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STATE OF MICHIGAN  
LABOR MEDIATION BOARD  
LABOR RELATIONS DIVISION

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LABOR MEDIATION BOARD  
DETROIT OFFICE

In re:

WHITMORE LAKE BOARD OF EDUCATION  
-and-  
WHITMORE LAKE EDUCATION ASSOCIATION

Michigan State University  
LABOR AND INDUSTRIAL  
RELATIONS LIBRARY

FACT FINDING OPINION AND RECOMMENDATIONS

George T. Roumell, Jr., Fact Finder

On Petition filed by the Whitmore Lake Education Association and granted by the Michigan Labor Mediation Board, the undersigned was appointed Fact Finder in the dispute between the Whitmore Lake Board of Education and the Whitmore Lake Education Association. At the hearing on the dispute, the parties stated that there were four issues involved in their dispute.

In an effort to resolve their dispute the parties at open hearing agreed to be bound by this fact finding report and recommendations prior to any knowledge as to its contents. Thus, the Whitmore Lake Board of Education has agreed to be bound by this fact finding report and recommendations and will follow same. Likewise, the Whitmore Lake Education Association has agreed to be bound by this fact finding report and recommendations and agrees to follow same.

Both the Board of Education and the Association made excellent presentations of their point of view. Subsequently, the Board of Education submitted to the Fact Finder additional information. I am convinced that both cases have been adequately presented to me. And,

*Whitmore Lake Board of Education*

of course, I have given serious consideration to each position and have made a detailed study of the budget, audited financial statements, and the Form B submitted by the Board of Education.

The four issues separating the parties involve pay scale, longevity pay, an insurance program, and a retirement program. The difference between the Association's offer and the Board's last offer as to these subjects was represented in the Petition for fact finding to be approximately \$19,000.00. In a statement dated August 30, 1968, the Board of Education suggested that the difference would be approximately \$17,690.00. At the hearing on this matter, the difference in costs arrived to about \$16,200.00. The total budget of the school is approximately \$595,000.00. Although the amount of \$16,200.00 would seem relatively small as compared to a budget of over a half-million dollars, it is a large cost particularly when the schools may not have the funds without going into deficit financing.

On the other hand, it must be recognized that throughout the state of Michigan teachers are receiving substantial raises to offset their relatively poor economic position of the past. Furthermore, the Whitmore Lake public school teachers have been grossly under paid. The evidence shows that of relevant rankings in the Washtenaw County district exclusive of Ann Arbor, the system ranks last. Even with the proposed wage scale advanced by the teachers, if granted, would still place the Whitmore Lake public school district last in Washtenaw County. In fact, the proposed increases which the teachers propose and which I shall recommend below are below the state medium increases this year and below the increases in Washtenaw County.

I realize that the recommendations I am going to make below may possibly put the district in a slight deficit financing. But the system must be fair to its teachers. The system must be competitive. After I make my recommendations below and the reasons therefor, I will then suggest ways to the district that can save money or raise money to pay for these increases and also will make other general comments.

As indicated below, I believe the parties are approximately \$16,200.00 apart in actual money. My recommendations will award approximately \$12,000.00 to \$14,000.00 to the teachers and it is this money that the Board will have to look forward to raising or finding in its budget.

As to the four issues, I make the following recommendations:

Salaries: The Board has offered a salary schedule running from a B. A. minimum of \$6,200 to a B. A. maximum of \$8,493 and a M. A. minimum of \$6,700 to a M. A. maximum of \$9,180 in eleven steps. But this is woefully inadequate. It particularly discriminates against a teacher who has been in the system for longer than two years. Both sides recognize that after the second and third years a number of teachers leave the system. Both sides recognize that there is value in having experienced teachers. Therefore, in my opinion, the salary schedule should be designed to encourage teachers to stay in the system and to favor the more experienced teachers. After all, a young teacher just entering the profession does not expect to make substantial sums. On the other hand, a more experienced teacher will probably as time goes on have more financial responsibilities, and, therefore, should be adequately compensated. I further point out that I think it is not

consistent with economic reality to expect a college-trained teacher with a B. A. after eleven years to be making only \$8,493.00. Nor is it economic reality to expect a college-trained teacher with a Master's Degree after eleven years to be making \$9,180.00. Such salaries do not encourage top rate performance. It degrades the teachers and will, if permitted to continue, cause the school system to deteriorate.

