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STATE OF MICHIGAN  
MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In re:

WOODHAVEN BOARD OF EDUCATION

-and-

WOODHAVEN EDUCATION ASSOCIATION

FACT FINDING REPORT  
AND RECOMMENDATIONS

Michigan State University  
LABOR AND INDUSTRIAL  
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Appearances for Woodhaven Board of Education:

James Stewart, Trustee, School Board and Negotiator for Board of Education  
John Krusac, Treasurer, School Board  
C. Melvin Burley, Jr., Attorney  
Mark Wegienka, Superintendent, Woodhaven Schools  
Frank Kay, Business Manager of School Board  
Mathen Muitestat, Elementary School Principal and Professional Personnel Director

Appearances for Woodhaven Education Association:

George Trudell, M.E.A.  
Vard Townsen, Chief Negotiator  
Ken Kosowski, Assistant Chief Negotiator  
Annabell Asbury, Secretary, Negotiating Team  
Christine Kosowski, Negotiation Team Member

The Woodhaven School District has been plagued with financial problems, but not in the usual sense.

Prior to July, 1968, there was no such thing as a Woodhaven School District. It came as a result of a merger between the Brownstown No. 10 School District, the Hand School District, the Maple Grove School District and the Carson School District.

F.F. George J. Roumell Jr.

Woodhaven Board of Ed.

the merger, Brownstown No. 10 was, from a property standpoint, the wealthiest district in the State of Michigan having a state equalized valuation behind each child of \$342,927, conversely, Carson, Maple Grove and Hand had valuations below the Wayne County median. Hand, for example, had a valuation of \$6,787.

Thus, the situation was that four school districts operating elementary schools were merged with the idea of eventually expanding the school district and adding a junior high school and a high school. The merger in 1968 not only brought a wealthy district together with three relatively poor districts but brought together teachers who had different, varying rates of pay. With Brownstown No. 10 teachers being paid relatively well whereas the teachers of the other districts were being paid at scales below the Wayne County median. This new district is also one that is growing with more homes being built each year.

The above situation brought about certain problems when the Woodhaven Board of Education (hereinafter called "Board") and the Woodhaven Education Association (hereinafter sometimes called "Association" and sometimes called "Teachers") met to bargain their first contract. The district came into existence in July, 1968. The parties simultaneously found themselves bargaining for a collective bargaining contract. The merger brought about some uncertainty in the financial situation of the district because of lack of financial history and experience as a merged

district. As a result, the parties entered into Fact Finding and to their credit the parties accepted the Report and Recommendations which followed and the citizens of the Woodhaven School District did not experience the disruption of school as a result of any strike. Both the Board and the Association kept faith with the public by using means to settle their impasse other than by strike.

In the spirit of attempting to have peaceful labor relations, both the Board and the Association were able to negotiate a two-year contract effective September 1, 1969 and running through August 31, 1971. This contract for the school year, 1969-70 provided a salary schedule for the teachers, but, because of the uncertainty of the economy and apparently because the district was still feeling its way financially, the parties decided that for the school year, 1970-71 there should be a wage reopener.

Specifically, Article XXVII of the agreement provides as follows:

#### "ARTICLE XXVII

##### DURATION OF AGREEMENT

A. This agreement shall be effective as of September 1, 1969, and shall continue in effect with the exceptions as in Schedule A. as noted in the reopener clause below, until September 1, 1971.

##### B. Schedule A Reopener Clause

Schedule A., the salary schedule, shall be negotiated between the parties starting within ten days of March 1, 1970 for the 1970-71 school year. In the event a new salary schedule is not agreed to by September 1, 1970, the above paragraph "A" shall not be in effect and the entire contract may be terminated by either party."

Pursuant to the above contract provisions, the parties did negotiate for a salary schedule for the school year, 1970-71, but were unable to reach agreement. As a result Fact Finding was petitioned for and the parties did enter into Fact Finding. The Report and the Recommendations contained herein are the results.

The basic reason why the parties entered into Fact Finding is the fact that the Woodhaven School District is now in phase II, so to speak, of their financial situation. At the time of the merger, the District was guaranteed two years of State aid. But because the District property valuation-wise is wealthy, having a valuation of somewhere around \$108,993,101 or an S. E. V. behind each child of \$48,441, the District is no longer eligible for State aid. The 1970-71 year will be the first year that the District is operating without State aid. This again has caused some financial problems and this is what the Fact Finder calls phase II of the District's financial development. In other words, the District now is faced with building more schools, developing a junior high school and making plans for a high school without the usual state aid. Phase I was the merger stage with the guaranteed state aid. As a result of this phase II, the Board in keeping faith with the public has tried to be cautious in developing its budget.

