

FACTFINDING REPORT

In the Matter of Factfinding)	
)	
between)	
)	
HUNTINGTON BEACH CITY)	PERB CASE NO LA-F-358
SCHOOL DISTRICT)	M-1863, R-256
)	
and)	
)	
HUNTINGTON BEACH ELEMENTARY)	
TEACHERS ASSOCIATION, CTA/NEA)	

FACTFINDING PANEL

Mei L. Bickner, Impartial Chair
James Balsano, District Member
John Smith, Association Member

BACKGROUND

The Huntington Beach City School District serves approximately 5,377 students in six schools, K through grade 5, and two schools grades 6 through 8. The Huntington Beach Elementary Teachers Association, which is affiliated with the California Teachers Association and the National Education Association, represents the approximately 220 certified employees (other than management personnel) employed by the District.

The District and the Association have been negotiating reopeners under an Agreement effective July 1, 1985 through June 30, 1988, which is now expired. The Association's initial reopener proposals were presented to the District in February 1987, and the District's initial response followed in March 1987. After nine bargaining sessions, during which some of the original issues were resolved, the parties jointly submitted a Request

Impasse Determination to the Public Employment Relations Board (PERB) on February 10, 1988. Impasse was declared by PERB on February 17, 1988. Three mediation sessions followed, in March, April and May, under the jurisdiction of two different Mediators, but no resolution of the remaining issues resulted. These unresolved issues are the subject of this factfinding report.

Members of the tripartite Factfinding Panel include James Balsano, Principal with Vavrinek, Trine, Day & Company, School Business Services, representing the District; John Smith, Bargaining Specialist, California Teachers Association, representing the Association; and Mei Liang Bickner, Arbitrator and Professor of Industrial Relations at California State University, Fullerton, who was designated by the parties as the Impartial Chair. PERB notified the Panel of its appointment on June 3, 1988.

The Panel held a factfinding session on June 28, 1988, at which the District was represented by Steven J. Andelson of Atkinson, Andelson, Loya, Ruud and Romo, and the Association was represented by Marty Kahn, Executive Director of the West Orange County United Teachers. The Panel received documentary and oral evidence and argument at that time, and was notified that the Dental Program issue had been resolved. The Panel was also able to persuade the parties to resolve among themselves the outstanding issues of Calendar and After School Programs. The Panel subsequently met in executive sessions on July 5, 6, and 25, 1988. The Panel worked with the parties during these executive sessions to effect a resolution of the issues, but was unsuccessful in its efforts. The parties agreed to extend the

statutory period for submission of the report.

The following criteria, established by statute (Govt Code Sec. 3548.2), were considered and weighed by the Factfinding Panel in arriving at its findings:

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

Having considered the evidence and proposals of the parties in light of the criteria cited above, the Factfinding Panel presents the following findings and recommendations.

SALARY INCREASE PROPOSALS

The District has made proposals relating to basic salary increases in both the 1987-88 year and the 1988-89 year. The Association has also made such proposals for both years, and in addition it has made proposals relating to salary increments for anniversary steps, both for the 1987-88 and the 1988-89 years, and for salary related contingency language with respect to the Instructional Improvement Initiative. These varied proposals will be reviewed collectively. Explanation of the summary data in this review can be found in Appendix A and B.

District Proposals

1987-88

A 3.5% basic salary increase retroactive to July 1, 1987.

1988-89

A percent increase in basic salary equal to the percent increase in basic revenue limit per ADA less whatever amount is required for additional health costs in 1988-89.

Association Proposals

1987-88

Item 1: A 3% increase in basic salary retroactive to July 1, 1987 plus an additional 3% increase retroactive to February 1, 1988.

Item 2: A halfway equalization of anniversary increments retroactive to February 1, 1988.

1988-89

- Item 3: A percent increase in basic salary equal to the percent increase in basic revenue limit per ADA.
- Item 4: The remaining halfway equalization of anniversary increments.
- Item 5: Contingency language requiring the District to bargain with the Association over use of increased funds derived from the Instructional Improvement Initiative.

