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STATE OF MICHIGAN
DEPARTMENT OF LABOR
EMPLOYMENT RELATIONS COMMISSION

Michigan State University
LABOR AND
RELATIONS LIBRARY

In the Matter of

BOARD OF EDUCATION OF MELVINDALE-
NORTHERN ALLEN PARK PUBLIC SCHOOLS
Melvindale, Michigan

-and-

Case. No. D71 F-2022

MELVINDALE FEDERATION OF TEACHERS
LOCAL 1051, MFT

On January 10, 1972, the undersigned, Leon J. Herman, was appointed by the Employment Relations Commission as its hearings officer and agent to conduct a fact finding hearing relevant to the matters in dispute between the above parties, pursuant to Section 25 of Act 176 of Public Acts of 1939 as amended, and the Commission's regulations. Accordingly, and upon due notice, hearings were scheduled and held on January 25, 28, February 4 and 10, 1972 at the Offices of the Board of Education, Melvindale, Michigan.

Gazley & Tuchow, Attorneys, by Gerald Tuchow; Charles M. Greig, Superintendent of Schools; Carl Kissner, Assistant Superintendent for Business and Administration; Frank N. Semper, Assistant Superintendent; Bette Bezirium, Elementary School Principal and Vincent A. Micek, High School Principal, appeared on behalf of the Board of Education.

Melvindale - Northern Allen Park Public Schools

Gerald F. Wolf, Roman P. Bochenek, Ruth Ann Milikan, and Dennis Rappuhn, negotiators; Louis Maine, President and Don Decker, Vice President, represented Local 1051, Melvindale Federation of Teachers.

The parties have been unable to agree upon the economic aspects of a contract for the 1971-72 school year. They have continued to operate under the 1970-71 contract while negotiations continued. Payment of salary increments was suspended during Phase I of the wage freeze, but was resumed on November 14, 1971.

The faculty is divided into 10 groups, ranging from non-degree to instructors with a doctorate degree. They are paid on a ten step schedule. Representative of the salaries paid in 1970-71 are: Bachelors \$8,000 to \$13,100, MA \$9,000 to \$15,200, and MA+30 \$9,600 to \$16,233. An additional \$100 for longevity is paid to teachers with 15 years of service with the system.

The Federation proposes, again selecting representative groups, a BA schedule of \$8,475 to \$14,300; MA of \$9,475 to \$16,400 and an MA+30 schedule of \$10,075 to \$16,988 in a ten step progression. As will be noted, at the top of the scale in most groups the Federation proposes a \$1,200 increase. The Federation estimates that the cost of its salary improvement program would be \$240,000.

The Federation suggests recommendation of a package increase for salaries and hospitalization insurance which the Federation, with the cooperation of the Board, would transpose into individual salaries.

Most of the school systems in Wayne County have settled their contracts for 1971-72. The BA minimum ranges from \$8,067 in Inkster to \$9,153 in Detroit. The average minimum bachelor salary for the 29 schools listed is \$8,522, with a median of \$8,500. The beginning salaries for MA increase from \$8,756 in Inkster to \$10,016 in Riverview. The average MA minimum is \$9,448 with a median of \$9,450.

The Board's budget has not yet been finalized, because it is waiting for completion of its negotiations with the teachers, and then with its custodians. In addition, it contemplates increasing salaries of the clerical force and of the members of the school administration. The latest working budget was prepared on November 8, 1971, and has since been updated. A contingency fund has been reserved for payment of salary increases. At the last computation it amounted to \$119,461.15.

This has been a particularly difficult case because of the disparity in computation between the parties in the monies that are available. Even the basic factor of how many teachers are employed by the system remains unsettled. That figure has been variously calculated as 236, 238, $238\frac{3}{5}$ and 239.1 teachers. I accept the Board's figure of $238\frac{3}{5}$ as being closest in accuracy to the actual number of teachers employed in the system.

It is the contention of the teachers that a number of items in the budget have been bloated beyond the actual requirements needed for the school's operation. The Board, on the other hand, has shown that its 1970-71 actual expenditures were within 1% of the budget allocation for that year. It anticipates that it will be no less

accurate in the 1971-72 budget, although it concedes that the budget necessarily is only an estimate of projected costs. Nonetheless, the teachers have pointed to a number of items in the budget which they claim are over estimated. The major items appear in the following schedule. In addition to showing the amounts that the Federation claims are excessive I have listed the actual expenditures in the previous year for the same items and shown the difference between the allocations for 1971-72 and the actual expenditures in 1970-71. Those items in the last column prefixed by a minus sign indicate a reduction in anticipated costs.

