

STATE OF FLORIDA
PUBLIC EMPLOYEES RELATIONS COMMISSION

HILLSBOROUGH CLASSROOM
TEACHERS ASSOCIATION,

Union,

and

SCHOOL BOARD OF
HILLSBOROUGH COUNTY,

Employer.

PERC Case No. SM-2022-019

Special Magistrate: James D. Stokes

Hearing Date: December 8, 2022

REPORT AND RECOMMENDATION

THIS MATTER came before the undersigned based upon the Impasse of Collective Bargaining between the **Hillsborough Classroom Teachers Association** (Union) and the **School Board of Hillsborough County** (District). This matter was assigned to the undersigned Special Magistrate on or about November 18, 2022. An evidentiary hearing was held on December 8, 2022, with written briefs submitted on January 30, 2023.

INTRODUCTION

The Hillsborough County Public School District educates approximately 230,000 students countywide, with an employment force of approximately 14,000 certified instructional personnel, 2,400 paraprofessional personnel and 1,000 clerical personnel. These employees are all represented by the Hillsborough Classroom Teachers Association (Union), with the certified instructional employees forming a single Instructional bargaining unit, and the paraprofessional and clerical units covered by a single ESP (education support personnel) collective bargaining agreement. The most

recent collective bargaining sessions between the District and the Union broke down, resulting in Impasse being declared by the Union. Fulfilling their obligation for good faith bargaining, the parties continued to meet after the declaration of Impasse and while some matters were resolved, other remain in dispute. This hearing followed.

POSITION OF THE EMPLOYER

In this matter, the District made the case that the Florida Education Finance Program of the State of Florida finances each public school district on a per-student basis. This is done using a formula involving multiple criteria, such as the size of the district, the number of students, the property values in the district, and the cost-of-living in the district. From this calculation, the State determines how much of a district's budget comes from the state education funds and how much comes from local property taxes.

The District further asserted that it is difficult for school districts to predict funding for future years. While school districts run models to project their student count for an upcoming school year, these figures may not agree with the State's projections. Moreover, student counts change throughout the year which impacts districts' revenue in the annual budget set by the Legislature.

The District's fund balance, which comes from property tax money, fluctuates over the course of the year. The revenue starts to accrue toward the end of November, continuing to accrue through approximately January (all tax payment time). The District uses that money throughout the year, drawing it down until the cycle begins again. This makes the Fall months, which ironically is the start of the school year, the months with

the lowest case reserves. The average monthly expenditure of the District is approximately \$150 million, and by mid-November the District's cash flow position is often below that monthly \$150 million mark.

The District stressed the importance of this cash-flow issue because, in the event of a catastrophic event, the District could literally run-out of money, unless it takes a short-term loan. Such a loan, known as a Tax Anticipation Note (TAN) is regularly relied upon, however it comes with a cost.

Because of its expressed continuing financial position, a one (1) mill supplemental education tax was proposed to the voters of Hillsborough County by referendum in August of 2022, which would assist the School District's financial position. The supplement would be limited to four years and was to be used primarily for teacher salaries. The tax referendum failed. The District presented this evidence at the hearing because five of the six comparator districts relied upon by the Union (Palm Beach, Orange, Dade, Pinellas and Broward) have additional millage revenue, which makes their financial picture very different from Hillsborough County.

The District also expressed that it is on negative credit watch by all three of the major credit rating services (Moody's, S&P and Fitch) and since 2012, the District's rating has been downgraded multiple times by each. Moreover, with the District's fund balance dropping below the 3% reserves required by State Statute, the District received a letter of caution from Florida's Commissioner of Education, Richard Corcoran, on April 21, 2021, admonishing the District regarding its financial position.

