

ACBO Institute I

Overview of the State Budget and the Impact on Collective Bargaining

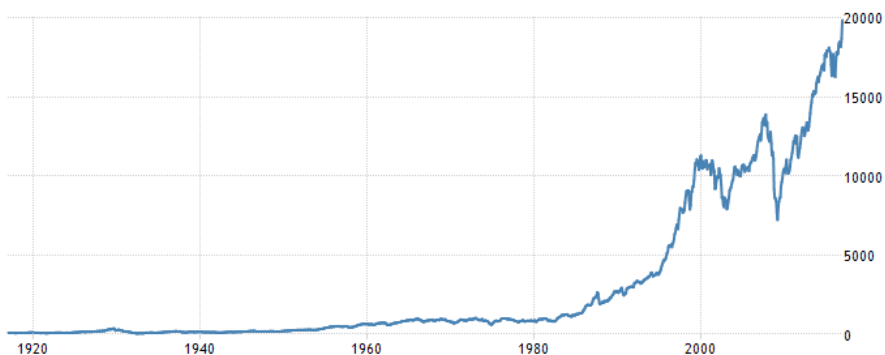
Presented by
John Gray, President



Stock Market Continues to Soar

- Markets are anticipating stronger growth
 - Inflation anticipated to rise to 2% over the next couple of years

DOW JONES INDUSTRIAL AVERAGE

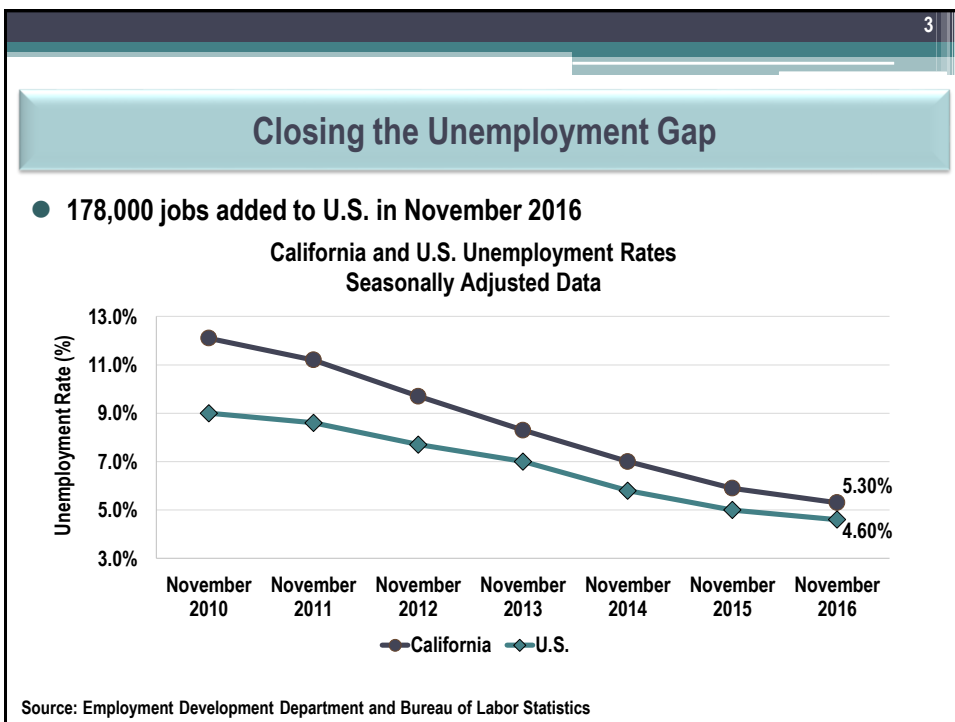
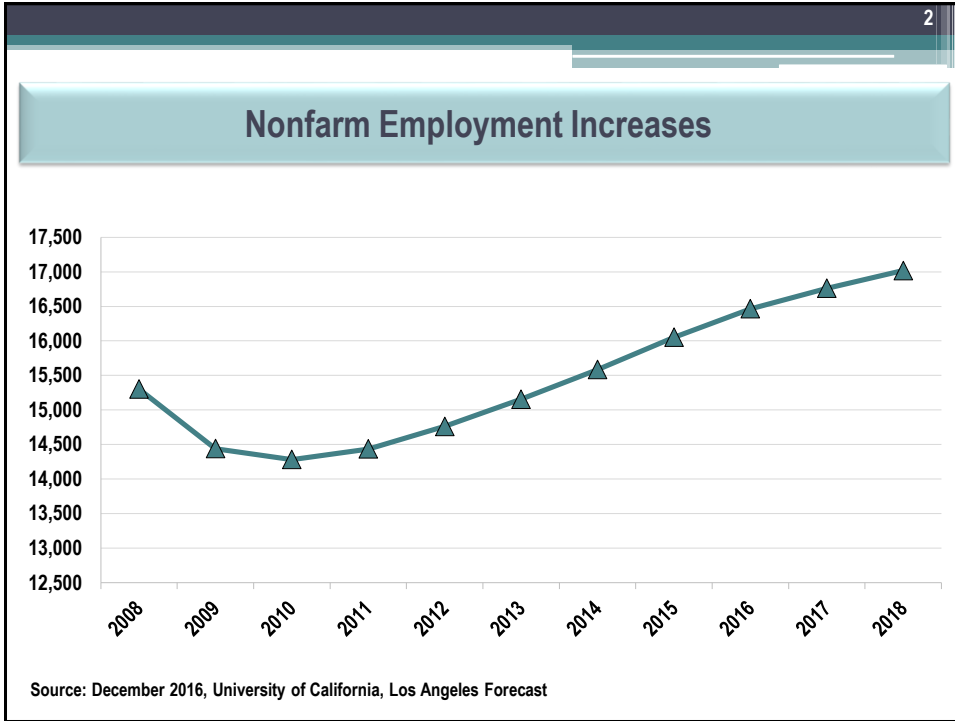


