

East China

9/6/84 FF

Senter, Richard

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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF FACT FINDING

between

EAST CHINA TOWNSHIP SCHOOL DISTRICT

and

EAST CHINA EDUCATION ASSOCIATION

REFERENCE

MERC Case No.: D84-E1721

REPORT OF THE FACT FINDER,

RICHARD H. SENTER

REPRESENTING THE PARTIES:

For the East China Township School District:

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For the East China Education Association:

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East China Township School District

BACKGROUND

The Employment Relations Commission on its own motion concluded that the matters in disagreement between the parties might be more readily settled if the facts involved in the disagreement were determined and publicly known.

Accordingly, the Commission on Saturday, September 1, 1984, notified the parties and also appointed Richard H. Senter, Esq., as its Fact Finder and Agent to conduct a fact finding hearing pursuant to Section 25 of Act 176, Public Acts of 1939, as amended, and the Commission's regulations, and to issue a report with respect to the matters in disagreement.

PREPARATORY PROCEDURES

Upon receiving notice of appointment, the Fact Finder telephoned the representatives of the parties to arrange for the beginning of the fact finding hearing on Sunday, September 2, 1984, at 3:30 p.m. in the administrative offices of the School District.

The East China Education Association, as the bargaining agent for the teachers, advised its presence would be for the purpose of identifying the issues not yet settled between the parties, but that due to the shortness of notice, it would not be prepared to offer testimony. The parties were advised that in addition to the defining the issues, the Fact Finder would take testimony from the representatives of the School District, as offered.

PROCEEDINGS OF THE HEARING

The public hearing was convened as scheduled.

Exhibit 1 was received from the Association, and Exhibit 2 was received from the Board, both identifying 18 unresolved issues. Exhibits 3 and 4 were received from the Board, setting forth the Board's salary proposals and the Association's salary demands. Exhibit 5, furnished by the Board, was a copy of the last contract between the parties.

The Association objected to the Board also listing on its proposal the total payment made at each level in the school year of 1983-84. The objective was found to be without merit.

From the testimony received on Sunday, September 2, 1984, the Fact Finder finds:

The parties have had a contractual relationship since approximately 1966, and the contracts have been of varying lengths, with the last two contracts being for a period of three years each.

The last contract expired August 25, 1984.

All issues and conditions of the new contract, excepting those identified in Exhibits 1 and 2, have been agreed upon. The next contract will be for a three-year period and provides for teachers to report on Thursday, August 30, 1984.

The teacher members of the bargaining unit did report on August 30, 1984, and did receive and accept salary checks for the first pay period.

Students are scheduled to report on Tuesday, September 4, 1984.

In the event that no agreement is reached between the parties prior to the scheduled school opening, there will be no lockout by the School Board, according to School Board representatives.

There is a distinct possibility of a failure by the teachers to report for work. The membership of the Association has previously voted to withhold services if a contract agreement is not reached before the opening date of school. The membership has scheduled a meeting for 7:30 p.m. on Monday, September 3, 1984, to determine if services are to be withheld.

The hearing was recessed at 5:40 p.m. on Sunday, September 2, 1984.

The hearing was reconvened, as agreed to by the parties, beginning at 10:30 a.m. on Monday, September 3, 1984, at the administrative offices of the School District.

ISSUE #1

The issue of salaries was considered first, with the Association voluntarily proceeding first in presenting the basis for its demand of an increase for all teachers at all levels of 7 percent for 1984-85, 8 percent for 1985-86, and 9 percent for 1986-87. The Association offered no testimony regarding comparable districts with salary schedules at or above this school schedule as evidence that these teachers

deserved or were entitled to a salary increase to keep competitive with professional peers. Rather, the Association representative stated, "Comparability is an inadequate basis in this case and East China should be weighed against its own resources."

The current contract provides for a beginning teacher with a BA degree to receive \$16,541.00 per school year, with regular raises in each of ten steps to \$30,312.00.

The same teacher with a Master's degree would start at \$18,334.00 and progress to \$33,099.00.

