

9/7/68 FF

67

MICHIGAN LABOR MEDIATION BOARD

In the Matter of Fact-Finding :

- between - :

BOARD OF EDUCATION OF THE SCHOOLS :  
OF THE CITY OF INKSTER :  
(WAYNE COUNTY, MICHIGAN) :

Employer :

- and - :

THE INKSTER FEDERATION OF TEACHERS :  
LOCAL 1068, AMERICAN FEDERATION OF :  
TEACHERS - AFL-CIO :

Union :

William B. Gould - 9-7-68 X

REPORT  
and  
RECOMMENDATIONS

Michigan State University  
LABOR RELATIONS LIBRARY

APPEARANCES:

For the Union

Roger E. Craig, Esq.  
Attorney  
Henry B. Linne  
President  
Michigan Federation of Teachers  
Mrs. Catherine H. Jackson  
President  
Inkster Federation of Teachers  
Local 1068

For the Employer

Dr. Edward B. Fort  
Superintendent  
Arthur W. Meek  
Assistant Superintendent

INTRODUCTION

On September 3, 1968, Dr. Edward B. Fort, Superintendent of Schools for the Board of Education, hereinafter to be referred to as the Employer, and Mrs. Catherine H. Jackson, President, Inkster Federation of Teachers, Local 1068, hereinafter to be referred to as the Union, sent a joint telegram to Mr. Hyman Parker, Chief Mediation Officer for the Labor Mediation Board, which stated the following:

REQUEST IMMEDIATE FACT-FINDING ON ISSUES OF  
DIFFERENCES BETWEEN US INCLUDING WAGES AND  
AGENCY SHOP.

On September 4, 1968, the Labor Mediation Board designated the undersigned ". . . as its Hearings Officer and Agent to conduct a fact-finding hearing pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Board's Regulations and to issue a report with recommendations with respect to the matters in disagreement."

*Substitute Board of Education of the City of Inkster*

Hearings were held at the Inkster Board of Education offices on September 4 and 5, 1968, at which time both parties to this dispute were afforded full opportunity to present testimony, evidence and arguments. At the September 4 hearing both parties agreed that the following unresolved issues should be submitted to fact-finding inasmuch as failure to agree on them had constituted the main obstacle to a successful negotiation of a new contract.

1. RELEASED TIME FOR THE UNION'S PRESIDENT
2. AGENCY SHOP (PROFESSIONAL RESPONSIBILITY CLAUSE)
3. SALARY SCHEDULE FOR 1968-69
4. BLUE CROSS-BLUE SHIELD BENEFITS

#### DISCUSSION AND RECOMMENDATIONS

##### 1. RELEASED TIME FOR THE UNION'S PRESIDENT

The previous Agreement (1967-68) between the parties provides the following in Article II Section 3(B):

The President of the Federation shall receive one (1) day per week released time. . .

The parties stipulate that this released time is used for union activities which are, primarily, the investigation and processing of contractual grievances. The Employer's position is that 2 days of released time per month is sufficient for this purpose. Moreover, the Employer notes that the payment of a substitute for the Union's President will only compound the Board's financial difficulties which are outlined in detail below.

The Union's rejoinder to this argument is twofold. In the first place, the Union points out that the payment of a substitute teacher constitutes an extremely small percentage of the Board's budgetary allotment for substitute teachers (the latter totaling \$55,000). Secondly, the Union maintains that the released time contract provision has enabled the Union to investigate and resolve more grievances before it becomes necessary to invoke the final steps of the contractual grievance procedure.

I recommend that the parties continue the past practice concerning released time which is incorporated in Article II Section 3(B) of the agreement. There seems to be little dispute regarding the fact that both parties have been the beneficiaries of this clause. The uncontradicted evidence is that the Union President has been able to deal with many grievances which,

in the absence of the released time practice might have festered and thus proved troublesome. Moreover, the cost of the necessary substitute teacher is extremely small.

