

William H. Dorsey, Jr.

ARBITRATOR

ROOM 111
621 S.W. MORRISON STREET
PORTLAND, OREGON 97205

In the Matter of the Fact Finding between:)
)
THE LONGVIEW EDUCATION ASSOCIATION,)
LONGVIEW, WASHINGTON,)
)
The Association,)
)
and)
)
THE BOARD OF DIRECTORS,)
LONGVIEW SCHOOL DISTRICT NO. 122,)
LONGVIEW, WASHINGTON,)
)
The Employer.)

PERC #1771-F-78-92
IMPASSE RE CHANGES
TO ARTICLE III,
SECTIONS 18, 19 & 20
PERTAINING TO WAGES
FOR THE SCHOOL YEAR
1978-1979

RECEIVED-OLYMPIA, WA

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**PUBLIC EMPLOYMENT
RELATIONS COMMISSION**

Dates and Place of Hearing:

Pre-Hearing Conference:

October 11, 1978;
Longview, Washington.

Fact Finding Hearing:

October 12, 1978;
Longview, Washington.

Representing the Association:

Mike Fitch, LEA
Chief Negotiator

Bill Mortimer, LEA
Negotiator

Richard Anderson
UniServ Director

Longview, Washington.

Representing the Employer:

J. Ken Hagensen
Administrative Assistant
Personnel & Employee Relations
Longview. School District #122
Longview, Washington.

FACT FINDER'S REPORT

(Under 41.59.120(3) RCW and WAC 391-30-730)

INTRODUCTION

The Association and the Employer are already well into the second year of a collective bargaining agreement covering the period July 1, 1977 through June 30, 1979 (Joint Exhibit I).

This particular impasse has only arisen because the third paragraph of Article IX, Duration, of this 1977-1979 Agreement, expressly provides that:

"It is mutually agreed that the sections pertaining to wages, which is Article III, Sections 18, 19, and 20, shall be reopened at least 60 days prior to the anniversary date. Sections pertaining to wages, which have been identified above, shall become effective on the anniversary date." (Page 85 of Joint Exhibit I.)

Negotiations concerning changes in these sections pertaining to wages began in the spring of 1978. Unfortunately, they did not result in an agreement on what changes were to be made. By a letter dated August 21, 1978, Association's representatives informed the Public Employment Relations Commission of the State of Washington that on August 18, 1978 at approximately 3:15 p.m. the Association had declared that the parties were at impasse and that, accordingly, by its August 21, 1978 letter, the Association was requesting of the Commission assistance in the form of mediation (Document 2 to Collective Joint Exhibit II).

On or about August 24, 1978, PERC appointed William H. Dorsey as the mediator of this impasse and assigned to the case Case No. 1666-M-78-672. On August 25, 1978, the Mediator scheduled a mediation session with the parties for Longview, Washington on August 28, 1978.

As a result of this mediation session, a tentative settlement was reached with respect to this 1978-1979 impasse but it was subject to ratification by both the Board of Directors of the school district and the membership of the education association. The membership of the association chose to reject the tentative settlement and after this rejection by the Association membership the Board of Directors of the school district declined to take any ratification action.

On or about Wednesday, September 20, 1978, the parties informed the Mediator that under the express language of the PERC rule found in WAC 391-30-714 ("Parties may, by mutual consent, designate the mediator who handled the case as their fact finder") they wished him, as their designated Fact Finder, to hold a pre-hearing conference with the parties beginning at 4:00 p.m. on Wednesday, October 11, 1978 and, if the impasse were not then settled during the course of this pre-hearing conference or as a result of the pre-hearing conference, to hold a formal Fact Finding hearing on Thursday, October 12, 1978, beginning at 4:00 p.m. in Longview, Washington. This oral agreement was confirmed in writing by the parties, along with another oral agreement to waive the requirements of a "written list of the issues" at least seven days before the date of the fact finding hearing, by a letter dated October 11, 1978 (Joint Exhibit III).

The Fact Finder held a pre-hearing conference on Wednesday, October 11, 1978, during the course of which he indicated to each of the parties, whenever possible, his tentative conclusions as the Fact Finder on various points of discussion and on the proposals of the parties. Because settlement was not reached during the course of this pre-hearing conference nor as a result of the pre-hearing conference, the Fact Finder then held a formal Fact Finding hearing in Longview, Washington on October 12, 1978.

