

**PROPOSED
LETTER OF UNDERSTANDING
Between
NORTHVILLE ASSOCIATION of SCHOOL ADMINISTRATORS (NASA)
And
NORTHVILLE PUBLIC SCHOOL DISTRICT**

On August 28, 2017, after the Northville Public Schools reached a ratified agreement with the Federation for a two year period, the District entered into a three year collective bargaining agreement with its largest employee group, the NEA.

In light of the duration of the agreement between the NEA and the District, the District and NASA have agreed to modify and extend the existing agreement (July 1, 2017 - June 30, 2019) through June 30, 2020 on the following terms and conditions:

Article VII Compensation

All language remains unchanged except as specified below:

Section 1 Salaries

2017-18:

Existing contract language remains in effect, with the following addition:

A one-time stipend equivalent to 1% of each respective administrator's 2017-18 base salary shall be paid to him or her on or before June 30, 2018.

2018-19:

Replace existing language with:

Migration to New Salary Schedule

With the exceptions detailed below, all NASA administrators will be migrated to the new salary schedule in 2018-19, replacing all prior salary schedules. Effective upon ratification of this agreement, except as otherwise stated, each administrator rated effective or highly effective on their most recent year-end performance evaluation, shall be placed on the new salary schedule's step or partial step increment that results in each administrator's 2017-2018 salary (base + salary option) increasing no less than four percent (4%) during the 2018-2019 year. Employees rated less than effective on their most recent year-end performance evaluation shall be placed on the step or half step increment closest to, but not less than,

their 2017-2018 salary (base + salary option).

Once placed on the new salary scale, there shall be no other on schedule increase or step advancement during the 2018-2019 year.

Administrators whose placement at Step 8 of the new scale results in less than a 3.5% increase, shall be paid the difference between the employee's Step 8 salary and the salary level at a 3.5% increase over 2017-2018 (base + salary option) in an off- schedule stipend that does not add to the employee's new base salary. The supplemental stipend will be divided into two equal amounts paid at the end of each semester.

Likewise, administrators who would otherwise incur a decrease in salary (base + salary option) if placed at the top of the new scale, shall remain at their 2017-2018 salary (base + salary option) and receive an off- schedule supplemental stipend amount equal to 3.5% of the individual's 2017-18 salary (base + salary option) that does not add to the employee's base salary. The stipend will be divided into two equal amounts paid at the end of each semester.

Add language for 2019-20 as follows:

In 2019-20, the following shall apply:

In the event that the Board adopts a budget for the 2019-20 school year that projects a General Fund Balance of 15% of the budgeted General Fund expenditures or higher (including the amount by which the Health Care Reserve Fund exceeds \$1,200,000, if any, and the cost of the contingent increase in compensation detailed below), the following will apply:

Excluding administrators who at the end of the prior school year received a final year-end performance evaluation rating of Ineffective or Minimally Effective, administrators not yet at the top step will move a full step on the salary schedule. Those already at or above the top step will receive an off-schedule payment not to exceed 2% of their actual 2018-19 base salary not inclusive of longevity or other forms of additional compensation. The amount will be divided into two equal amounts paid at the end of each semester. These contingent increases shall apply only to 2019-20, not beyond. It is agreed and understood that the potential variation in the off schedule payment is related to maintaining a minimum 15% fund balance.

In the event that the Board of Education approves a budget for the 2019-2020 school year that projects a General Fund Balance of less than 15% but more than 11% of the General Fund expenditures (including the cost of the contingent increase in compensation detailed above), the following shall apply:

Excluding administrators who at the end of the prior school year received a final year-end performance evaluation rating of Ineffective or Minimally Effective, administrators not yet at the top step will move a half step on the salary schedule. Those already at or above the top step will receive an off-schedule payment not to exceed 1% of their actual 2018-19 base salary not inclusive of longevity or other forms of additional compensation. The amount will be divided into two equal amounts paid at the end of each semester. These

contingent increases shall apply only to 2019-20, not beyond. It is agreed and understood that the potential variation in the off schedule payment is related to maintaining a minimum 11% fund balance.

