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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

In the Matter of Factfinding between:

EAST CHINA TOWNSHIP SCHOOL DISTRICT #3,
Public Employer

-and-

EAST CHINA EDUCATION ASSOCIATION
(represented by ST. CLAIR COUNTY EDUCATION ASSOCIATION, MEA/NEA)
Union.

MERC Case No. D 87 G-1907

**REPORT OF THE FACTFINDER,
BENJAMIN A. KERNER**

Appearances:

For the East China Township School District #3:

Gary Fletcher, Attorney at Law
Thomas B. Shorkey, Assistant Superintendent
Ronald E. Stannard, Director of Business Operations

For the East China Education Association:

Bob Thomas, Attorney and MEA Uniserv Representative
Gladys Stabléin, President, East China Education Association
Anthony J. Cavis, Local Chief Negotiator
Alan F. Saunders, Local Negotiator
E. Jane Krebs, Local Negotiator

October 3, 1988.

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East China Township School District #3

INTRODUCTION.

On September 7, 1988, the Michigan Employment Relations Commission, pursuant to its authority under Section 25 of the Labor Mediation Act, M.C.L.A. 423.25, determined that the labor dispute currently pending between these named parties would be more readily settled if the facts involved in the dispute were determined and made publicly known. On September 12, 1988, the Commission appointed Benjamin A. Kerner, Attorney at Law, as its factfinder and agent to conduct a hearing and issue a report with respect to the matters in disagreement.

The factfinder held a hearing in Detroit, Michigan, on September 21, 1988. Both parties were represented by attorneys. Each party was afforded full opportunity to present any and all evidence deemed by it to be relevant to the issues in dispute. The hearing was closed on September 21, 1988. Having had the chance to review the 500 + pages of documentary evidence which were introduced, and the testimony of those individuals whose names are noted on the title page, I am now ready to issue my report of findings and recommendations.

BACKGROUND.

The factfinder has searched for a meaningful way to introduce the essential nature of this labor dispute to the general reader who may not be familiar with the concepts of labor relations, as well as to the labor attorneys and others who, though familiar with the concepts, may not be familiar with the history of the relationship between the East China Education Association (represented by the St. Clair County Education Association, MEA/NEA, and called throughout this report "the Union") and the East China Township School District #3. The Union's opening statement succinctly sets forth the bargaining history, has not been contradicted by the employer, and states as follows:

The bargaining history of East China has been turbulent. In the late 1970's, the teachers went a year without a contract. In 1981 a work stoppage was averted by a settlement in November. In 1984, there was a work stoppage; the teachers received and obeyed a court order to return to work without a contract. The teachers worked an entire school year without a contract finally settling in July of 1985. In 1987 another work stoppage occurred, and the teachers were ordered back to work without a contract. Again, the teachers obeyed and worked the entire year without a contract. In September of 1988, the East China teachers returned to work without a contract for the second year. The teachers remain under the court order until a successor contract is reached.....It would be an understatement to say that the relationship between the parties was strained....

To this recitation the factfinder can only add that both the Employer's counsel and the Union's counsel were well prepared, and forthcoming in their assistance to the factfinder in helping him to understand all the details of this dispute. Nevertheless, the tension between these parties was palpable, and the fraught history of this bargaining relationship was signalled in the non-verbal cues which one or another person at the table would from time to time employ. It is to be earnestly hoped that the findings contained in this report and the recommendations of a neutral, uninvolved labor relations professional will form the pathway to settlement.

The general reader should be apprised that the East China Education Association represents approximately 260 employees of the School District. Most of these employees are classroom teachers; some of them are social workers, school psychologists, librarians, counselors; and one is a school nurse. The issues in dispute generally concern three contract years: 1987/88, 1988/89, and 1989/90.

ISSUE #1: SALARIES.

The Union demands an increase in all teacher salaries of 7 percent for each of the three years of the proposed contract, 1987/88, 1988/89, and 1988/90. In support of this demand, the Union presented comparable salary figures for teachers in all 40 school districts in Macomb, Lapeer, Sanilac, and St. Clair Counties. The rational or justification for including all these districts is that "the wealth of the district comes from a major industrial complex which serves the whole of southeast Michigan," namely two major Detroit Edison power plants within the community, and that therefore a regional comparison of wages is appropriate. The two power plants have generated the largest per pupil tax base of any school district in the 4-county area, \$231,192 per pupil. The average per pupil tax base for the four-county area is \$69,437. Because of East China's large taxable property base, operating and equity revenues sufficient for the District have been generated from a millage rate of 22.52, which is the lowest millage rate in the four-county area. The average millage rate in the four-county area is 36.37.

Examining the salary levels of other school districts in the four-county area, the Union's arrayed figures show that East China salaries have risen consistently, from 20th or 21st in 1980/81 (depending on what salary in the salary grid is used as the basis for comparison) to 2nd or 3rd in the 1986/87 school year. This pattern holds true across all levels of the teaching salaries, from B.A. minimum to Masters-plus-30 credit hours, at the top of the salary grid.

