

STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

In the Matter of Fact Finding between  
DEARBORN HEIGHTS SCHOOL DISTRICT #7  
and  
WAYNE COUNTY MEA/NEA

No. D80 A-254

FACT FINDER'S REPORT

On November 19, 1980 the undersigned was appointed by the Michigan Employment Relations Commission as its Hearing Officer and Agent to conduct fact finding proceedings pursuant to Section 25 of Act 176 of the Public Acts of 1939, as amended, and to issue a report with recommendations with respect to matters in disagreement between the parties.

The parties were notified promptly of the Fact Finder's willingness to meet with them as soon as possible, but no pre-hearing conference was held until January 14, 1981. Hearings were held on February 4, 1981 and the last of the post-hearing briefs were received on March 6, 1981.

The Union was represented by George R. Trudell, Uniserve Director, and the Employer was represented by Arthur J. Heidt, Attorney.

Present and participating in the hearings in various capacities from time to time were the following:

On behalf of the Union:

Bill Nicke, District Director  
Bob Missler, Negotiating Team  
Harold Chapman, Negotiating Team  
John Little, Negotiating Team

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On behalf of the Employer:

Angelo Eatsakis, Superintendent  
Terry L. Strone, Assistant Superintendent  
Dick Megahan, School District Business Manager  
Michael N. Voge, Assistant Principal - Negotiator

DEARBORN HEIGHTS SCHOOL DISTRICT

## BACKGROUND

The Union is the exclusive bargaining representative of teachers employed by the Board. The last collective bargaining agreement in effect between the parties expired in August of 1979. No final agreement has been reached for a new contract.

## PROFILE OF SCHOOL DISTRICT

C Dearborn Heights School District No. 7 is located in South Dearborn Heights between the City of Dearborn on the north and the City of Taylor on the south. The boundaries of the school district are Telegraph Road, western boundary, Southfield and Outer Drive, eastern boundary, Van Born Road, southern boundary, and Dartmouth Street, the northern boundary.

O Dearborn Heights School District No. 7 includes a geographic area of three square miles and a population of 16,235 people.

P The average resident of Dearborn Heights School District is a blue-collar worker employed by one of the automobile industries in the Greater Detroit Metropolitan area.

Y According to the school census completed in May, 1980, there are 3,750 children of school age residing within Dearborn Heights School District No. 7. Of this number, 3,185 are enrolled in District Seven schools. The rest attend various private schools in the metropolitan area. This includes St. Albert The Great School and St. Sebastian School, Catholic schools which are located in District Seven.

This school district is primarily a residential area. For all practical purposes, there is no vacant land left in the school district for construction.

## STUDENT PROGRAM REDUCTIONS

A number of student program reductions have been made in District Seven schools during the past few years.

Some of the program reductions are:

- A. Reduced the student day to five hours at Oakley W. Best Junior High School (1975).
- B. Reduced the student day to five hours at Annapolis High School (1978).
- C. Reduced the counseling department at Oakley W. Best Junior High School from two full-time counselors to one (1979).
- D. Eliminated the vocal music program at Oakley W. Best Junior High School (1975).
- E. Two of the required classes for grade nine, Social Studies and General Science, were reduced to semester classes from full-time classes (1975).
- F. Reserve teams for grades seven and eight were eliminated in football, baseball and track at Oakley W. Best Junior High School (1978).
- G. The position of half-time Special Education Director was eliminated (1978).
- H. Vocational Drafting and the Secretarial/Clerical Vocational Block, two-hour classes were dropped from the instructional program at Annapolis High School (1979).

## SCHOOL CLOSINGS

In the past two years, three schools in Dearborn Heights School District No. 7 have been closed because of a decline in enrollment.

- A. Eton Elementary School..... 12 Classrooms
- B. Madison Elementary School..... 18 Classrooms
- C. Mayfair Elementary School..... 18 Classrooms

The Eton School has been leased to the City of Dearborn Heights for a dollar per year and is used as a senior citizens center.

The New Morning School, Inc. has leased the Madison School for one year for the stipend of one dollar.

The City of Dearborn Heights and the New Morning School, Inc.

are responsible for the utility costs, heat, electricity, water and telephone in their respective buildings.

