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STATE OF MICHIGAN
DEPARTMENT OF LABOR
LABOR MEDIATION BOARD

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STATE OF MICHIGAN
 EMPLOYMENT RELATIONS COMMISSION
 MEDIATION DIVISION
 DETROIT OFFICE

In the Matter of the Fact Finding between
 Clintondale Education Association

-and-

Clintondale Community Schools

Alan WALT

Michigan State University
 LABOR AND INDUSTRIAL
 RELATIONS LIBRARY

FACT FINDING REPORT

Pursuant to petition for Fact Finding jointly
 filed by the parties on August 22, 1969, the undersigned was
 appointed Fact Finding Hearings Officer by letter to the parties
 dated August 22, 1969.

Pursuant to notice duly transmitted to the parties,
 hearings were held on August 27 and 29, 1969.

ISSUES

The parties concur in the following statement
 of issues involved:

SALARIES - Contractual and/or supple-
 mental; The parties are basically at
 an impasse in reaching agreement on an
 equitable salary schedule. There
 are, however, some issues

Clintondale Community Schools

involving supplemental pay that remain to be agreed upon. Salary schedule agreement, however, represents the most critical issue.

Presentations supported by documentation were made by the parties at the hearings concerning this question of salaries.

POSITION OF THE PARTIES

THE SCHOOL BOARD'S POSITION

The following is the final salary offer made by the Board:

B.A. \$ 7,300.00 - \$11,000.00 (9 steps)

M.A. 7,800.00 12,650.00 (10 steps)

The proposal includes increments of 5% for the first 5 steps and 5 1/2% for the remainder.

It is felt that an important consideration should be the fact that the maximum pay steps are achieved in 9 stages for the B.A. and 10 for the M.A. Most other districts do not reach the maximum levels as soon.

While recognizing the financial needs of its teachers, the Board is also cognizant of its present financial plight. At the close of the 1967-68 year a deficit had been established

totalling \$426,000.00. This figure rose to \$464,742.00 at the end of the 1968-69 year. In addition, the District had the lowest state equalized valuation (SEV) and the highest school tax in Macomb County during the year 1968-69. Its SEV was \$37,902,380.00. Total millage voted in the same period was 36 with 29 mills authorized for operational purposes.

Based on this SEV, and with a student enrollment of 4,954, the SEV per pupil for 1968-69 was \$7,650.00.

The District's voted millage for the 1969-70 year totals 40.58, with 33.58 mills allocated to operations. With this in mind, the Board submitted to the Municipal Finance Commission a resolution pledging that it would reduce the District deficit entirely over the next three years (resolution dated October 4, 1968). It resolved to establish firm budgetary controls over spending, increase its operational millage to that voted, evaluate all programs offered to reduce spending in areas not directly relating to education, to reduce or eliminate certain supplemental payments for extra curricular duties, to re-examine transportation expenditures, and to hold staff to minimal needs even though enrollment increases.

It is estimated that revenues in the forthcoming

year will total \$3,632,000.00. Of this amount approximately \$500,000.00 represents increased revenues over the prior year. However, substantial amounts of the increase have already been earmarked. It is the Board's intent, in an effort to comply with its resolution to the Municipal Finance Commission, to reduce the existing deficit to at least \$226,000.00. In addition certain fixed costs have considerably increased; Blue Cross-Blue Shield, other insurance, interest charges, etc. It is estimated that fixed costs will total about \$24,000.00.

The Board has sought to make a fair salary proposal for its teachers. It is cognizant of the fact that in most instances, salary levels have been lower than comparable districts at the top of the pay scales. However, salaries have been comparable or "better" than surrounding areas at other levels when it is considered that the district has the lowest SEV. for Macomb County. Residents of the district have extended themselves by voting the highest millage for school purposes in the County.

Consistent with its present financial situation; the resolution given to the Municipal Finance Commission; the overwhelming deficit faced by the District; the unfeasibility

of obtaining additional millage; and the requirements of equity for its teachers, the Board believes that its salary proposals represent an extremely substantial increase for the teachers and will result in their maintaining a favorable position in relation to surrounding school districts.

THE ASSOCIATION'S POSITION

The Association has placed the following salary proposal on the table:

B.A.	\$7,700.00 - 12,200.00
M.A.	8,100.00 - 13,700.00

It is the Association's view that the Board has again underestimated revenues and over estimated expenditures as it has done in the past. Although there have been many Federal programs available to the District over the years, and it has received Federal monies therefore, the Board unrealistically states that no revenues will be received in the forthcoming year in certain of these areas because Congress has as yet not authorized any appropriation. therefore. On the basis of monies received in prior years, it is proper to estimate the receipt of an additional \$28,618.00 from this source.

It is the Association's position that, based on the Board's own figures there will be an SEV per student of \$7,729.00 next year and possibly as much as \$8,270.00 per pupil. This is based on a 1969-70 SEV of \$43,000,000.00.

It is also felt that the Board's projection of state aid in the amount of \$1,950,692.00 is substantially lower than should be projected based upon the actually existing enrollment picture. A new and large subdivision has gone up in the District since the budget was proposed. Anticipated shared-time revenues will also be higher based on information obtained from school counsellors. A more realistic picture of state aid to be received would be a figure of approximately \$1,997,000.00.

When proper budgeting for state and Federal aid is accomplished, there will be approximately \$70,000.00 more in revenues than now shown.

