



MASB

MICHIGAN ASSOCIATION  
OF SCHOOL BOARDS

# Labor Conference

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BREAKOUT SESSION

Data for Bargaining:

What to Use and

How to Use it

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# **Data for Bargaining:**

## **What to Use and How to Use It**

### **1) Pre-Negotiation**

#### **i) What is the state of your district financially?**

- (a) Revenues**
- (b) Expenses**
- (c) Fund balance**

#### **ii) What are the trends?**

- (a) Declining enrollment**
- (b) Reduced funding (less revenue)**
- (c) Reducing expenses: have efforts “flat lined?”**
- (d) Fund balance: going down every year?**

#### **iii) Assess what you can afford**

- (a) Can you sustain “built in costs” (steps)?**
  - 1. Remember, steps compound!**
- (b) Is there an off schedule amount you’re comfortable with?**
- (c) Is it time to start reducing salaries?**

### **2) Current reality**

#### **i) Shifting dynamics**

- (a) Giving them “what they want” or even “most of what they want” may no longer be possible.**

#### **ii) Think ahead (Be cautious)**

- (a) Is your fund balance increasing over time?**
  - 1. Think about “sharing the wealth”**



**(b) Is your fund balance holding steady over time?**

1. *Be judicious with steps and more generous with off schedule payments*

**(c) Is your fund balance decreasing over time?**

1. *Avoid steps*
2. *Decrease insurance costs*
  - i. 80/20 vs. hard cap
3. *“Pull back on the reigns”*
  - i. Small off schedule payments
  - ii. Small salary cuts now

**iii) It is nearly impossible to cut spending at a rate that matches lost revenue**

**(a) Start taking steps to stave off “DEFICIT DISTRICT STATUS” now**

**iv) There may be no “win/win”**

**v) Use data to explain and illustrate the situation**

**3) What data do I use?**

**i) Decide on what you want to say**

**(a) Revenue**

1. *Student counts (FTE's)*
2. *Per pupil funding (PPF)*

**(b) Expenses**

**(c) Fund balance**

**(d) Comparables (district and community)**



#### **4) Where do I get this data?**

**i) Your Finance Director (Business Manager)**

**ii) The Center for Educational Performance and Information (CEPI)**

<http://www.michigan.gov/cepi>

(a) District specific data

(b) Financial Information Database (FID)

**iii) Michigan Department of Education (MDE)**

<http://www.michigan.gov/mde>

(a) Statewide ranks in spending, budget and performance

**iv) Senate Fiscal Agency**

<http://www.senate.michigan.gov/sfa/>

(a) State budget data showing per pupil funding trends

**v) U.S. Census Bureau**

<http://www.census.gov>

(a) Community demographics

#### **5) Revenue**

**i) Emphasize funding**

**ii) Emphasize enrollment**

**iii) Chart it**

#### **6) Revenue & Expenses**

**i) Use charts to provide overall picture**

**ii) Point out where expenses began to exceed revenues**

**iii) Reiterate why this happened**

(a) Recession



**(b) State population loss → declining enrollment**

**(c) 2011 School Aid Fund Cuts**

**(d) Increasing insurance costs**

**(e) Increasing retirement costs**

**iv) Outline where and how you've cut expenses**

**v) Explain "anomalies"**

## **7) Transparency**

**i) Obtain data from readily available, public sources when possible.  
This allows anyone to verify its authenticity.**

## **8) Fund Balance**

**i) A district is considered to have a deficit fund balance if it has adopted a deficit budget or incurred an operating deficit as evidenced by the following:**

**(a) Its Total General Fund balance is negative, or projected to be negative at the end of the current fiscal year, or**

**(b) Other funds have negative fund balances or projected negative fund balances that are greater than the General Fund balance.**

**ii) Unions will focus on fund balance amounts**

**iii) District must focus on fund balance TRENDS**

**iv) Be consistent**

**(a) Explain "assigned," "unassigned," and "total" fund balance**

**(b) Depending upon circumstances, focus on either UNASSIGNED or TOTAL**

**v) Illustrate the point**

**vi) Emphasize the trend**

**vii) Highlight fund balance reductions per year over time**



(a) "Our fund balance has gone down by an average of \$400,000 per year over the last five years."

**viii) Project forward**

(a) "If current trends continue we are facing deficit district status in four years."

**9) ...and Finally, COMPARE!**

**i) Gather data from peer districts/communities**

**ii) Consider making community comparisons such as:**

- (a) Median family income
- (b) Unemployment rates
- (c) Population per square mile
- (d) Age distribution

**iii) Consider making district comparisons such as:**

- (a) FTE trends
- (b) Enrollment changes
- (c) Revenue/Expenditure/Fund Balance trends
- (d) Free/Reduced lunch numbers
- (e) Salary ranks (per pupil, overall)

**10) The data is out there**

**i) Find it**

**ii) Use it**

**iii) Post it**

(a) As part of your communication strategy, gear your presentation toward the community and post it to your district website

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