ISSUES

The Fact Finder has framed the issues before him for recommendations in this factfinding case as follows:

What changes, if any, for the school year 1978-1979, should be made in Article III, Sections 18, 19, and 20, pertaining to wages, of the 1977-1979 Agreement of the parties (Joint Exhibit I)?

ARGUMENTS OF THE PARTIES

Position and Arguments of the Association

The position of the Association is that the following changes should be made in the pertinent wage provisions of the contract for school year 1978-1979:

(1) The salary adjustment for teachers and support personnel for 1978-1979, retroactive to July 1, 1978, should be 10.2 percent as applied to the base salary for 1977-1978 with the schedule adjustment to then be the application of the schedule ratios to the adjusted base salary for 1978-1979. (Article III, Section 18.)

(2) The base salary for the administrative salary schedule should remain at Step 13, Column V, as shown in Paragraph A of Section 19 of Article III, Personnel, of the contract, and administrators who are contracted or requested to work beyond the minimum number of days would be paid per diem (instead of .75 of an administrator's daily pay) and while the ratio factor for junior high school assistant principals would remain at 1.147 in Column I of the 1977-1978 administrative salary schedule, each junior high assistant principal would also receive an additional \$400 stipend. N.B. All changes to be retroactive to July 1, 1978. (Article III, Section 19.)

(3) Section 20 of Article III, Personnel, should be amended, retroactive to July 1, 1978, by the addition of a new Paragraph C which would read:

"The nurses' Salary Schedule will have three columns with seven experience steps in the first column and eight experience steps in Columns 2 and 3 (see attached). "

(4) All retroactive amounts shall be paid in one lump sum on the November, 1978 check.

The Associations arguments in support of its position are as follows:

First, there is no question of the financial ability of the Employer to pay the increase in wages requested by the Association.

Second, the wages proposed by the Association for the school year 1978-1979 would make these wages to be paid by the Employer competitive wages comparable with those being paid for the school year 1978-1979 by similar first class school districts in the State of Washington.

Third, the wages requested by the Association for the school year 1978-1979 are reasonable and are necessary in order to keep the overall compensation of the teachers and support personnel in line with the ever-increasing cost of living in the Longview, Washington area.

Fourth and finally, it would be in the best interests of the teachers and support personnel of the District, of the Employer, and of the public, for the Employer to pay the competitive, reasonable and necessary wages proposed by the Association for the school year 1978-1979.

Position and Arguments of the Employer

The position of the Employer is that the following changes should be made in the pertinent wage provisions of the contract for the school year 1978-1979:

(1) The salary adjustment for teachers and support personnel for 1978-1979, retroactive to July 1, 1978, should be 8.6 percent as applied to the base salary for 1977-1978, with the schedule adjustment to then be the application of the schedule ratios to the adjusted base salary for 1978-1979, provided, however, the advanced degree compensation specified in Paragraph C of Section 18 of Article III, Personnel, would be stated at a figure of \$1,000 instead of at "nine percent (9%) of the base salary".

(2) The base salary for the administrative salary schedule would remain at Step 3 of Column V, but administrators who are contracted or requested to work beyond the minimum number of days would be paid per diem and while the ratio factor for Column I on the Administrative Salary Schedule would remain at 1.147, each junior high assistant principal would receive an additional \$400 stipend.

N.B. These amendments would also be retroactive to July 1, 1978.

(3) A new salary schedule for nurses, which adds a third column for additional professional training, up to 45 credits beyond the basic B. S. or B. A. degree, with eight experience steps, would be substituted for the 1977-1978 Salary Schedule for Nurses, which contains only two columns with seven experience steps in the first column and eight experience steps in the second column.

(4) A one-year contract extension tied to State funding.

The arguments of the Employer in support of its position on these proposed changes in the wage provisions for the school year 1978-1979 are as follows:

First, while there is no question of the financial ability of the Employer to pay the increase in wages for 1978-1989 requested by the Association, nevertheless sound fiscal management policies would dictate that the Employer not incur these increases in wage costs for 1978-1979 proposed by the Association but instead that they limit the wage increases to those proposed by the Employer.

