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FACT FINDING DISCUSSION AND RECOMMENDATIONS

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Between)
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Lucia Mar Unified)
School District)
)
and)
)
Lucia Mar Teachers)
Association/CTA/NEA)
)

Fact-finding Panel Chair

David B. Hart
Impartial Arbitrator/Mediator

District Panel Member

John Gray, President
School Services of California, Inc.
1121 L Street, Suite 1060
Sacramento, CA 95814

Association Panel Member

Cynthia Heller
CTA Representative
2325 Skyway Drive, Suite A
Santa Maria, CA 93455

Hearing Held

February 27, March 25, 2015
Lucia Mar Unified School District
602 Orchard Street
Arroyo Grande, CA 93420-4000

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BACKGROUND

The Lucia Mar Unified School District (LMUSD or District) and the Lucia Mar Unified Teachers Association (Association or LMUTA), a local affiliate of the California Teachers Association and the National Education Association (CTA/NEA), are the parties in this fact finding matter. The certificated employees in this bargaining unit are members of LMUTA/CTA/NEA. There are about 575 members in this bargaining unit.

The District current serves average daily attendance is 10,222 students in eleven (11) elementary sites, three (3) middle schools, three (3) comprehensive high schools, and one (1) continuation high school. The District covers some 550 square miles in San Luis Obispo County including the communities of Arroyo Grande, Shell Beach, Grover Beach, Nipomo and Oceano.

The negotiations between these parties commenced on May 28, 2014 to attempt to reach agreement on a successor contract to the Collective Bargaining Agreement (CBA or Agreement) which was set to expire on June 30, 2014.

Following a summer break, the parties met again on September 15, 2014, and agreed at the end of the session that impasse had been reached. On October 30, 2014, and again on December 3, 2014, Joe Rios, a Mediator with the California State Mediation and Conciliation Service, met with the parties to attempt to facilitate an agreement. When they were unable to reach agreement, the Mr. Rios certified the parties to Fact Finding on December 11, 2014.

The District selected John Gray as its Panel Member and the Association selected Cynthia Heller as its Panel Member. The parties mutually selected David B. Hart to Chair the Panel.

The issues before this Panel are Article XIV (Salaries) and Article VI (Hours of Work). At issue in Article XIV is the

1 amount of an on-schedule salary increase for the 2014-2015 school year. At issue in Article VI is language which would
2 specify how often and under what circumstances staff meetings may be held at school sites on days other than the weekly late
3 start/early release day.
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5 At the Fact-finding hearing held on February 27, 2015, both parties presented their documentation and facts regarding
6 the issues before the Panel. The Panel Members then worked in joint, separate and confidential sessions in an attempt to assist
7 the parties in reaching a Tentative Agreement.
8

9 The District and Association Panel Members met once again with the parties on March 25, 2015 in another attempt to
10 assist the parties in reaching an Agreement. When this effort was not successful, I, in my role as the Chair drafted this Report and
11 Recommendations for which I seek the concurrence from one or both of the Panel Members.
12

13 In this matter, the Panel is guided by the California Government Code Section 3548.2 of the EERA which states in
14 pertinent part:
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16 In arriving at their findings and recommendation, the Fact Finders shall consider, weigh, and be guided by all the following criteria:

- 17 1. State and federal laws that are applicable to the employer.
- 18 2. Stipulations of the parties.
- 19 3. The interests and welfare of the public and the financial ability of the public school employer.
- 20 4. Comparison of the wages, hours, and conditions of employment of the employers involved in the fact finding proceeding with the
21 wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in
22 public school employment in comparable communities.
- 23 5. The consumer price index for goods and services, commonly known as the cost of living.
- 24 6. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other
25 excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment and all
26 other benefits received.
- 27 7. Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into
28 consideration in making the findings and recommendations."

ADDITIONAL PERTINENT STATE LAWS

Government Code Section 3547.5

(a) Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public

1 Instruction.

2 (b) The superintendent of the school district and the chief business official shall certify in writing that the costs incurred by the school district under the
3 agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to
4 Sections 42130 and 42131 of the Education Code and shall itemize any budget revision necessary to meet the costs of the agreement each year of its term.

5 (c) If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of the collective bargaining agreement,
6 the county superintendent of schools shall issue a qualified or negative certification for the district on the next interim report pursuant to Section 42131 of the Education
7 Code.

8 STIPULATIONS OF LMUSD AND LMUTA

9 1. The District is a public school employer within the meaning of Section 3540.1(j) of the Educational Employment
10 Relations Act.

11 2. LMUTA is a recognized employee organization within the meaning of Section 3540.1(d) of the Educational
12 Employment Relations Act and has been duly recognized as the exclusive representative of the certificated bargaining unit in the
13 District.

14 3. The parties to this fact-finding have complied with the public notice provisions of the Government Code Section 3547.

15 4. The parties met and conferred by telephone on February 12, 2015 and agreed that the contract articles which are
16 appropriately before the Fact-finding Panel are Article XIV (Salaries) and Article VI (Hours of Work), relating to a District request
17 to change language regarding staff meetings.