To maintain this standing in comparison to other school districts, argues the Union, teachers' salaries in East China must be increased 7 % across the board for the three years of the proposed contract.

The School District has offered a 5 % salary increase for each of the three years of the proposed contract. The School Board's offer is based on a comparison of salaries offered in other school districts in St. Clair County, together with a comparison of other salaries offered to employees in the other major public employer in the county, the County itself. The Employer's figures show that if a 5% pay increase were granted for each of the three contract years, the salaries of East China teachers would remain above the salaries of other teachers in the county. The 1986/87 school year average salary for the remaining districts in St. Clair County was \$16,182, compared to the East China salary of \$19,329 (19.4 % above average). But if the School Board's offer is applied to teacher salaries over three successive years, the difference diminishes as follows:

projected County average 1989/90 salary	\$19,469
projected East China 1989/90 salary	\$22,375
percent difference in 1989/90:	+ 14.9%

The salary increases negotiated for unionized employees of St. Clair County range from 3.7% in 1987 (4.7 % with equity adjustments) to 3.8 % in 1989. thus, the increase which the School Board proposes would keep East China teachers ahead of the average salary increase for the employees of St. Clair County.

The School District points out some additional facts concerning the salaries paid to Michigan teachers generally. According to an article in the Detroit News [undated, but evidently from this September season]:

The state's average teacher pay of \$34,000 for 1987--1988 trails only Alaska, Washington, D.C., and New York. When the figures are adjusted to reflect the differences in the cost of living among the states, Michigan jumps to the top of the list.

Another paragraph of the same article, not specifically cited to me, says that, "Starting and maximum salaries in 38 Wayne, Oakland and Macomb county districts negotiated for the new year are up 6.5 and 6.6 percent compared to last year," according to a union source.

Responding to the Union's analysis of the comparability of the region, the School District points out that St. Clair County is not more industrialized than the rest of the region; that St. Clair County is predominantly rural in nature, has a higher level of transfer payments than the surrounding counties, and a higher unemployment rate than Macomb County, for instance. The School District would not consider Macomb County, on the one hand, or Sanilac and Lapeer Counties, on the other hand, to be comparable.

Finally, the School District agrees with the Union that it has the good fortune to have an excellent tax base. However, the School Board argues that its tax base will be decreasing over the next 5-6 years, due to the depreciation of Edison equipment which is now taxed at full value. In addition, says the District, it expects to have an increasing enrollment, and will not be able to collect additional

State aid dollars for that extra enrollment, because it is an out-of-formula school district. Thus, the school district's effective tax base, and out-of-formula status militate against any higher salary increase: In future years, the District will have to make up State aid short-falls for its expected increase in students by raising taxes. Thus, argues the District it is only prudent to keep salary increases in the 5% range.

FINDINGS.

The wealth of raw data provided the fact finder by both parties permits some important comparisons to be made. Of overriding importance is establishing the appropriate comparables. The fact finder is persuaded by the Union's argument that East China, because of its industrial base, ought properly to be compared with a regional group of other communities. Although finer distinctions than either party provided are possible to make, the grouping of 40 school districts constituting the entire 4-county region is an appropriate frame of reference for analyzing salary data. These districts include some very small districts, such as Imlay City in Lapeer County or Carsonville in Sanilac County and some very large districts, such as Warren and Utica in Macomb County. To this extent the comparable group is perhaps more diversified than an economist might like in establishing wage markets. But a more homogeneous grouping of school districts cannot readily be gleaned from the information provided to the factfinder in this hearing.

The group of comparables offered by the School Board is not appropriate. The six other school districts in St. Clair County all have relatively low ratios of taxable property to students. The State Equalized Value [SEV] of taxable property in those districts divided by the number of pupils enrolled in 1986/87 shows the following:

Algonac	\$53,658 SEV / pupil
Capac	60,749
Marysville	74,815
Memphis	45,897
Port Huron	40,878
Yale	81,541.

Compared to East China's taxable property of \$231,192 per pupil, none of the districts in the county prove to be ball-park comparables. Of course, geographic proximity has some bearing on picking appropriate comparables, because the other districts in St. Clair County compose a common wage market for teachers. But so, likewise, do the other school districts in the surrounding counties compose one wage market for teachers. Given the relatively low salaries in the other six districts in the county, and the proximity of three or four large and relatively high-paying school districts in Macomb County--such as Center Line, Warren, Utica, Fraser--it is much more likely to suppose that a teacher who is looking for a job in East China (or a new job outside of East China) would apply in one of the Macomb County communities than in another St. Clair County community.

