max.</u>
Hanover-Horton	\$ 6,800	\$10,300*	\$ 7,300	\$11,042
Michigan Center	6,950	10,420*	7,645	11,120*

The schedule at Hanover-Horton is one step less than Columbia at BA and the same at MA; while the schedule at Michigan Center is one step less across the board.

General fund expenditures for this District in 1968-69 were \$1,124,068. Of this sum \$669,281 was paid as teacher salaries (Annual Financial Report line items 1103, 1203, 1303 only - not inclusive of substitute teachers, librarians and other certificated personnel). These figures constitute a ratio for 1968-69 of 59.5%, somewhat below the state average and a drop from the 1967-68 ratio for this District. The Analysis of Operation Expenses compiled for 1968-69 by the Jackson County Intermediate District for 11 districts within the county showed Columbia to be generally 4th highest in teacher salary to expenditure ratio.

Revenue from local and state sources in 1968-69 was \$931,757 and is estimated by the Association for 1969-70 at \$1,222,857 which would be a \$291,100 gain of 31.24%. The Board expects a revenue increase this year of \$270,293 based on 92% tax collection.

Of districts in Jackson County (other than City of Jackson), Columbia had the third highest millage rate increase this year (24%). Relative to this same group of 11 districts, Columbia has the 5th highest total millage rate of 28.405 and the 7th highest operating millage of 20.675.

The Association costs its economic proposal at \$842,841 and that of the Board at \$812,090. The Board calculates the cost of its offer at \$821,495.

The comprehensive Endicott Report for 1969 predicts that starting salaries for the year will range from \$818 per month for engineers to \$657 per month for liberal arts graduates. A MBA graduate with an undergraduate technical degree should expect an average job offer of \$991 per month while one with a non-technical undergraduate degree will receive about \$924 per month.

This District enjoys substantial local support, both as to millage and citizens involvement. A considerable revenue increase is expected and the disparity in estimates between the parties is somewhat moderated by the carrying of approximately \$47,000 in delinquent taxes as an asset item with the expectancy of almost full collection. No claim of dire financial crisis is present here and the 13.5% increase in administrators salaries plus generous raises accorded most of the non-instructional employees must be noted.

On the other hand there has been measurable recognition of the need for teachers of this District to earn a "going rate - living wage" level of compensation in terms of their professional training and the service performed for the community. BA and MA minimums increased a consolidated average of 7.3% from 1967-68 to 1968-69 and that for BA and MA maximums was in the "catch-up" range of 16.5%. The Consumer Price Index rise for this period was only 4.2% and the 6.7 CPI annual rise ending June, 1969 translates to 5.5%. In "Basic Data for Professional Negotiations 1968-1969", the Michigan Education Association reports recent cost-of-living increase, calculated for 6 months on the basis of fiscal year averages, at only 2.2%. (Page 45). Journalistic information on personal income increases and family budgets is only of secondary significance. There is no realistic way to effectively relate the data on "buying income" to the instant salary impasse without the subject being developed more fully in terms of the source material and specific instances of financial hardship experienced by teachers of this District. The salary/expenditure ratio fell last year and even the Association's proposal would further lower it; presumably because of the substantially higher costs of opening and operating new school building. The facts as to starting salaries for college graduates generally are significant but it must be noted that engineering graduates are known to receive proportionately lower pay increases after initial employment and as to the monthly salary figures generally they represent a 12 month work year rather than one with summers off. The predicted average for the 5 bachelor's level categories found in the Endicott Report is \$710 monthly which, when translated to a 9-1/2 month school year, amounts to \$6,745.

My salary recommendation is necessarily intertwined with the other issues present. The Association characterized the agency shop issue as that of fundamental unit preservation. If agency shop is achieved in this contract it could realign the basic desires of the bargaining unit and conceivably change the emphasis in bargaining as part of the process of assimilating new members or quasi-members. I am impressed that this year

is a time for consolidation by the Association coupled with pay improvements that are reasonable in terms of professional recognition, area salary patterns, application of relevant cost-of-living information, pupil-teacher ratio and the desire for continued financial integrity in the Columbia school district. I note from the step level distribution of teaching staff that about 80% of the faculty will also enjoy increment increases this year beyond basic salary schedule change. Furthermore, and in connection with the citizens committee recommendations, the Board has budgeted approximately \$75,000 to cover an increase of 10 teachers and projected expenditures for operation and maintenance show an increase over last year of 121.91% and 50.64%, respectively. The dollar amount of these 2 categories of increase, which arise because of the building program, is \$56,192.