The same teacher with a Master's degree and an additional 30 hours of further graduate study would start at \$19,376.00 and progress to \$34,140.00.

The Association Exhibits 1 and 2 detailed its salary demands, level by level, and compared it to the salary scale offered by the Board, and set forth the dollar differences. This was informative to the Fact Finder.

Association Exhibits 3, 4, 5, 6 and 7 were the annual financial reports of the Board for 1979, 1980, 1981, 1982, and 1983. Since the Board has never claimed "an inability to pay" in opposing the Association's demands, these exhibits were of no assistance to the Fact Finder.

Association Exhibits 8, 9, 10, and 11 concerned the growth in the School District revenues, the low level of voted millage in the District compared to other districts in St. Clair County, and the percent of revenues devoted to salaries by the District.

Association Exhibit 12 is a reprint from the Port Huron Times Herald of August 20, 1984, summarizing a Rand Corporation study of education. Nothing in it specifically related to the East China schools.

Association Exhibit 13 is a reprint of an article entitled, "Teacher Salaries and Inflation," which appeared in the Collective Bargaining Quarterly, and was authored by Susan Carmon Gewirtz. No date of publication is listed. The article discusses salary trends of teachers across the country. One table lists Michigan as the third highest in the nation in the list of states and rankings of average salaries paid, compared to the national average. Michigan classroom teachers receive 131.1 percent above the national average. Nothing in this article related to the present situation, in particular.

The Board proposes a raise of \$600.00 for all teachers in the first year of the contract and a raise of \$1,000.00 for all teachers in each of the second and third years of the contract. The Board advised that it believed this schedule would maintain its standings in comparable districts across the State.

Board Exhibits 15, 16, 17, 18, 19, 20, and 21 are various tables reflecting the rise in salary schedules in this District over the last ten years, in comparison with other school districts in the County and Statewide. For example, in 1974-75, this District was at the bottom of the seven districts in the County regarding the starting salary for a teacher with a BA degree, and was fourth from the top in the District regarding teachers at the maximum of the Master's teaching schedule.

In the 1979-80 school year, the District was fourth in the County for beginning teachers with a BA degree, and third in the County for teachers at the MA maximum.

For the year 1983-84, this District paid the highest salary in the County to its beginning teachers with a BA degree, and also paid the highest salary in the County to its teachers at the MA maximum level.

Exhibit 18 reflects that the Board's proposal for 1984-85 will continue this District in first place throughout the County. For the 1983-84 year, Board Exhibit 21 lists this school district as 34th in the entire State, regarding its beginning salary for teachers at the BA level, and 7th position in the entire State for its Bachelor degree schedule at the maximum level.

Board Exhibit 20 lists this District as 33rd in the entire State for its beginning salary for teachers with an MA degree, and 36th in the entire State for teachers at the maximum of the MA schedule.

The Board representative advised that this growth was made possible by the growth in its own resources, due to the tremendous expansion in the industrial tax base of the School District. More particularly, the location of two facilities of the Detroit Edison Company have provided the unusual growth in the SEV of the School District and Township.

The Board noted that the teachers received raises of 11.08 percent in each of the last three years, which was a time of curtailing of programs and cutbacks in many other school districts.

Board Exhibit 23 reflects other statistics over the last six years.

For the school year of 1979-80, the cost of fringe benefits provided to a teacher with a family cost \$1,436.52. Similar benefits are projected for the school year of 1984-85 to cost \$2,776.92, a rise of 93.3 percent. No reduction in benefits provided is sought by the Board.

FINDINGS OF FACT:

The Association's presentation was almost exclusively devoted to evidence that the School District could afford its salary demands.

No evidence was furnished to the Fact Finder to enable him to find that this group of teachers merited a raise of any amount due to professional growth or accomplishment.

The Cost of Living Index for the Metropolitan Detroit area for urban wage earners and clerical workers is not a factor in this situation. The index for June, 1983, was 300.7, and for June of 1984 was 298.3; a drop of 1.8 percent.

The Board's offer is not believed to be adequate to maintain the salary position of this District in relation to all other Michigan school districts over the next three years.