For these reasons, the District is taking the position that it cannot agree to some of the Union's bargaining demands, specifically those involving recurring costs. The District outlined the bargaining demands and the District's response as follows:

- 1.) Instructional unit employees be moved up two (2) levels on the salary schedule (counter offer by District provided).
- 2.) Paraprofessional/Clerical (ESP) unit employees be moved up two (2) levels on the salary schedule (counter offer by District provided).
- 3.) Instructional employees at the top of the salary schedule receive a one-time payment of \$3,000 and ESP employees receive a one-time additional payment of \$1,500 (Counter Offer by District provided).
- 4.) ESP employees making less than \$15 an hour be moved up to \$15 an hour by July 1, 2022 (agreed that this is statutorily mandated as of October 1, 2022).
- 5.) Increase all employees to a minimum of \$15 an hour (accepted by District on June 28, 2022).
- 6.) Increase all instructional supplements by 15% (Countered at 10% on June 28, 2022; Union agreed to the District's offer of 12% on July 28, 2022).
- 7.) Employees holding advanced degrees to receive \$1,000 for a master's, \$2,000 for specialists and \$3,000 for doctoral degrees (rejected by District on June 28, 2022).
- 8.) ESE teachers to receive a \$2,000 supplement (accepted by District on June 28, 2022).
- 9.) National Board-Certified teachers to receive a one-time payment of \$1,000 (accepted by District on June 28, 2022).
- 10.) Certified Behavioral Analysts receive a one-time \$500 supplement (accepted by District on June 28, 2022).
- 11.) Licensed School Psychologists receive a one-time \$500 supplement (accepted by District on June 28, 2022).
- 12.) District to provide zero premium health insurance for employees only (accepted by District on June 28, 2022).
- 13.) District to continue paying for fingerprinting of employees (accepted by District on June 28, 2022).

At the August 29, 2022, bargaining session, the District offered a recurring one-step increase retroactive to July 1, 2022, and a one-time additional payment equivalent to a second-level increase retroactive to July 1, 2022. As to Item No 3, the District agreed with the previous Union position to pay instructional employees at the top of the scale \$2200 and ESE employees \$1100. The District offered to make an adjustment to make a one-time payment of \$300 to account for employees who would not realize an increase due to the compression on the salary schedule and who if moved a level would not realize an increase. As to Item No. 4 regarding the timing of the minimum wage increase, the District agreed to the Union's request that it be retroactive to July 1, 2022.

The District further asserted that at the September 13, 2022, bargaining session, the Union asserted a request that when a teacher is required to assume coverage duty during a planning, or is assigned to supervise students from a split or doubled-up class, the teacher should be able to choose either compensatory time or \$30 per hour. The Union further requested that when a paraprofessional or assistant teacher is covering for an absent teacher, such paraprofessional would receive either compensatory time or an additional \$10 per hour for such coverage.

In summation, the District stated that while it made significant concessions throughout the bargaining process, it felt that the Union never deviated from its demand as to Items 1 and 2. Furthermore, the District believes that the public does not necessarily support higher teacher salaries based upon the voters rejection of the one mill tax referendum. Accordingly, the District wishes to stand firm on what it has already offered the bargaining units through this process.

POSITION OF THE UNION

The Union takes the position that it has been cooperative and supportive of the District during difficult financial times in the past, but this has put its members way behind in compensation as compared to other public school districts and it's time to catch-up. During negotiations in 2021-22, the Union agreed to the District's proposal to not grant employees experience credit for work performed during 2020-21 and 2021-22 and instead pay employees a non-recurring supplement equivalent to the amount of the step increase. These one-time payments versus a recurring step increases had a continuing effect on the salaries of the bargaining unit's members. Therefore, the Union's strategic objective in 2022-23 negotiations was to secure not only the step-increase due for the 2021-22 year, but the step-increase employees are owed for the 2022-23 year as well.

Negotiations on an economic package for members of the Instructional and ESP units began on June 6, 2022. For several bargaining sessions, the Union held firm was committed to its position that employees should receive two years of experience credit, while the District held firm to its position that not only would it refuse to provide experience credit for work performed in 2020-2021, but it would also refuse to do so for work performed in 2021-2022.

The Union declared impasse on July 28, 2022. At the August 29, 2022, bargaining session, the District made a counter-offer offering one-year of experience credit and a non-recurring supplement equivalent to the step increase associated with the second year

of experience credit. While a variety of other economic issues were successfully resolved, this critical issue remained in dispute.