Budget Item No.	Description	71/72 Budget Allocation	Overestimate Per Federation	70-71 Actual Expenditure	Difference Col. 3 over Col. 5
1128	Clerical Salaries	\$ 58,744	\$ 4,000	\$ 63,244	\$ -4,500
1142	Teaching Supplies	39,610	15,000	24,530	5,080
1143	Elementary library	6,195	2,000	4,194	2,001
1169	Misc. (in ser- vice, dues, etc.)	530	250	256	274
1241	Textbooks	19,000	10,000	20,601	-1,601
1242	Teaching supplies	41,220	10,000	34,617	6,583
2143	Library, Jr. and High School	6,667	2,000	4,717	1,950
1342	Spec. Ed Supplies	860	200	611	249
2163	Printing & Publishing	5,500	200	3,920	1,580
2418	Transportation Salaries	26,246	2,000	28,407	-2,161

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<u>Budget Item No.</u>	<u>Description</u>	<u>71/72 Budget Allocation</u>	<u>Overestimate Per Federation</u>	<u>70-71 Actual Expenditure</u>	<u>Difference Col. 3 over Col. 5</u>
2521	Custodian salaries	\$337,850	\$10,000	\$352,332	\$-14,482
2552	Custodial supplies	10,900	2,000	10,153	747
2622	Maintenance Salaries	25,334	1,000	27,723	-2,389
2635.1	Contracted services- grounds	10,000	5,000	8,623	1,377
2635.2	Contracted services- buildings	14,000	9,000	25,554	-11,554
2635.3	Contracted services- equipment	11,000	6,000	9,150	1,850
2659.3	Maintenance supplies	8,000	2,000	7,928	72
2891	Site acqui- sition and improvement	2,000	1,500	36	1,964
2893	Remodel H.S. science and auto shop	5,000	2,000	5,180	-180
2894	Furniture and equipment	24,000	14,000	25,873	-1,873
3272	Deficit student fund	7,700	3,500	4,200	3,500

In addition to the items above listed the Federation claims the availability of some \$4,000 which I have been unable to locate in the budget. The Federation also claims that \$40,000 in teacher salaries will be saved this year because some teachers started late in the season and some positions were not filled.

If we accept the Federation's figures, a total of \$146,960 may be deducted from other budgeted items and applied to salaries without affecting the school's operations. It should be noted, however, that these calculations are in the main subjective and conjectural and not susceptible of positive proof.

It seems to me that the better way is to calculate the difference between the 1971-72 budget estimates and the 1970-71 expenditures for these items to determine whether the Board has ~~met~~ the current budget. I find that the difference between the 1971-72 budget and the 1970-71 expenditures totals \$11,513, a minor amount in a budget total of \$4,902,313.05. The difference may be more than absorbed in increases in costs over the past year.

The faculty payroll, at present, is \$3,039,051.86. The indirect faculty payroll costs totals \$134,566.92.

I am well aware that the cost of living has increased over the past year and that teachers are entitled to an increase in salary to compensate for increased costs. I am also of the opinion that teachers should be adequately compensated for their work by salaries consonant with those that are paid in other schools in the same area. At the same time, I am reluctant to

force the Board into a deficit position at a time when it is desperately trying to keep its expenditures in line with receipts. It has offered \$100,000 in salary increases, including increments, plus 60% of the escrow money if and when allowed by the state legislature, which may amount to approximately \$60,000. The increments have already been implemented. The latest newspaper reports indicate that the escrow money is no longer to be expected from the state.

Bearing in mind the needs of the teachers, it should also be considered that it will do the teachers more harm than good were salaries to be increased to a point where the Board will have to reduce or terminate some services in order to meet its expenses. It would be most unfair to both the teachers and the Board to force a salary increase which could result in a shorter school year, as is faced by the City of Detroit, or an inability to meet expenses altogether as appears to be the case in Inkster, Lincoln Park and Hamtramck. I am satisfied that the Board has almost \$120,000 available for increases in salaries and fringe benefits, but this must be spread over the entire school system and not limited to the faculty alone.

I recommend a package salary increase, including all fringe benefits except increments, of \$101,405, which leaves a small balance to be applied to increases for other personnel.

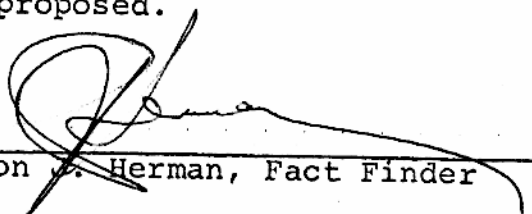
It appears that those teachers who do not subscribe to hospitalization insurance receive \$150 per year each, which they may take as salary or apply as they please. The total for this item comes to approximately \$12,000 per year. The net sum per

teacher is small when income tax withholding and other deductions are applied. I would strongly urge that the parties agree to add this \$12,000 to the total I have recommended and distribute it among the teachers generally. This will make a package of \$113,405 available for increases. The net increase to each teacher, if spread equally throughout the system, would be about \$475, which would bring the salaries of teachers in Melvindale-Northern Allen Park very close to the average throughout the County, and incidentally, within the permissible Pay Board guidelines.

It has been argued that Allen Park salaries of \$8,600 to \$14,150 for BA and \$9,700 to \$16,350 for MA should be the basic determinant in fixing 1971-72 salaries in this system. I see no sanctity in Allen Park's salary schedule. Nor do I have any information concerning Allen Park's financial status which would permit me to use that city as the sole factor in setting this system's wage pattern. I believe the proper rule is to work from averages throughout the County, tempered by the Board's available funds. This is the basis of my proposal here.

It is of course also recommended that the salary increases be made retroactive to the inception of the school year.

I urge the parties to enter into a contract along the lines of the recommendations herein proposed.


Leon J. Herman, Fact Finder