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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

ARMADA EDUCATION ASSOCIATION

-and-

ARMADA AREA SCHOOL DISTRICT

Case No. D76 D1432
LABOR AND INDUSTRIAL
RELATIONS LIBRARY

Michigan State University

APPEARANCES

For the Association

Don Giese
Jan Gage
Michael E. LaBuhn
Linda Chilcote
Karen Verly
Gail Winnie

Executive Director
President
Negotiator
Negotiator
Negotiator
Vice President

For the School District

Joe Mosier
Dan Eskin
Ruth Isaacson
John W. Smith

Attorney
Superintendent
Trustee, School Board
Principal, High School

Herbert V. Rollins
Factfinder

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EXHIBITS

Association

Proposed 1976-77 salary schedule	#1
CPI - April 1977	#2
Comparables BA	#3
Comparables MA	#4
Rankings by steps BA	#5
Rankings by steps MA	#6
Comparables - salary improvements	#7
Proposed salaries, 1977-78	#8
Romeo proposed settlement	#9
Comparables - health care	#10
Length of day proposal	#11
Seniority changes	#12
Due process changes	#13
Letter of May 17, 1977	#14
School calendar	#15

Board

Presentation, 40 pages	#1
1975-76 Increments	#2

Joint

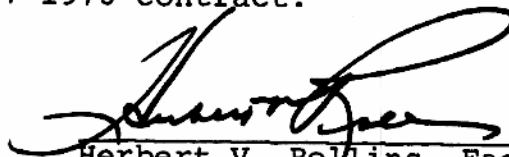
Petition for fact finding	#1
Board's answer	#2
1974-76 Agreement	#3
First tentative agreement	#4
Second tentative agreement	#5

PRELIMINARY COMMENTS

A preliminary hearing was held on May 16, 1977 at the factfinder's office. The unresolved issues were reviewed and arrangements agreed upon for the hearing.

The hearing consumed a full day on June 8, 1977, at the Macomb County Intermediate School District Headquarters, Mt. Clemens, Michigan. Donald Giese, on behalf of the Association, and Joe D. Mosier, on behalf of the Board, both made complete and detailed presentations of their respective positions.

After reviewing the complete record, including the presentations and the many exhibits, the following pages contain my comments and recommendations regarding provisions to be included in the parties' 1976-1977 and 1977-1978 contract.

A handwritten signature in dark ink, appearing to read 'Herbert V. Rollins', is written over a horizontal line.

Herbert V. Rollins, Factfinder

Dated: July 20 , 1977.

ECONOMIC ISSUES

Salary Schedule*

Association's Proposal:

"...an 8% increase at each step of the 1975-76 salary schedule."

Board's Proposal:

"...a 2% increase at each step of the 1975-76 salary schedule, plus increment for the 1976-77 school year and -- a 2% increase of each step of the 1976-77 salary schedule for 1977-78, plus increment."

More than 14 months have elapsed since bargaining began in this dispute on May 18, 1976. During that period, and after 31 sessions and mediation meetings, two tentative agreements were reached by the bargaining teams, with each including a 2% increase, plus increment, at each step for one year. After each tentative agreement was agreed upon by the respective teams, they were rejected by the Association's membership. Thereafter, the members of the Association elected a new bargaining team, and its salary proposal was then increased from 2% to 8% at each step for 1976-1977 and 1977-1978. The Board's last proposal remains the same as previously made and accepted by the prior bargaining teams, a 2% increase, plus increment.

*The parties stipulated that the increase shall cover a two year contract term, with no reopeners for the second year.

