

Managing Your Costliest Asset – Human Resources

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Goal

- Right Now The Balance Is Between Retaining Employees V. Wages and Benefits
- Cuts Are Inevitable

Goal

- You Have To Figure Out How To Run Your District with Less
- It Is a Project and You Need a Strategy

Keys to Success

- Preparation is Essential to Success
 - Conduct Preliminary Research
 - Finances
 - You Need a Very Clear Picture of How Much You Must Cut
 - Legal Issues
 - Legal Hurdles Prevent You from Just Doing What You Want

Keys to Success

- Set Realistic Goals
 - Avoid Excessive Expectations
 - Communicate Possible Outcomes to:
 - Governing Body
 - Interested Managers
 - Avoid Excessive Proposals. They Will Waste Time. Get Down To Business.
 - Balance Aggressiveness with Diplomacy. Also, Time Is Against You Since It's May.

Adopt Problem Solving Approach With Your Associations

- Identify Problem (articulate objective(s))
- Complete/Full Exchange of Information (ASAP – This Wastes Time)
- Separate People from the Problem
- Options → Open Minded and Creative
- Do Not Predetermine Solutions
- Consider Union's Interests
 - Delay Helps

District Needs A Team

- With Members Who Understand the Contract and Finance
- Costing Out Savings Is Key

Available Options

- Reduce Staffing by Attrition and Hiring Freeze
- Incentives for Early Retirement
 - Additional Service Credit (or Annuities)
 - Academic Employees Only
 - Annuities
 - Health Insurance Benefits
 - Cash
 - Combination of Above
- Incentives for Voluntary Resignation

Available Options

- Voluntary Unpaid Leaves – Furloughs
- Voluntary Reduction to Part-Time Status
- Defer Personnel Actions (e.g., promotions, reclassifications)

Available Options

- Defer or Eliminate Benefits
 - Premium Pays
 - Overtime beyond FLSA/Education Code Mandates
 - Accrual or Accrual Rates of Paid Leaves
 - Temporary Suspension of Contract language (certain benefits)

Available Options

- Reduce Salaries
 - Reduce Entry Step Salary Only
- Defer Wage Increases
- Reduce, Freeze or Modify Insurance Contributions/Coverage
- Layoffs
 - Reduction in Hours (classified employees)

Health Benefits

- **Health Benefits** (taken from June 2007 Survey)
 - The cost of health coverage continues to be a significant budget line item with a mean percentage of total budget at 7.44%.
 - Kaiser and Blue Cross continue to be the most-used medical providers of the group of responding districts.

Health Benefits

- Health Benefits (continued)
 - While twenty-eight percent (28%) of the responding districts provide some form of lifetime health benefits, districts are gradually decreasing or discontinuing those lifetime benefits based on date hired.
 - Most of the responding districts do not provide health benefits to part-time retirees.
 - Most of the responding districts are asking their retirees to pay a portion of the cost of health benefits after their retirement date.

Legal and Bargaining Considerations

- EERA
 - District Bound by Terms of Labor Agreements Currently in Effect
 - District Retains Right to Negotiate Items Not Covered by Agreement Currently in Effect Unless it has Waived that Right (e.g., “Zipper Clause”)
 - District has Right to Implement Provisions in a Current Agreement Without (further) Negotiations (e.g., Comprehensive Layoff Article)
 - Duty to Negotiate Changes in Matters Within Scope of Representation

Legal and Bargaining Considerations

- Education Code
 - Contracting Out Services
- Local Law
 - Board Policies
 - Administrative Regulations
 - Collective Bargaining Agreements

Implementation Guidelines

- Start Early. It Is Now May, Very Late for FY 10-11.
- Implement as Evenhandedly as is Organizationally Possible
- Communicate on a Continuing Basis Before, During and After Implementation
 - Disseminate Accurate and Consistent Information Regarding the Need for Belt-Tightening
 - Disseminate Same Information to All Stakeholders (e.g., Board, Management, Employees, Students, Public)

Working with Governing Body

- Communicate, Communicate, Communicate
- Be Honest
 - Let Them Know Negotiations Could be Difficult
- Ask Elected Officials to Keep Open-Mind
- Ask Them to Avoid Speaking with Union or Employees

Working with Governing Body

- Ask Them to Avoid Incendiary Public Statements
- Confirm and Stay Within Authority
 - Explain that Union Might Ask Negotiator to “Sell” Various Concepts
- Determine whether Governing Body Will be Steadfast

Unable To Reach Agreement

- Are we at Impasse?
 - Political Environment
 - Past History
 - Bargaining Authority Exhausted
 - Utilized Mediation, Factfinding, etc.
 - Utilized Brainstorming, What-ifs and Other Problem Solving Tools
 - Membership Rejected Last, Best & Final Offer

Unable To Reach Agreement

- Should We Impose Last, Best & Final
 - Pros:
 - Ends Process
 - Allows Implementation of Desired Changes to Working Conditions
 - Conveys Benefits of Final Offer to Employees
 - Cons:
 - Employees May Feel Abused
 - Only Good for One Year - Or Less
 - Possible PERB Charge / Litigation

Unable To Reach Agreement

- Implementation Process
 - Ask for Legal Help
 - Make Sure Your District has:
 - Negotiated in Good Faith
 - Exhausted Impasse Procedure
 - Notified the Union of Intention to Impose

Unable To Reach Agreement

- Implementation Process
 - Make Sure Your District has: (continued)
 - Given the Union the Opportunity to Address Governing Body in Public Session
 - Ensured that the Governing Body Complied with Brown Act
 - Implemented the Last, Best & Final Offer

Thank you.

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