Findings

The Association's proposal, Item 1, for a 3% increase retroactive to July 1, 1987 plus an additional 3% increase retroactive to February 1, 1988, is essentially equivalent to a 4.5% increase effective during the year plus an additional 1.5% (for a total of 6%) increase effective beginning the 1988-89 year.

The effective difference between the Association's proposal, Item 1, for 1987-88 and the District's proposed basic salary increase for 1987-88 is therefore as follows:

	<u>Association</u>	<u>District</u>	<u>Difference</u>
Effective % increase for the 1987-88 year	4.5%	3.5%	1%
Carryover of additional % increase to 1988-89 year	1.5%	-	1.5%
Total % increase effective beginning with 1988-89 year	6.0%	3.5%	2.5%

. The effective impact of the difference between the Association and District proposal for basic salary increase in 1987-88, therefore, is a difference of 1% in 1987-88, followed by a difference of 2.5% in 1988-89.

. The effective impact of the Association's proposal, Item 2, a halfway equalization of anniversary increments retroactive to February 1, 1988, is, like the Association's proposal of a 3% salary increase effective February 1, 1988, essentially equivalent to a one quarter equalization effective during the entire 1987-88 year plus an additional one quarter effective beginning the 1988-89 year. The cost of the Association's proposal in 1987-88 has been estimated to be equal to a .47% general salary increase. The effective impact of the proposal, therefore, is as follows:

Effective % increase for the 1987-88 year	.47% (one quarter, full year)
Carryover of additional % increase to 1988-89 year	.47% (additional quarter, full year)
Total % increase effective beginning with 1988-89 year	.94% (halfway, full year)

. The .94% cost, above, is not to be confused with the equivalent cost of .94% which would result from the Association's proposal, Item 4, for remaining halfway equalization in 1988-89.

. The benefit of the Association's proposal for halfway equalization varies from one teacher to another, raising some senior salaries as much as 2.5% while leaving beginning salaries unchanged.

. The difference between the Association's proposal, Item 3, for a basic salary increase in 1988-89 equal to the percent increase in basic revenue limit per ADA, and the District's proposed basic salary increase for that year, is equal to the added cost of health and welfare benefits in 1988-89. This added cost is estimated to equal, approximately, a 1% increase in salaries.

. This difference of 1% is in addition to the 2.5% difference, effective in 1988-89, between the Association's proposed 6.0% increase in 1987-88 and the District's proposed 3.5% increase, and in addition to the .94% equivalent increase that would result from the Association's proposed halfway equalization of anniversary increments effective in the preceding year.

. The impact of the Association's proposal, Item 4, for the remaining halfway to full equalization of anniversary increments in 1988-89, is estimated to be equivalent to an additional .94% increase in basic salaries, in addition to those increases cited immediately above.

. The combined impact of Association proposals to equalize anniversary steps (Items 2 and 4) varies from teacher to teacher, raising some senior salaries by as much as 5% while leaving beginning salaries unchanged.

. It is not possible to estimate, in dollar terms, the impact of the Association's proposal, Item 5, with respect to contingency language relating to the Instructional Improvement Initiative.

. A 1% increase in basic salaries is equivalent, approximately, to \$85,000.

. The estimated percent increase in basic revenue limit per ADA in 1988-89 is 4.1%.

. The findings above can be aggregated as follows:

Total difference between Association and District proposals (excluding Item 5, Contingency language):

Effective in 1987-88: 1.47% or \$125,000

Effective in 1988-89: 5.38% or \$458,000

. Total estimated % increases in salaries in 1987-88 and 1988-89 resulting from the proposals (excluding Item 5, Contingency language) are as follows:

	District Proposals	Association Proposals
1987-88 increase	3.5%	4.97%
1988-89 additional increase	3.1% (4.1% less 1%)	7.01% (4.1% plus 1.5% plus .47% plus .94%)
Total % increase July 1, 1987 to to June 30, 1989	6.6%	11.98% (6% plus 4.1% plus 1.88%)

. The salary increases summarized above do not include increased cost of health and welfare benefits, estimated to be roughly equivalent in magnitude to a .8% salary increase in 1987-88 and to a 1% salary increase in 1988-89, and they do not include automatic individual salary increases due to step or column advances, estimated to approximate a 1.75% salary increase each year.