RECOMMENDATIONS:

It is recommended that the salary schedules be raised at every level by 6 percent for the first year of the contract, and by an additional 6 percent for the second year of the contract, and that the salary schedule for the third year of the contract be subject to negotiation during the second year of the contract.

ISSUE #2

The Association seeks to establish an absolute maximum class size of 24 students in classes kindergarten through third grade, and 30 students in grades 4 through 12.

The present contract provides for an absolute maximum of 34 in grades K through 8, with teachers receiving \$25.00 per semester per student in excess of 29 per class.

Teachers in grades 7 through 12 now teach five classes per day, with an absolute cap of 160 students. Teachers are compensated at the rate of \$25.00 per student per semester when the teaching load exceeds 155 students.

Oral testimony by the Association representative, a former teacher, offered these professional opinions:

1. The size of the class is directly related to the quality of instruction. A reduction of one student in class size can make a difference.
2. The size of the class is directly related to discipline in the class.
3. Smaller classes allow for more intensive programming.

The Association presented Exhibit 29, reflecting comparability on this issue with all other districts in the County.

The Board seeks to retain the present contract language and provisions. The Board representative testified that of the 86 sections of K through 6 grades in the school year of 1983-84, only four classes required payments for students in excess of 29. Further, in addition to the regular homeroom teachers in these grades, there are two early elementary programs, there are reading support teachers in every elementary school, and enriching programs in art, music, physical education, and library. Also in grades 4, 5, and 6, there is a "pull-out program" of one day per week for gifted children.

Board spokesperson spoke in favor of the philosophy enunciated by the Association and claimed that these goals were being met by the expanded programs.

FINDINGS OF FACT:

The Union demand for K through 3rd grade class size is not met in any other school district in the County. The Union demand for a maximum of 30 students in each class in grades 4 through 12 is equal to three other districts. The Association exhibit does not inform the Fact Finder whether the other districts in the County require a five or six-hour teaching load from teachers at the high school level.

The difference in class size in this School District is not educationally significant overall from other districts

in the County.

RECOMMENDATION:

It is recommended that the status quo be maintained in the next contract.

ISSUE #3

The last contract provided each teacher with two days leave annually for any number of purposes as listed in the contract, and generally referred to as personal business days. In addition, each teacher is allowed one more day per year for personal business without any explanation to the administration. Detailed regulations appear in the contract under Article XI.

The Association seeks to convert the two personal leave days under certain conditions to two days of leave without review of any kind by the administration.

The Association representative testified that it was demeaning to a professional to have to justify personal leave.

The Board seeks to maintain the status quo, pointing out that the last contract contained an improvement for the teachers in this year as compared to the former contract.

Further, the Board expressed concern that additional leave without any review or administrative justification would result in regular teachers spending this much less time in the classroom. The Board testified that no district in the County provides for three days per year of leave without review or restrictions of any kind.

FINDINGS OF FACT:

The Association did not cite any examples of needs for personal leave that could not be furnished to an employer.

This District is comparable in this condition of employment with all of the districts in the County.

Granting the demand could result in substantial cost to the District for substitutes to handle classes from which teachers could be absent two additional days per year without explanation.

RECOMMENDATION:

It is recommended that the status quo in this matter be maintained.

ISSUE #4

The expired contract provided longevity pay annually of \$200.00, \$400.00, \$600.00 to teachers with 16 to 20 years of service, 21 to 25 years of service, and 26 years-plus service, respectively.

The Association seeks a raise of \$100.00 per year in each category, so that the in the first year of the contract, the payments to these respective groups would be \$300.00, \$500.00 and \$700.00. The second year of the contract would provide \$400.00, \$600.00, \$800.00, respectively, and the third year of the contract would provide \$500.00, \$700.00, and \$900.00, respectively, to each level.

It was alleged that 50 percent of the school districts in the County have a longevity allowance. No specific dollar amounts were furnished to the Fact Finder because of the widely varying provisions in the various contracts.

The Board proposes to continue the same level of payment as in the previous contract.