I make the above statements recognizing that salary schedules are somewhat lower in the out-state area of Michigan as contrasted to the metropolitan Detroit area and as even contrasted to some of our larger cities, including Ann Arbor. Nevertheless, if the out-state areas, including Whitmore Lake, are going to attract teachers they must pay relatively competitive rates. The Association proposes a salary schedule of \$6,100 B. A. minimum to \$9,100 B. A. maximum and \$6,600 M. A. minimum to \$9,600 M. A. maximum. The Association proposal is in ten steps. I must say that based upon my experience as a fact finder that more and more the modern trend is to permit the maximum to be reached in ten steps. I note, that the Association proposals propose a big jump between the second and third steps, namely \$600.00 as compared to \$200.00 and \$300.00 jumps at other steps. It has been explained to me that this is to stop the exodus from the system after the second year. Even the Board's proposal sets forth a substantial jump from the third and fourth steps. Thus, both the Board and the Association are in agreement that there ought to be an attempt to keep experienced teachers.

The Association proposals add approximately \$12,000.00 to \$13,000.00 to the cost over the Board's last proposal. But, as I indicated before, I believe that the Association's proposal is more

in keeping with the economic realities of teachers' salaries. It keeps the Whitmore Lake public school teachers at the same relative positions that they were last year, which is not outstanding, and, in fact, as indicated above, was last in the county last year and even the recommendation I am going to make will keep the school district last in the county this year. However, if the Board's position was adopted not only would the district be last in the county, but it's position as compared to last year would be relatively worse. At least the teachers proposal, which is consistent with the financial reality of the district's budget, would keep themselves even with the previous year.

Therefore, based upon my discussion above, I am recommending the salary proposal put forth by the teachers. I attach a copy hereto as Schedule A.

Longevity Pay. The Association proposes a \$500.00 longevity pay for those teachers who have been with the system fifteen (15) years and \$500.00 longevity pay for those teachers who have been with the system twenty (20) years. There is great merit in longevity pay based on the philosophy that experienced teachers should receive certain rewards. It is one thing for a teacher to reach the maximum after ten years and then look forward to teaching another twenty-five years in the system without additional compensation for experience. Longevity pay is frequent throughout Michigan.

However, I am aware of the Board's budgetary problems. The Board does have financial problems, and on reflection in view of the fact that I have added substantially to the Board's costs in the salary

schedule I believe that at this time it is in the best interest of the parties not to recommend longevity pay. I make this recommendation reluctantly, but I am bound by the financial facts that I have found in the district.

Insurance Program. The Association has asked for an insurance program which is in my opinion somewhat modest. They have asked for a Blue Cross M-75 Program. They have asked that the Full Family Blue Cross M-75 Program be paid for all teachers who have been in the system for more than four (4) years. This amounts to seven teachers and represents approximately a \$2,000.00 increase in cost to the Board.

Many board of educations throughout the state, and I know this from my own experience as a fact finder, provide Blue Cross Full Family coverage for their teachers. What the Association has done here is to introduce the concept and yet not burden the school system with substantial insurance costs by limiting it to those who have said that they will stay with the system and teach. I believe that the concept should be introduced at Whitmore Lake. Therefore, I believe that the Association's proposal is modest and reasonable and should be granted.

Therefore, I recommend the Association's insurance proposal as outlined above.

Retirement. The Association proposes a retirement program. The fact of the matter is no teacher in the district would be eligible for the retirement program as proposed this year. Since my recommendations are putting a financial burden on the district, and since I think that the district is going to have to take a long hard look at their financial picture because the district is going to have to make great

efforts to become competitive not only this year but in the years to come, and since no teacher is effective this year I am recommending that the retirement proposal not be adopted. But by doing this I again emphasize that the district is going to have to take a long hard look at its entire situation.

As indicated earlier in this opinion and as I made a commitment to the Board of Education to do so, I have the following suggestions to make as to where money can be found to meet the recommendations I have made above.

