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LABOR MEDIATION BOARD
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In re:

NANKIN MILLS BOARD OF EDUCATION

-and-

NANKIN MILLS EDUCATION ASSOCIATION

George T. Roumell /

FACT FINDING OPINION AND RECOMMENDATIONS

George T. Roumell, Jr., Fact Finder

APPEARANCES:

NANKIN MILLS BOARD OF EDUCATION

D. Harlan Hudgins, Superintendent, Nankin Mills Schools
William B. Cansfield, Asst. Supt., Nankin Mills Schools
Richard Burnham, Principal, Nankin Mills Schools

NANKIN MILLS EDUCATION ASSOCIATION

Jim Carlson, Michigan Education Association
Ray Kostaneeki, N.M.E.A.
Bonnie Schwietzer, N.M.E.A.
Margaret Wolds, N.M.E.A.
Gladys Tillotson, N.M.E.A.
Thomas A. Muer, N.M.E.Q.

Pursuant to a Petition filed by the Nankin Mills Education Association, the Labor Mediation Board of the State of Michigan appointed the undersigned Fact Finder in the current dispute between the Nankin Mills School District Board of Education and the Nankin Mills Education Association. During a hearing conducted by the Fact Finder it became clear that there were two basic issues.

1. Agency shop.
2. Salary.

Nankin Mills Board of Education

As to the third issue set forth in the Petition, the calendar, the parties advise the Fact Finder that this issue could be negotiated between the parties, and they did not wish to submit it to the Fact Finder. Therefore, the question of calendar will not be considered in this report. As to the two basic issues, I make the following finding of facts and recommendations:

Agency Shop. The Association has proposed an agency shop. The Board has resisted same. It may have been true in the early stages of collective bargaining between teachers and school boards that the agency shop was rarely inserted in contracts. But more and more, particularly with the negotiations of the 1968-69 school year, the agency shop is becoming common place. The Board argues that the question of the legality of an agency shop under Michigan law has not been adjudicated. The Board argues that they should not be liable for any litigation or the result of any litigation that may declare the clause illegal. After considering the arguments of both sides and after noting the trend, it is my opinion that there should be an agency shop. It is further my opinion that the Board should have an "hold harmless" clause in the event there is litigation over legality of the clause. This is only fair when a clause is being sought that has not been judicially tested even though there is a basic reasonableness in the Association's request for the clause.

One of the early clauses was the so-called "Saginaw" clause in the Saginaw Board of Education and Saginaw Education Association contract which met the argument in favor of the agency shop, and yet gave the Board some protection. Therefore, I am going to adopt part of the Saginaw clause and hereby recommend that the following language be

inserted in the current contract:

" Financial Responsibility. A. Teachers may at any time sign and deliver to the Board an assignment authorizing deduction of membership dues and assessments of the Association (including the National and Michigan Education Associations), and such authorization shall continue in effect from year to year unless revoked in writing between June 1 and September 1 of a given year.

B. In the event that a teacher does not join the Association and execute an authorization for dues deduction in accordance with Paragraph A, such teacher shall, as a condition of continued employment by the Board, cause to be paid to the Association a sum equivalent to the dues and assessments referred to in Paragraph A. In the event this representation fee is not paid, the Board, upon receiving a signed statement from the Association indicating the teacher has failed to comply with this condition, shall immediately notify the teacher that his services shall be discontinued at the end of the current semester. The refusal of said teacher to contribute fairly to the costs of negotiation and administration of this and subsequent Agreements is recognized as just and reasonable cause for termination of employment.

C. This Article shall be subject to the provisions of the Tenure at A. In the event that this Article should be challenged through the Tenure Commission, the Michigan Labor Mediation Board, or the Courts, the Association will pay the reasonable expenses of such proceedings, including the fees of legal counsel retained by the Board. If this Article shall be found to violate law, the Association shall be responsible for any loss or damage, including back pay awarded by the Courts."

Salary Schedule. The question of salary schedule in the Nankin Mills School District for the year 1968-69 presents some very unusual problems that are unique to Nankin Mills.

Presently, Nankin Mills is a K through 9 district. Under the so-called Nankin Mills Act it is represented to the Fact Finder, and not denied by the Association, that during or following the current school year the District will merge with possibly the Garden City, Livonia or the Wayne, Michigan School Districts. This will depend on certain hearings to be conducted by the Michigan Board of Education and a decision as to the merger will be made by that body. The hearings apparently will result in the Nankin Mills School District being split between at least two, if not more, of the School Districts mentioned.