Regarding other public employers in St. Clair County, the data provided by the School Board would be of greater interest if we were examining the salaries of professionals other than teachers--say nurses--who have a job market composed of the public health service of county government, the school system, the local hospitals, the visiting nurses' association, and other diversified types of employers. Then, the salaries paid by other public employers would be of significant interest. However, here we are examining the salaries paid in the education business. The market for services is narrowly defined: It is other public school authorities. Thus, other public employers--while they may provide a benchmark for salary minima in this case--do not define the wage market for teachers and do not offer helpful comparisons for defining an appropriate wage for East China teachers.

In summary, taking into consideration geography, the size of the taxable property base per pupil, and the regional character of the economic base in East China, it is more appropriate to consider the regional four-county area as the frame of reference for economic comparisons in this case than any other suggested comparables.

Furthermore, it would be reasonable to set the wage rate for teachers in such a way as to continue the high standing that East China teachers now enjoy in the regional wage market. I accept the School Board's argument that East China will by 1990 or 1991 face a budget deficit, and will be forced to raise taxes, in order to keep up the level of educational services which the residents now enjoy for an increasing number of students. However, this fact, in itself, is not an argument against paying adequate wages.

Reviewing the data in view of the standards I have defined above, it is apparent that the 5% wage offer of the School District goes a long way--but not all the way--towards maintaining the District's preeminence in the four-county comparison of wages paid to teachers. The Union's demand goes all the way--and then some--by placing East China teachers in the very top rank of the four-county group of teachers (for most categories on the salary grid) when today, and last year, and the year before, they were in the 2nd or 3rd rank. If East China teachers are to retain their standing in this four-county area, and yet not become the wage leaders, the following wage settlement would be appropriate.

RECOMMENDATION.

I recommend that the parties adopt the following wage settlement:

First year (1987/88)	5.5%
Second year (1988/89)	5.5%
Third Year (1989/90)	6.0%

The parties are to understand that the above recommendation contemplates that the School Board will recompute salaries for the year just past (1987/88) and pay the difference due to current employees when this contract settles.

Inasmuch as no data was presented to support the demand for a change in the salary of the one school nurse employed in this bargaining unit, the factfinder cannot recommend any change in her salary at this time, other than inclusion in the above-recommended general salary increase, and appropriate advancement on the salary grid, as previously negotiated.

ISSUE #2: TEACHERS' LEAVE ON DAYS BEFORE HOLIDAYS.

The currently effective contract does not provide for any time off on the days preceding holidays. For instance, on the day preceding Thanksgiving, students are dismissed early. On that day, teachers, as well as other School District personnel work a full day.

The Union demands that teachers be allowed to leave a half-day early on the days preceding a holiday, when students likewise leave early. In support of this demand, the Union presented relevant pages from collective bargaining contracts in comparable school districts from the four-county area.

The School Board opposes this demand because, it argues, the school day is short enough already. In addition, the Board cites potential problems with other bargaining units and other employees who work a full day before a holiday. The Board, however, is willing to consider this proposal if the Union agrees to shortening lunch periods, a matter which may become of more urgent concern to the School Board when plans to move the 6th grades into the middle schools and the 9th grades into the high schools are complete.

FINDINGS.

The data presented by the Union shows that there are several districts where teachers leave early when students leave early. In particular, teachers in Carsonville, Croswell-Lexington, Lapeer, Marysville, New Haven, Peck, Port Huron, Richmond, and Yale may leave school shortly after the busses leave, including those days before holidays when students are dismissed early. No doubt there are other districts, not mentioned in the Union's data, which have no early leave provision.

The testimony presented by the Superintendent established that a number of potential problems would be experienced if teachers left early when other employees of the District were still working on the day preceding a holiday. The desire of the School Board for internal comparability--of East China teachers with other East China employees-- is a factor in the factfinder's estimate of an appropriate resolution on this issue. On this score, the factfinder believes there is a significant employee relations problem which would be generated by disparate treatment of teachers on this issue. For these reasons, the factfinder is inclined to the view that the Union's demand is not appropriate to grant at this time.

RECOMMENDATION.

The parties are encouraged to adopt the status quo, with a notation permitting re-opening of this item in the contract in the event that the School District proposes mid-term changes in the lunch hour.

ISSUE # 3: CLASS SIZE.

The contract under which the parties are currently operating allows for the following class sizes:

Grades K--2	Maximum of 30 students, payment after 26
Grades 3--6	Maximum of 31 students; payment after 27.
Grades 7--12	Maximum of 32 students; payment after 150 students total.

The Union demands a contractual limit on class size as follows:

Young 5's	12--18, with aide
Kindergarten	23
Jr. Primary	20, with aide for 16 or more students
Grades 1-2	25
Grades 3-6	27
Grades 7-12	29
Split grades	18

The Union's justification for this proposal is contract data from other school districts, analyzed below.

The Board proposes to keep the class size maxima at the present level, except to decrease the overall daily student count maximum per teacher at the secondary level from 160 students to 155 students.