ASSOCIATION POSITION ON SALARY INCREASES

The following, in capsulated form, are the arguments made by the Association in its presentation:

1. An 8% increase is fair and equitable.
2. The Armada Area School District is one of the wealthiest school districts in Macomb County, having the 24th highest tax base per pupil out of 28 school districts.
3. The proposed raise of 2% is totally inadequate and was soundly rejected by the membership.
4. No consideration should be given to the increments as raises in salary. They are increases that are earned prior to payment and if the teacher is not rehired, the Board is not obligated to pay it.
5. Reference was made to Association Exhibit 2, indicating that the cost of living in the Detroit Metropolitan Area had increased 7.6% in one year.
6. If the 8% raise was granted, Armada would then only rank average in the upper 3rd in pay scales when comparing 27 Macomb and St. Clair County districts. (See Association Exhibits 3, 4, 5 and 6).
7. Of 9 nearby school districts, all have for the 1976-1977 school year received increases from 5.11% to 7.90% (See Association Exhibit 7).
8. The Board continues to make budget cuts by reducing salary budgets, thus it is the teachers who are making the greatest sacrifices. For example:

1972-3 budget for teachers salaries was 60%
1973-4 budget for teachers salaries was 59%
1974-5 budget for teachers salaries was 55%
1975-6 budget for teachers salaries was 52%

increased (50% in two years, while adjoining townships increased from 30% to 40%).

6. The fund equity has decreased from \$209,442 in 1973-74 to \$101,658 in 1976-77, of which \$38,200 in 1976-1977 came from sale of property.

7. In comparing maximum salaries in districts with a similar number of students, Armada is 21st out of 24. In comparing minimums, 16 of 24 schools pay lower minimums than Armada.

8. After a 2% increase, Armada, by comparison to other districts in the Southern Thumb League, would be lower than average in the BA and MA minimums and above average in the maximums.

9. Including increments, Armada teachers have received raises averaging 10.8% over the 4 prior years.

OPINION

Many more persuasive arguments were made and charts, etc. introduced, than reference was made to in the prior pages. Any attempt to derive any easy solution from the mass of material is almost an impossibility. When one compares Armada teachers' salaries and fringe benefits with those in other small rural areas, they appear to be above average. If we take into consideration increased costs of living and this Board's inability to increase revenue, we become confronted with an insoluble situation.

It is readily apparent that both positions have considerable merit, i.e., under present economic conditions, the teachers of Armada should receive higher salaries than are being offered to them, and the Board, without additional revenues is unable to raise sufficient funds to meet the Association's demands.

Today, teachers are constantly being pressured to teach larger classes, handle the rising number of discipline problems, perform their functions with less material and aids, and continue to improve their academic background. Yet, despite yearly raises, their financial status remains relatively the same, and the value of their dollars in savings and purchasing power continues to decline.

School Boards are facing corresponding serious dilemmas, finding inflation eating away at their operating budgets and revenues failing to keep pace with the increased demands of the parents and teaching staffs. Armada's financial plight even prevents it from making certain necessary improvements and repairs to its facilities. To continue such a fiscal policy could lead to a total collapse of its system.

To compound the problems in raising revenues, are the actions of the state in removing the local inventory tax and then substituting the stringent benefits under the Equal Yield Act. The major thrust of any

increased costs is now thrown directly at the property owners by millage collections, which they can control at the voting booths. Such displeasure is readily understandable after suffering continuous tax increases, (assessments increased over 50% in Armada Township in the past 3 years). Many who can afford the increases may have lost concern with the problems of education because they have no children of school age.

The simple fact to arise from examining Armada's financial plight is that the passing of only an additional small millage by the residents could, to a great extent, cure most of the present problems. Despite any dislike of such additional costs, it is an increased burden they must assume. It is apparent that, for the most part, the residents are not sufficiently concerned with, or aware of, their schools' problems in order to make the sacrifices for the needs of their children. A decent education no longer comes cheap.

On the other hand, the teachers cannot expect to be singularly exempt from suffering the effects of inflation. Unfortunately, this is a problem that harms everyone and every public body, including this school board. There is no simple panacea which will totally solve the parties' respective financial problems, nor can one be recommended that will satisfy both parties. The Board appears to be trimming its programs and other expenses to live within its budget. Yet its Fund Equity has decreased by 50% in three years. While raises in larger amounts would be desirable, the facts dictate otherwise.

