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IN THE MATTER OF FACT FINDING BETWEEN)
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BOARD OF EDUCATION)
CONCORD COMMUNITY SCHOOLS)
)
- AND -)
)
CONCORD EDUCATION ASSOCIATION)
CONCORD, MICHIGAN)
Charles M. Rehms)

LABOR MEDIATION BOARD
DETROIT OFFICE

REPORT Michigan State University
LABOR AND INDUSTRIAL
AND RELATIONS LIBRARY
RECOMMENDATIONS

The undersigned, Charles M. Rehms, was appointed Fact Finding Hearings Officer by the Labor Mediation Board of the State of Michigan on August 19, 1968, under authority of Section 25 of Act 176 of Public Acts of 1939, as amended, to issue a report and recommendations to the above-listed parties with respect to matters in disagreement between them over terms of the salaries for teachers in the Concord Community Schools.

Fact finding hearings were held with the parties on August 26, 1968. Appearing for the Concord Community Schools were:

C. Russell Baker, Trustee and Chairman of the Negotiating Committee
Raymond E. Kurtz, Trustee and Treasurer of the School Board
Richard Fitzgerald, Superintendent

Appearing for the Concord Education Association were:

Steve Laske, President
Georgia Hall, Negotiating Committee
Cliff Hall, Negotiating Committee
Kermit Binkley, Negotiating Committee
Harold Tate, Michigan Education Association
Larry Diebold, Michigan Education Association

Concord Community Schools; Board of Education

Background of the Dispute

Three times in the last two years the voters of the Concord Community School District have rejected proposed increases in operating millage. The present negotiating impasse arises wholly out of this fact.

Twice during the summer of 1967, the voters rejected millage increases proposed by the School Board. This required the Board to operate the schools with 7 mills of specially-voted millage, the same amount that had been available for several years previously. Despite the millage rejection, the School Board negotiated substantial increases in teachers' salaries for the 1967-68 school year. The increases in the salary schedule ranged from \$900 to \$2300 per teacher and resulted in bringing the school district's salaries from 501st out of 535 districts in Michigan up to slightly below the state-wide average. Further, these increases brought the salaries in the Concord District up to next to highest in Jackson County, second only to Jackson itself.

Increases of this kind, without an increase in operating millage, were only possibly by operating the schools on a deficit basis. In fact, the district did operate at a \$32,000 deficit during the 1967-68 school year. This operating deficit was paid for out of operating reserves. The school district

began the 1967-68 school year with an operating surplus of \$47,000. It now begins the 1968-69 school year with an operating surplus of only \$15,000, about 3 percent of operating costs.

In June of 1968, the school district again went to the voters, asking 9 mills of increased operating funds. This money was to be used for the hire of four additional teachers, two additional classrooms, two new buses, updating of text books and for further increases in teacher salaries. The voters again rejected the millage proposal.

The school board therefore revised its proposed budget to eliminate the proposed improvements in its educational program. It gave up the new teachers and plans to reduce its previous year's teacher complement by 3 1/2 teacher equivalents. It plans to cut back on extra curricular activities and to put its 4th, 5th and 6th grades on double sessions. This proposed budget nevertheless contemplates a further operating deficit of some \$8,000 during the 1968-69 school year. This will reduce its operating reserves to approximately \$7,000 by the end of the coming school year.

Position of the Parties with Respect to Salaries

The 1967-68 salary schedule for the Bachelor of Arts track (the salary track basically in controversy here) ranges from a minimum of \$6100 to a maximum of \$9200. Despite its financial difficulties, the Concord School Board has proposed

Page 4

increases in the current schedule which would increase the minimum to \$6300 and the maximum to \$9500.

The Concord Educational Association has proposed that the existing BA schedule be increased by \$400 at the minimum and \$800 at the maximum, resulting in a range of \$6500 to \$10,000. There are, in addition, minor differences between the parties as to the appropriate increments at each step of the BA track. In sum, the present differences in the parties over the total salary schedule result in a net difference of \$12,000 between them.

In support of its salary proposal, the School Board relies first upon its obvious financial difficulties. The Board contends that to further increase its contemplated operating deficit for the current fiscal year would be to leave it totally without operating reserves. The Board feels that it would be fiscally unwise to deplete its operating reserves beyond the point that it already has.

The Board also contends that the salaries it has proposed for the teachers are equitable, particularly if viewed in conjunction with the extremely substantial increases which it gave last year. It notes that the schedule increases in its current proposal together with automatic experience increments would result in an average increase for its experienced teachers on the order of 6 1/2 percent.

In summary, the Board feels that its increase of last year together with its proposed increase for this year is fair to its teachers and that it should not be asked to do more in light of its financial difficulties.

The Concord Education Association first contends that the salary proposal of the Board would result in a retrogression from the position which the Concord teachers achieved last year relative to the other school districts in Jackson County. Last year, as previously noted, Concord teachers came to second position among the 11 districts in the county. If the Board's proposal were to be accepted, Concord would drop from second to tenth place in the county at the BA minimum and from second to fourth place at the BA maximum. Last year, for example, Concord was \$832 a year ahead of the county average (minus Jackson) at the BA maximum, whereas the Board's proposal for this year would leave them only \$346 ahead of the same average, a relative loss of nearly \$500 a year vis-a-vis the county average. On the BA minimum, the relative loss, while not so great in dollars, would drop them from \$169 above to \$78 below the county average.