The Board responds to the Union proposal by pointing out that average class sizes currently are less than the contract maxima:

in 1988/89, in K--2 it is 22.7;

in 1988/89, in K--6 it is 24.5.

Further, there are no sections which are at the contract maxima among the elementary classes, despite the fact that the Board has experienced increasing enrollment. The Board has kept up to and exceeded contractual requirements by hiring 12 additional elementary teachers in the last 3 years, as well as hiring other support staff.

FINDINGS.

One key fact is that the School District's current enrollment can be accommodated within the currently effective contractual limits, and, it would appear, within the Union-proposed contractual limits, at least for the elementary grades. No information was presented by either party as to the School District's current enrollment per teacher in grades 7--12.

Regarding grades 7--12, the currently effective limit of 32 students/ class is at the upper end of the range suggested by the Union's comparables. The range is from 27--33 (Chippewa Valley, with exceptions) to 35 (Anchor Bay), with only 3 Districts' being above 32 (Anchor Bay, Capac, South Lake). The modal maximum number is 30 students per class, in the higher grades.

Although the Employer would evidently like to continue the contractual freedom it enjoys to hire teachers (or not to hire teachers) adequate to staff at contractual, or better-than-contractual levels, the fact that it has hired elementary teachers sufficient to keep class sizes below contractual limits demonstrates a commitment to quality education which is laudable. The taxpayers and residents of this community should be aware that the present administration and members of the School Board evidently want to keep quality featured in their system.

The Union's demand, so far as elementary grades is concerned, is completely reasonable, as judged by the performance of the school district to date. I see no reason not to recommend a settlement within the actual performance limits achieved by the School Board in its quest for quality education.

Similarly, although supportive data is lacking in the case of this school district's performance for the higher grades, the evidence from the comparable school districts indicates that a class size maximum of 30 is the norm.

Thus, in sum, I would adopt the Union's demand for changes in the class size, with the modification noted below for grades 7--12.

RECOMMENDATION.

The Union's proposal on class size maxima is adopted, except that the factfinder recommends that the maximum for Grades 7--12 should be 30 students.

ISSUE #4--SICK LEAVE ACCUMULATION.

The present contract allows for the accumulation of a maximum of 248 sick days. They are accumulated at the rate of 13 days per year.

The Union proposes to increase the maximum accumulation to 260 days in 1987/88, to 270 days in 1988/89, and to 280 days in 1989/90.

The Board's position is that any increase in number of sick days which can be accumulated is unjustifiable. The Board has proposed an increase in long-term disability insurance to cover the event of a long-term sickness or disability. Thus, in the Board's eyes, any increase in sick day coverage is unwise and unnecessary.

FINDINGS.

The data provided by the Union show other school districts range from a maximum allowable sick leave accumulation of 75 days (Anchor Bay) to 308 (Marysville, in 1989/90). In one district, Utica, the accumulation of days is unlimited.

The maximum number of sick days under the presently effective contract can be accumulated only after approximately 19 years of sick-free service. There was no evidence presented to show that this number of sick days is not sufficient. To the extent that catastrophic illness may require more sick days, the long-term disability policy is designed to cover that need. Therefore, I endorse the School Board's position on this issue.

RECOMMENDATION.

I recommend that the parties adopt the status quo for the new contract term.

ISSUE # 5--PRESIDENT'S LEAVE.

The present contract provides for union leave time of 25 days, of which 5 are granted to the Union to use for Union business without cost to the Union; and 20 are usable by the Union, with reimbursement by the Union to the School Board for such time.

The Union proposes to continue the current provisions; and to supplement the availability of Union leave time by entitling the President of the Association to be released 2 hours per day.

The School Board takes the position that Union leave time, at least as presented in this proposal, is not a mandatory subject of bargaining under the Michigan Public Employment Relations Act

[P.E.R.A.]. The Board further says that no need for additional President's release time has been demonstrated. The Board is also philosophically opposed to supporting the Union in the conduct of Union business.

FINDINGS.

The Board, of course, is not bound to support the Union in the pursuit of Union business. But the pursuit of collective bargaining goals, including the availability of Union officers to process grievances and to bargain (for instance, in joint conference about such important subjects as teacher evaluation), is a matter of joint concern; does affect employee welfare; and in this factfinder's opinion is a mandatory subject of bargaining under P.E.R.A.

The Union's evidence, again consisting of a recitation of the provisions in the collective bargaining agreements of selected other school districts, does not bear particularly on the Union's claim for additional time in this school district to handle this Union's collective bargaining business. However, the intensity of the current bargaining effort, the likelihood of further bargaining, and the evident need to "smooth out" labor relations procedures between these parties are factors which convince me that some additional Union leave time is warranted over the next two years. Rather than confine the use of leave time to one officer, I am adopting a recommendation which is along the lines of the present contract provision, but increases the total time available to the Union for collective bargaining business.