My recommendations above will cost the district approximately \$12,000.00 to \$14,000.00 more than it has budgeted. My examination of the B Form indicates that the district does have a general fund equity from the previous year. I believe that there might be enough funds from the previous year to cover this additional increase. There is also a possibility that state aid might be increased to Whitmore Lake. These two areas of additional funds should be sufficient to cover the modest increase of between \$12,000.00 to \$14,000.00.

If the above areas do not provide the funds there is always the possibility of again keeping maintenance and equipment purchases to a minimum. I realize that the Board has already done this, but I again emphasize that it must continue to do so.

I also suggest as I will again mention in this opinion that the Board may have to give up the luxury of small class sizes in order to make more monies available even this year for teachers' salaries.

If the above suggestions do not produce the needed additional

monies in the current year, then the district may have to consider a limited deficit financing. Many school districts in Michigan have done so. This is not unusual and is permitted by the Municipal Finance Commission. This would probably be applicable to Whitmore Lake because the amount to be deficit financed would be very minimal in view of the low cost of my recommendations.

What I have just said above applies to where monies can be found in the current year. But this does not end the question. Not only do I think the teachers are somewhat under paid in Whitmore Public Schools, but in reviewing the budget I even think your administrators are under paid. Therefore, the district is going to have to look for new revenues.

I point out that there are some districts in the state of Michigan where there is an operational millage as high as 41.8 plus a debt retirement millage. The point I am making is that the Board is going to have to go to the citizens of Whitmore Lake and ask for additional millage, and they are going to have to do it immediately. I realize that the operational millage of Whitmore Lake is 21.02 with a voted operational millage of 9.8. But Whitmore Lake does have a state equalization value behind each student of over \$14,000.00. It can tax itself more to get more revenues.

Buildings and books and equipment are one thing but education fails if there are not dedicated top-notch teachers in the classroom. I am not indicating at all or not implying, because the contrary is true, that Whitmore Lake does not have dedicated teachers, but if these teachers cannot buy bread as other people do then they soon lose their zeal and as has been Whitmore Lake's experience they leave to go



to greener pastures. This is unfair to the people of Whitmore Lake and unfair to the students. Therefore, I am not being unrealistic when I say that the people should be asked to vote for more millage.

Not only should there be more millage, but I think that the Board must take another look at its class size loads. I know that the teachers favor small class size. Educationally I think this is wise. However, you may have to change your attitude on class size slightly in order to make more money available. In other words, I am not convinced that the cost of teachers' salaries should be increased by hiring more teachers. I think it should be increased by paying what teachers you have more monies to be competitive. Therefore, I am suggesting that the Board review its class size load, and it may be that in the current year the Board may have to make readjustments.

Finally, I recommend that efforts should be made by the district to take advantage of all Federal programs and all state aid to get additional funds.

In closing, I again re-emphasize the need for more millage, and I again say to both the teachers and the Board that they should join together in promoting a new millage increase. Even if it fails the first time, you must try and try again until you get the millage through. It is imperative.

I must point out and I suspect that the demands of the teachers this year have been modest. There is no question in my mind that next year the demands will probably be more substantial. What I am saying is that I am making an ominous prediction that unless the district finds more sources of revenue Whitmore Lake Public Schools will be in a great deal of difficulty come fall, 1969. Therefore, the

time is to act now and not delay.

In closing, I suggest to the citizens of Whitmore Lake that it must meet its responsibilities and enact additional millage. The citizens of Ann Arbor did it, the citizens in numerous communities have been doing it, and if Whitmore Lake wants its children to be educated they must provide for adequate teacher salaries and benefits.

  
George T. Roumell, Jr.  
Fact Finder

Dated: October 3, 1968

SCHEDULE A

<u>Step 1</u>	<u>B. A.</u>	<u>M. A.</u>
1	6,100	6,600
2	6,300	6,800
3	6,900	7,400
4	7,200	7,700
5	7,600	8,100
6	7,900	8,400
7	8,200	8,700
8	8,500	9,000
9	8,800	9,300
10	9,100	9,600