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March 1, 2017

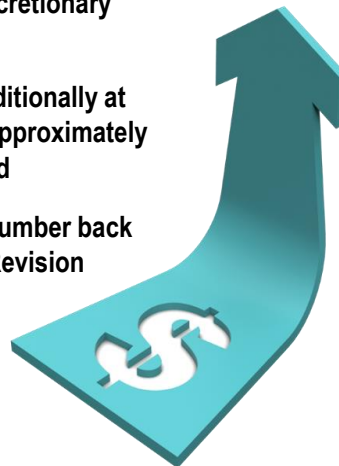


Proposition 98 – Community Colleges

- The Proposition 98 minimum guarantee is shared by the California Community Colleges (CCC):
 - 1.48% cost-of-living adjustment for per-student funding and categorical programs
 - \$23.6 million base funding increases to deal with operating costs
 - \$43.7 million in Deferred Maintenance and Instructional Equipment
 - \$150 million one-time funding for a “Guided Pathways” Program
 - \$52.3 million for Proposition 39 energy efficiency projects
 - \$10 million for an Online Education Initiative
 - Student enrollment growth will be funded at 1.34%, or about 11,500 full-time students

Proposition 98 – Community Colleges

- CCCs aren’t threatened by a deferral, but the Governor proposes zero dollars for discretionary purposes/mandate backlog repayment
- And their portion of Proposition 98, traditionally at 10.93% of the guarantee, is 10.87% or approximately \$45 million less than what was expected
 - CCCs will be hoping to bring this number back up to traditional levels at the May Revision



Financial Management and Collective Bargaining

- **Right or wrong – no single step in budget decision making:**
 - **Can impact as much as collective bargaining**
 - **Can recast priorities**
 - **Can make or break a long-range plan**
 - **Can lead to deficits, bankruptcy, early retirements, and recalls**
- **Superintendents must be able to lead in an area probably foreign to their training and sometimes foreign to their natural instincts**

Characteristics That Influence Fiscal Negotiations

1. **Changing bargaining methods does not change your role**
2. **Know your interests**
3. **Employee organizations represent employees and not “education”**
4. **Train and lead your governing board**
5. **Don't hesitate to communicate to the public**
6. **Educate others – school funding is finite. If “this,” then not “that”**

