

FF 9/7/70

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STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Fact Finding between

Inkster Public Schools

-and-

Inkster Federation of Teachers

Alan Walt 9-7-70 /

LABOR AND INDUSTRIAL
RELATIONS
MICHIGAN

REPORT OF FACT FINDER

Pursuant to a letter of application for fact finding dated September 1, 1970, jointly executed by representatives of both parties hereto, the undersigned was appointed Fact Findings Hearings Officer by letter of the Employment Relations Commission dated September 2, 1970.

Pursuant to notice duly given, hearing was held pursuant to Section 25, Act 176 of Public Acts, 1939, as amended, and the regulations of the Commission.

ISSUE

The sole question presented to the Fact Findings Hearings Officer in this matter concerned teacher salaries in the 1970-71 school year. All other contractual terms and provisions had previously been resolved but the parties reached impasse on the salary question.

FF
Alan Walt

original in file

The parties mutually agreed for issuance of the Fact Finder's Report pursuant to Rule 35(c) permitting the omission therefrom of the reasons and basis for findings, conclusions and recommendations, and containing only a statement of findings of fact and conclusions and the recommendations with respect to the issue in dispute.

MUTUALLY AGREED UPON FACTS

The Inkster School District has been in severe financial straits for a number of years. Because of continuing deficits, the district received a special emergency appropriation of \$705,000 from the state under the provisions of Act 32, Public Acts, 1968. This legislation requires the district to have and maintain a balanced budget and it is subjected to monthly inspection and audit by the Wayne County Intermediate School District. If it is unable to balance its budget at any time, the district is subject to immediate reorganization under the stated legislation. The provisions of the emergency loan, the proceeds of which were received in June and July, 1968, require that it be paid yearly over a ten year period with the first \$400,000 being paid at interest of 6% and the balance of \$305,000 at interest of 5%.

Under Section 3 of the state aid act, the district also received what will be designated as special aid because of acknowledged conditions of poverty existing there. Under this act, aid is given based upon the number of people on welfare, the number of persons receiving

aid to dependent children, the number of broken homes in the district and other indicia of poverty. Last year the district received \$300,000 in aid under Section 3 and had anticipated the receipt of \$350,000 in the 1970-71 school year. Because of a court challenge to the payment of this type of aid, the guidelines therefor were modified so that, in addition to the poverty conditions of a district, state-wide testing was undertaken as a condition of eligibility. Based upon improvement in achievement of its students in this testing, the district finds that, while still considered a poverty district, funds currently available under Section 3 will be exhausted by payments to other districts whose children scored lower in the achievement tests. At this time, no monies are available to the district under Section 3 and unless additional sums are appropriated or the guidelines again changed, it will not receive the anticipated \$350,000.

In former years, the district charged its students for certain textbooks and supplies required in various courses, most of which were incurred at the high school level. A recent Michigan Supreme Court decision now prevents the imposition of fees for textbooks and supplies furnished in courses for credit. This holding will require the district to supply necessary materials without charge, the costs thereof being a general fund expenditure. While wealthier districts can absorb this figure without too much strain, this district cannot.

There are approximately 4,800 students in the district, and positions for 187 teachers (although 8 teaching positions have become

vacant since July of this year). The district is composed of approximately 80% Negro students. There is little industrial tax base and a total absence of cultural facilities. Four years ago, 50% of the teachers had masters degrees. In the year following the receipt of emergency fiscal relief under Act 32, 44 of them left. At the present time, there are 98 teachers with bachelors degrees and 81 with masters degrees. As the direct result of the current "freeze" of Section 3 monies, e.g., the anticipated \$350,000, about 40 teacher aids previously employed have been dropped, and the salaries of the equivalent of 17 teachers, heretofore been paid by Section 3 funds, will have to be picked up from general funds.

During the 1969-70 school year, the following salary schedule was in effect in the district:

STEP	AB-BS	Increment	Increase over 68-69	MA-MS	Increment	Increase over 68-69
1	6,800		400	7,250	3	450
2	7,125	325	400	7,575	325	450
3	7,450	325	400	7,900	325	450
4	7,775	325	400	8,225	325	450
5	8,100	325	400	8,550	325	450
6	8,475	375	425	8,925	375	475
7	8,850	375	450	9,300	375	500
8	9,225	375	475	9,725	425	525
9	9,650	425	500	10,150	425	550
10	10,075	425	525	10,575	425	575
11	10,550	475	550	11,175	600	675
12	11,100	550	600	11,900	725	900

MA + 30 hours = \$400 above MA

Education Specialist = \$500 above MA

Outside Teaching Experience: \$100
p/yr; (Maximum 5 years); Military
Service \$200

NOTE: In addition, the total negotiated salary package includes an increase equal to 100% of all additional basic state aid revenue for any enrollment increase over 4800, up to 4900.

Under the budget of the district, total general fund revenues anticipated for the 1970-71 school year are \$3,455,682. The revenues for 1969-70 were \$3,140,310, or an anticipated increase in the amount of \$315,372. Repayment of principal on the emergency loan granted under Act 32 will be \$70,500.