However, the Board of Education must keep in good repair the roof, the four outer walls, the electrical, plumbing and heating systems of both buildings.

The Mayfair School remains unused.

These fact finding proceedings were instituted by the Michigan Employment Relations Commission after it concluded that the matters in dispute between the parties might be more readily settled if the facts involved in the dispute were determined and publicly known. At the hearings, both testimony and numerous exhibits were ably presented by both sides.

The mandate of the Fact Finder is to identify the issues in dispute, determine the facts regarding those issues, and to make recommendations for settlement.

#### ISSUES

1. School Calendar
2. Insurance protection
3. Grievance Procedure
4. Wages

#### 1. SCHOOL CALENDAR.

The Employer seeks to add the following Item E to Article XXI dealing with the School Calendar:

"Item E. ----If an audit by the Michigan State Board of Education rules that there is inappropriate time in the school calendar, necessary amendments will be made to comply with the Michigan School Code."

The Employer claims the new clause is necessary because the agreed upon calendar is so close to the minimum required by the State Board, that subsequent scrutiny and interpretation of that calendar might result in a decertification of the District by the State Board. The

Union claims that the parties agreed on the calendar before the matter was submitted to fact finding and, therefore, the Union refused to address itself to the issue or to present any testimony with regard to it. At the pre-trial conference the Union objected to the language of the Employer's Proposal, claiming that its inclusion would (or could) be used by the Employer as a lever to force a revision of the calendar already agreed upon. The Union offered no explanation of how this ulterior motive could be accomplished absent a bona fide ruling by the State Board.

The Fact Finder determines that he must rule on the Proposal because he is required to consider all issues which either party advances for consideration, or resist the Proposals of the other party.

The proposed additional clause appears straight-forward and innocuous to the Fact Finder and he is unable to read into it any loophole which might give the Employer an excuse to reopen and readjust the school calendar for its own whim, rather than in response to a ruling by the State Board. For this reason, the Fact Finder recommends the inclusion in the Contract of Item E.

## 2. INSURANCE PROTECTION.

The Union has proposed that the Contract include MESSA Full Family Intermediate Vision Plan effective September 1, 1980 and has submitted Exhibit 2-B showing eight School Districts in Wayne County which have contracts providing for either Plan I, Plan II or Intermediate Full Family Coverage. The testimony showed that six other School Districts have pending contracts still unsettled.

The Employer has offered the following plan:



"Vision Care according to the following schedule, effective September 1, 1981:

- |                         |                        |
|-------------------------|------------------------|
| a. Exam - \$16.         | e. Frames - \$90.      |
| b. Regular lens - \$21. | f. Contacts - \$50.    |
| c. Bifocals - \$24.     | g. Lenticulars - \$36. |
| d. Trifocals - \$30.    |                        |

Very little testimony was adduced by either side regarding the relative costs of either plan. The Employer submitted Exhibit 30 showing an annual disparity between the costs of the two proposals as Ten Thousand Five Hundred Dollars (\$10,500.00). The Union testified that the Intermediate Coverage is "between" Plan I and Plan II.

The Employer introduced Exhibit 29 showing the results of a survey of Wayne County School Districts regarding Vision Plans in their contracts. Out of thirty-four Districts surveyed, twenty-two had a program, and twelve did not. Testimony of Mr. Megahan disclosed that of the twelve without a program, five of the Districts, like Dearborn No. 7, are currently negotiating.

Some form of uniform vision plan appears to be justified in view of its provision in many other Wayne County Districts. The Intermediate Plan has been adopted in five of these Districts and so the Fact Finder recommends that the Union Proposal be adopted, but not to become effective until September 1, 1981.

### 3. PROFESSIONAL GRIEVANCE PROCEDURE.

A) Paragraph A of Article XXVII provides as follows:

"The term 'grievance' shall be interpreted to mean a complaint that a policy or practice is considered improper or unfair, that there has been a deviation from, or the misinterpretation or misapplication of a policy or practice, or that there has been a violation, misinterpretation, or misapplication of any provision of this Agreement. Whenever the term 'teacher' is used, it may be interpreted as a plural."