. In comparing proposed salary and benefit increases with Consumer Price Index (CPI) increases the following considerations should be kept in mind:

- As a first approximation of fairness, it is reasonable to compare percentage increases in salary alone with percentage increases in consumer prices.
- Since the CPI includes medical and health care costs, however, and since these costs have been growing faster than other costs, it would be better to compare increases in the total of salaries and health benefits to CPI increases.
- However, to do this legitimately, salary increase percentages and health benefits increase percentages must be computed as a percentage of total salary and health costs, rather than being computed as a percentage of salary costs alone.
- The percentages referred to in this report, however, are percentages of total salary costs alone.
- Before adding salary and health increases together, therefore, to compare with CPI, the percentages shown in this report should be reduced by approximately 20% (While \$85,000 is approximately 1% of salaries alone, it is only about .8% of salaries plus health benefits).

. Whether or not it is legitimate to add step and column increases to basic salary increases and health benefit increases depends upon the question being examined.

- Step and column advances should be excluded in determining whether salaries, for a given level of training and experience, are keeping up with CPI.
- Step and column advances should be included when determining the District's ability to pay, and when

comparing increases in salary costs with increases in basic revenue limit per ADA.

. In comparing salaries with those of teachers in other Districts in the County, a biased impression is generated if the comparison is based solely on those years in which the Huntington Beach District provides step increases.

Recommendations

Item 1 Aggregate salary increases (basic salary increases plus any equalization of anniversary steps) in 1987-88 should be retroactive to July 1, 1987 and should equal 3.7%, exclusive of added health and welfare benefits and exclusive of automatic individual salary increases due to step and column advance.

Justification:

- . The 1986-87 salary and benefits cost per teacher in the District was 5% higher than County average (\$42,426 vs \$40,302), and cumulative increases in salary between 1982-83 and 1986-87 exceeded cumulative increases in the CPI (34.4% vs 17.5%) and also exceeded the percentage revenue limit increases over this period (34.4% vs 25.7%). Source: District presentation, Tables 12 and 7.
- . Total reserves of the District, as a percent of expenditures, have decreased between 1982-83 and 1986-87 from 20.4% to 10.4%, and are projected to fall, by the end of the 1988-89 year to under 2%. Source: District presentation, Table 2.
- . The revenue limit increase for the 1987-88 year was 2.54%, and the CPI increased 4.5% in that year.

Item 2: Not more than .3% of the total recommended 3.7% for aggregate salary increases in 1987-88 should be directed toward equalization of anniversary steps, and any increase should be retroactive to July 1, 1987.

Justification:

- . The Association has provided no rationale for its proposition that all steps on the schedule should be equal, nor has it provided any analysis indicating that the anniversary schedule in the District compares unfavorably with other Districts in the County.
- . Shifting available funds from basic salary increases to increases in anniversary increments has the favorable impact of rewarding experience and tenure and of discouraging transfers of senior teachers from the District; it has the unfavorable impact of reducing the competitiveness of the District at entry levels, where most recruitment takes place.

Item 3: Basic salary increase for Association members in 1988-89 should be equal to the percent increase in basic revenue limit per ADA less added cost of health and welfare benefits for Association members in 1988-89.

Justification:

- . Total reserves of the District will not allow further deficit spending. The estimated increase under the formula recommended will approximate only 3.1%. Nonetheless, cumulative salary increases over the past six or seven years will still exceed CPI increases over these years, and the

District's salaries will still compare favorably with those of other Districts in the County. Added health and welfare benefits are estimated to add approximately 1% more to the total salary and benefit package. Automatic individual salary increases due to step or column advances will add an estimated 1.75% more.

Item 4: Further equalization of anniversary steps should await supporting rationale and evidence from the Association, and should await availability of funds.