RECOMMENDATION.

I recommend that the parties adopt a provision for 1988/89 and 1989/90 allowing for 35 days total union leave time, of which 10 are granted to the Union "for professional and Association business" without cost to the Union.

ISSUE # 6--SICK BANK.

The presently effective contract has no provision for a sick bank.

The Union demands the establishment of a sick bank, with each teacher contributing 2 days from his or her sick days, so that a colleague who is afflicted with a serious illness, but who has exhausted most of his or her sick days can draw on the sick bank to cover the 21st through the 121st days of illness. The Union's proposal calls for the sick bank to be administered by a 6-person board of administrators and teachers.

The School Board opposes this demand.

FINDINGS.

The School Board points out that shifting sick days from an individual's account to a joint, or collective account in the fashion that this sick bank proposal contemplates, will cost the Board money. The risk of at least one individual in a year requiring the use of sick bank days which otherwise the Board would not have to pay for is quite real, in the Board's estimate. Although the expected risk,--the number of individuals who would be expected to use the sick bank, and the number of days which might be expected to be used--have not been analyzed in the Board's data, the maximum liability has been computed, and it is \$100,000 per year, potentially.

The Union justifies its demand by citing provisions from a number of districts' contracts. A total of 18 districts are represented in the Union's data. No figures were established on how many others may or may not have this benefit.

The factfinder is not persuaded that the need for this benefit has been established here.

RECOMMENDATION.

I recommend that the parties do not institute this benefit in the new contract term.

ISSUE # 7--TEACHER EVALUATION.

The currently effective contract incorporates a teacher's evaluation scheme in which tenured teachers are evaluated two times per year. The evaluation form includes 23 detailed areas for check-off (Not Applicable, Acceptable; Unacceptable).

The Board proposes a new evaluation form in which narrative comments can be entered for 7 categories of teacher performance. The Board also proposes to reduce the frequency of evaluations to once in two years for tenured teachers; and twice annually, for probationary teachers.

The Union response is that some change in evaluation procedure may be salutary; however, the Union is not prepared to accept the Board-proffered document or procedure. The Union considers this topic an essential ingredient of job security. The Union suggests that the parties continue to bargain for 6 months, post-contract formation to devise a mutually satisfactory evaluation form and procedure.

FINDINGS.

The factfinder has been apprised of a number of sub-issues relevant to the evaluation scheme in this school district. This is a matter touching the core of administrative control of the teaching process; and is likewise an issue directly affecting the job security of members of the bargaining unit. In all fairness to the parties, the factfinder does not feel he has been sufficiently informed on all

aspects of the evaluation scheme to make an intelligent and defensible recommendation at this time. Therefore, he adopts the proposal for further bargaining, in a modified form.

RECOMMENDATION.

It is recommended that the parties set aside a half-day or one day for bargaining on this issue, at any convenient time either before or subsequent to formation of their contract. It is recommended that the parties invite a mediator or arbitrator in whom they have mutual confidence to sit in on the bargaining; and that the parties commit themselves to achieve either a mediated or an arbitrated solution to all sub-issues relating to evaluation, by investing their selected neutral with the authority to make a binding decision, absent full agreement on all sub-issues, at the end of one day's bargaining.

ISSUE # 8--CALENDAR.

The school calendar is matter of fait accompli, at least insofar as the beginning days of school for 1988. The beginning of the current school term on September 6th, rather than on August 29th, as proposed by the Union, limits the flexibility which can be achieved in the remainder of the year.

One feature of the Union-proposed calendar is an extra mid-winter recess in February. A second feature is the proposal for a half-day off before Thanksgiving (discussed above under Issue #2). A third feature is the demand for paydays to be on the 1st and 15th of the month.

The School Board rejects the concept of a new pay schedule, saying that the current schedule of biweekly paydays for teachers corresponds with the pay schedule for the other employees of the District. Administrative convenience dictates that this scheduling of paydays be maintained, says the Board.

As to half-days, the School board notes the negative impact such time allotment has on instruction, as well as on relationships with other bargaining units and employees, who do not have the half day before Thanksgiving, for instance, off work.

FINDINGS.

The School Board's proposed calendar for 1988/89 would provide 179 days of instruction, with three substantial vacation blocks, Thanksgiving, then Christmas-New Year's break from Dec. 17th through January 2nd, and finally spring recess, from March 24th through April 2nd.

The Union's proposed calendar, adjusted for the actual start of school on September 6th, 1988, would appear to provide 175 1/2 days of instruction. Four substantial vacation periods are provided, the

fourth being a long weekend in February created by shortening the Christmas-New Year's recess.

The Union's proposed calendar also provides for teacher conference days on November 10 and 11th, whereas the School Board's calendar provides for conference days on November 17 and 18, which happens to coincide with the opening of deer season in Michigan.