The Union seeks to retain the existing language, but the Employer proposes the following substitution:

"A. The term, grievance, is a claim that there has been a violation, misinterpretation or misapplication of any provision in this Agreement."

No testimony nor exhibit was presented by the Employer to justify nor explain the rationale behind the suggested change. No evidence was presented to show that Paragraph A is unfair or unworkable. The party wishing to change existing language in a contract has the burden of proving the need for the change. The Employer, having failed to meet its burden, causes the Fact Finder to recommend that the Union's proposal to continue the content of Paragraph A be adopted.

B) The Union seeks to change Step III of Paragraph E of Article XXVII of the existing Contract to provide that if the Union, rather than the Teacher, is dissatisfied with the Step II decision, the Union, rather than the Teacher, shall have the power to undertake Step III. The Employer desires that the existing Step III language remain intact. The Union also wishes to delete Paragraph F in the existing Contract to remove the Teacher's right to proceed alone, without Union support, to proceed with a grievance. The Union introduced no evidence to support its proposals, but Mr. Trudell argued simply that, since the Union represents the Teachers, it should and must control the decisions in the grievance procedures.

The Fact Finder, having heard no evidence that the existing operation of Step III has been inequitable or destructive of Union representation, must impose the same burden of proof as in 3 A) above and recommend that the existing clause E, Step III and Paragraph F remain unchanged.

C) The Union also proposes that Step V of the existing grievance procedure be changed from appeal to the State Labor Mediation Board, to submission of the grievance to binding arbitration by an arbitrator

selected by the American Arbitration Association. The Employer wishes to maintain the status quo, arguing that the Board must control its District and that the existing grievance system has worked well in the past.

On the other hand, the Union argues that the Board has historically denied every grievance coming before it and that it is in an advantaged position by being able to interpret and decide disputes in which it is one of the contracting parties. The Union also argues that binding arbitration would be much less expensive than resorting to court proceedings. Union Exhibit 1-E discloses that all Wayne County School Districts, except Dearborn Heights No. 7, represented by NEA/NEA have binding arbitration and testimony was introduced that all of the twenty-eight NEA locals in Wayne County have binding arbitration.

The Fact Finder is convinced that the Union position is clearly justified and recommends adoption of its binding arbitration proposal.

#### WAGES.

The salaries in the School District for the last year of the expired Contract (1978-1979) are as follows:

##### B.A. MAXIMUM

\$21,008.00

##### N.A. MAXIMUM

\$25,129.00

#### Union Proposal for New Three Year Contract:

##### A. Salary Proposal for 1979-80:

Each step of the 1978-79 Salary Schedules shall be increased Ten Per Cent (10%).

##### B) Salary Proposal for 1980-81:

1. Each step of the 1979-80 Salary Schedules shall be increased by a Cost-of-Living Adjustment.

The Cost-of-Living Adjustment shall be determined in accordance with changes in the Consumer Price Index for all Urban Consumers for the Detroit Metropolitan Area published by the Bureau of Labor Statistics, U.S. Department of Labor and hereinafter referred to as the CPI-U.



C  
O  
P  
Y

The amount of the Cost-of-Living Adjustment added to each step of each salary schedule, shall be the dollar equivalent of the percentage increase (rounded to the nearest one-tenth of one per cent (0.1%)) of the CPI-U. This percentage shall be determined by subtracting the CPI-U of June, 1979, from the CPI-U of June, 1980; the difference shall be divided by the CPI-U of June, 1979. The percentage shall not exceed Seven Per Cent (7%). This percentage increase shall be applied to each step of each salary schedule for 1979-80 to determine the dollar equivalent.

It is understood that if an application of the Cost-of-Living Adjustment would produce a reduction in the salary schedule such application shall not be made.

2. The resultant salary schedules shall then be increased by a Four Per Cent (4%) improvement factor.

On or before September 1, 1980, the Employer shall provide a copy of this salary schedule to the Union and each teacher.

