

STATE OF MICHIGAN
LABOR MEDIATION BOARD
FACT FINDING

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IN THE MATTER OF:

SCHOOL DISTRICT OF THE
CITY OF TROY AND TROY
EDUCATION ASSOCIATION

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SEP 10 1967

LABOR MEDIATION BOARD
DETROIT OFFICE

FACT FINDINGS, CONCLUSIONS AND RECOMMENDATIONS
GEORGE T. ROUMELL, JR.

INTRODUCTION

Beginning at approximately 8:50 a.m., on Saturday, the 9th day of September, 1967, I met with representatives of the Troy Education Association and representatives of their parent organization, the Michigan Education Association, as well as representatives of the Troy Board of Education (School District of the City of Troy), to-wit: the Superintendent, the Assistant Superintendent, and the Administrative Assistant, and from time to time others from the administrative staff. In addition, at a later time during the day (September 9, 1967), I met with a majority of the Board of Education of the Troy School District. The sessions, lasting to late in the evening (September 9, 1967), have been designed to acquaint me with the facts involving the dispute between the two parties. The facts that I deemed relevant and my conclusions therefrom are set forth below. This report was dictated, because of the urgency of the matter, at about 11:00 p.m., Saturday, September 9, 1967, in the presence of the parties, immediately following the fact finding session.

Troy School District of the City of

FINDING OF FACTS AND CONCLUSIONS

The members of the Troy Educational Association have not yet begun teaching for the academic year 1967-68, though, in fact, the school year was scheduled to begin on Tuesday, September 5, 1967. This means that there are 5,200 students who are not in school, and there are some 240 teachers who are not yet available to teach. The issue revolves itself around this problem. The Troy Board of Education and the Troy Education Association have strived hard to give people of the City of Troy an outstanding educational system and the Board has worked hard in making funds available so that teachers can be attracted to the school system and teachers who are here will stay giving this school district a very experienced teaching staff and the very finest new available talent. One must consider that Troy is located in Oakland County, Michigan, which has been reported in the newspapers as a most affluent county. Surrounding schools in the county and also in the adjoining county have also been competing in this teacher market and paying substantial salaries. The Troy Education Association and the Troy Board of Education recognized this fact in their last year's negotiations and substantial raises were made at that time in order to keep the district competitive. The problem now becomes one that it is the position of the Troy Education Association that it must remain competitive. The School Board is not in disagreement with this but found themselves during the last fiscal year faced with a cash deficit of \$200,000.00 and an accounting deficit of \$350,000.00. The school authorities did place an operational millage increase proposition on the ballot on June 12, 1967 which was defeated by a three to

one vote. Although the Troy Educational Association questioned whether the proposition was put on the ballot early enough to assure subsequent tests before the current negotiation, I am satisfied that the Board of Education, as explained by Dr. Rex Smith, considering all factors involved and all legal requirements, acted in good faith and did put the matter on the ballot as early as possible consistent with the notion of obtaining success. The Troy Board of Education, recognizing its financial plight, immediately put the question on an operational millage increase on the ballot for a vote Monday, September 11, 1967. I am also aware that this meeting is taking place prior to either party knowing what the outcome of that vote will be.

So we are faced with a teachers organization who wants to remain competitive salary wise versus a school board faced with a substantial deficit. If the vote on the millage passes, this deficit can be to a certain extent reduced and along with expected increases in commercial property valuations may be eliminated. If it does not pass, proposed services and other services will be reduced and the deficit, I am satisfied, will substantially increase. On the face of it we have a school district that is legitimately pleading inability to pay. On the other hand we are faced with teachers who require a competitive pay scale if they are to remain or come to Troy. We have a school district here that averaged fifth and sixth ranking in salary scale in Oakland County and the surrounding area. The proposals on the table would keep that ranking or perhaps one or two below it but would keep Troy within the competition in Oakland County and surrounding area. I have analyzed the millage situation in the City of Troy and I find from my

analysis the citizens of Troy based upon voted operational millage are paying an average voted operational millage in the area. However, there are many communities in Oakland County paying a higher operational millage who are not necessarily receiving the same high caliber educational program as are the citizens of Troy. Therefore, I believe the electorate of the City of Troy can well afford to pass the current operational millage and should pass it and be sympathetic to further requests if they may be coming from the Board of Education to pay the cost of education. The citizens of Troy are not being asked to pay any more than their neighbors in this County.

I have looked at the various offers and counteroffers that have been made by the Board of Education and by the Troy Education Association. I have examined these proposals in great detail. As I arrived this morning, I was advised by the Education Association that their last proposal would cost in excess of \$30,000.00 more than the last offer of the Board. Subsequently, the Education Association reduced the offer to a cost that would be approximately \$21,000.00. I have reviewed these figures and I am still faced with a claim by the Board that they cannot go further into debt; that they cannot predict what the public will do at the forthcoming millage vote on Monday, September 11, 1967; that they are most anxious for the benefit of all parties to open school. The Education Association believes, however, that certain minimums and certain maximums should be maintained and that a certain index should be followed in order to keep Troy competitive with other school districts in Oakland County and the surrounding area. I am reluctant, of course, to ask the School Board to go further

into deficit financing. It is agreed that a balanced budget is in order.

However, I am aware that at least two school districts and possibly three in the area have found that faced with the pressures of attracting and keeping good and outstanding teachers in a highly competitive market that it was necessary for these school districts to go into deficit financing and turn to the voters. I speak of the Royal Oak School District, the Southfield School District, the Hazel Park School District.