FINDINGS OF FACT:

This District is among the 50 percent of the districts in the County providing this benefit to the teachers. This benefit recognizes and compensates teachers for their experience and maturity.

RECOMMENDATION:

It is recommended that this benefit be increased by \$100.00 at each level for the first year of the contract, continue this level for the 2nd year, and increase each level by \$100.00 in the third year.

ISSUE #5:

The expired contract provided that in grades 7 through 12, two teaching days per semester are given over to examinations.

The Association seeks to expand that allowance by 50 percent or one day, to provide three days for examinations. Students in these grades take six classes per day, and under the present system there is the potential for requiring a student to write three exams in one day. The Association suggests that this is too rigorous a requirement and that limiting exams to two per day, spread over a three-day period, would be more humane. The Association points out that there would be no dollar cost to the District.

The Board seeks to retain the status quo, which has proven satisfactory since 1975. Board representatives advised that the Union demand would reduce instructional time by one day. Further, all students in these grades do not take final examinations.

FINDINGS OF FACT:

This is an appropriate matter for the Association to discuss with the Administration.

The decision is the responsibility of the Administration.

The Association and Administration are conducting examinations under a policy in effect since 1975 that has not produced any evidence of specific hardship.

While philosophical views in support of the change were expressed by the Association representatives, no evidence was adduced to support a conclusion that the change would educationally benefit the student body.

RECOMMENDATION:

It is recommended that the status quo be maintained.

ISSUE #6

At the beginning of these proceedings, the Board listed as an issue calling for a change to be made in the manner in which the 13 days per year of sick leave is credited to each teacher. The Board withdrew this issue and thus no testimony was taken.

ISSUE #7

The Association seeks to establish a sick bank within the District. There is none now. This would be a new benefit.

There are sick banks in other districts in the County. The Association proposed that on a voluntary basis, each teacher contribute one day from his/her individual sick leave bank and that the School District match this total contribution. This proposal also provides that when the sick bank falls below 75 days, each teacher contribute an additional day. No testimony was offered as to any additional contributions by the School District.

No testimony was offered as to how the plan would operate, and how the days in the sick bank would be distributed.

The Board response did not appear to accept or reject the concept. The Board advised that no proposed language for this new element of the contract had been presented, and that it had inadequate knowledge of the details of the plan upon which to base a response.

FINDINGS OF FACT:

This demand is a new benefit in this District.

This benefit is in effect at some level in other districts in the County.

The plan, as presented, was inadequate as to specific language and operation.

RECOMMENDATION:

It is recommended that the teachers establish on a voluntary basis a sick bank with initial contributions by the teachers only. After two years' operational experience, a detailed demand for participation by the School Board should be considered.

ISSUE #8

) The Association seeks release time for the Association President to discharge her duties as President. There is no allowance for this activity in the expired contract.

A release of 20 percent of teaching time is sought on the basis of one hour teaching time per day if the President is a secondary teacher, and one day per week (always the same day) if the President is an elementary teacher.

The Board opposes this demand on the dual basis that only the Port Huron School District has this contract provision,

and that the contract provision for release time for building representatives to handle Association business is adequate.

The Board advised that agreement has been reached with the Association for an increase in this release time to building representatives.

The Association strongly objected to considering that matter with this demand on the basis that the agreement between the parties concluded all consideration of it.

The Association advised that this benefit is found in many districts and referred to Board Exhibit 20, being the ranking of the top 40 school districts in the State, according to Master's degree maximum level salary scale. The Association representative, testifying from memory, cited:

South Redford District, with approximately 170 teachers, provides 20 percent release time.

Allen Park, with approximately 150 teachers, allows 50 percent release time.

Rochester, with approximately 450 teachers, allows 50 percent release time.

Livonia, with approximately 260 teachers, allows 80 percent release time.

Gibraltar, with 170 teachers, allows 20 percent release time.

FINDINGS OF FACT:

There are school districts of various sizes among the top 40 districts ranked according to pay scales which provide this benefit.