C) Salary Proposal for 1981-82:

The 1981-82 Salary Schedules shall be determined as follows:

1. Each step of the 1980-81 Salary Schedules shall be increased by a Cost-of-Living adjustment.

The Cost-of-Living adjustment shall be determined in accordance with changes in the Consumer Price Index for all Urban Consumers for the Detroit Metropolitan area published by the Bureau of Labor Statistics, U.S. Department of Labor and hereinafter referred to as the CPI-U.

The amount of the Cost-of-Living adjustment added to each step of each salary schedule, shall be the dollar equivalent of the percentage increase (rounded to the nearest one-tenth of one percent (0.1%)) of the CPI-U. This percentage shall be determined by subtracting the CPI-U of June, 1980, from the CPI-U of June, 1981; the difference shall be divided by the CPI-U of June, 1980. The percentage shall not exceed Seven Per Cent (7%). This percentage increase shall be applied to each step of each salary schedule for 1980-81 to determine the dollar equivalent.

It is understood that if an application of the Cost-of-Living adjustment would produce a reduction in the salary schedule such application shall not be made.

2. The resultant salary schedules shall then be increased by a Four Per Cent (4%) improvement factor.

On or before September 1, 1981, the Employer shall provide a copy of this salary schedule to the Union and each teacher.

**Employer Proposal for New Three Year Contract:**

**A. Salary Proposal for 1979-80:**

Each step of the 1979-80 Salary Schedules shall be increased by Eight Per Cent (8%).

**B. Salary Proposal for 1980-81:**

Each step of the 1980-81 Salary Schedules shall be increased by Nine Per Cent (9%).

**C. Salary Proposal for 1981-1982:**

Each step of the 1981-1982 Salary Schedules shall be increased by Nine Per Cent (9%).

The foregoing Proposals would result in the following salary scales:

	<u>BOARD'S PROPOSAL</u>		<u>UNION'S PROPOSAL</u>	
	<u>E.A. MAXIMUM</u>	<u>M.A. MAXIMUM</u>	<u>E.A. MAXIMUM</u>	<u>M.A. MAXIMUM</u>
<u>1979-80</u>	\$22,688.64	\$27,139.32	\$23,108.80	\$27,641.90
<u>1980-81</u>	\$24,730.62	\$29,581.86	\$25,715.47	\$30,759.91
<u>1981-82</u>	\$26,956.38	\$32,244.22	\$28,616.18	\$34,229.63

**DISCUSSION**

The Union, in support of its wage proposal, points to the recent substantial increases in the cost of living and to recent settlement in other Wayne County School Districts whose teachers are represented by the Union. The Union cites contract terms settled in the Districts of Allen Park, Cherry Hill, Euron, Lincoln Park, Redford Union, Romulus, South Redford and Westwood. In each of those Districts, settlements were reached on three year agreements covering 1979 through 1982. In each a salary increase of either Eight Per Cent (8%) or Nine Per Cent (9%) was provided for the 1979-80 school year. In each of those Districts the second and third year salary increases are based upon an across the board improvement factor of Three Per Cent (3%) (except Cherry Hill which was a 3.5% and 5% for the last two years respectively), plus a cost-of-living allowance paying to each step of the salary

schedule the dollar equivalent of percentage increases in the Consumer Price Index. The C.O.L.A. provisions, however, are capped at either Seven Per Cent (7%) or Eight Per Cent (8%). Assuming Consumer Price Index increases of at least Eight Per Cent (8%), the average total (three year) salary increases in those Districts is about Twenty Nine Per Cent (29%).

C On the other hand, the Employer cites the ranking that a teacher with a Master's Degree Maximum would enjoy in Dearborn Heights School District No. 7 in relation to other Wayne County School Districts generally, as well as School Districts specifically represented by MEA/NEA. According to such data, if the Union's Proposal were adopted, such teacher would be the highest paid in all three years, whether compared to other Wayne County Districts generally, or to those Districts represented by MEA/NEA. If the Employer's Proposal were adopted, such teacher would rank third in the first two years and sixth in the last year when compared to Wayne County Districts generally. When compared to MEA/NEA Districts, such teacher would rank first in the first two years of the Contract, and third in the last year.