If the Union President does not have sufficient time to carry on such Union business, there exists the possibility of shorter absences during the day which will present administrative difficulties. And, of course, the cost involved in grievances which become exaggerated and more complicated as the <sup>result of</sup> Union's inability to deal with them at an early stage can be both costly and inconvenient to the Union and the Employer. In this connection it should be noted that the Union President must visit 10 school buildings in order to carry out her functions under Article II Section 3(B).

I do not believe that the parties have been unwise in negotiating that clause in the Agreement. I, therefore, recommend that the past practice concerning released time be continued.

## 2. AGENCY SHOP (PROFESSIONAL RESPONSIBILITY CLAUSE)

The Union has proposed that a "Professional Responsibility Clause", be incorporated in the 1968-69 Agreement. This clause provides that any member of the bargaining unit who has not joined the Union [within 30 days after his employment or the execution of the Agreement, whichever is later] ". . . shall pay to the Union a sum equal to the Union dues and assessments established by the Union for each school year and shall execute an authorization permitting the deduction of such sums. . ." The clause further provides that payment of such sums does not constitute Union membership. Also included is the obligation for the Employer to require authorization and the obligation for the Employer to deduct from the employee's pay check and transfer such sums to the Union on a monthly basis.

This proposal is, of course, the agency shop. The Union argues for the acceptance of the agency shop on the ground that it represents all members of the bargaining unit and that it services them all equally. Therefore, runs the argument, all members of the unit should contribute to the expenses involved in representation. In this connection, the Union notes that, in addition to expenses involved in collective bargaining, contract administration and fact-finding, it has utilized the resources of both the Michigan Federation of Teachers and the American Federation of Teachers. Moreover, the Union has represented the interests of Inkster teachers in legislative hearings.

Secondly, the Union emphasizes the fact that the representation vote in favor of Local 1068 was "overwhelming" and that during the past year 163 of the 225 bargaining unit employees were members of the Union. Although there are only 175 bargaining unit employees this year it is undisputed that the Union continues to have approximately the same percentage of members as last year. Thus, the Union argument is that the agency shop is also warranted because most of the bargaining unit employees pledged their allegiance to the Union. To permit a small minority to escape payment of what is in effect a service fee penalizes the Union majority.

Thirdly, the Union notes that the Board of Education has already negotiated an agency shop clause with the American Federation of State, County and Municipal Employees Union, that agency shop clauses have been negotiated in Allen Park, East Detroit and Hamtramck, and that 100 out of 500 contracts negotiated by the Michigan Education Association contain agency shop clauses. Therefore, according to the Union, the acceptability of the agency shop in Michigan public schools is well demonstrated and the prevailing pattern argues in favor of an agency shop provision in the Inkster Contract.

While noting that it has not set its face against the agency shop principle for all time, the Employer states that the payment of such sums should not be the responsibility of the Board and that it does not wish to be involved in "coercing" nonunion teachers to pay Union dues. Further, the Employer notes that the difficulties arising out of the current round of negotiations emphasize the disadvantages of a Union security clause for the Employer. In essence this argument is that Union militancy in the face of the Employers' financial situation does not presage a successful relationship in the future.

I am persuaded that the Union's position on this subject is the more meritorious of the two. In the circumstances of this case, it would seem that the very large percentage of Union membership noted above somewhat undercuts the Employers' argument that coercion would result from negotiation of the agency shop in Inkster. Moreover, the Union has vigorously represented the interests of all Union members regardless of Union affiliation or lack thereof. In these circumstances of this case it is unfair for some employees to escape the financial obligations that belong to Union

members when the benefits are negotiated equally for both groups of employees.

(It should be noted that the Union's proposal does not contemplate discharge as a sanction to be imposed in the case of an employee who resists payment. Union Counsel has specifically stated that, in the event of a violation of the "Professional Responsibility Clause" the Union would seek judicial enforcement of the clause and not discharge of the employee.)

To sum up, I am not persuaded by the Employer's arguments concerning coercion. I would think that the Labor Mediation Board's decision in Oakland County Sheriff's Department Case No. C-66-F-63 (1968) has put to rest the argument that the agency shop is "coercive" in its impact on nonunion members. For, in that case it was held that the agency shop is not coercive within the meaning of the Michigan Public Employment Act.