Second, the Education Association contends that the large increases of last year should not be a factor when this year's salary schedule is considered. It feels that last year's

increases were long overdue and were necessary to bring Concord salaries up toward the state-wide average from one of the lowest levels in the state. This having been accomplished, there is all the more reason not to allow Concord salaries once again to drop relative to the state-wide and county-wide averages.

Third, the Education Association contends that the Board's proposal would, in effect, force the teacher's to suffer a disproportionate share of the adverse impact of the repeated failure of millage elections. It notes that in the budget which the Board proposed prior to the millage election, teachers were to receive 70.7 percent of the total budget. The present Board proposal would make teacher salaries only 61 percent of the proposed budget, whereas the teachers' proposal would only represent 64 percent of the last proposed budget. Moreover, the Education Association notes that some teachers are already affected by the loss in millage in that they will be teaching double sessions. This results in more work for these teachers. Thus they are already sharing in the burden through increased class size and should not have to further subsidize the community by taking lower salaries than they believe to be fair.

Finally, the teachers believe that the salary schedule which they are proposing is lower than that which the Board would have proposed as a fair salary had the millage passed.

Page 7

They note, for example, that an earlier Board document had contemplated a starting salary of \$6500, exactly what they are asking. The teachers ask, in effect, whether they should have to accept the burden of a salary schedule less than that which the Board in other circumstances might have agreed was fair simply because of the unwillingness of the voters adequately to support their local schools.

Discussion and Recommendations

The present negotiating impasse between these parties is not the fault of either. The responsibility lies directly with the voters of the school district.

The local district provides only 30 percent of the support for its schools compared with a state-wide average of nearly 50 percent. Moreover, local support in the form of voted operating millage has not increased in the last four years, years of inflation in operating costs and years when teachers in Michigan generally have been able substantially to improve salary levels. Under these circumstances, it is not reasonable to expect teachers to subsidize the public in the form of lower than average salary increases, particularly when they are asked simultaneously to teach larger classes or more students. The desire of school board members as prudent managers to

Page 8

maintain an operating reserve is fully understandable, but such a reserve too should not be maintained at the expense of fair salaries for teachers.

The fundamental question at issue therefore is not the ability of the School Board to pay a salary increase. The issue is whether the salary schedule proposed by the Board, or that requested by the teachers, is reasonable and fair in light of all of the circumstances.

The increases proposed by the Board together with increments average 6 1/2 percent for experienced teachers. In Michigan generally in the current year, the increases being given to teachers are ranging upwards from 8 percent. On this basis alone, therefore, it appears that the Board's proposal is below average.

Nor is the argument that the Board's present proposal should be considered in the light of an above-average settlement last year wholly tenable. If last year's settlement had created a salary range that had put Concord teachers above the state-wide average or well-above all salaries in their area or county, this might well be the case. Last year's increase, however, simply brought the teachers well up among the salaries in their county while still leaving them considerably below the state-wide average. Thus, last year's increase appears to

Page 9

have been more an overdue adjustment in basic salary levels than a disproportionate percentage increase.

The Board has proposed a BA minimum salary of \$6300. The teachers request a BA minimum of \$6500. It is recommended that the parties negotiate a BA minimum of \$6400. This figure will make the starting salary identical with the largest number of districts in Jackson County, tied for fifth place with five other school systems. Moreover, it is an amount which is generally in accord with the starting salary for the current year in many rural school districts in southeastern Michigan.

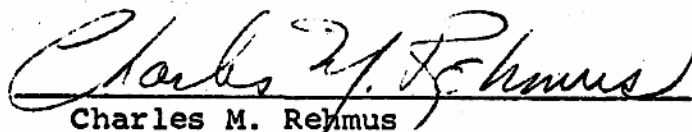
At the BA maximum, the Board has offered a starting salary of \$9500 and the Education Association has requested a salary of \$10,000. It is recommended that the parties should agree upon a starting salary of \$9700. This will give teachers at the maximum an approximate 5 1/2 percent increase. This is barely 1 percent higher than the increase in the cost of living during the past year. It will bring the maximum salary to third position in Jackson County, still one rank below the position that Concord held last year.

The recommended BA salary range of \$9400 to \$9700 must, of course, be slotted on the individual incremental steps of the salary track. It is left to the parties to negotiate the

Page 10

exact amounts on each of the steps, but this can be done within the reserve which remains available to the Board. Moreover, if the school district should have a normal increase in school population during the current school year the amount thereby generated in increased state aid will pay for the additional costs above the Board's last offer that are here recommended.

These recommendations are made with the full knowledge that they are above what the Board considers prudent. They are nevertheless well below what the teachers consider appropriate and below what many other similarly-situated districts are granting. Ultimate resolution of this school district's basic problems remains the responsibility of its voters.


Charles M. Rehms
Fact Finding Hearings Officer

August 28, 1968