Item 5: Contingency language requested by the Association with respect to the Instructional Improvement Initiative should be modified to require consultation, rather than negotiation, with the Association, and the language should then be approved.

PROPOSALS ON SALARY SCHEDULE ADVANCEMENT

These proposals relate to the question of eligibility for anniversary step advancement for a year in which an Association member teaches only part of the year. Currently, Section 14.1.5.1 of the Agreement reads:

If a teacher is employed on contract for at least one (1) semester of the school year, the teacher shall be given credit for that year's experience for salary schedule advancement purposes.

District Proposal

Change Section 14.1.5.1 to read:

A teacher must teach seventy-five (75) percent of the actual teaching days in a school year to receive credit and be raised to the next step of the certificated salary schedule.

Association Proposal

Retain Current language.

Findings

The effective difference between the proposals is that currently a teacher advances a step if he or she teaches 50% of the school year, or one semester, while the District's proposal would grant an advance in step only if the teacher taught 75% of the school year.

Recommendation

Leave the current language in the Agreement unchanged.

Justification:

Currently a number of positions are shared by two teachers, each teaching one semester a year. If the District's proposal were accepted, these teachers would never be eligible for advancement. The District offered to make these teachers an exception to the 75% proposed requirement, requiring them to work only 50% of the school year to become eligible for advancement. The exception, while "correcting" one problem, will create another problem -- that of inequity and disparate treatment.

Admittedly, if each of the two teachers sharing a position decide after ten or fifteen years of service to teach separately, under current language they will be entitled to a salary based on service and experience that greatly exceeds their actual service and experience; and individual teachers may also choose to work only one semester a year and gain this exaggerated credit for service and experience.

The parties might consider the workability of a plan which will let teachers sharing a position obtain jointly the full benefits of anniversary step advances, but which grants them individually, should they ever choose to teach separately or full time, some lesser credit for years served. The problem is complex and deserves further careful thought and consideration.

PROPOSALS ON TERM OF AGREEMENT

District Proposal

Extend expiration date of current Agreement to June 30, 1989.

Association Proposal

One year contract (1987-88), extended to include a second year (1988-89) if an acceptable salary settlement for the second year is achieved.

Recommendation

A contract expiration date of June 30, 1989.

Justification:

Current negotiations have fully explored issues relating to the 1988-89 year as well as the 1987-88 year. The Agreement should resolve these issues for both years.

APPENDIX A

SUMMARY OF PROPOSALS RE COMPENSATION [1]

<u>ITEM</u>	<u>ASSOCIATION</u>	<u>DISTRICT</u>
1. Basic salary increase 87-88	3% retroactive to 7-1-87 3% additional retroactive to 2-1-88	3.5% retroactive to 7-1-87
2. Halfway equalization of anniversary steps, 87-88	halfway towards equalization retroactive to 2-1-88	-----
3. Basic salary increase, 88-89	4.1% (estimated) basic revenue limit per ADA increase	3.1% (4.1% less estimated cost of H/W 88-89)
4. Remaining equalization of anniversary steps, 88-89	remaining halfway to equalization retroactive to 7-1-88	-----
5. Instructional Improvement Initiative	contingency language	-----
Estimated total % increase in salaries in 87-88 over baseline year (1986-87)	4.97% [2] (approx. \$423,000)	3.5% (approx. \$298,000)
Estimated total % increase in salaries in 88-89 over baseline year (1986-87)	11.98% [3] (approx. \$1,019,000 plus Item 5)	6.6% [4] (approx. \$561,000)

[1] Increases in health and welfare benefits (estimated at .8% in 87-88 and 1% in 88-89) and automatic individual salary increases due to step and column advances (approximately 1.75% annually) are not included in these estimates.