Therefore, in light of the Union's large membership, its vigorous representation of all bargaining unit members, and the hardship that a contrary recommendation would impose upon Union members, I recommend that the parties incorporate the Union's agency shop proposal in their 1968-69 contract.

### 3. SALARY SCHEDULE FOR 1968-69

The starting salary for a teacher with a Bachelor of Arts degree in Inkster in 1967-68 was \$6,000. Increments of \$300 are provided at each of 7 following steps. For the last 3 steps the teacher receives a \$400 increment and at the last (11th) step each teacher received an additional \$400 increment in February, 1968.

The starting salary for a teacher with an MA degree is \$6,400. The exact same increment pattern noted above applies to the MA teacher.

Thus, the maximum salary in 1967-68 for a BA teacher was \$9,600 and for an MA teacher, \$10,000.

The Union has proposed that the starting salary for a teacher with a BA degree consists of \$7,200 with all increments being \$400. This would make the maximum salary for a BA teacher \$11,200. The starting salary under the Union's scheme for an MA teacher would be \$7,700 with the exact same pattern for increments. Thus, the maximum salary for the MA teacher would be \$11,700.

The Employer has countered this proposal with an offer of a \$500 across the board increase. This would make the BA starting salary \$6,500 and the maximum, \$10,000. The MA salary spread would go from \$6,900 to \$10,500.

The Employer's salary proposal would cost \$88,074. The Union estimates the cost of its proposal to be approximately \$285,000.

The foremost difficulty in resolving this dispute is that the Fact-Finder is caught in the horns of a fundamental dilemma. On the one hand, acceptance of the Employer's <sup>proposal</sup> will make Inkster teacher salaries uncompetitive with surrounding communities. This is especially true insofar as the more experienced teachers are concerned. <sup>1</sup> Comparability is one of the important factors to be weighed by the Fact-Finder. Inkster's teachers ought not to be placed in the position of receiving grossly inferior pay rates. Further, the teachers ought not to be placed in the position of subsidizing the school district.

On the other hand, a disproportionate number of experienced teachers who receive large increments makes Inkster's salary costs more burdensome than is the case in surrounding communities. Even more significant is the fact that Inkster has the poorest property tax base of any surrounding community and that a school district deficit in the previous year required a loan from the State in July, 1968. Blending into the Employer's financially precarious picture is House Bill No. 3332, which was signed by Governor Romney on May 17, 1968. This law provides a part that "... a school district receiving an emergency loan under the provisions of this act shall balance its budget in the fiscal year immediately following the fiscal year for which it receives an emergency loan, or, following recommendation by the State committee on reorganization of school districts, shall be reorganized by the State Board of Education."

Thus, there is the prospect that the Inkster school district will be dissolved if it runs another deficit and that, as provided in Section 15 of the law, a "contiguous" district will conduct Inkster's school business in the future.

My intent is to issue recommendations which preserve the Inkster school district or which, in any event, do not add substantially to its financial

---

1. A portion of Union Exhibit 5 which indicates comparative salaries is attached as part of the Appendix.

burdens. But I must reconcile such a concern with the fairness and equity which Inkster teachers deserve. For the image of all teachers is ill served by substandard salaries.

The fundamental problem involved in balancing the equities in this case is that neither the Union, Employer or Fact-Finder know the full extent of Inkster's current financial liability. It is indeed possible that the Inkster Board would be dissolved without any raise for teachers. Moreover, the Employer acknowledges that its present offer of \$88,074 might itself create a deficit; yet it remains willing to implement that offer.

On the other hand, there are certain facts which are available. One of these is that the Employer's budget estimates are not an entirely accurate reflection of the monies that the Board will receive in 1968-69. Although the Employer uses the accrual method of accounting, which is supposed to show 100% of the property tax collection as revenue, it has subtracted 15% of this amount in calculating what is available for salary increases on the ground that "experience" indicates that only 85% is actually collected.

But, in the first place, this is a pessimistic estimate because in the last two years for which records are available (1965-66 and 1966-67) the percentages have been 86.6 and 87.4 respectively. And the pattern from 1961 through 1967 reflects a continuously higher percentage of taxes collected.