It should be noted at this point that the public had responded to the financial needs of the district and in August, 1968 the public voted 3 operational mills. In September, 1969 the public, though by a closer margin, voted 5 operational mills. The Board in keeping its promise to the public levied in 1969-70 3 of the 5 mills but now because of the change in financial

circumstances must levy the full 5 mills.

The Board admits that preparing a budget is not an exact science but based on its estimates of income and expenditures plus its need for three additional teachers, the Board made a final salary proposal prior to Fact Finding to the teachers that amounted to a cost of \$807,239 or \$54,842 over the prior year's budget. It should be noted that this additional cost includes additional teachers. The final proposal of the Association has a cost of \$838,775 or \$86,378 over the previous year's budget. The difference in cost between the two proposals is \$31,536.

To illustrate that preparing a budget is not an exact science, particularly in a school district like Woodhaven that is growing and where there are many variables including the still present growing pains of a merged district, one should note that in the budget prepared for the Wayne County Tax Allocation Board, the District based its income on a valuation of \$100,000,000. It now turns out that the valuation is more in the area of \$109,000,000 which means that the District will receive about \$100,000 more additional income than anticipated. On the other hand, there are certain expenditures that the Board did not and probably could not anticipate when preparing its budget for the Wayne County Tax Allocation Board. These expenditures include, the following:

- (a) Sewer line - Maple Grove and Cadillac Schools  
- \$10,000.00 est.
- (b) Purchase of two (2) additional portable classrooms.  
Cost \$20,895.00 and \$1,972.00 to equip.
- (c) Purchase of 1 or 2 additional buses.

(d) Replacement of windows at Hand and Maple Grove Schools \$25,000.00, est.

(e) Incinerator at Hand School (due to air pollution). \$3,000.00, est.

(f) Increases in the non-professional union contract.

(g) Effect of new text book ruling will result in tuition increases in secondary level.

The teachers point out that the Board apparently at the beginning of the 1969 school year had a \$388,000 surplus. But this surplus has been reduced approximately \$188,000 in the current school year. Thus, leaving a surplus of around \$200,000. Recognizing that the District is growing and recognizing that not all of the expenses of constructing buildings comes out of capital funds, it is clear that a \$200,000 surplus, although on the face looking very inviting, will probably be for the most part used in the current budget if the district follows its past financial history.

The Board believes that it cannot operate on anything less than a balanced current budget particularly because it is a new district and because it is faced with expansion problems. There is much to be said for this position.

This brings us to the difference between the parties of \$31,536. This difference may not sound like a great deal in a budget of \$1,800,000 but it is this type of difference that

kept the parties apart in 1968. It only illustrates the maturity in bargaining between the parties. They have whittled down their differences to a small gap. They have not taken a position of being extreme in their respective demands or proposals. The fact that the parties cannot agree over a relatively small amount of money only indicates that the District is coming in to phase II and neither party can really predict with certainty whether or not the budget can be balanced in a relatively new district that must now operate without state aid.

There are three basic criteria that form the foundation of the recommendations contained herein. They are the financial ability of the District to pay the schedule recommended, the bargaining history of the parties both past and present, and comparisons with other settled school district in the area.

Looking at the bargaining history, the parties did accept the Fact Finder's Report in 1968. In 1969 they bargained their contract without the aid of Fact Finding. As a result of that bargaining, out of comparisons with 36 school districts in Wayne County, the Woodhaven School District was among the top third at the BA minimum rate, the bottom third at both the BA maximum rate and the MA minimum rate, and in the middle third as far as the MA maximum rate. This is where the parties put themselves in free collective bargaining without the aid of Fact Finding.

Coming to 1970-71, there are comparisons that can be made. There are at least 21 school districts in Wayne County out of the 36 that have settled contracts. Three of these settled districts are very useful in comparison with Woodhaven because

they are near and because of Woodhaven's relative position with those school districts salary-wise in 1969-70, namely, Grosse Ile, Romulus and Dearborn No. 7. Grosse Ile is a guide because Woodhaven has in the past paid a beginning BA salary comparable to Grosse Ile. Romulus and Dearborn No. 7 are picked because they are districts that do have financial problems and offer some guide to what a financially cautious district has paid in the current year. The salary range of the three districts are as follows:

	<u>BA Degree</u> <u>Minimum-Maximum</u>	<u>MA Degree</u> <u>Minimum-Maximum</u>
Grosse Ile	\$8,125-\$13,000	\$8,938-\$15,194
Dearborn # 7	\$8,000-\$12,880	\$8,832-\$15,011
Romulus	\$8,000-\$12,900	\$9,000-\$15,000

In all categories in 1969-1970, Grosse Ile was in the top one-third. Romulus and Dearborn No. 7 were in approximately the top two-thirds. On the BA Maximum, MA Minimum-Maximu, Woodhaven was below both Romulus and Dearborn No. 7.