There is some correlation between the teacher population of the District and the amount of release time. There is some correlation between release time for the Association President and the time arrangement in the expired contract under Article XI, Special Leave Days, Section C, which details benefits of days for Association use for "association and professional business."

Testimony regarding this correlation was denied the Fact Finder by the Association. The Fact Finder possesses

inadequate information upon which to base a recommendation to adopt this benefit.

RECOMMENDATION:

It is recommended that the status quo be maintained.

ISSUE #9

Article XXIII, Section C, of the expired contract provides for Group Life Term Insurance for each teacher of \$20,000.00. This benefit rose by \$1,000.00 per teacher in each year of the expired contract, to the present figure of \$20,000.00.

The Association demands that this coverage be raised to \$30,000.00, \$35,000.00, and \$40,000.00 per teacher annually over the life of the next three years of the contract.

The Association basis for this demand was limited to oral testimony that it is cheap insurance and will not cost the District very much money. No specific figures of the cost impact were furnished.

The Board proposes to continue the benefit at \$20,000.00 for the first year of the contract, and raise it to \$25,000.00 for each of the next two years of the contract.

FINDINGS OF FACT:

Both parties seek to continue and increase this benefit.

The difference between the parties is solely the rate of increase of coverage.

The parties negotiated a rise of \$1,000.00 per year in this benefit in the expired contract.

No comparables from other districts in the County, or other districts in the top 40 districts in the State, were furnished to the Fact Finder.

No information regarding this benefit being provided by any other substantial employers in the private sector in the area was furnished.

RECOMMENDATION:

It is recommended that this benefit be increased \$2,000.00 per year over the three-year life of the next contract.

This would provide for continuation of the progression in the coverage and also would provide time for study of this benefit among private sector employers and other comparable school districts.

ISSUE #9

The Association seeks a full "coordination of benefits" which it does not now have in respect to the vision insurance plan now in effect.

Article XXIII (Insurance Protection), Section G, of the expired contract provided that beginning September 1, 1983, a vision insurance plan would be provided by the employer.

The Association does not now seek a change of plan or a change of carrier. The Association advises that there are about 25 instances in the teaching ranks wherein both husband and wife are employed by the District, but in each situation both teaching members of the District are not accorded the full benefits. One person in each of these couples is limited to the benefits accorded to the spouse.

The Board's response was that it "was trying to get a handle on costs." It did not reject the concept.

FINDINGS OF FACT:

This fringe benefit first became effective September 1, 1983.

Both parties are entitled to a reasonable time to experience the program and seek changes.

RECOMMENDATION:

It is recommended that the present program be continued for the first year of the new contract, and that modifications be negotiated for implementation in the final two years of the contract.

ISSUE #11

The Association seeks a full paid annuity in lieu of health insurance coverage for those teachers who so choose.

This benefit is not provided in the expired contract, and has never been provided in this District.

Other districts in the County have various arrangements of this benefit.

The Board does not oppose this concept and has offered to pay 50 percent of the premium of a single life annuity for teachers who so choose.

FINDINGS OF FACT:

The parties are in agreement as to the concept of this benefit, and disagree solely on the amount of contributions the employer should make.

There was inadequate information furnished to the Fact Finder regarding costs to the District of the Association demand, and cost to the teachers of the Board's offer.

RECOMMENDATION:

It is recommended that the Board offer be accepted for the life of the contract, with the added condition that the plan be entirely volunteer on the part of the teachers who might be affected.

In this manner, cost experience to all parties may be fully determined, and serve as the basis for negotiating this benefit in the succeeding contract.

ISSUE #12

The Association seeks a one-year only provision to provide in the 1984-85 contract year for early retirements of those teachers who have reached age 55 and who have accumulated 10 years of teaching experience in the District.

The retirement benefit would be \$5,000.00 per teacher per year, and full health and life insurance benefits until the retiree reaches age 62.

No comparables were furnished by the Association. It was stated that the St. Clair Community College utilize this technique to avoid layoffs.