Another unique fact is that Nankin Mills School District has a very high operational millage. Its taxpayers pay 48 mills, including 41.8 for operational millage. This is among the highest in the state of Michigan. This includes 7 mills recently passed by the citizens of Nankin Mills for operational purposes. The citizens passed this millage despite the fact that at the time they had a total of 34.8 millage which even then was among the highest in the state. So, it is quite obvious to the Fact Finder that the citizens of Nankin Mills cannot be faulted for not supporting their schools. In fact, they have done just this.

In regard to the last millage election the people were told by the Board of Education that the purpose of the millage was to restore or maintain certain programs that were certain to be cut because the District was in deficit financing. The District

historically has been in deficit financing of some type or another. Because of imaginative financing on the part of its Administration and Board, the School District in the past has been able to borrow on anticipated state aid and tax revenue, and, in effect, has operated on 10 to 15 more millage than it actually had through this concept of borrowing. However, in 1967-68 the Municipal Finance Committee, in effect, put a stop to this technique and requested that the Board begin reducing its deficit. The Board committed itself to pay \$55,000.00 or approximately 2 mills each year for the next five years to pay off the deficit that was in excess of \$300,000.00. The Board, because of this change in the financial position brought about by the Municipal Finance Committee, found that in order to continue the programs it had in 1967-68 it needed the additional millage as well as for the purposes of making repayment on its loans. The Board told this to the citizens. The citizens responded by taxing themselves another 7 mills.

In fact, during the millage campaign the Board in its publication for public consumption called, "The Hickory Log" specifically stated as follows:

**"BOARD OUTLINES NEED FOR ADDITIONAL
MILLAGE**

On June 10, the Nankin Mills Board of Education will ask the people to approve an increase of seven mills in school taxes for a period of one year (July 1, 1968 - June 30, 1969). The need for this increase was described by the Board at a public meeting in May.

Seven Mills (\$7 per \$1,000 of state equalized valuation) is needed in order to:

1. Maintain the current level of educational program for children through the period of reorganization of the school district for 1968-69.

2. Provide for increased costs of school operation through the next school year 1968-69.

3. Repay, as required by the State of Michigan, a portion of the operating deficit incurred by the school district over the past years.

The proposed increase will raise the taxes on an average home in Nankin Mills about \$50 for the next year only.

If the millage is not approved by the voters, the following reductions in school program will be necessary for the next school year:

1. All elementary school pupils, grades 1-6, will be placed on half-day sessions.

2. Perrinville Elementary School will be closed and only Henry Ford School and Nankin Mills Elementary School will be available for pupils north of Hines Parkway.

3. The entire school lunch program will be eliminated.

4. Only minimum busing service will be provided.

Contrary to some erroneous rumors that are circulating the District, rest assured that we will not be able to operate with less than the 7 mill increase. A future election for less millage will not be forthcoming."

It was quite clear to the Fact Finder that if the millage was not obtained there would be drastic curtailment of the school programs, including the closing of an elementary school. As the result of the citizens response of voting the 7 mills the Board is committed

to pay back the indebtedness at the rate as insisted upon by the Municipal Finance Committee and to keep the 1967-68 level of programs without cutting them.

Apropos to the above statement is the fact that the SEV behind each student in Nankin Mills is about \$7,700.00 which is less than the state average. Yet, as I will explain later, the School District has managed well and the teachers have not suffered on a competitive salary basis.

Although the Association very carefully went through the budget item by item to show possible places in the budget for more money for teachers, as I view it I am not convinced that there are any substantial monies available for teachers increases over those proposed by the Board. I believe the Board has been frank and candid in its budget. I believe the money is not there to meet teachers' salary request.

Thus, I find a school district that will cease to exist within one year. I find a citizenry that is paying a very high operational millage. I find a school district that is in deficit financing and cannot look for other sources of revenue because it must pay back back debts and it is fast approaching the end of its existence.

