

REPORT TO CARMEL CLAY SCHOOL BOARD ON FACTFINDING

January 11, 2016

Historical Perspective on Bargaining Process

- 2012-13
 - Association did not accept CCS Offer
 - Factfinder rules in favor of CCS LBO

- 2013-14
 - Tentative Agreement (TA)
 - Association did not ratify the Contract
 - Fact Finder rules in favor of CCS LBO

- 2014-15
 - Tentative Agreement (TA)
 - Contract Ratified by Association and Board

- 2015-16
 - Tentative Agreement (TA)
 - Association did not ratify the contract
 - Factfinder rules in favor of CCS LBO

2015-2016 -- Bargaining Process

- The parties used the same outside facilitator and the same collaborative, interest-based bargaining process as in the 2014-15 bargaining process.
- The School Corporation was willing to spend cash balance to provide the largest salary and benefit increases available, consistent with being fiscally responsible.
- The process resulted in ***a TA to which both parties agreed.***
- The TA balanced the interests of the parties and all stakeholders.

2015-2016 -- Bargaining Process (con't)

- The TA to which both parties agreed included:
 - ***Step or increment increase for all eligible teachers*** – average of 3.7% increase, which on average is more than \$1,800 per teacher.
 - ***Increase to base salary by an additional 2%***, which on average is \$1,047.
 - ***Average of 5.7% increase for eligible teachers, which is an average of \$2,978 per teacher.***
 - **No increases to teacher contributions to health insurance.**
 - **Two insurance “holidays”** whereby teachers would not have to pay their share of the premium cost, e.g., a teacher on the Prime Family Plan would save \$757.

2015-2016 -- Bargaining Process (con't)

- Eliminating the requirement that teachers must use mail order for prescriptions.
- Master's Degree placement modified to benefit teachers affected.
- Providing one paid travel day for bereavement for those deaths that previously only provided the teacher with one bereavement day.
- Increasing dental implant and major services for dentists on the Dental Premier list and non-participating dentists to 80%.

2015-2016 -- Bargaining Process (con't)

- Improving the quality of breast pumps by making electric breast pumps available at no cost to teachers through the Wellness Center.
- Increasing the voluntary life insurance amount available to the maximum permitted by the carrier.
- Modifying the grievance procedure to include the right to appeal to the Board.

2015-2016 -- Bargaining Process (con't)

- ***Unfortunately, the Association once again failed to ratify the TA to which they had agreed.***
- As a result, the parties once again had to go through Factfinding.
- To comply with the law and avoid deficit financing, the School Corporation had to ***reduce the amount it offered during bargaining by approximately \$835,000, which is an average of \$902 per teacher.***

School Corporation's State-Required LBO

- The TA was the product of a collaborative, good faith process that balanced all of the stakeholders' interests.
- For that reason, the School Corporation decided to honor that good faith process by having its LBO **very** closely track the TA.
 - Offers maximum amount permitted by law
 - ❖ Does **not** reflect the compensation the Board and Administration wanted to provide to teachers.
 - ❖ Does **not** represent the amount of increases the School Corporation wanted to give to teachers.
 - ❖ ***But it's the most the School Corporation can offer within the constraints of the law.***

School Corporation's State-Required LBO (con't)

- *The primary difference is the School Corporation had to reduce the salary increase from 2% to ½% to comply with the legal prohibition on deficit spending.*
- The School Corporation's LBO includes all of the other increases and enhancements contained in the TA. These include:
 - ❖ Step or increment increase for all eligible teachers (average of 3.7%);
 - ❖ Two insurance "holidays" whereby teachers will not have to pay their share of the premium cost; one will be in the winter and one in the spring;
 - ❖ Eliminating the requirement that teachers must use mail order for prescriptions;
 - ❖ Master's Degree placement modified to benefit teachers affected;

School Corporation's State-Required LBO (con't)

- ❖ Providing one paid travel day for bereavement for those deaths that previously only provided the teacher with one bereavement day; the teacher now would have one paid day to travel and one paid day for the service;
- ❖ Increasing dental implant and major services for dentists on the Dental Premier list and non-participating dentists to 80%;
- ❖ Improving the quality of breast pumps by making electric breast pumps available at no cost to teachers through the Wellness Center;
- ❖ Increasing the voluntary life insurance amount available to the maximum permitted by the carrier; and
- ❖ Modifying the grievance procedure to include the right to appeal to the Board.