The Board opposes this demand on the basis that it wishes to retain its experienced staff. Further, there is

no prospect of laying off teachers which was the incentive at the Community College. Board representatives also stated that although there had been some previous claims by the Association that it would represent a net savings to the District, no documentation of these figures has been furnished. Also, the declining school population has not constituted a staffing problem because of the expansion of programs.

FINDINGS OF FACT:

Plans for early retirement have been designed and implemented in both the public and private sector to lessen the impact of downsizing by layoffs. It is a concept to allow older employees to leave prior to normal retirement, resulting in allowing younger employees with less seniority to avoid layoff.

No testimony was offered that this demand would result in a higher quality of instruction being furnished this school population.

No information whatsoever concerning the actuarial impact of this proposal was furnished.

RECOMMENDATION:

It is recommended that the status quo be maintained.

ISSUE #13

This demand by the Association covers two categories of "extra pay for extra assignments."

Teachers of Driver's Education were paid at the rate of \$10.00, \$11.00, and \$12.00 per hour over the life of the expired contract.

The Association demands that the scale be established in the new contract at \$13.00, \$14.00, and \$15.00 per hour over the next three years.

The Board proposes a smaller raise of \$12.50, \$13.00, and \$13.00 per hour over the three-year period.

Supervision at dances, athletic events, etc., were paid \$11.75, \$12.00, and \$12.50 per hour over the life of the expired contract.

The Association demands that the scale be established at equal to the driver training teachers, i.e., \$13.00, \$14.00, and \$15.00 per hour over the life of the contract. For this extra duty assignment, the Board proposes a scale of \$13.00, \$13.50, and \$14.00 per hour over the life of the contract.

FINDINGS OF FACT:

There is agreement between the parties to continue this benefit. There is disagreement as to the amount of increase in compensation.

No testimony was offered by either party as to the cost implications.

RECOMMENDATION:

It is recommended that the Association demand be implemented. This will provide for progression of compensation towards a professional level in recognition of the professional services being furnished.

ISSUE #14

The expired contract provided for extra compensation to the Junior High School cheerleader coach of 5 percent of the "BS and BA degree schedule" for each year of the contract.

This rate has not been changed since August 26, 1981, although the salaries upon which the 5 percent is based have been substantially raised.

The Board seeks to provide an additional assistant cheerleader coach to the Junior High program. The Board advises that the duties of the head coach would thus be reduced. The Board proposes to reduce the compensation of the head cheerleader coach to 4.5 percent of the "BS and BA schedule" and to compensate the assistant Junior High School cheerleader coach at 3 percent of the same schedule.

The Association strongly opposes reducing any compensation schedules.

FINDINGS OF FACT:

The result of the Board proposal would be that the head coach is paying part of the assistant's compensation.

Implementing the Board's proposal might result in funding only one position at the reduced figure and not filling the second position.

RECOMMENDATION:

It is recommended that the position of Junior High cheerleader coach be maintained at 5 percent of the established schedule.

It is further recommended that the position of all assistant Junior High School cheerleader coaches be funded at 3 percent of the schedule.

ISSUE #15

The Board proposes to cap with an absolute dollar figure the extra pay schedule for certain selected positions on Schedules B1 and B2 of the expired contract.

The proposal is set forth in Board Exhibit 33, reflecting the selected positions, the percentages to be allowed, the absolute dollar caps to be paid, along with comparable figures from other districts in the County.

The Board advised that percentage figures without caps have been the standard operating procedure for "a long time."

The Association opposes the concept of a dollar cap and seeks to retain the status quo.

FINDINGS OF FACT:

The Board position appears to be inconsistent in that caps were not established for all positions listed on Schedules B1 and B2. For example, a cap is proposed on the varsity football coach, while no cap is provided for any other football coach position.

It is possible that there are no other football coaching positions. The Fact Finder was not so advised.

Another example is the audio visual activity at the High School. This position in the expired contract was compensated at 7 percent of the schedule. No cap is proposed by the Board for the coming contract period. Again the Fact Finder is uninformed as to whether or not this position is filled.

While Board Exhibit 33 projects that with the caps on the compensation, as requested, the East China School District will still lead all districts in the County, such comparability is not relevant.