I find that the School Board has advanced good and sufficient reasons for retaining the current pay schedule.

I find that the School Board has advanced good and sufficient reasons for not scheduling a half-day before Thanksgiving.

I find that the School Board has advanced good and sufficient reasons for scheduling conference days on November 10 and 11th.

And I find that the Union has advanced a sensible and workable proposal for an additional long weekend, which if desired by its membership can appropriately be accommodated within the overall schedule proposed by the School Board.

RECOMMENDATION.

I therefore recommend that the School Board's proposed calendar be adopted by the parties, with the following modifications:

Christmas break	Dec. 22 through Jan. 2, 1989
Mid-winter break	Feb. 17 through 20, 1989
Last day of school	June 14, 1989
Record day	June 15, 1989.

The calendar for the remaining year of the contract, I trust, can be negotiated utilizing the above-shown pattern. It is recommended that pay days remain on the present schedule.

ISSUE # 9--SEVERANCE PAY.

The currently effective contract provides for severance pay of \$20 per day of accumulated sick leave up to a maximum payment of \$3400 upon retirement.

The Union proposes that the pay-out rate for retiring teachers be based on then-current substitute-teacher rates. Currently, this would imply a pay-out of \$27 per day, or an increase of approximately 26 % in this component of retirement (or severance) pay-outs.

The School Board opposes this demand and desires to maintain the status quo.

FINDINGS.

The benefits of the Union proposal to the teachers is obvious. Moreover, the effect on the School Board's reserve liability for retiring teachers is also clear.

The comparable school districts are all over the lot on this subject. Only one, New Haven, has severance pay benefits pegged to the substitute-teacher pay rate. Some school districts are currently paying substantially higher than East China: L'Anse Creuse pays \$30 per day up to \$5400. Another school district, Lakeview, pays only \$10 per day for a severance benefit.

The factfinder is not persuaded that there is a need for any increase in this benefit at this time. Therefore, I endorse the School Board's proposal on this issue.

RECOMMENDATION.

The factfinder recommends that the parties adopt the status quo for the term of their next contract.

ISSUE # 10--BENEFITS FOR HALF-TIME TEACHERS.

The currently effective contract provides that half-time teachers may elect to have fully paid dental and vision insurance coverage; or, have the Board pay 25% of the dollar premium for Blue Cross/ Blue Shield coverage into a tax shelter annuity.

The Union proposes to improve this benefit by having the Employer pay 50% of the Blue Cross/ Blue Shield premium into a tax shelter annuity, if the half-time teacher so elects.

The Board is convinced that the present benefit is sufficient, and proposes to stay with the status quo.

FINDINGS.

Again, the provisions for half-time teachers in comparable school districts are all over the lot on this subject. Armada, Sandusky, Clintondale, and Mt. Clemens pay full benefits for half-time teachers. Marlette, Fraser, and a few others pay benefits on a pro-rated basis. Dryden pays only long-term disability coverage. And there are other arrangements.

Because of this diversity, the other comparable school districts do not provide a good basis for establishing the appropriate benefit levels for half-time teachers in East China.

Rather, the equitable factor of treating half-time teachers as well as can be justified based on their contribution to the school system seems to provide a basis for deciding this issue. Given this criterion, the Union's proposal for improving the benefit to allow

the option of 50% of health care premiums to be contributed to a tax sheltered annuity seems fair.

RECOMMENDATION.

I recommend that the parties adopt the Union's proposal for half-time teachers, effective for the 1988/89 and 1989/90 school years.

ISSUE # 11--LONGEVITY PAY.

The currently effective contract provides for increases at the top of the salary grid for teachers who have achieved the maximum level of service as follows:

for years 16-20	\$400.
for years 21--25	\$600.
for years 26 and above	\$800.

The Union proposes to add a step in this schedule and to increase the amounts of the payments as follows:

	1987/88	1988/89	1989/90
for years 11--15	\$400.	\$600.	\$800.
for years 16--20	\$600.	\$800.	\$1000.
for years 21--25	\$800.	\$1000.	\$1200.
for years 26 and above	\$1000.	\$1200.	\$1400.

The Board, although not precise in its formulation of any counter-proposal on this issue, rejects the Union's demand. It is believed that the Board proposes to leave the longevity schedule as it currently exists for the duration of the next contract term.

FINDINGS.

Once again, the equivalent provisions in other school districts range all over the lot. A number of the Union's comparables have a three-tiered schedule, similar to the one now in effect in East China. Some have four high-seniority steps. The amount of the increases range from \$300 (13-16 years in Marlette) to \$1200 (21+ years in L'Anse Creuse).

Because of this diversity, the other comparable school districts do not provide a good basis for establishing the appropriate level of longevity payments for teachers in East China.