Upon consideration of all available facts and the respective contentions of the parties (particularly the "accumulated earnings" theory of the Association), I recommend the following salary schedule for 1969-70 with the percentage of increase shown adjoining key figures:

<u>YEARS</u> <u>EXPERIENCE</u>	<u>NON-DEGREE</u>	<u>BA</u>	<u>MA</u>
0	\$6,000 (7.1%)	\$ 6,950 (8.6%)	\$ 7,300 (9.0%)
1	6,200	7,200	7,550
2	6,400	7,450	7,800
3	6,600	7,700	8,100
4	6,850	7,950	8,400
5	7,100 (7.4%)	8,250	8,700
6		8,550	9,000
7		8,850	9,300
8		9,150	9,600
9		9,450	10,000
10		9,750	10,400
11		10,050 (11.7%)	10,850 (11.3%)

II. - Health Insurance

The Association has proposed that teachers be granted full family health insurance coverage, preferably through the MEA carrier. This proposal also includes the option of waiving such coverage if already otherwise provided a teacher and applying the \$30 monthly premium value toward the purchase of other types of available insurance (dental, term life, income protection, etc.).

The Board has offered payment of \$15 monthly per teacher in partial contribution toward the premium on the existing group Blue Cross plan.

The 1969-70 settlements in the county show 4 districts granting full family coverage. Hanover-Horton, a prime comparison district, is one of these but Michigan Center, with greater wealth and local effort per child than Columbia, is offering only \$10 per month in contributory premium.

I feel that the Board's offer is adequate for the present time. The fact that administrators enjoy fully paid insurance is not controlling as it is common for executive/supervisory positions to carry special benefits.

The option sought by the Association should, however, be granted. The alternative would be inequality in fringe benefits between teachers or the undesirable feature of double health insurance coverage. A minimum on inconvenience would result by the exercise of an option to acquire various forms of MEA insurance at the same cost as the Board's normal contribution.

III. - Agency Shop

The Association has proposed an agency shop clause the essence of which is:

" . . . teacher(s) shall as a condition of continued employment by the Board, execute an authorization for the deduction of a sum equivalent to the dues and assessments of the Association (C.E.A., M.E.A., and N.E.A.) . . ."

The failure to sign such an authorization for a period of 30 days following commencement of employment would result in a discontinuance of the teacher's services. The Association offers to pay 50% of all outlay incurred by the Board in defending its action should a teacher contest the discharge.

The Board offers to grant agency shop with a grandfather provision as to present faculty and a full save and hold harmless clause.

The Jackson city school system has full agency shop in the current 2 year contract. 8 of the 12 districts in the county have agency shop although in 4 of these there is a grandfather clause. Manchester, a contiguous district, has settled with a new agency shop clause while adjoining Addison and Onsted were still unsettled on the issue as of the date of this hearing. The point is practically academic in several districts of Jackson county because of 100% membership or the few teachers involved in the exemption. Last year 20 of the 84 teachers in the Columbia schools were not members of the Association.

The Association contends that agency shop is generally accepted and is particularly important here because of the substantial number of non-members threatening the very continuation of the unit. Some basis for friction is depicted and the potential for an impaired level of education is claimed to exist.

The Board feels obliged to honor the philosophical preference of its 20 teachers not to participate in the Association. The contradiction between the claim of local autonomy and the per capita contribution to MEA and NEA is also noted by the Board. As to the legality of the question, the Board argues that even if agency shop is not forbidden it doesn't follow that it should be implemented.