18 5. An impasse was declared by PERB on or about September 22, 2014. Mediation ended on December 11, 2014,
19 when Mediator Joe Rios released the parties to Factfinding. On or about December 19, 2014, the parties notified PERB that they
20 had mutually agreed to select David B. Hart as the Chair of the Fact-finding panel. In selecting the Chair, the parties agreed to
21 waive the time-lines of Government Code Section 3548.3.

22 ISSUES

23 The following is a discussion of the contract issues before this Panel for analysis and recommendations for settlement
24 by the parties of this dispute.

25 Term of Agreement

26 As a preliminary matter, the Panel Chair notes that the parties are negotiating for a successor agreement to a contract
27 which expired on June 30, 2014. The duration of this successor agreement is therefore an essential component of a
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1 settlement. The Panel Chair believes strongly that a three year agreement covering 2014-15 through 2016-17 is in the parties'
2 mutual best interests. After this round of contentious negotiations, a three year agreement would provide a time of stabilization
3 of the parties relationship. Therefore, the Panel Chair recommends a three year agreement with no reopeners.
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6 **Article XIV (Salaries)**
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8 At issue is the amount of a salary increase to be provided to bargaining unit members. The District is offering a 2%
9 increase for 2014-2015 and the Association is seeking a 10% increase for 2014-2015. The cost of a 1% salary increase for this
10 bargaining unit is \$451,865.00.
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12 Having considered all the information submitted by both parties, the Panel Chair recommends the following
13 settlement:
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15 2.5% salary increase retroactive to July 1, 2014

16 2.0% salary increase effective July 1, 2015

17
18 2.0% salary increase effective October 1, 2016.

19 It should also be noted, that the Panel Chair on March 25, 2015, attempted to get the parties to agree to a multi-year agreement
20 by offering to insert an additional one-percent (1%) effective February 1, 2016. This additional money was for the purpose of
21 getting a tentative agreement. This additional money would have brought the parties by October 1, 2016, to within one-percent
22 (1%) of what the Panel Chair viewed as a possible settlement through the eyes of the Association. The Panel Chair has to opine
23 that there is no work stoppage worth one-percent (1%). One day on a picket line would cause that much of loss, with multiple
24 days causing more loss of monies. Another caveat of the multi-year settlement as put forth, was an expiration date of June 30,
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1 2017 and new negotiations for a successor agreement would not begin until May 1, 2017, unless the parties mutually agreed to
2 meet sooner.

3 The Panel Chair notes that his recommendation of a 2.5% salary increase retroactive to July 1, 2014 is conditioned on the parties
4 agreeing to a three year agreement and is intended as an incentive for the Association to agree to that term. In the event that
5 the agreement is for one or two years, the Panel Chair finds the District's offer of a 2% salary increase in 2014-2015 to be
6 reasonable.
7
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9 This recommendation is based on the following key facts:

10 1. The District spends nearly 92% of the unrestricted dollars it receives from the State on personnel costs, including
11 salaries and benefits. This means that the District has only about 8% of its budget to spend on books and supplies, services
12 and other operating expenses. According to the available State-certified data, the District commits more of its budget to
13 personnel costs (including salaries and benefits), and spends less of its budget on books and other non-personnel costs, than
14 any other district in San Luis Obispo County. A large salary increase would further squeeze the District's budget such that
15 spending priorities other than employee compensation would suffer.
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19 2. The recommended settlement would provide Association members with a series of consistent salary increases: 2%
20 in 2012-2013, 4.3% in 2013-2014, 2.5% in 2014-2015, 2% in 2015-2016, and 2% in 2016-2017 totaling 12.8% over the five
21 year period. San Luis Coastal Unified School District, a neighboring district which both parties include in their comparisons,
22 would need to give an 8.8% salary increase over the next two years (2015-2016 and 2016-2017) in order to match the District.
23 This settlement is likely to accomplish both parties' goal of improving Association members' compensation relative to their
24 peers in other neighboring districts.
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Article VI (Hours of Work)

The Panel Chair considers resolution of the Salary Issue to be the primary issue in this negotiation. The Panel Chair notes that flexibility in running a school district is an important interest. From time to time there is going to be a need to hold a staff meeting on a day other than the one day per week designated as the late start/early release day. The District's request to have language which allows flexibility to hold the occasional staff meeting in a non-emergency situation is reasonable. Exactly what that language looks like should be worked out by the parties and should not prevent a settlement on the salary issue.

The parties it is hoped will come to an agreement, that will be ratified. If before then or after, should the need arise for further assistance from the panel chair, the panel chair proffers his services.

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Based on the above Recommendations of the Chair, the Panel Members concur or dissent as follows:

For the District:

For the Association:

____ Concur

_____ Concur

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_____ Dissent

_____ Dissent

_____ Concur in Part

_____ Concur in Part

_____ Dissent in Part

_____ Dissent in Part

Report attached __

Report attached __

John Gray
District Panel Member

Cynthia Heller
Association Panel Member

Issued with attachment on March 30, 2015 by

David B. Hart,
Panel Chair