The factfinder believes, however, that once again, equity considerations provide an answer here. I am convinced that the

concept of recognizing years of service is best implemented by providing additional incentives for teachers between the 10th years and the 16th years of service. The presently effective contract language provides for payments on the salary grid up through the 10th year of service. Then, presumably, a teacher would not be entitled to longevity increases until he or she has reached the 16th year of service. Compared to the yearly salary increases such a teacher has received on the ranks of the salary grid--which computations show to be in the range 5% to 8.6% in the 1986/87 school year-- one might conclude that experience was not well rewarded during this mid-career period of 10--16 years of service.

At the same time, I am not persuaded that the absolute amounts of the Union-proposed increases have been justified. Thus, I recommend that the Union's concept of an additional longevity step be adopted, but with the following modifications:

RECOMMENDATION.

	1987/88	1988/89	1989/90
for years 11--15	\$300.	\$350.	\$400.
for years 16--20	\$500.	\$550.	\$600.
for years 21--25	\$700.	\$750.	\$800.
for years 26 and above	\$900.	\$950.	\$1000.

ISSUE # 12--LIFE INSURANCE.

The currently effective contract calls for Group Term Life Insurance for each member of the bargaining unit, in the amount of \$26,000.

The Board proposes to increase the life insurance coverage to \$35,000 for the life of the next contract.

The Union proposes to increase the coverage to \$40,000 in 1988/89 and to \$45,000 in 1989/90.

FINDINGS.

Once again, the data from other school districts is diverse. The range in group term life insurance coverage is from \$20,000 to \$60,000. However, here, the arrangement of the provided data in a simple array reveals that the median value of the life insurance among some comparable school districts is \$40,000 in the current school year.

In view of these figures, the Union's demand on this subject appears justified.

RECOMMENDATION.

The parties are urged to adopt the Union's proposal on the subject of life insurance.

ISSUE # 13--LONG-TERM DISABILITY INSURANCE.

The currently effective contract provides for disability insurance which begins six months after absence due to illness or accident; and provides for coverage of 60% of base salary up to \$1,000 per month.

The Board proposes to increase the limits on the policy to cover 60% of salary up to \$1500 per month.

The Union proposes to increase limits to cover 66 2/3% of salary up to \$3500 per month.

FINDINGS.

The comparables provided by the Union reveal a range for monthly maximum benefits from \$1,200 to \$3,000. In several cases, there is no stated maximum. The modal number among those comparables provided is \$2,000.

In view of these figures, the factfinder will recommend that the maximum benefits be increased to \$2,000 per month.

RECOMMENDATION.

I recommend that the parties adopt a contract provision for 1988/89 and 1989/90 assuring long term disability payments on the basis of a 6-month qualifying period; with benefits payable for 60% of base salary up to \$2,000.

ISSUE # 14--TAX SHELTERED ANNUITY.

The currently effective contract provides that the Board will pay monthly for a tax sheltered annuity equal to one half the single subscriber premium rate for medical insurance, if the teacher is covered by another medical plan and if the Board does not pay medical insurance premiums for that teacher. The current amount of the payments under this program is approximately \$50.

The Union demands that the amount of the Board's contribution for this program be increased to the full amount of the health insurance (Blue Cross/Blue Shield) premium, for those teachers who are not receiving medical coverage through this Employer.

The School Board proposes that the amount of its contribution to this program be increased to \$75 per month.

FINDINGS.

The four comparables provided by the Union provide the option for payment into a program similar to the one found here in East China on the basis of:

100% of health care premium (Chippewa Valley)
 80% of health care premium (Armada)
 \$60 per month (Clintondale)
 \$50 per month (Peck)

The factfinder sees no reason why the employer should not be allowed to realize some savings when an employee is fully covered elsewhere for medical insurance needs. The alternative provided to the already-insured employee is a windfall to that employee as compared to the benefits available to other employees. Thus, the proposal which realizes some savings to the employer is to be preferred here.

RECOMMENDATION.

I recommend that the parties adopt the School Board's proposal on the subject of tax sheltered annuities.

ISSUE # 15--EARLY RETIREMENT INCENTIVE.

The currently effective contract provides for a \$10,000 incentive to employees to retire at age 55, provided they are otherwise eligible under the Michigan Public School Employees Retirement System. This contract provision was effective for the period August 26, 1985, through August 25, 1986. The School Board has not elected to continue the program.

The Union proposes that the early retirement incentive program be continued during the term of the new contract. The Union proposes to make eligible those employees who are not 55 years of age but who are eligible to retire under the state incentive plan. In addition, the Union proposes to increase the benefits payable to early retirees.

The School Board opposes this demand and desires to maintain the status quo.

FINDINGS.

The program instituted for the 1985/86 period was done in conjunction with a state-sponsored early retirement program whereby a teacher with 80 points (points being a combination of years of teaching experience and of age), could qualify for early retirement. That program is due to expire on December 31, 1988. The purpose of both the state program and the local program was to encourage early retirements, and thus, to open the ranks of the teaching profession to younger people, and to save the school boards money at the upper ends of the longevity schedules.