It would be appropriate to show comparable figures for high school districts of similar school populations from among the top 40 districts in the State, similar to Board Exhibit 20.

Testimony on this issue was inadequate to justify a change in the method of determining final compensation for these positions.

RECOMMENDATION:

It is recommended that the status quo be maintained.

ISSUE #16

Because of a change in State law regarding the effect of "snow days." the Board proposes that in the event no contract is reached with this bargaining unit by October 1, 1984 (the effective date of the new law), the loss of teaching days due to "snow days" be made up by the teachers with no additional compensation.

The Association opposes this proposal on the basis that the new law penalizes only those districts which receive State aid. The Association points out that this District has such resources of its own that it is "out of formula" and receives no State aid. The Association representative stated, "The result of violating the new law would be zero."

The Board opposes operating in violation of the law, regardless of the real lack of penalty.

FINDINGS OF FACT:

Among the current concerns throughout the State regarding public school education is that of the number of teaching days. The Board proposal would not diminish the number of teaching days from the previous contract.

RECOMMENDATION:

It is recommended that the Board's proposal be implemented.

ISSUE #17

At the beginning of this hearing, there was a demand by the Board regarding the time of compilation of longevity. The parties now advise that there is an agreement on this matter.

ISSUE #18

The Board proposes an absolute cap of \$2,777.00 per year for the life of the next contract for each teacher for benefits of health, dental, and vision insurance.

No caps are proposed on other benefits generally referred to as "fringe benefits."

The Association opposes the concept totally.

The Board's Exhibit 23 reveals the rise to the District in costs of "fringe benefits" since the school year of 1979-80. The following figures are taken from that Exhibit.

<u>School Year</u>	<u>District Cost of Fringe Benefits</u>
1979-80	\$ 749,453.00
1980-81	908,772.00
1981-82	1,073,168.00
1982-83	1,258,876.00
1983-84	1,349,460.00
1984-85	1,397,003.00

It is not clear in the Exhibit whether this cost is for the members of the bargaining unit or the entire personnel of the District. In either event, we recognize almost a 100 percent increase in expenditures for these employee benefits.

The Board's Exhibit 34 is a reprint of an article from the Port Huron Times of July 22, 1984, quoting Governor Blanchard as saying, "Workers ought to assume more of the burden" for health care. This same reprint also reports on the settlement of the Detroit Edison strike, "including 600 (employees) in the Blue Water Area;" which settlement provided that employees will share in health care costs.

This Exhibit is pertinent to these proceedings because of the number of Edison employees as taxpayers in the District.

The Board proposes no reduction in the plans provided as a cost reduction measure.

FINDINGS OF FACT:

There have been enormous increases, both in dollar amounts and in percentage, in the cost to the District of providing health care programs to employees.

These costs have all been absorbed by the employer, although all benefits inure to the employees.

The trend in employer-employee relations is for both parties to share in these escalating costs.

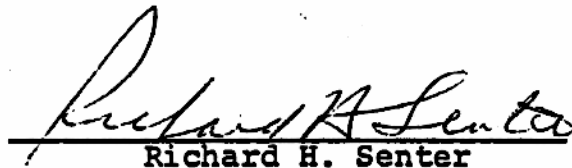
RECOMMENDATION:

It is recommended that the Board proposal be accepted for the first year of the contract, and that the cap be raised by 5 percent in the second year, and by an additional 5 percent in the third year of the contract.

ISSUE #19

At the opening of this hearing, there was a demand to coordinate Dental Health Insurance Benefits both "internally and externally."

The parties advised that agreement has been reached on this issue.


Richard H. Senter

DATE: 9-6-84

NOTE: An Appendix identifying all Exhibits furnished by the parties is attached to this report. The original Exhibits in this matter are being furnished to the Michigan Employment Relations Commission.