With this background I go to the respective salary positions of the parties. At one time, June of 1968, the Board apparently led the teachers into thinking that they had \$175,000.00 for a new salary increases. On this basis the teachers prepared a schedule which went from a B. A. minimum of \$7,200 to a B. A. maximum of \$11,808; and a M. A. minimum of \$7,920 to a M. A. maximum of \$13,032. I was not there

when the parties bargained. However, on the documentary evidence relied upon by the teachers there is an indication that the Board at the time they talked about this money being available also talked about a salary schedule beginning with a B. A. of \$6,700. My function is not to put together the puzzle of bargaining but to attempt to make recommendations upon the facts as I now find them.

Much has happened since the June, 1968 negotiations. At that time the Board expected to receive an additional \$48.00 per child state aid. It subsequently turned out that the Board received only \$25.00 additional state aid. This meant a loss of \$40,000.00 expected income. This was not because of any fault of the Board but because of the fact that during the summer there were certain apartment buildings built in the area that raised the state equalization value per student from approximately \$5,700.00 to \$7,700.00. In addition, because of a change in a Federal Aid Program the Board lost another \$15,000.00. This meant a total of \$55,000.00 loss. Finally, the Board was placing its estimate based upon 3,350 students. It turns out that as the count stood at time of this hearing, September 9 and 17, 1968, the District had 3,269 students or 81 students less than anticipated. Although the figures vary, the Board says this means an additional loss of revenue of \$40,000.00. The Association agrees that this means an additional loss of state aid revenue of at least \$27,000.00. So it is quite clear that depending on the viewpoint, there is at least \$82,000.00 less revenue, if not \$95,000.00 less revenue than the Board had anticipated earlier in negotiations.

Consistent with what it thought was competition, the Board did raise its offer from \$6,700.00 to \$6,900.00 for beginning B. A.'s

and to \$12,580 M. A. maximum. Not only is there a loss of revenue and apparently a lack of revenue to meet the teachers' proposals, but there is another most important factor. I might say that the mere lack of revenue may have not been enough to persuade this Fact Finder that Nankin Mills should not pay competitive rates, but the fact that Nankin Mills under strained financial circumstances are paying competitive rates is indeed most persuasive. Admittedly, Nankin Mills has been among the top in competitive rates. In the past it has varied from 6th and 7th place in Wayne County as to the B. A. minimum and 11th place as to the M. A. maximum. The present School Board proposal comes near except in the M. A. max. in maintaining this comparative standing. It is true that if one compared Dearborn No. 8 or the City of Dearborn one would find higher salaries, but I do not believe that those systems should be compared with Nankin Mills for this simple reason. We know that Nankin Mills is going to merge with 1, 2, or 3 of three separate systems, to-wit: Wayne, Livonia and Garden City. I think it would not be fair to all concerned, including the merging districts that Nankin Mills should be paid more than what the pay is in those districts. In fact, if such a salary schedule was adopted it would complicate the needed merger. I have examined the salary schedules of Livonia, Garden City and Wayne, and this is what they show.

Comparing the offer of the Board \$6,900.00 to \$11,152 on the B. A.; \$7,400 to \$12,580 it is clear that the Board's offer is indeed very competitive with the three systems that Nankin Mills might merge into. None of the other three systems has a higher B. A. minimum, and only one (Livonia) has a higher B. A. maximum,

to-wit: \$11,213 as compared to the Board's offer of \$11,152. As far as the M. A. maximum is concerned, two of the three systems has a higher maximum, to-wit: Livonia at \$12,809 and Wayne at \$12,800. I may point out that both the Wayne and Livonia M. A. maximums are among the very highest in Wayne County and the state. Thus, as I see it, the Board is indeed very competitive salary wise. Now, look at the proposals of the Association. The Association proposes \$7,200 to \$11,500 on the B. A. and \$8,100 to \$13,008 on the M. A. scale. None of the three districts potentially involved in a merger with Nankin Mills pay this type of salary. Furthermore, the teachers expect a M. A. maximum on 11 steps where the M. A. maximums in Livonia, Wayne, and Garden City require 12 steps to be reached.

This Fact Finder is not in any way suggesting that a given school district cannot be a leader in salaries. There must be a leader somewhere, sometime, some place. For example, Detroit is a leader in the B. A. minimum, Dearborn No. 8 is a leader in the M. A. maximum. However, the key is when does one chose that sometime, some place, somewhere. Certainly, it cannot be Nankin Mills which is in deficit financing and which as a school district is about to be terminated and merge with two or even three other existing districts. This is the wrong time and the wrong place to suggest that its teachers should be a leader in salary scale. The chemistry is just not here at this time. Furthermore, as already indicated, to be a leader in Nankin Mills would make the merger awkward when, if in fact, the salaries were higher than the merged district.