The following is a breakdown of general fund revenues for the school year 1970-71:

Revenue from local sources	\$ 941,498.00
Revenue from state sources	2,493,684.00
Revenue from federal sources	12,000.00
Revenue from gifts	3,000.00
Incoming transfers from other school districts	<u>5,500.00</u>
	\$3,455,682.00

State equalized valuation for 1970 is \$35,725,298. With an estimated enrollment of 4,800 students, there is a state equalized valuation per child of \$7,464. The district has levied for current operational purposes 25.9 mills for a total levy of \$925,298. On the basis of past performance, it is estimated that approximately 87% of the levy will be collected, or a total of \$805,009.

POSITIONS OF THE PARTIES

POSITION OF THE FEDERATION

The Federation has proposed the following salary schedule for the 1970-71 school year:

<u>STEP</u>	<u>BS-AB</u>	<u>MA-MS</u>	<u>Plus 30</u>	<u>Ed. S.</u>
1	8400	9100	9600	9800
2	9100	9800	10300	10500
3	9800	10500	11000	11200
4	10500	11200	11700	11900
5	11200	11900	12400	12600
6	11900	12600	13100	13300
7	12600	13300	13800	14000
8	13300	14000	14500	14700
9	14000	14700	15200	15400
10	14700	15400	15900	16100

AB-BS plus 15 hours	\$400
MA-MS plus 15 hours	400
Doctor's Degree	400
Outside Teaching Experience	\$200 per year
Counseling	400
Military Experience One pay Step	

An increase to \$8.00 per hour for all hourly rated employees (presently receiving \$6.00)

The total cost of the Federation's proposal, based upon the number of teachers present in the district prior to July of this year, is \$589,675. As corrected to reflect the loss of 8 teachers at their respective steps of the salary chart since July, the proposal would total \$566,575. The Board has offered \$125,000 in salary increases over and above the regular increments payable to each teacher under the 1969-70 contract.

The Federation has no major area of disagreement with the budgetary figures submitted by the Board with one exception. The Board contends that because of the recent Supreme Court decision making it responsible for all textbooks and supplies, some of which were previously paid directly by the students, these costs will total an

estimated \$120,345 in the current year. However, in the 1969-70 school year, the Board expended \$53,497.49 on teaching supplies plus \$18,489 in textbooks and supplies over and above monies collected from students. The 1969-70 budget discloses that \$10,000 was received directly from students. Assuming the Board will have to expend something more than \$10,000 for the texts and supplies previously purchased by students, it is virtuously impossible to see how this area could total more than \$120,000 as contended by the Board.

A comparison of teacher salaries in Wayne County since 1965 reflect that the teachers of this district have lagged far behind at all levels. With one exception, the declining position in which the district's teachers have found themselves has steadily been increasing. For example, in the 1965-66 school year the starting rate for a bachelor degree teacher was \$5,200 in Inkster with an average of \$5,264 for Wayne County, for a difference of \$64, while in 1969-70, the Wayne County average was \$7,484 with the district's teachers starting at \$6,800, or a difference of \$684. This difference is even pronounced in other portions of the salary schedule. In 1965-66, the maximum rate for a master degree teacher was \$8,400 in the district and an average of \$8,786 in Wayne County, for a difference of \$386, while in 1969-70, it was \$11,900 in the district and \$13,614 in Wayne County, for a difference of \$1,714.

On the basis of those school districts in Wayne, Oakland and Macomb counties which had settled their 1970-71 contract by

September 3, 1970, bachelor degree teachers starting salaries ranged from \$7,800 to \$8,530 with the medium figure being about \$8,000. BA maximums range from \$11,600 to \$13,500. MA minimums are found ranging from \$8,424 to \$9,400, and MA maximums from \$13,700 to \$15,795. These averages will form the basis of the remaining contract settlements in the tri-county area, as shown by past performance.

Because of the financial distress in which this district has found itself for the last 3 or 4 years, its teachers have literally been taxed to help run the schools. Their comparative salary position has steadily declined during this period as the result of which many experienced teachers have left; a good portion of those had masters degrees. This situation has had an obvious effect on the type of education students have and are receiving. This whole situation is further accentuated by the requirement of Act 32 that the operational budget of the district be balanced on a month-to-month basis. It is now time that the salary of the district's teachers be raised to a comparable level as found throughout the districts in the immediate area. These teachers can no longer subsidize the financial structure of the district. If such action results in reorganization of the district under Act 32, then that fact should be faced at this time. The Board cannot hide behind Act 32 in an effort to continue paying its teachers substandard wages.

Furthermore, the fact that there has been a temporary "freeze" on school aid under Section 3 does not mean that the State Board of

Education or the legislature will not modify the guidelines or appropriate additional funds to this district. Such funds, if made available, will certainly make a significant difference in the financial structure of the district. Last year, Section 3 money -- which is granted on a building basis -- was given for 3 buildings in the district. When and if additional monies are made available, 5 buildings in the district are now eligible and it would appear that the amount of money granted will be significantly greater.