Y The Employer has also presented a great deal of material regarding its current financial condition and the worsening effect that increased teachers' salaries and decreasing school enrollment will have on its finances. Essentially, the Employer argues that it is unable to pay the salary scales demanded by the Union and that the Employer's Proposal is reasonable in comparison to other neighboring and Wayne County School Districts. The Employer argues that it has effectively reduced costs as much as possible, and since the District voters have approved a five mill increase in 1978 and renewed eleven mills in 1979, it would be doubtful that the electorate would vote a further six mill increase to the maximum permitted.

The Employer claims that between 1973 and 1980, Sixty Two Per Cent (62%) of all requests for millage increases in Wayne County elections were defeated. For these reasons, the Employer opted not to put a millage increase to a vote in 1980 as suggested by the Union. The Employer contends that, even with its own offer of salary increases to the teachers, there will be a shortfall of \$445,271.00 for the 1980-81 school year which will increase to \$907,337.00 in the following year.

C The Union counters these claims by stating that the Employer had discussed a possible millage election as early as 1979 and that if three additional mills had been levied in 1979, it would have produced a total of \$828,000.00 additional income for the three years of the contract.

O The Union also disputes the validity of the Employer's figures in its budget - claiming they are either in conflict with other "facts" or that the budget itself is simply a "sham". The Union concedes a shortfall, but seriously questions its magnitude and asserts that the Employer should have put millage on the ballot if it were prudent.

P The Union also points to recent NEA/NEA settlements and fact finding recommendations which average Twenty Nine Per Cent (29%) over the three year contracts. It also criticizes the twelve step Master's Salary Schedule in Dearborn Heights as being abnormally lengthy when compared to other School Districts.

Y It is difficult for the Fact Finder to determine the true extent of the Employer's financial plight, but it is abundantly clear that Dearborn Heights School District No. 7 is faced with a very uncertain financial future. Losses of future revenues are probable and it is equally clear that costs will escalate. On the other hand, the Union employees are entitled to reasonable compensation for their services and every effort must be made to help their income keep pace with inflation.



The Union's Proposal of a Ten Per Cent (10%) increase in the first year and Seven Per Cent (7%) plus an additional Four Per Cent (4%) in each of the following years is clearly excessive in view of the comparables with other School Districts. This Proposal would place the Dearborn Heights teacher with a Master's Maximum in a range between One Thousand to Two Thousand Dollars annually over his or her peer in Redford Union or Romulus School Districts - the closest competitors in wage scales according to Board Exhibit 3. No other Wayne County School District would be close to such salaries.

The Employer's offer of a Twenty Six Per Cent (26%) increase over the three year term appears to be low in relation to the Fact Finding decisions in Southgate and Woodhaven, wherein the Panel awarded increases totalling Twenty Nine Per Cent (29%) to each. However, these Districts were well below Dearborn Heights in the salary scale for the previous years and the award can be interpreted as a means for those Districts to "catch up" with Dearborn Heights and the other Districts near the top of the list. The Employer's Proposal is also low in relation to other settlements as shown by Union Exhibit 3-B.

The Employer's Proposal of straight percentage increases also constitutes a marked departure from the historical pattern in former contracts in which the Cost-of-Living Adjustments are "keyed into" salary increases. In the recently expired contract, the schedule for the last two years of the term provided for an improvement factor of Three Per Cent (3%) plus a cost-of-living factor of between Four Per Cent (4%) and Six Per Cent (6%). The Union Proposal here also seeks to continue that formula, although it proposes reversing the process by <sup>first</sup> applying the improvement factor. The Fact Finder believes that the pattern contained in the last contract should continue in the one presently under consideration.



In weighing all the factors presented in this case, the Fact Funder recommends that the salary rates be increased over the term of the contract with utilization of the dominant C.O.L.A. formula as follows:

1979-80 - Eight Per Cent (8%).

1980-81 - Seven Per Cent (7%). COLA Cap plus 3% improvement factor.

1981-82 - Seven Per Cent (7%). COLA Cap plus 3% improvement factor.

Assuming COLA paying the maximum, this would result in Twenty-Eight Per Cent (28%) plus the compounding factor, over the three year term.

John B. Kiefer, Fact Finder

Dated: Detroit, Michigan

March 25, 1981