More significant, however, is the fact that each year (from 1961 through 1967) the Inkster School District collects approximately 50% of delinquent property taxes. On an average, this amounts to between \$80,000 and \$90,000. However, this year's collection of delinquent taxes should be slightly lower in light of the above-noted higher collection of the current levy in recent years. But, of course, the higher collection of the current levy should compensate for the lower collection rate for delinquent taxes.

To repeat, Inkster's method of accounting should show 100% of the current levy without deductions for delinquent taxes this year and without additions for the previous years' delinquent taxes which will be collected this year. But if those deductions and additions were combined with the current levy actually collected the amount of revenue should be just about the same as the revenue which should be reflected through Inkster's accounting method. Thus, under either Inkster's own accounting methods or on the basis

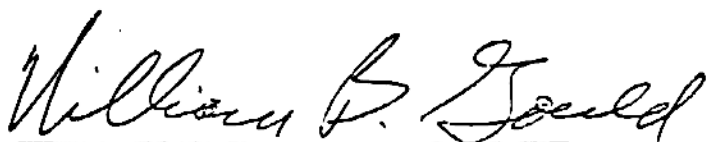
7. If the parties do not accept these recommendations, a Michigan Treasury Department official should come to Inkster and examine any available records which may shed light on the dispute concerning Inkster's financial liability.

While my recommendations do not make Inkster's teachers' salaries entirely competitive, they provide substantial increases for the more experienced teachers and, at the same time, they do not unduly jeopardize the Employer's finances. I estimate that my proposals will cost the employer \$125,000 - \$40,000 in excess of its present offer. There is no evidence before the Fact-Finder to support the conclusion that these recommendations will cause the Inkster school district to run a deficit. There is no evidence that \$88,074 is the only offer which is compatible with the District's survival.

What is clear is that the teachers must receive a salary which is reasonably equitable. If the Union's estimates prove correct in February additional increases can be negotiated. If, on the other hand, existing liabilities exceed all revenue actually received during '68-'69, the District will probably be dissolved in the absence of other savings.

I believe that the tragedy of Inkster and the educational opportunities available to its children - with or without dissolution - is largely attributable to the absurd manner in which Michigan and other states finance education. In my judgment, Inkster's reliance upon its poor property tax base is the primary reason for the current dispute in progress. Until the State of Michigan resolves to finance public education through its tax base, poor districts like Inkster will be in turmoil. Consideration of new procedures to cope with teacher stoppages such as compulsory arbitration or stiffer strike penalties - while they have a secondary importance - miss the heart of the matter.

Only if and when Michigan takes on the financial responsibility for state-wide public education itself can the Inkster school district and its teachers hope for a realistic solution to its problems.



William B. Gould  
Professor of Law  
Wayne State University Law School



## APPENDIX

	<u>B.A.</u>		<u>Increases</u>	<u>M.A.</u>		
	<u>'67-'68</u>	<u>'68-'69</u>		<u>'67-'68</u>	<u>'68-'69</u>	
Inkster	6000-9600			6400-10000		
Garden City	6200-9920	6850-10960	650-1040	6820-11160	7877-12809	1051-1649
Cherry Hill	6150-9600	6700-10150	550- 550	6600-11150	7150-11700	550- 550
Nankin Mills	6200-10168	---		6820-11160	---	
Flat Rock	6000- 9120	---		6480- 9840	---	
Taylor	6300-10300	---		6800-11300	---	
Heintzen	6100- 9800	6900-10800	800-1000	6550-10600	7500-11800	950-1200
Dearborn #8	6200- 9600	7200-11206	1000-1606	6600-10500	8000-13210	1400-2710
Redford Union	6050-9794	6900-11274	850-1480	6582-10660	7525-12275	943-1615
Dearborn #4 to #7	6200-9800			7000-11100		
Lincoln Park	6100-9715			6555-10500		
Wayne	6100-9882	6850-10950	750-1068	6527-10797	7500-12500	973-1703
Huron	6000-9240	6650-10240	650-1000	6500-9740	7150-11000	650-1260