[2] 3% x full year + 3% x half year = 4.5%, plus halfway equalization for half year = .47%

[3] 3% + 3% in 87-88, plus 4.1% in 88-89, plus estimated 1.88% for equalization

[4] Total 3.5% in 87-88, plus 4.1% less estimated 1% increased cost of health and welfare benefits in 88-89

APPENDIX B

**ESTIMATED DIFFERENCES
IN FINANCIAL IMPACTS OF COMPENSATION PROPOSALS**

<u>ITEM</u>	<u>IMPACT IN 1987-88</u>	<u>IMPACT IN 1988-89</u>	<u>TOTAL</u>
1. Basic salary increase 87-88	1% or \$ 85,000 [1]	2.5% or \$ 213,000 [2]	
3. Basic salary increase 88-89	-----	1% or \$ 85,000 [3]	
TOTAL, basic salary increases	1% or \$ 85,000	3.5% or \$ 298,000	\$383,000
2. Halfway equalization of anniversary steps, 87-88	.47% or \$ 40,000 [4]	.94% or \$ 80,000 [5]	
4. Remaining equalization of anniversary steps, 88-89	-----	.94% or \$ 80,000 [6]	
TOTAL, anniversary equalization	.47% or \$ 40,000	1.88% or \$ 160,000	\$ 200,000
5. Contingency language	-----	?	?
GRAND TOTAL	1.47% or \$ 125,000	5.38% or \$ 458,000 plus Item 5	\$ 583,000 plus Item 5

[1] Association: 3% x full year + 3% x half year = 4.5% effective increase. District: 3.5%. Difference = 1%

[2] Association: 3% + 3% = 6%. District: 3.5%. Difference: 2.5%

[3] Association: 4.1%. District: 4.1% less increased cost of H/W benefits. Difference: increased cost of H/W, estimated at 1%.

[4] Halfway towards equalization for half year = one fourth total yearly cost of equalization. Estimate: .47%

[5] Halfway towards equalization for whole year = one half total yearly cost of equalization. Estimate: .94%

[6] Remaining halfway same as above.

Note: Estimates are in % of aggregate annual Association salaries 1987-88, before proposed increases. Each 1% = approximately \$85,000.

This report of the Factfinding Panel, dated August 17, 1988
is respectfully submitted.

Mei L. Bickner

Mei L. Bickner
Impartial Chair

I concur

James Balsano

James Balsano
District Panel Member

Dated 8/19/88

I concur in part and
dissent in part:

John Smith
Association Panel Member

Dated _____

This report of the Factfinding Panel, dated August 17, 1988
is respectfully submitted.

Mei L. Bickner
Mei L. Bickner
Impartial Chair

I concur

James Balsano
District Panel Member

Dated _____

I concur in part and
dissent in part

For John Smith,
Martin W. Kahn
John Smith
Association Panel Member

Dated 8/18/88

HUNTINGTON BEACH ELEMENTARY TEACHERS ASSOCIATION

In the Matter of Factfinding

between

HUNTINGTON BEACH CITY
SCHOOL DISTRICT

and

HUNTINGTON BEACH ELEMENTARY
TEACHERS ASSOCIATION/CTA/NEA

PERB CASE NO LA-F-358
M-1863, R-256

ASSOCIATION PARTIAL CONCURRENCE AND DISSENT

INTRODUCTION

The Association's panel member, John Smith, was seriously ill at the time the panel Chairperson sent the draft proposal to the parties for corrections and comments. The Association requested an extension of time until John Smith returned to work and was able, on behalf of the Association, to react to the draft proposal.

The District's panel member refused to agree to the extension request. As a result, the panel Chairperson was compelled to deny the extension, and asked Association Executive Director Marty Kahn to submit the Association's response to the draft report. What follows is the Association's partial concurrence with, and dissent from the Chairperson's recommendations.

RECOMMENDATIONS

Proposals on Salary Schedule Advancement

The Association concurs with the Chairperson's recommendation to maintain current contract language on this item.

Salary Increase Proposals

The Association concurs with the Chairperson's recommendation Item 1 (1987-88 salary schedule improvement), and Item 2 (1987-88 anniversary step adjustments), however, our concurrence here is directly related to the Association's dissent from the recommendations on Items 3, 4, and 5 discussed below.