APPENDIX A

EXHIBITS

- | | |
|--------------------|---|
| #1 (Union) 9/2/84 | One-page list of issues to be submitted to Fact Finding. |
| #2 (Board) 9/2/84 | Three-page listing of Board demands, responses, and Association demands. |
| #3 (Board) 9/2/84 | Single page of figures entitled, "School Board Salary Proposals," 9/1/84. |
| #4 (Board) 9/2/84 | Single page of figures entitled, "Union Salary Proposal." |
| #5 (Board) 9/2/84 | Copy of Contract between the parties of August 26, 1981 to August 25, 1984. |
| | |
| #1 (Union) 9/3/84 | Single sheet of Union Salary Proposal |
| #2 (Union) 9/3/84 | Two-page sheet entitled, "Salary Differences." |
| #3 (Union) 9/3/84 | District Financial Report as of June 30, 1979. |
| #4 (Union) 9/3/84 | District Financial Report of June 30, 1980. |
| #5 (Union) 9/3/84 | District Financial Report of June 30, 1981. |
| #6 (Union) 9/3/84 | District Financial Report of June 30, 1982. |
| #7 (Union) 9/3/84 | District Financial Report of June 30, 1983. |
| #8 (Union) 9/3/84 | Single sheet summary of East China Revenues. |
| #9 (Union) 9/3/84 | Single sheet entitled, "SEV Per Pupil in School District." |
| #10 (Union) 9/3/84 | Single sheet entitled, "Percent of East China Budget for Teacher Salaries." |
| #11 (Union) 9/3/84 | Comparability of Millage in County. |

#12 (Union) 9/3/84	Reprint of <u>Times Herald</u> article of 8/20/84.
#13 (Union) 9/3/84	Reprint of article entitled, "Teacher Salaries and Inflation."
#14 (Board) 9/3/84	Single sheet of Analysis of Board Salary Proposal.
#15 (Board) 9/3/84	Single sheet of figures from Metropolitan Detroit Bureau of School Studies.
#16 (Board) 9/3/84	Single sheet from Metropolitan Detroit Bureau of School Studies, dated 7/10/84.
#17 (Board) 9/3/84	Single sheet from Metropolitan Detroit Bureau of School Studies, regarding MA, dated 7/10/84.
#18 (Board) 9/3/84	Single sheet setting forth comparable salaries from districts in the County.
#19 (Board) 9/3/84	Analysis of Dollar Difference in Salaries of Districts.
#20 (Board) 9/3/84	Single sheet from Metropolitan Detroit Bureau of School Studies regarding 1983-84 teacher contracts at MA level.
#21 (Board) 9/3/84	Single sheet from Detroit Bureau of School Studies regarding 1983-84 salaries at BA level.
#22 (Board) 9/3/84	Single copy of multiple page report, being a 1980 community profile prepared by SEMCOG.
#23 (Board) 9/3/84	Single sheet of figures regarding District expenditures.
#23A (Board) 9/3/84	Single sheet of Analysis of Board Salary Proposal.
#23AA (Union) 9/3/84	Single sheet of figures reflecting Board proposal as percentage raise of present scale.

#24 (Union) 9/3/84	Photocopy of one page of "The Bulletin," dated March 16, 1984.
#25 (Union) 9/3/84	Copy of memo to all employees from the School District.
#26 (Board) 9/3/84	Single sheet regarding Cost of Living Index.
#27 (Board) 9/3/84	Two-sheet listing of various school districts regarding the 1983-84 Master's maximum salaries.
#28 (Board) 9/3/84	Single sheet of 1984-85 Master maximum in various districts.
#29 (Union) 9/3/84	Six-page document concerning class size in School Districts in the County.
#30 (Board) 9/3/84	Three-page document concerning class size.
#31 (Board) 9/3/84	Analysis of Absentees of teachers in past contract year.
#32 (Union) 9/3/84	Five-page document regarding longevity pay in comparable school districts in County.
#33 (Board) 9/3/84	Single sheet of selected extra curricular comparisons, with percentage in caps.
#34 (Board) 9/3/84	Reprint from the <u>Times Herald</u> of 7/22/84.
#35 (Board) 9/3/84	Single sheet regarding cost analysis of fringe benefits.