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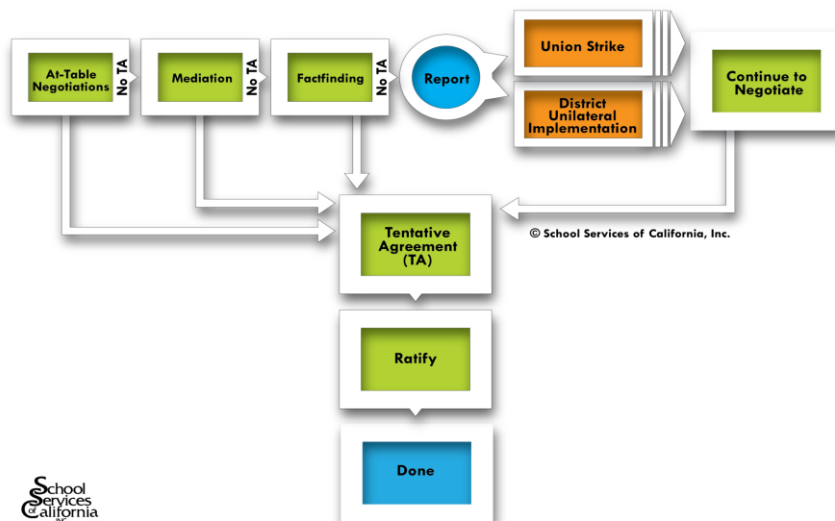
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Characteristics That Influence Fiscal Negotiations

7. Employee organizations want to shift the debate from “priorities” to “budget errors”
8. If you are going to say “yes,” say it early
9. Prepare for negotiations as if you are preparing for factfinding
10. Don't be afraid of impasse
11. “Factfinding” is an extension of negotiations, not a factual award process

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Negotiations Process



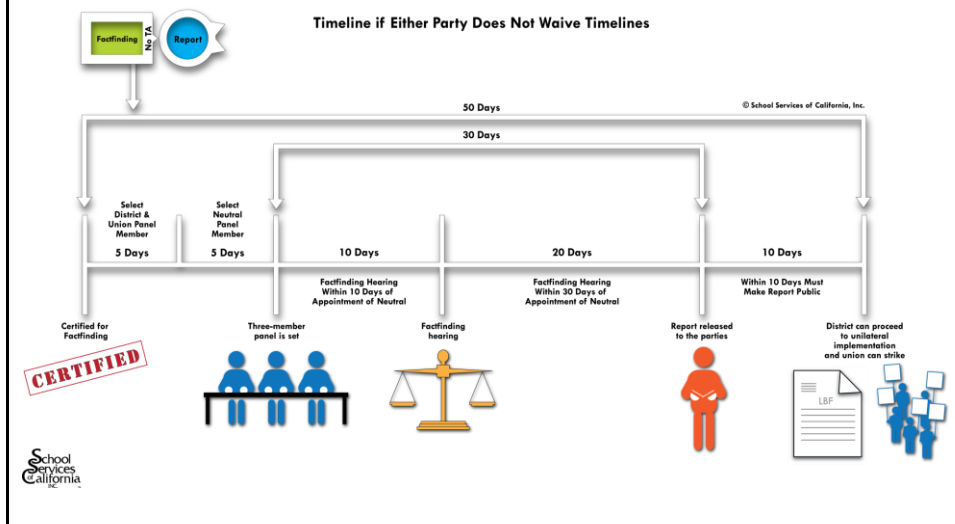
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Negotiations Process Timelines



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Preparing for Negotiations

Factfinders shall consider:

1. State and federal laws applicable to the employer.
2. Stipulations of the parties.
3. Interest and welfare of the public and the financial ability of the public school employer.
4. Comparison of the wages, hours, and conditions of employment with other employees generally in public school employment in comparable communities.
5. The Consumer Price Index for goods and services, commonly known as cost of living.

Preparing for Negotiations

6. **Overall compensation, including wages, vacations, holidays, insurance, pension, medical, and hospitalization benefits received.**
7. **Any other facts not included in 1 to 6 above that normally are taken into consideration in making findings and recommendations.**
8. **There is a time to say “NO.”**
9. **Assembly Bill 2756 says that the Chief Business Official and the Superintendent signoffs change the dynamic at the table.**
10. **Multiyear forecasting is key to protecting your district and your job!**
11. **Bargaining should be “Good Faith” not “Faith Based.”**
12. **Avoid letting your mediator push you over a cliff!**

Thank You!

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