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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