The Recommendation made as to salary is contained in Schedule A attached hereto and made a part hereof. This schedule shows a recommendation of an \$8,100 BA minimum to a \$12,925 BA maximum and a MA minimum of \$9,000 and a MA maximum of \$15,000.

The BA minimum is close to Grosse Ile and continues Woodhaven's tradition of being in the top third of the BA minimums. At the BA maximum of \$12,925, Woodhaven would still be below Grosse Ile but slightly higher than Romulus and Dearborn No. 7 indicating a relative improvement in Woodhaven's BA maximum relative position.



At the MA minimum, the recommendation of \$9,000 would be in keeping with Romulus and Dearborn No. 7. At the MA maximum the recommendation of \$15,000 is in keeping with Romulus and Dearborn No. 7 and is lower than Grosse Ile. But the point is that with \$15,000 MA maximum, the relative position, as compared to last year, of the Woodhaven School District teacher is improved. It should also be noted that these recommendations particularly at the maximums give a numerical as well as a slightly higher percentage increase (comparing the same step in the schedule for each year) than the Teachers received in Grosse Ile, Romulus and Dearborn No. 7. To illustrate, the increases numerically of Grosse Ile, Romulus and Dearborn No. 7 teachers were respectively \$1,076, \$1,100 and \$1,111 or percentage increases of 7 percent. The increase at Woodhaven as recommended is \$1,230 a percentage increase of 8 percent. Similar comparisons can be made on other figures. The point is the Fact Finder has recommended increases that to some extent will improve Woodhaven relative position and still be consistent with Woodhaven's budget.

From a cost standpoint, the recommendations will amount to approximately \$15,500 more than that offered by the Board. But as pointed out before, the Board's budget is not exact. There is more income coming in than anticipated though there are also more expenses than anticipated. The fact that \$15,500 is being added to the budget should still give the Board an opportunity to have a balanced budget.

The fact that the Fact Finder is recommending slightly higher percentage increases than given in three nearby school districts only indicates a belief that a district that has as good a tax base as Woodhaven should pay competitive salaries and yet be able to work within its budget.

In a growing school district with a need of adding more teachers, it is important that the district be adequately financed. The Board has been cautious in asking the public for more funds. As a result they have been successful in both millages. The Fact Finder is sure that the Board will continue this cautious policy and the public should know this. However, the public should also know that there is little question that in the near future there may have to be additional millage.

In summary, the Fact Finder is of the opinion as he was two years ago that there are monies to meet the recommendations. He is also of the opinion that the recommendations do improve the teachers' position and does put them in a competitive position.

Finally, failure to agree on a salary schedule could according to Article XXVIII cause the entire contract to be terminated. It is imperative that the parties reach agreement on a salary schedule. The parties wisely negotiated a two year contract because as is generally recognized in most cases, a longer term contract stabilizes labor relations. Thus, the parties should do all they can to keep their two year contract intact.

Dated: September 1, 1970

  
George T. Roumell, Jr.

WOODHAVEN SALARY SCHEDULE

	BA	BA + 15	MA	MA + 15	MA + 30
1	\$8,100	\$8,550	\$9,000	\$9,450	\$9,900
2	\$8,650	\$9,100	\$9,600	\$10,050	\$10,500
3	\$9,200	\$9,650	\$10,200	\$10,650	\$11,100
4	\$9,750	\$10,200	\$10,800	\$11,250	\$11,700
5	\$10,300	\$10,750	\$11,400	\$11,850	\$12,300
6	\$10,825	\$11,300	\$12,000	\$12,450	\$12,900
7	\$11,350	\$11,850	\$12,600	\$13,050	\$13,500
8	\$11,875	\$12,400	\$13,200	\$13,650	\$14,100
9	\$12,400	\$12,950	\$13,800	\$14,250	\$14,700
10	\$12,925	\$13,500	\$14,400	\$14,850	\$15,300
11			\$15,000	\$15,450	\$15,900