Furlough Days 2017-2020

In addition, administrators will take two (2) unpaid furlough days in each of the two school years. One day shall be taken on the January teacher work day and the other scheduled in June on a non-student day. The administrators will not be expected to report to work on furlough days but will be accountable for the work intended to be completed on said days. The NHS Athletic Director may take the two furlough days on dates that best accommodate the athletic schedule and avoid conflicts with athletic commitments.

2018-19 and 2019-2020 Bonus Pool Trigger (Off Schedule)

In the event that the final audit for the 2018-19 or 2019-2020 school year, as applicable, confirms a General Fund Balance of 18% or higher (including the amount by which the Health Care Reserve Fund exceeds \$1,200,000, if any), and inclusive of the cost of any compensation increases detailed herein, the Board will allocate to NASA administrators employed during the school year being audited who were rated Effective or higher on their most recent year-end performance evaluation, an amount equal to any bonus paid to NEA unit employees for the same period. Any such contingent amount shall be paid through a one-time, off-schedule payment on a pro rata basis in the form of a one-time bonus, not subject to MPSERS, no later than December 1st, after the 2018-19 or 2019-2020 audit process, as applicable, is completed. No bonus shall exceed \$1,800 inclusive of FICA cost.

Minimum Fund Balance Protection Trigger 2018-2020

Conversely, in the event that the Board adopts a budget for any fiscal year that projects a General Fund Balance of less than 10.5% of the budgeted General Fund expenditures (including the amount by which the Health Care Reserve Fund exceeds \$1,200,000, if any, and the cost of the increases in compensation detailed above), the following will apply:

The District will identify the amount of reductions in General Fund expenditures needed to maintain a 10.5% General Fund Balance as of the end of the succeeding fiscal year. The District will then meet with the NASA to mutually agree on the manner in which the NASA's proportional percentage of such amount shall be applied to reduce the NASA compensation based on the prior year's salary schedule.

When there is a projected operating budget deficit, and a projected General Fund balance of less than 10.5%, salary increases, if any, shall be off schedule and shall only be provided to those unit employees whose most recent year-end performance evaluation was Effective or Highly Effective overall.

Section 4 - Medical Insurance

Other than the exception detailed below, Article VII Section 4 remains unchanged for the balance of this agreement.

Prior to the respective Open Enrollment periods for the 2019 and 2020 plan years, the District agrees to present multiple plan options for eligible employees to begin January 1st of each of those years. The District shall not pay more towards annual medical costs than the hard cap limits Established pursuant to section 3 of the Publicly Funded Health Insurance Contribution Act.

Section 10 - Retirement Pay

A. Any Administrator who retires after ~~five (5)~~ **ten (10)** years of active service to the Northville Public Schools shall be eligible to receive a payment in accord with the schedule established herewith providing the Administrator notifies the District in writing of his/her intention to retire no later than ninety (90) days before the last scheduled work day for the current school year. The 90 day notice will be waived if illness forces an Administrator to retire.

B. Unless otherwise agreed upon by the parties, the retirement payment shall be based upon the per diem salary received by the Administrator in the last year in which he/she actively worked during the entire contractual year. The payout will be at sixty percent (60%) of the per diem times fifty percent (50%) of the accumulated unused sick days. This provision only applies to Administrators hired before July 1, 2008. For those NASA Administrators hired on or after July 1, 2008 the following shall apply:

75-100 sick days accumulated: \$30 / day
101-150 sick days accumulated: \$40 / day
151-175 sick days accumulated: \$45 / day

C. Retirement shall be defined as discontinuance of employment with the School District and submission of proof to the effect that the Administrator will actually

receive retirement benefits from the Michigan School Employee Retirement Fund, or the period commencing on the first day of the month following the month of his/her termination. Employees who are terminated for cause shall not be eligible for any payment under this provision.