It cannot be ascertained from the data provided in this hearing whether the local program accomplished this purpose. The Superintendent stated that there had been 15 retirements in 1985/86, compared to 6 or 7 retirements annually in earlier years. However, he also felt that there had been a statistical blip in the number of teachers who were ordinarily ready to retire in 1985/86. The School Board has no evidence that the \$10,000 bonus payment for early retirement was a factor in any of the 1985/86 retirements. The Union has provided no evidence to show that the \$10,000 bonus payment was a factor in any one case.

Absent more detailed evidence on the eligibility of teachers to retire, shown across many years, it is impossible to conclude either that the early retirement incentive program encouraged retirements in this school district or that it failed to encourage retirements. In view of the dearth of data, and the acknowledged experimental nature of the program, it is not recommended that this program be continued.

RECOMMENDATION.

I recommend that the status quo-- no early retirement incentive program-- be maintained.

ISSUE # 16--B-SCHEDULE POSITIONS.

The currently effective contract provides for extra payments for teachers who perform any number of extra duties, including coaching duties (Schedule B-1) and supervision of other extra-curricular activities (Schedule B-2). The dramatics supervisor, for instance, earns 3.5% of base salary for handling that activity. The ski club supervisor earns 2.5 % of base salary.

At issue here is the amount of extra pay for three activities: the National Honor Society [N.H.S.] sponsor, who is currently not paid; the Driver's Education instructors, who are currently paid \$15/hour; and the supervisors at school functions, who are currently paid \$15/hour.

The Union proposes a 3% payment for the N.H.S. sponsor. The School Board claims that this position is just one too many, and need not be paid.

The Union proposes \$16, \$17, \$18/hour for the driver's education instructors. The School Board proposes \$16/hour in all three contract years.

The Union proposes \$16, \$17, and \$18/hour for the supervisors of school functions. The School Board proposes \$16/ hour for all three contract years.

FINDINGS.

The data provided by the Union for the extra duties of driver's education instructor and supervision of school functions in other districts show that East China is already paying more than the top-ranked school districts among the comparables.

The data on N.H.S. sponsors in comparable districts show a range from \$100 (Lapeer) to 6.3% of salary (Warren). Presumably, the listing of 13 districts by the Union implies that in many other districts, the N.H.S. sponsor is not paid at all, if indeed the other districts have an N.H.S. affiliate.

One has to have some sympathy with the position of the School District, that at some point, you have to draw the line on payment for extra duties. However, when the B-schedule includes band instructor, the debating coach, the school paper advisor, the school yearbook advisor, the student council advisor, and the ski club sponsor, the factfinder cannot justify drawing the line to exclude the N.H.S. sponsor from this list.

The ski club sponsor is paid 2.5% of salary to take 5 trips with the club, and handle the students interested in that extra-curricular activity. The junior high year book instructor is paid 3.5% of salary to handle that activity. In view of these rates, the salary demanded for the N.H.S. sponsor does not appear out-of-line.

RECOMMENDATION.

The factfinder recommends that the School Board's position be adopted on driver education instructors and school function supervisors. The factfinder recommends that the Union's position be adopted on N.H.S. sponsor.

ISSUE # 17--TEACHERS EVALUATING TEACHERS.

The currently effective contract provides that teachers who perform extra duties, as indicated in Schedule B-1 and B-2 shall be evaluated once yearly, and that such evaluations and assignments are not subject to the grievance procedure of the contract, although a teacher has the right to conference with the Superintendent concerning an evaluation.

The Union is concerned that teachers end up evaluating teachers in these extra-duty assignments. The Union proposes to add language to the contract prohibiting that practice.

The School Board has not experienced any problems with the current practice and proposes to continue the status quo.

FINDINGS.

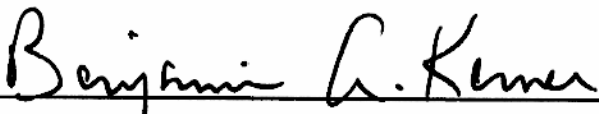
No evidence was offered, other than the parties' statements of positions on this subject.

The factfinder can imagine problems arising from the politicking which might occur when one teacher evaluates another. However, in the absence of evidence that such has been the case, or has constituted a general problem, there is no intrinsic reason that I know of, and no prohibition in this state's labor laws that I know of, dictating that the practice must end.

The Union's position is understandable; but, before the burden of evaluating the numerous positions in Schedule B-1 and B-2 is placed entirely on administration, there should be further evidence of a problem.

RECOMMENDATION.

I recommend that the status quo be maintained: no new contract provision appears needed on this subject.



Benjamin A. Kerner
Factfinder

October 3, 1988
Ann Arbor, Michigan