With the above background and under the above circumstances it is asking too much of a fact finder to pave the way in this situation.

The best that the Fact Finder can do in good conscience is to make minor adjustments that would put Nankin Mills absolutely competitive with the three possible merged systems. Therefore, with this in mind, I am adding \$50.00 from step 3 through step 10 of the B. A. which would bring up the minimum to \$11,202 which makes Nankin Mills virtually competitive with Garden City. I am revising steps 11 and 12 of the M. A. as follows:

10 - 12,350
11 - 12,800

To be consistent with the additions that I have made in the Master's Degree program, I also add to steps 10 and 11 of the Master's Degree plus 20 the following amounts:

10 - 12,650
11 - 13,180

Likewise, to be consistent in the educational specialists steps 10 and 11 I make the following additions:

10 - 12,736
11 - 13,280

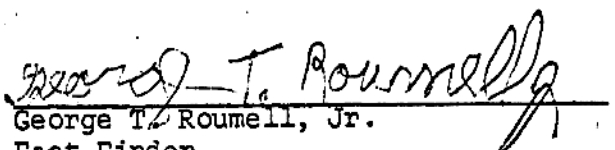
By making the changes that I have made in the Master's Degree schedule, I have made Nankin Mills virtually competitive with Garden City and Livonia, two of the possible three districts which it may merge. The Board's offer previously was competitive with the Wayne Community School Districts.

I also realize that I am changing the maximum from 11 to 12 steps. Usually, I would not favor this, but this is consistent with what the three other districts that figure in the potential merger are doing. And if the teachers wish to be equated with the M. A. maximums in the other districts I feel they must accept the steps. On the other

hand, the District is attempting to make it M. A. + 30 instead of M. A. + 20. In the past, the parties have agreed to M. A. + 20, and I am not changing this. Therefore, I would make the M. A. + 20 schedule remain as the Board proposes it at M. A. + 30 with the exceptions noted above. In other words, there will not be a M. A. + 30 schedule but a M. A. + 20 schedule.

I realize the way that I have added to the schedule from those proposed by the Board, which I have attached hereto, I have interfered with the index of the teachers schedule. If the parties are not satisfied with my interference then I say that what I have added to the schedule represents about \$5,500.00 actual costs to the Board. The changes I made on the schedule as to M. A. + 20 and educational specialist represent no costs as there is no teacher on those steps. If the teachers want to take the total package of money that the Board has put on the table, plus the \$5,500.00 I added and devise their own schedule, I have no objection and would approve same if same would be presented to me, and the Board agrees that the cost is no more than the \$5,500.00 I have added to the Board's offer. Absent presentation of such schedule then I would recommend the schedule that I am attaching hereto as Appendix A.

In good conscience I can do no more. In good conscience I say to the Board that I realize their money plight, but I think that the amount I added to the schedules can be found with careful evaluation of the budget. It is fair to the teachers and it is fair to the Board under these circumstances.


George T. Roumell, Jr.
Fact Finder

Dated: October 7, 1968

APPENDIX A

NANKIN MILLS SCHOOL DISTRICT

SALARY SCHEDULE 1968-69

Step	Life	B. A. Degree	B. A. + 20	Master's Degree	Master's Degree + 30	Ed. Spec.	Doctorate
0	\$5,658	\$ 6,900	\$ 7,140	\$ 7,480	\$ 7,780	\$ 8,080	\$ 8,380
1	6,003	7,308	7,548	7,888	8,188	8,488	8,788
2	6,348	7,784	8,024	8,296	8,596	8,896	9,196
3	6,693	8,142	8,432	8,704	9,004	9,304	9,604
4	7,038	8,550	8,840	9,112	9,412	9,712	10,012
5	7,383	8,958	9,248	9,588	9,888	10,188	10,488
6	7,728	9,366	9,724	10,064	10,364	10,664	10,964
7	8,073	9,774	10,200	10,540	10,840	11,140	11,440
8	8,418	10,250	10,676	11,084	11,384	11,684	11,984
9	8,763	10,736	11,152	11,560	11,860	12,160	12,460
10	9,108	11,202	11,696	12,350	12,650	12,736	12,936
11				12,800	13,180	13,280	13,480