On the basis of the comparative salary figures set forth and the need to bring the salaries of the district's teachers in line with other districts, an increase of between \$556,000 and \$590,000 is required.

POSITION OF THE BOARD

The school Board finds itself in an ever-worsening fiscal crisis. Although the budget for 1970-71 shows a revenue increase of \$315,372, it is obligated to make repayment to the state on the emergency loan granted under Act 312, in the amount of \$70,500. Another source of revenue under Section 3 of the school aid act has now been eliminated and there is absolutely no assurance that it will be reinstated or that the district will receive any future monies thereunder. The recent Supreme Court decision requiring that school boards pay for all required textbooks and supplies in courses given for credit also places an additional financial burden on the district which it can ill-afford to assume. In the year 1969-70, these costs totalled approximately

\$72,000. it is estimated that these figures will run \$120,345 for the 1970-71 school year.

The Board recognizes that its teachers have fallen behind comparable salaries in the area. Because of the demands of Act 32, the district must present a balanced budget each month -- it has been under this control for the past two years. It has only two alternatives: The first and most reasonable is to continue to present a balanced budget and to grant salary raises within the framework of that budget; the second is to face a collapse of the district and resultant reorganization under Act 312, if an unbalanced budget is presented for any one month.

The Board has offered its teachers an increase of \$125,000. This is in addition to regular increments which will be received under the salary schedule. In light of the district's dire financial plight, this offer, which admittedly does not bring teachers in line with comparable districts, is fair and represents the Boards total ability.

FINDINGS AND RECOMMENDATIONS

It should be noted that the parties have requested fact finding be limited solely to the question of the lump sum amount of money to be made available for salary increases, and their respective presentations were limited to this issue alone. They have indicated that all other contractual issues have been resolved and that they will develop the salary schedule and the monies to be applied at each

step thereof between themselves once the Fact Finder recommends such lump sum figure.

In the course of the hearing, the Fact Finder requested certain additional information such as the total amount of money paid to teachers in the 1969-70 school year. The parties mutually indicated that such matter was immaterial and the information was not submitted. Furthermore, the Fact Finder has no knowledge of whether or not there is a class size limitation or a student-to-teacher ratio in the district, and believes this information vital to an overall understanding of the district's collective bargaining relationship. Parenthetically, it is noted that provisions in this area are set forth in Article IV of the 1969-70 agreement.

On the basis of salaries paid to the teachers in this district in the 1969-70 school year and in years prior thereto, and after consideration of teacher salaries in surrounding districts in Wayne, Oakland and Macomb (recognizing, of course, that their financial situations vary greatly), it is essential that teachers in this district receive substantial salary increases in 1970-71. It cannot be seriously doubted that the teachers have indirectly subsidized the district by agreeing to substandard salary over the last several years. In the language of the Federation, this has amounted to a "harsh tax" upon its membership.

The Fact Finder cannot concern himself with such questions as why the guidelines under Section 3 of the state aid act were changed

or whether such changes fairly recognize the poverty condition still extant in this district. That matter is for the State Board of Education or the legislature. While a substantial increase in salaries may force the district to adopt an unbalanced budget -- even for a limited period of time -- and this may result in reorganization under Act 312, that matter might best be faced by both parties and the citizenry of this district (and other districts in the area as well) at this time. With the severe financial picture faced, it may be necessary -- if the district desires to survive -- that other contractual areas, not presented to the Fact Finder but upon which agreement heretofore has been reached, be re-examined now if the parties intend to seek additional funds from the legislature or the State Board of Education.

I recommend the following minimum and maximum salaries be adopted in the district:

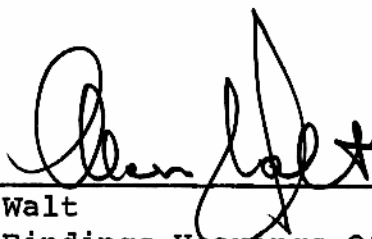
BA Minimum - \$7,700;	BA Maximum - \$12,000
MA Minimum - \$8,550;	MA Maximum - \$14,750.

The parties were clear in their indication that if a lump sum settlement was recommended, they would be able to work out the minimum and maximum salaries and each step of the salary schedule without any difficulty. They have always done so in the past even when other fact finders have recommended a particular lump sum increase.

The presentation of the parties makes it impossible for me to indicate a total figure that should be applied for salaries. Al-

though the Board offers \$125,000 and the Federation seeks a total of between \$556,000 and \$590,000, any attempt on my part to select one of these figures or an amount in between would be pure and simple guesswork. I do find, based upon the revenue sources set forth in the 1970-71 budget, that while the increases offered by the Board can be readily met, it would still be wholly inadequate, unfair, and result in a continuation of substandard salaries in the district. In adopting the minimum and maximum salary figures recommended above and the resultant salary schedule which can and will be readily computed mathematically by the parties, a degree of salary equity will be returned to the teachers in the district, recognizing that additional monies are simply unavailable.

DATED: September 7, 1970.



Alan Walt
Fact Findings Hearings Officer