Section 16 — Termination Pay

Termination pay shall be paid upon an administrator qualifying under each and every condition listed below:

- A. ~~The Administrator must have completed (in a NASA bargaining unit position) four (4) or more uninterrupted and continuous school years of service, which is all deemed to have been satisfactory (i.e., Effective or Highly Effective overall ratings) by the Superintendent of Schools, immediately preceding the date of termination.~~
- B. ~~Except in the case of a layoff occurring after the commencement of the Administrator's work year, or unless otherwise agreed in writing by the Superintendent of Schools, the Administrator's termination becomes effective after completion of his/her work year and he/she actually resigns and severs his/her employment with the District within ten (10) calendar days from the last day of actual work. In the case of all layoffs, the administrator must actually resign and sever his/her employment within ten (10) calendar days from the last day of actual work unless this time period is extended by the Superintendent of Schools in writing.~~
- C. ~~The administrator must not be able to qualify for or otherwise be entitled to any retirement pay under Section 10 above.~~

~~Unless otherwise agreed by the parties, the termination payment shall be 50% of the Administrator's per diem salary received in the last school year in which he/she actively worked for the entire contractual school year times 25% of his/her unused sick days. This provision shall only apply to administrators hired before July 1, 2011.~~

Section 17 — Salary Option

~~A salary option in the amount of 8% of the individual's base salary including extra credit pay and longevity pay shall be paid to each administrator. The administrator shall have the option of taking this amount in salary or may elect to have all or a portion of the amount contributed to a tax sheltered annuity under section 403(b) of the internal revenue code~~

~~of 1986 on a salary reduction basis in accordance with sub-section 403(b)(A)(ii) of the code:~~

All other terms and conditions of the 2017-2019 contract remain unchanged, as written, and shall be in effect until the June 30, 2020 expiration date. These modifications and extension do not create any precedent, practice, course of dealing, custom or expectation beyond the life of the current collective bargaining agreement, as extended and modified.

This Letter of Understanding will be effective upon ratification by both parties.

Mary K. Sullivan
Northville Public Schools

Date: 3/28/18

Bredley M. O'Neil
Northville Assoc. of School Administrators

Date: March 28, 2018

NASA Salary Schedule (2018-19 and 2019-20)

NASA Step	Elem Principal	NASA Step	MS AP & CP Asst. Supervisor	NASA Step	MS Principal & CP Supervisor
1	94,000	1	88,500	1	97,500
1.5	95,175	1.5	89,606	1.5	98,719
2	96,350	2	90,713	2	99,938
2.5	97,554	2.5	91,846	2.5	101,187
3	98,758	3	92,980	3	102,436
3.5	100,239	3.5	94,375	3.5	103,972
4	101,721	4	95,770	4	105,509
4.5	103,247	4.5	97,206	4.5	107,092
5	104,772	5	98,643	5	108,674
5.5	106,344	5.5	100,122	5.5	110,304
6	107,916	6	101,602	6	111,935
6.5	109,534	6.5	103,126	6.5	113,614
7	111,153	7	104,650	7	115,293
7.5	112,265	7.5	105,697	7.5	116,445
8	113,376	8	106,743	8	117,598

NASA Step	HS AP	NASA Step	HS Principal	NASA Step	AD
1	92,000	1	105,500	1	91,000
1.5	93,150	1.5	106,819	1.5	92,138
2	94,300	2	108,138	2	93,275
2.5	95,479	2.5	109,489	2.5	94,441
3	96,658	3	110,841	3	95,607
3.5	98,107	3.5	112,504	3.5	97,041
4	99,557	4	114,166	4	98,475
4.5	101,051	4.5	115,879	4.5	99,952
5	102,544	5	117,591	5	101,429
5.5	104,082	5.5	119,355	5.5	102,951
6	105,620	6	121,119	6	104,472
6.5	107,205	6.5	122,936	6.5	106,039
7	108,789	7	124,752	7	107,606
7.5	109,877	7.5	126,000	7.5	108,682
8	110,965	8	127,248	8	109,759