Factfinding Hearing

- The Factfinding Hearing was held on December 11, 2015.
- It was conducted by a neutral, third party Hearing Officer appointed by the State of Indiana.
- Assisting her was a neutral, third party Financial Consultant who also was appointed by the State of Indiana.

The Factfinder's Decision

- On December 29, 2015, the Factfinder entered her decision.
- ***The Factfinder one again chose the School Corporation's LBO as the contract for the parties for the 2015-2016 school year.***
- IEERB made the decision public on January 6, 2016.
- It is available on the [IEERB website](#).

Basis For The Factfinder's Decision

- The Factfinder based her decision on a number of factors, including the following excerpts from the report:
 - “It is the conclusion of the Factfinder that ***the CCEA Proposal does not serve the interests of Carmel Clay students and is inconsistent with applicable law.***” (FF Decision, ¶ 94)
 - ***“[T]he CCEA Proposal results in deficit financing,”*** and, therefore, “expressly violates this prohibition.” (FF Decision, ¶ ¶ 85, 93)
- The Association’s Proposal to change the salary schedule ***“may decrease morale and create discord amongst teachers*** beginning new careers.” (FF Decision, ¶ 89)

Basis For The Factfinder's Decision (con't)

- Also, “the CCEA Proposal would have the effect of ***prohibiting the CCSC from exercising flexibility of any kind in recruiting the most highly qualified teachers***” (FF Decision , ¶ 90)
- The CCEA Proposal was “**clearly more divergent than the CCSC Proposal**” as compared to the Tentative Agreement and the previous three collective bargaining agreements between the parties. (FF Decision, ¶ 55)

Basis For The Factfinder's Decision (con't)

- The Factfinder also explained the School Corporation wanted all teachers to receive a 2% salary increase in addition to increment but was required by law to reduce the increase to .5% after the Association failed to ratify the Tentative Agreement.
 - “In this instance, the material presented during Factfinding ***establishes clearly and without contest that the CCSC intended all Carmel Clay Schools staff, including both the teachers and the non-teaching staff, to receive a 2% salary increase.*** The CCSC was prepared to expend financial resources on hand, which it could do during the collective bargaining phase, in order to ensure this salary increase occurred for all of its employees.” (FF Decision, ¶ 78)

Basis For The Factfinder's Decision (con't)

- ***The “failure to ratify the TA caused them to lose out on their opportunity to share in the CCSC’s anticipated 2% salary increase*** because following a declaration of impasse the CCSC is no longer permitted to spend funds on hand.” (FF Decision, ¶ 79)

- ***This is the 2nd time in three years union leadership has agreed to a tentative agreement but failed to get it ratified by its membership.***

- ***Unfortunately, as a result, teachers again will receive less than the School Corporation offered during bargaining.***

Clarification of Factfinder Decision

- The Factfinder notes her calculation of the remaining revenue after the implementation of the School Corporation's LBO is higher than the School Corporation's calculation. (¶ 82, Footnote 4.)
- This is the result of an incorrect total after subtracting the non-teacher expenses from the total revenue.
- The correct amount of surplus funds remaining is \$124,376 as presented by CCS.
- The Factfinder also states if at any point in the future the *Jay County* case were to become binding on CCS, then the CCS LBO provides new teachers would be credited only with prior experience within the Carmel District. (¶ 92.)
- However, the CCS LBO states new teachers would be credited with all prior experience both inside and outside the Carmel District.

What Happens Next?

- The Association has 30 days to decide whether to appeal the Factfinder's Decision.
- ***If the Association does NOT appeal, then the School Corporation will be able to implement the salary increases and all of the other benefit enhancements in its LBO*** (insurance “holidays” for teachers, additional day off for bereavement leave, etc.).
- ***If the Association appeals, then the School Corporation would have to wait to implement its LBO, and teachers would have to go even longer without a salary increase and the other benefit enhancements.***