It is sufficiently clear that the proposed language is a proper and mandatory subject for bargaining. In its opinion in Oakland County Sheriff Department and Oakland County Board of Supervisors and Metropolitan Council No. 23, AFSCME, AFL-CIO, Case No. C66 F-63, the State Labor Mediation Board stated:

"I conclude that any agency shop provision in a collective bargaining agreement is not prohibited by the Public Employment Relations Act; therefore, the agency shop is a mandatory subject

"of bargaining. This is the type of contract provision whereby an employee in the bargaining unit chooses not to become a member of the labor organization which is the exclusive bargaining representative may be required, as a condition of employment, to pay to such labor organization an amount equal to the union membership fee and dues."

The more difficult question, and the one present in this Fact Finding, is whether such should be granted. Court decisions in this state are strongly favoring agency shop. In Smigel vs. Southgate Community School District, Wayne County Circuit Court Civil Action No. 118,812, decided November 22, 1968, Judge Foley stated:

"The claim that an agency shop provision violates statutory law in that it forces one to join a union, and is discriminatory, is without merit. Such provision in an agreement serves the purpose of allocating indiscriminately the cost of representation for collective bargaining among all those participating in the benefits received. Such a provision eliminates the 'free riders'. Roberts' Dictionary on Industrial Relations (1966)."

This decision also cited Board of Education of the City of Inkster, 263 GERR F-1 (September 23, 1968) and City of Warren vs. Local No. 1383, International Association of Fire Fighters, Macomb County Circuit Court Civil Action No. S 67-33111; 68 LRRM 2977, each of which I find supportive of its opinion.

In Nagy vs. City of Detroit, Wayne County Circuit Court Civil Action No. 123,642, decided April 24, 1969, Judge Piggins stated:

"The more logical rationale behind the agency shop outweighs the more emotional arguments of the opponents.

"To bargain collectively and to administer details of a collective bargaining agreement properly, costs money. In all fairness who ought to bear these costs? All who benefit. All whose lot is improved thereby. All for whom the certified bargaining agent labors. This is and always has been the accepted democratic way. No member of a bargaining unit should expect a 'free ride' and to compel the costs to be borne only by union members, thus permitting non-members to benefit without assuming an equitable proportion of the costs could be fraught with great dangers."

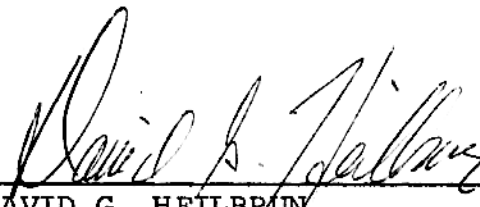
Upon consideration of all the facts here involved I believe the sharing of the expenses of representation by all members of this bargaining unit is both proper and desirable. I note that the Southgate decision anticipated and discussed the situation of failure to comply with such a provision by stating that such would constitute "reasonable grounds for discharge" under Article IV, Section 1 of the Tenure Act.

On the other hand the implementation of agency shop provisions is far from clear as a legal matter. For this reason I recommend that the Association agree to language saving and holding the District harmless from any financial liability that might result from damages or back pay awarded to any person who successfully contested the agency shop clause. This indemnification should not extend to legal fees, court costs or other

expenses of litigation since the choice of whether, and to what degree, a contest of the agency shop provisions would be resisted should remain within the discretion of the District. The Association's interest in not becoming liable could be thus preserved through its right to intervene as an interested party.

Finally I believe a transitional period should be allowed before agency shop provisions become effective in order that they be fully understood by affected employees and to permit those with strong personal convictions to the contrary to have the opportunity of fully considering their future course of action.

In summary I recommend that the parties conclude their current negotiations with a contract embodying an agency shop clause. This should require equivalency payments of dues and assessments commencing on or before the 31st day of employment or following the effective date of the clause, whichever occurs later. The clause should be effective December 31, 1969 (I note that the much-publicized agency shop agreement for the Detroit school system is not to become effective until January 26, 1970). Discontinuance of services and dismissal from employment should be the consequence of an employee's failure to meet this condition. The Association should hold the public employer harmless for damages and back pay; provided the Association has received timely notice from the District of the commencement of any action formally or legally contesting such discontinuance of services.



DAVID G. HEILBRUN
Hearings Officer

Dated at Southfield, Michigan
this 15th day of September, 1969.