RECOMMENDATION

Based upon all the facts of funds presently available and budgeted, those which may possibly be anticipated, plus some expectation that the Board may find some operation savings, or obtain other funds from lobbying, attrition changes, or a successful millage campaign, I am recommending some additional salaries in the second year over and above the cost of existing increments to be paid to the teachers of Armada.

I trust the recommendations represent both a projected sound fiscal policy for the Board, and its concern for the welfare of the teachers and students. Everyone would concede that able and satisfied teachers working in well organized educational operations and in well maintained facilities offers one of the best preventive medicines for avoiding many of the ills of our society. I am within the available restricted limitations, attempting to provide some cure for those ailments.

Hopefully the implementation of the recommendations will supply the wherewithall to continue the quality education at Armada and not materially dislodge its teachers from the better than average position it now maintains in comparison with other teachers in Macomb County. To assist in alleviating the problem, residents of Armada should be encouraged to immediately take a more active interest in their schools and assist in providing the means to avoid further impasses. If these schools fail in their cause, the Armada area will suffer catastrophically.

Unquestionably, Armada teachers should receive more than what I have recommended, however, this employer is not in private industry where it can raise prices to meet rising costs. I am also aware that many other benefits for teachers are being paid by the Board, which are costs in addition to the costs of salaries. These programs, example

Blue Cross-Blue Shield, etc., represent in themselves a substantial form of income that should not be lost sight of when one examines only the pay check.

Further, the members must, to some reasonable extent, adhere to the recommendations of their elected bargaining teams. To do otherwise would destroy good faith bargaining. After more than a year of bargaining and twice accepting a negotiated settlement, it cannot be expected that such negotiations can now be thrown to the winds. Evidently the bargaining teams, when agreeing to terms, understand the Board's problems. While the Factfinder searched for a basis to enlarge the Board's offer, the financial facts leave little room for doing so to any great extent. However, the Board should, prior to the beginning of the next year, be able to find the wherewithall to pay what is certainly a recommended modest increase.

Accordingly, I make the following salary recommendations:

A 2% increase at each step of the 1975-1976 salary schedule, plus increment for the 1976-1977 year, with earned portion of increase to be paid prior to August 15, 1977.

A 3% increase at each step of the 1976-1977 salary schedule for the 1977-1978 year, plus increment.

ITEM NO. 2

FRINGE BENEFITS - HOSPITALIZATION INSURANCE

The parties have agreed to the type of Blue Cross-Blue Shield Hospital/Medical Insurance Plan. The 1974-1976 contract further provided that at the option of the teacher, the Board would pay the annual premium for the protection of the teacher and entire family in the Association's MESSA Super Med 2 Major Medical Hospital Plan. Thus, in the former contract, the teacher had the option of 2 paid plans. The Board now proposes that the dollar amount cost of the Blue Cross-Blue Shield premium may be applied to the cost of the MESSA plan for those teachers who elect to have the MESSA coverage, with any overage in premium amount assumed by the individual teacher. The Association petitions for continuing the right to chose either of the 2 plans, with premiums in either instance paid by the Board.

Having reviewed the comparables, the costs of the respective plans (\$14,280.36 per year for Blue Cross-Blue Shield, as opposed to \$18,883.44 for MESSA insurance covering the 14 teachers now with MESSA), the respective types of coverages, and concluding that the Board's offer is fair and equitable, I recommend that section covering fringe benefits in the 1977-1978 contract be as follows:

Fringe Benefits

The Board agrees to pay the premium for full coverage of the teacher, spouse and family in the Michigan Blue Cross-Blue Shield hospital medical insurance plan MVF-1 with ML rider, option 4 major medical rider and prescription rider (\$2.00). At the option of the teacher he may have applied the dollar amount of the Blue Cross premium for which he would be eligible toward MESSA Super Med-2 health insurance coverage with any difference in premium amount being assumed by the individual teacher.