Considering all the factors, I am going to make recommendations which are set forth below which will increase the salary schedule of the teachers over and above the last offer of the Board because Troy's salary schedule must be competitive with other districts in Oakland County and the surrounding area if Troy is going to keep its experienced teachers and attract new top flight teachers. I realize that these recommendations will add about \$13,000.00 to the budget of the School Board and would put the Board at the present time into further deficit financing. The recommendations are an attempt to reconcile the problem of deficit financing versus the problem of competition for good school teachers. I have done this by reducing the demands of the Troy Education Association and on the hope that the citizens of the Troy School District will realize the urgency of the situation and pass the proposed millage. I also point out that one of the reasons why I am willing to recommend at this time a raise for the teachers in face of a further deficit is the expectation and hope that with the growing land development in this area more property will be going on the tax rolls and that this may bring

some relief. Now I underline the word "some" because it is quite clear that with more land development there will be more children, the need for more school buildings and the need for more school teachers. But some of the land development will be commercial which will add more tax money and will not bring correspondingly more children to the district. It is also my understanding that the bargaining representatives of the Troy Education Association have agreed as a bargaining team to recommend this recommendation for ratification by its members. This agreement was made without any prior knowledge as to what my recommendation would be. It is also my understanding that this recommendation will be recommended by the Board's bargaining team of the Board of Education for ratification at a special meeting called for that purpose.

The following recommendation will be made without regard to the outcome of the election on September 11. I might say to the people of the City of Troy that if they do vote on Monday, September 11, the teachers nor the fact finder nor the Board of Education are asking them just to vote for teachers' salaries, but rather they are asking them to vote for education covering not only teacher salaries but services.

RECOMMENDATIONS

1. That Schedule "A" attached hereto is my recommendation of the salary schedule to be adopted, namely that the minimum for AB would be \$6,275.00 with a 1.61 index and that the maximum for MA, the 10th level would be \$11,010.00.

2. I recommend that the Board of Education provide no life insurance coverage for the teachers.

3. I recommend that the extra duty pay remain as it was for the school year 1966-67, except teachers of driver training should receive \$5.00 per hour because this is a competitive rate.

4. I recommend to the School Board that in the event the millage fails on Monday, September 11, 1967, that the citizens of the Troy School District as soon as the Board of Education deems feasible be asked again to vote a millage to eliminate this deficit because no citizen serving on the School Board of the Troy School District should be asked consistently to participate in deficit financing.

5. I recommend that the Troy Education Association work closely with the School Board and its administrators in preparing for the 1968-69 negotiations and to take into consideration in making their demands, whatever they may be, the response of the citizens of Troy School District to the urgent need for an operational millage increase.

It is a condition of my recommendation that it be accepted forthwith by the members of the Education Association, so that school may open on Monday morning, September 11, 1967.

~~George T. Roumell, Jr.~~
George T. Roumell, Jr., Fact Finder
3400 Penobscot Building
Detroit, Michigan 48226
962-8710

September 27, 1967

P. S. As stated in the above report, the report was dictated prior to any knowledge of the outcome of the millage

election held Monday, September 11, 1967. The report has not been changed in form except for grammatical errors from its dictated version, although it was typed after the election. I am aware that the citizenry of the Troy School District again have defeated an operational millage increase. I refer the Board to my recommendation that the question of an increased operational millage be again put on the ballot for a vote of the citizenry as soon as feasible. I again urge the citizenry of the Troy School District to pass the millage. In today's 20th Century and competitive world it is just unfair to deny children a good substantial education system. A millage increase is absolutely necessary to maintain a good education system in Troy.

GTR, JR.

Schedule A - 1967-68 Troy Schools, Troy, Michigan

Regular Degree Schedules

	AB	AB+15	AB+20	AB+25	MA or MA+30	MA+5	MA+10	MA+15	MA+20	MA+25	ED. SP. MA+30
Base (0)	6275 (1.0)	6557 (1.045)	6651 (1.06)	6745 (1.075)	6840 (1.09)	6934 (1.105)	7038 (1.12)	7122 (1.135)	7216 (1.15)	7310 (1.165)	7404 (1.18)
1	6658	6957	7057	7157	7257	7357	7457	7557	7657	7757	7856
2	7041	7357	7463	7570	7675	7780	7886	7992	8097	8203	8308
3	7424	7758	7869	7981	8092	8204	8315	8426	8538	8649	8760
4	7807	8158	8275	8393	8510	8627	8744	8861	8978	9095	9212
5	8190	8550	8681	8804	8927	9050	9173	9296	9418	9541	9664
6	8573	8958	9087	9216	9345	9473	9602	9730	9859	9988	10116
7	8956	9359	9493	9628	9762	9896	10031	10165	10300	10434	10568
8	9339	9759	9899	10039	10180	10320	10460	10600	10740	10880	11020
9	9722	10159	10305	10451	10597	10743	10889	11034	11180	11326	11472
10	10105 (1.015)	10560	10711	10863	11014	11166	11318	11469	11621	11772	11924
INDEPENDENT	383	400.30	406	411.80	417.40	423.30	429	434.70	440.50	446.30	453

Credit for outside experience: up to 9 years for 1967-68, and up to 10 years for 1968-69.

Additional Schedules:

NON-DEGREE TEACHERS.

Base	1	2	3	4	5	6	7	8	9	10
5275	5521	5768	6016	6263	6510	6757	7005	7253	7500	7748
DIPLOMATICAL, Social worker										
7675	8012	8510	8927	9345	9762	10180	10597	11014	11431	11848