Second, the wages proposed by the Employer for the school year 1978-1979 would make the wages to be paid by the Employer competitive wages comparable with those being paid in the school year 1978-1979 by similar first class school districts in the State of Washington.

Third, the wages proposed by the Employer for the school year 1978-1979 would make the average wage paid by the Employer for certificated salaries during the school year \$18,341, which would be \$343 above the expected state average of \$17,998.

Fourth, the wages proposed by the Employer for the school year 1978-1979 are reasonable and would keep the overall compensation of the teachers and support personnel in line with the ever-increasing cost of living in the Longview, Washington area.

Fifth, it would be in the best interests of the teachers and support personnel of the District, of the Employer, and of the public

for the Employer to pay the competitive, reasonable and necessary wages proposed by it for the 1978-1979 school year.

FACT FINDER'S DISCUSSION

Introduction

Because the Fact Finder also served as the Mediator in this impasse, in addition to the formal presentations of the parties at the Fact Finding hearing on October 12, 1978, he has had the benefit of private discussions with each of the parties separately, and with both of the parties jointly. Accordingly, he is aware not only of their official positions in fact finding but their negotiating positions in mediation.

The Fact Finder hastens to add, however, that in spite of being privy to the negotiating positions of the parties in collective bargaining, he has attempted here, as the Fact Finder, to impartially judge the merits of the formal and stated positions of the parties in the fact finding.

The Percentage Increase Question

The 8.6 percent increase in salary suggested by the Employer is not, in and of itself, an unreasonable increase in salary. Moreover, while it might not correspond, percentage point by percentage point, with the increase in the federal Consumer Price Index, nationally, nor for the Portland metropolitan area in the last year, nevertheless it would go a long way to keep the wages actually being paid the teachers in line with the upward spiral in the cost of living. The sole difficulty with an 8.6 percent increase is that it appears to be unacceptable to the teachers.

On the other hand, the 10.2 percent increase proposed by the Association appears to the Factfinder to be out of line with similar

increases in base salary agreed to by comparable first class school districts in the State of Washington for the 1978-1979 school year. For example, the ten highest reported increases so far are Marysville at 11.55 percent, East Valley at 10 percent, Chehalis and Shelton at 9.5 percent, Aberdeen and Bellingham at 9.4 percent, South Central at 9.34 percent, Arlington at 8.99 percent, Bremerton at 8.6 percent, Mukilteo at 8.56 percent, Evergreen and South Kitsap at 8.5 percent, and Sunnyside at 8.4 percent. The average percentage increase on the base for the 68 first class school districts that have settled so far is 6.775 percent (see Employer's Exhibit 8). Moreover, the average of these ten highest settlements reported by 13 first class school districts is only 9.25 percent.

In view of these figures, the Fact Finder is of the opinion that a competitive, reasonable, and cost-of-living conscious percentage increase in the base salary for the 1978-1979 school year would be somewhere in between this 9.25 percent figure and the 8.6 percent figure which the District has offered. Accordingly, the Fact Finder will consider as a starting point a percentage increase of 9 percent on the base.

The Fact Finder hastens to add that this 9 percent figure, in his opinion, should be adjusted slightly downward in view of his subsequent recommendation that the M.A. annual stipend should be increased from \$913 to \$1,000 and fixed at that figure rather than at 9 percent of the base salary. N.B. The Fact Finder notes that a 9 percent increase in the base salary, standing alone, would only result in an \$82.17 increase in the Master's Degree stipend (from \$913 to \$995.17) which would still be approximately \$5 less than the Fact Finder's recommended annual M.A. stipend of \$1,000.