The Board cannot fall back on its resolution to the Municipal Finance Commission to avoid paying its teachers fair salaries. It made no reduction in the deficit during the 1968-69 school year although the millage had been voted which would enable it to do so. It should not make up this "error" at the expense of its teachers. The Board can significantly

reduce the deficit this year but in a somewhat smaller dollar amount that it proposes.

While suggesting that the teachers abstain from seeking equitable salaries because of the deficit and the "commitment" made to the Municipal Finance Commission, the Board has not undertaken adequate steps to review the Community Services program, its transportation costs or other expenditures in non-educational areas. While agreeing that a Community Services program is an excellent concept, if the District cannot afford the cost of educational services, it should make cuts, if necessary, in such non-scholastic areas.

Furthermore it must be kept in mind that this District does receive more state aid because it has the lowest state equalized valuation in the county.

FINDINGS

From the documents and presentations made by the parties, the Fact-Finder finds that as of June, 1968 the District faced a deficit of \$426,000.00. The salaries paid to its teachers during the 1968-69 year were as follows:

B.A. \$ 6,800.00 - \$10,241.00

M.A. \$ 7,250.00 - 11,520.00

The State Equalized Valuation (SEV) for 1968-69 was \$37,902,380.00 with an SEV for full time resident students at \$7,650.00 per student.

On the basis of millage approved and levied, the increase in the District's SEV, and a greater student enrollment, it is found that the District's revenues will be at least \$500,000.00 over the 1968-69 figures. It is further found that all voted and available millage will be levied for the ensuing year.

The District's millage (total) for 1968-69 was 30 with 29 mills thereof utilized for operations. For the year 1969-70 the voted and levied millage is at 40.58 with 33.58 mills thereof to be utilized for operational purposes.

CONCLUSIONS

From careful review of the financial data submitted, it is apparent that the Board is intent upon reducing an extremely large deficit in the greatest amount possible during the 1969-70 school year. On the basis of the salary package offered by the Board, it is believed that the presently existing deficit of \$464,742.00 could probably be reduced to \$225-226,000.00. There can be no question that the residents of the District have been and are fully supporting the high educational standards now existing

in the District. The Board, administration and teachers are to be commended in achieving that standard, and the citizenry in demanding it and evidencing a willingness to pay for it by voting in favor of the present school millage totalling 40.58 mills.

The Board has attempted to implement its resolution to the Municipal Finance League by holding the number of teachers down, that is, it has not hired replacements in certain vacancies. In addition, the position of communications services director (and a secretary to that position) is also unfilled for the 1969-70 year.

It cannot be denied that the deficit faced by the Board is an exceedingly large one. For this reason, the concern of the Board in regard to the 1969-70 budget is readily understandable. Even with the presently anticipated budget which includes the Board's last salary proposal, a sizeable deficit will remain at the conclusion of this school year. The Board cites state law requiring them to include the previous year's deficit in the present budget and prohibiting them from adopting another budget which includes a deficit. While the Fact Finder does not believe that these provisions of the School Code have been interpreted, it would appear that this District can not avoid carrying forward a

deficit regardless of the salary proposal.

Many factors combine to determine a fair and adequate salary proposal. Merely because there are available revenues it does not follow that substantial increases are in order. In analyzing the comparative data submitted to the parties, however, I am convinced that the teachers of this district have fared quite poorly at the upper levels of the salary scales. Although there are substantial increases in the Board's offer, I do not believe they are sufficient to fairly compensate those teachers so situated, or to place the teachers of this district in a comparable financial position with surrounding areas.

I am impressed by the Association's arguments concerning services rendered by the District in non-educational areas. No doubt all citizens in the District benefit from them but if the Board cannot find sufficient monies to compensate its teachers from available revenues, it ought to consider re-examining the feasibility of continuing to offer its facilities for Community Services or other non-educational functions.

However, it is my belief that the Board's analysis of anticipated revenues for the 1969-70 school year are on the

conservative side. It can realistically anticipate Federal revenues in some of the areas where none have been budgeted. Furthermore, the District should enjoy an increased enrollment over that anticipated by the Board, and this should also result in greater revenues for the District.

Finally, as indicated previously, if the Board finds no other revenues available to it, it should nevertheless consider reducing its deficit this year in a somewhat smaller amount than it has projected. In so doing, the District will still take a giant stride forward in the elimination of the deficit while approving a fair and equitable salary scale for its teachers.

RECOMMENDATIONS

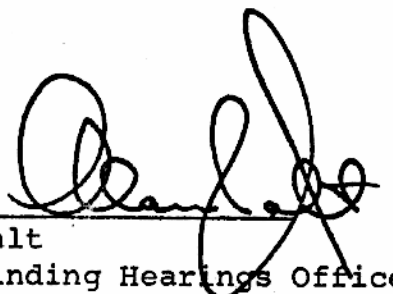
Based upon the foregoing findings and conclusions, the Fact Finder recommends the following salary schedule to the parties:

B.A.	\$7,300.00 - 11,400.00
M.A.	7,860.00 - 13,390.00

It is further recommended that the District adopt a 10 step (9 increment) plan for both the Bachelor's and Master's pay plans. The Fact Finder also believes that once the parties

adopt the minimum and maximum figures in each of the pay scales,
there should be no difficulty for them, based upon prior negotiating
experience, in arriving at the various increments for each degree.

Dated: September 1, 1969



Alan Walt
Fact Finding Hearings Officer