The Board shall pay the insurance premium to the end of that month in which any teacher is terminated, resigns or retires. It shall be the responsibility of the employee to be properly enrolled with the insurance carrier.

ITEM NO. 3

NON-ECONOMIC
LENGTH OF DAY

The parties in their second Tentative Agreement (Ex. #5) agreed on the provisions covering Length of Day and Teaching Hours. At the hearing, the principal unresolved portion of this provision was the unassigned prep time in the Elementary School. The Tentative Agreement provides that 15 minutes of prep time shall occur during the 25 minutes prior to the start of school, and the balance provided by 30 consecutive minutes, plus as much additional prep time as scheduling allows. The combined total is approximately 51 minutes.

The Board contends that having uninterrupted and consecutive prep time of all the 51 minutes in the Elementary School would require hiring additional teachers and this places further financial burden on the Board. I find the Board's contention logical.

Therefore, it appears that the provisions tentatively agreed upon represent, under the circumstances, a fair and equitable solution of the problem to both parties.

Accordingly, I recommend that Article V in the 1976-1978 contract, only as it pertains to the 1977-1978 school year, shall read as follows:

Article V Teaching Hours

The teacher's day will consist of 7 hours and 2 minutes, including lunch, preparation time and class time.

Teachers shall receive a 30 minutes duty free uninterrupted lunch period.

Teachers shall report 5 minutes before school at the high school.

Elementary teachers shall report 25 minutes before school starts.

Teachers may leave in the afternoon following their last class, except on those days in which a meeting or conference has been scheduled.

Teachers shall receive unassigned prep time as follows:

Middle School and High School: Consecutive time equal to one class period per day.

Elementary School: a guaranteed consecutive 30 minutes daily, plus as much additional prep time as scheduling allows.

ITEM NO. 4

Non-Economic

SENIORITY

The Association's Petition for Fact Finding stated:

"The Association proposes to define seniority and to use seniority to determine assignments and transfers as well as lay off and recall."

At the hearing, the Association proposed that the Board, in making assignments and reassignments, first consider the certifications and then seniority, with the right of refusal. It claims the contract in the First Tentative Agreement is too loose. The proposed language in Article VI (51) states:

"...the selection will be made by the Superintendent based upon professional background and attainments of all applicants. If all qualifications are equal, the decision will be based on length of service in the school district."

I agree that the existing language is somewhat loose. On the other hand, the language proposed by the Association is overly cumbersome. Language with more definite guidelines is needed. It would not be in the best interests of the students to tie the hands of the administration where it would be overly restricted from recognizing ability and talent.

The problem requires lengthy and conscientious negotiations to hammer out language that is equitable to both sides. Hopefully they will continue to attempt to resolve their differences.

In the interim and until the next contract, I am recommending that the parties continue with the same provision.

ITEM NO. 5

Non-Economic

DUE PROCESS

In the Tentative Agreements it was provided that in Article II 10 b, under Board Rights, the phrases "Just Cause" and "Due Process" were eliminated.

This particular article provides for the Board's rights in hiring, promoting, transferring and discharging probationary employees. The Association was concerned about the discharge of Tenure teachers without just cause. Actually, the discharge of Tenure teachers is controlled by the provisions of the Tenure Act. Therefore, this section would not be applicable to any dealings with teachers. Since there is only one member in the bargaining unit who is not a Tenure teacher, the problem is not of great magnitude.

The phrase "Just Cause" is more appropriate as a standard in procedures in challenging the employer's right to take disciplinary action for employee misconduct and not in hiring, transferring and discharging problems based on qualifications.

Since the Association previously agreed to the change, the Tenure Act protects the Tenure teachers, and that the Board should have the right, subject to the provisions of law, to make employment changes on probationary and not certified teachers, I find no valid reason for disturbing the agreed upon new language. Therefore, I recommend that the article read as follows:

"ARTICLE II - BOARD RIGHTS

10b -

To hire all employees and, subject to the provisions of law, to determine their qualifications, and the conditions for their continued employment, or their dismissal or demotion and to promote and transfer all such employees."