Change to a Fixed Annual M.A. Stipend

As noted, the Employer has proposed that the annual M.A. stipend be changed from a percentage (9 percent) of the base salary to a fixed amount of \$1,000. Based on the comparative data with respect to Master's stipends in first class districts (with a range from a low of \$400 to a high of \$1,409; Employer's Exhibit 8) obviously the \$1,000 figure suggested by the Employer is reasonable and competitive. The basic difficulty with this \$1,000 figure is not the dollar amount itself which would be payable for the first time for the school year 1978-1979, but that the Employer has proposed doing away with the Master's stipend as a percentage of a base salary figure. Obviously each time the base salary figure is increased by whatever percentage, the Master's stipend likewise increases by the same percentage under the present contract language. This is advantageous to all holders of the Master's degree. For example, if the Employer's 8.6 percent increase figure is used, a M.A. degree holder's stipend would also automatically increase by \$78.52 to \$992; likewise, as previously noted, if the starting point figure of the Fact Finder of a 9.0 percent increase is used, the M.A. degree holder's stipend would also automatically increase by \$82.17 to \$995. Even more dramatic would be the \$93.13 increase in the Master's degree stipend if the Association's percentage increase on the base of 10.2 percent were adopted. This \$93.13 increase would take the stipend from \$913 to \$6.13 over \$1,000. It is easy, therefore, to see how the tie-in between the Master's stipend and the base salary is of importance to teachers.

However, the Fact Finder is well aware of the problems presented by this percentage formula to the Employer. Not only have we seen what a dramatic increase in the stipend would take place if the

Employer's basic percentage figure of 8.6 percent is used, but how the stipend would shoot up over \$1,000 if the Association's 10.2 percent increase figure is used. Two points are of great concern, obviously, to the Employer. One, the contract language with respect to the M.A. stipend has a compounding effect every time a percentage increase is granted on the base. Two, the figure itself is getting so high that is beginning to cost the District considerable sums of money. N.B. The parties estimate that at least one-half of the Longview teachers have a Master's degree.

On the other hand, the Fact Finder is well aware of the position of the Association that the teachers have a benefit and they should not be asked to give up this benefit unless they get something in return. Accordingly, the Fact Finder recognizes that the new fixed stipend figure should at least be, using his starting 9.0 percent increase figure, \$995 (\$913 plus a 9percent increase of \$82.17). As a matter of fact, in order that there be a reasonable quid pro quo for the teachers' abandonment of the advantageous percentage formula for the Master's stipend, the ultimate figure arrived at for the first year, and permanently, should be in excess of this \$995.00 figure.

This the Employer has offered by its \$1,000 figure. This \$1,000 figure is reasonable and competitive, in the opinion of the Fact Finder.

Above all, this proposed change by the Employer would eliminate the ever-spiralling costs caused by tying the Master's degree stipend to a percentage of the base salary while at the same time the Master's degree holders would be receiving something in return by way of a substantial increase in the Master's stipend for the 1978-1979 school year.

Changes in the Administrators' Salary Schedule

The proposal of the parties for the changes in the Administrators' Salary Schedule found in Section 19 of Article III, Personnel, of the contract, are now identical and are the same as they arrived at in their tentative settlement of August 28, 1978.

Changes in the Nurses' Salary Schedule

Likewise, the proposals of the parties for changes in the Nurses' Salary Schedule found in Section 20 of Article III, Personnel, are now identical.

Payment Date for Retroactive Amounts

The Association has proposed that Sections 18, 19, and 20 of Article III, Personnel, of the contract be amended by adding a provision that all retroactive amounts due by the changes to these provisions be "paid in one lump sum on the November [1978] check."

This proposal of the Association, while in and of itself reasonable, is in actual practice somewhat impractical. (1) The Fact Finder's report is not due under the statute until November 10, 1978, and then the parties have five days within which to study it and decide whether they wish to accept it. Accordingly, even assuming the Fact Finder's recommendations are acceptable to both parties and a new agreement is signed, the Employer would have at the most ten to 15 days within which to make all the retroactive salary calculations and to pay them with the November, 1978 checks. (2) Moreover, the District should have an opportunity to carefully make all calculations of back pay due and even check them with the Association or with the individual teachers, as it sees fit, before running the risk of being in violation of the contract.

Accordingly, the Fact Finder recommends against the inclusion of the proposed contract language with respect to retroactive amounts

being paid in one lump sum on the November, 1978 checks of the certificated personnel.