The Association can only concur with the Chairperson's 1987-88 salary recommendation as a one-year salary settlement, and that the salary issue for 1988-89 be the subject of further bargaining between the parties.

With respect to Items 3 and 4 (1988-89 salary improvement), the Association respectfully dissents from the Chairperson's recommendation. The recommended salary increase for 1987-88 (Items 1 and 2) will fall short of that needed to maintain the 1986-87 comparability level of Huntington Beach teachers with other Orange County elementary teachers. Both District and Association exhibits show that the 1987-88 salary recommendation will cause Huntington Beach teachers to slip to a lower position relative to other county teachers. For this reason, only a one-year settlement should be recommended. An effort should be made in 1988-89 negotiations to correct this decline.

Further, Association exhibits demonstrated that the District's ability to fund 1988-89 salary increases will be enhanced by:

1. An increase in revenue limit ADA
2. Lottery revenues greater than budgeted
3. Turnover savings in the teacher work force,

in addition to the approximately 4.1% increase in state funding.

Therefore, the Chairperson's recommendation for 1988-89 salary improvement (Items 3 and 4) falls short of what the District could afford in an attempt to restore the comparability level of Huntington Beach teachers, and is also premature because of the many unknowns concerning the District's 1988-89 budget.

Proposals on Term of Agreement

The Association respectfully dissents from the Chairperson's recommendation that the current Agreement be extended to June 30, 1989. The Chairperson errs in stating that negotiations have fully explored issues relating to 1988-89 salaries. As discussed above, there are a considerable number of District budget items which are not yet fully determined, including:

1. 1987-88 ending balance
2. 1987-88 lottery income
3. 1988-89 enrollment
4. Early retirement turnover savings
5. 1988-89 cost of health benefits
6. Revenues generated should the School Funding and Accountability initiative pass this November.

Contrary to the Chairperson's discussion, much remains to be explored concerning 1988-89 finances and possible salary offers. With the 1987-88 salary settlement behind them, the parties should return to the bargaining table, and the Chairperson should not discourage the parties from bargaining because there is a possibility that the District will have a better financial status than it was able to project at the time of the factfinding.

Salary Increase Proposal-Item 5

The Association respectfully dissents from the Chairperson's recommendation that "consultation" rather than negotiations occur should the School Fundings and Accountability initiative pass this November. The Chairperson should not ask the Association to waive its legal right to bargain the impact of any possible changes in state funding, or other matters clearly within the scope of bargaining.

Respectfully submitted,



Martin W. Kahn
Association Executive Director

8/18/88

Date

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

)

I, the undersigned, say: I am a citizen of the United States of America and a resident of the County of Orange; I am over the age of eighttteen (18) years; and I am not a party to the within action or proceeding. My business address is 1991 Vista Caudal, Newport Beach, California 92660.

On August 22, 1988, I served the within

REPORT OF THE FACTFINDING PANEL IN THE MATTER OF AN IMPASSE BETWEEN THE HUNTINGTON BEACH CITY SCHOOL DISTRICT AND THE HUNTINGTON BEACH ELEMENTARY TEACHERS ASSOCIATION, CALIFORNIA TEACHERS ASSOCIATION, PUBLIC EMPLOYMENT RELATIONS BOARD CASE NUMBER LA-F-358, M-1863, R-256,

on the persons indicated below, by placing a true copy thereof enclosed in a sealed envelope with postage fully prepaid in the United States Mail at Newport Beach, California, addressed as follows:

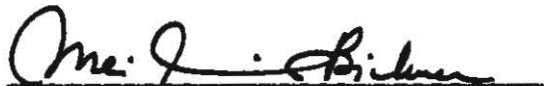
Robert Bergeson, Regional Director
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Orange, CA 92668

James Balsano, Principal
Vavrinek, Trine, Day & Co.
125 West "F" Street
P.O. Box 547
Ontario, CA 91762

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 22, 1988, at Newport Beach, California.



MEI L. BICKNER
Impartial Chair
Factfinding Panel