ITEM NO. 6

Non-Economic

NUMBER ON SABBATICAL LEAVE

The parties stipulated, and the factfinder concurs, that instead of language providing the maximum percentage number of teachers who may be granted sabbatical leave, it shall instead state that the maximum is one (1) teacher per year. (underlining is new).

ITEM NO. 7

Non-Economic

LIFE INSURANCE

The parties stipulated that Article IV 49 shall read:

"The Board will provide \$10,000.00 Group Term Life Insurance, plus AD and D for all employees in the bargaining unit, payable to their designated beneficiary."

ITEM NO. 8

Non-Economic

SICK LEAVE FOR NEW TEACHERS

The Petition (Ex. No. 1) states that the Association seeks certain "minor changes" and "clarification."

The changes requested by the Association in reference to sick leave include more than mere minor changes and language clarification. These changes, which are major in nature, were not requested in the Petition (Ex. No. 1). Accordingly, the Factfinder recommends that the language contained in paragraph 70 of the First Tentative Agreement, pertaining to sick leave and personal leave days, remains as therein provided.

Attempts to change the items of provisions tentatively agreed upon, after a year of negotiations, only stirs up further disputes and animosity. Hopefully, the attitudes of the opposing parties will be greatly improved if the parties are restrained from further reopenings.

ITEM NO. 9

Non-Economic

GRIEVANCES INVOLVING MORE
THAN ONE BUILDING

Arguments were made by both parties regarding multiple building grievances. The grievance procedures were already agreed upon in the Tentative Agreements. The changes proposed by the Association involve major changes in a contract that was already agreed to and should only be modified by mutual agreement in negotiations covering the next contract. The grievance procedures as already agreed upon are sufficient and can, in the interim, work fairly for both sides. It would not be in the best interests of the parties to have these provisions modified at this late date. It is to the best interests of everyone concerned that the parties be prohibited from constantly raising new issues.

Accordingly, I recommend that the grievance procedures tentatively agreed upon remain as provided in the First and Second Tentative Agreements.

ITEM NO. 10

DURATION OF CONTRACT

The parties stipulated and the Factfinder concurs that the contract shall cover a two year term, 1976-1977 and 1977-1978, with no reopeners.

ITEM NO. 11

Non-Economic

SCHOOL CALENDAR

The proposed school calendar provides that the teachers will return to school after the Christmas holiday, on January 2nd. January 2nd being a holiday, the parties stipulate that the calendar will provide that the school will remain open for class on December 22, and the teachers will instead return on January 3rd.

ITEM NO. 12

OTHER CHANGES OF PROVISIONS
RAISED BY THE BOARD

Other changes of contract provisions were raised by the Board at the hearing, viz:

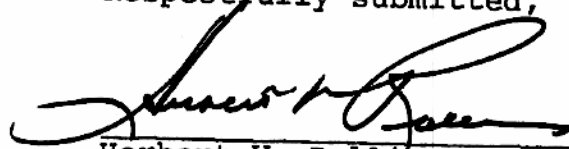
1. Grievance Procedure
2. Calendar Changes
3. Recognition Limitations
4. Part Time Employees

In the Factfinder's Pre-hearing report, the parties were advised that any issues not incorporated in either of the prior Tentative Agreements would probably not be considered in this report. In order to encourage good faith bargaining prior to factfinding and to avoid the raising of an interminable number of issues, the Factfinder determines that the above issues will not be considered at this late stage of the proceedings.

RETENTION OF JURISDICTION

The Factfinder retains jurisdiction in these proceedings for a period of 30 days from and after this date, to correct any errors in typing or references, and to clarify any findings that may be given a different interpretation by the respective parties.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Herbert V. Rollins', written over a horizontal line.

Herbert V. Rollins, Factfinder

July 20, 1977.