FACT FINDER'S WRITTEN FINDINGS OF FACT

Pursuant to the express requirements of 41.59.120(3) RCW, as amended, and WAC 391-30-730, the Fact Finder hereby makes the following written Findings of Fact:

First, an 8.925 percent salary increase, retroactive to July 1, 1978, as applied to the base salary for 1977-1978, with a schedule adjustment then to be made by application of the schedule ratios to the adjusted base salary for 1978-1979, would result in:

(A) Competitive wages being paid by the Employer in 1978-1979 comparable to those being paid in the school year 1978-1979 by similar first class school districts in the State of Washington;

(B) Reasonable wages being paid by the Employer for the school year 1978-1979; and

(C) Wages being paid by the Employer during the school year 1978-1979 which would keep the teachers' salaries in line with the continuing increase in the cost of living in the Portland, Oregon metropolitan area;

Provided, however, the Master's degree stipend is increased not by 8.925 percent but instead to a dollar figure of \$1,000; and provided, moreover, the Master's degree stipend is then fixed at a dollar figure of \$1,000 rather than at a percentage of the base salary.

Second, the changes proposed by the parties to Sections 19 and 20 of Article III of the 1977-1979 Agreement of the parties (Joint Exhibit I) with respect to the Administrative Salary Schedule and the Nurses Salary Schedule, again retroactive to July 1, 1978, will likewise result in the payment of competitive wages to persons in these categories, would help keep them up with the general increase in the

cost of living, and would result in reasonable wages and reasonable overall compensation being paid to persons in these classifications.

Third, any increase in cost to the Employer by the above changes in the pertinent wage provisions found in the 1977-1979 Agreement of the parties for the 1978-1979 school year is well within the financial ability of the District.

Fourth, it would be in the best interests of the teachers and support personnel of the District, of the Employer, and of the public for the Employer to pay the above-described competitive, reasonable and necessary wages proposed by the Fact Finder for the school year 1978-1979.

FACT FINDER'S RECOMMENDATIONS FOR RESOLUTION OF THIS DISPUTE

Again pursuant to the express provisions of 41.59.120(3) RCW, as amended, and WAC 391-30-730, the Fact Finder hereby makes the following written recommendations for resolution of this dispute:

First, a salary adjustment of 8.925percent, as applied to the base salary for 1977-1978, with a corresponding adjustment in the salary schedule itself by the application of the schedule ratios to the adjusted base salary for 1978-1979, retroactive to July 1, 1978.

Provided, however, Paragraph C of Section 18 of Article III of the 1977-1979 Agreement of the parties (Joint Exhibit I) is amended to read, also retroactive to July 1, 1978, as follows:

- "1. An employee who has earned a Masters' degree will be compensated by an annual stipend of \$1,000 in addition to his/her regular salary."

Second, Paragraphs B and D of Section 19, Administrators' Salary Schedule, of Article III, Personnel, of the 1977-1979 Agreement of the parties (Joint Exhibit I) be amended to read as follows:

- "B. Administrators who are contracted and/or requested to work beyond the minimum number of days for an individual's responsibilities as indicated on the Administrative Salary Schedule

will be paid per diem."

"D. J.H.S. assistant principals will work 185 half-days as a classroom teacher and 205 half-days as an administrator for a total net of 195 full days. The ratio factor for Column I shall remain 1.147, and each junior high assistant principal shall receive an additional \$400 stipend."

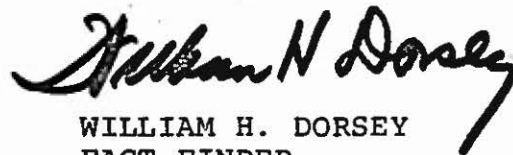
N.B. Both of these amendments shall be retroactive to July 1, 1978.

Third, retroactive to July 1, 1978, Section 20, Nurses' Salary Schedule, of Article III, Personnel, of the 1977-1979 Agreement should be amended by the addition of a Paragraph C which would read as follows:

"C. The Nurses' Salary Schedule will have three columns with seven experience steps in the first column and eight experience steps in Columns 2 and 3. (See Attached Schedule.)"

Fourth, except as otherwise expressly recommended above, the 1977-1979 Agreement of the parties (Joint Exhibit I) should remain as presently worded. N.B. Article IX, Duration, is not at impasse, therefore the Fact Finder cannot comment on the Employer's proposed one-year contract extension.

DATED at PORTLAND, OREGON, this 27th day of October, 1978.



WILLIAM H. DORSEY
FACT FINDER

WHD:jk