The Union supports its position at the Impasse hearing by asserting Section 447.405, Florida Statutes, which enumerates factors to be considered, including (1) the interest and welfare of the public, (2) the availability of funds, and (3) comparison of the Union bargaining unit's salaries to their counterparts in school districts in the "local operating area" and school districts of similar size.

The Union submitted three classifications of comparable public employers:

- 1.) Local Operating Area (Contiguous Districts): Manatee, Pasco, Pinellas and Polk Counties.
- 2.) Local Operating Area (Tampa Bay Region): Citrus, Hernando, Manatee, Pasco, Pinellas, Polk, and Sarasota Counties.
- 3.) Similar Governmental Bodies of Comparable Size: Broward, Miami-Dade, Duval, Orange, Palm Beach, and Pinellas Counties.

In supporting its reliance on the use of this comparators, the Union asserts that "Local Operating Area" refers to public school districts in contiguous counties. However, because of the unique geography of the area, many residents of Hillsborough County commute between Citrus, Hernando, and Sarasota Counties, so those counties should also be considered.

The Union points out that the District relied upon its list of "Florida's Ten Largest School Districts" which served to exclude Citrus, Hernando, Manatee, Pasco, and Sarasota Counties, while including Lee County. This, despite the fact that Lee County is has a much smaller student population and is geographically non-applicable.

Additionally, the Union asserts that the District failed to consider cost-of-living in its comparisons, which is essential to the analysis.

The Union also expresses that its employees work more hours pursuant to their contract than their counterparts among all comparable districts. The most common contract year for instructional personnel in comparable school districts statewide involve 7.5 hour days for 196 days-per-year (1,470 work hours/year). The District requires 8 hour days for 198 days-per-year (1,584 work hours/year). This amounts to an additional 114 hours of work performed by Hillsborough County teachers compared to most of their peers around the state. When paid an annual salary, but assigned so many more hours, it serves to decrease the value of the hourly wage.

It's the Union's position that employees of the District, when compared by percentile to their outside peers, are clearly falling behind:

- 1.) About 55% of classroom teachers are below the averages among all three comparability groups, and about 60% are below two of the three.
- 2.) About 70% of non-classroom teachers are below the averages among all three comparability groups, and about 97% are below two of the three.
- 3.) 100% of paraprofessional/aide employees are below the averages among all three comparability groups.
- 4.) 100% of secretarial/clerical employees are below the averages among all three comparability groups.
- 5.) About 97% of Licensed Practical Nurses are below the averages among all three comparability groups, and 100% are below two of the three.
- 6.) About 55% of Registered Nurses are below the averages among all three comparability groups, and about 97% are below two of the three.

Regarding supplements for advanced academic degrees, the Union takes the position that, based upon State law, Instructional personnel hired on or after July 1, 2014, are on a “performance salary schedule”. As such, the law allows for these employees to be granted a supplement for their advanced degree. While the District offers reimbursement for certain employees who obtain their degree while already working for the District, this preclude any Instructional personnel coming to their position already with an advanced degree from being compensated for their additional and beneficial higher education. The Union points out that Hillsborough County is the only District which does not provide this benefit.

The Union expresses that its proposed advanced degree supplements of \$1,000, \$2,000, and \$3,000 for employees holding appropriate Masters, Specialist, and Doctoral degrees, respectively, would still not even come close to the average values of such supplements in comparable districts. But it would be a step towards the norm among comparable school districts in Florida.

Overall, the Union asserts that salaries for its employees are significantly lower than their counterparts in comparable districts, even without accounting for the relatively high cost of living in Hillsborough County. Comparing employees by percentile among the various school districts, the Union points out that 97% of non-classroom teachers, paraprofessionals, clerical staff, and nurses are paid below the average, as are 60% of classroom teachers. Factoring in cost-of-living results exacerbates the situation.

The Union's proposal does not call for increasing the salary schedules themselves (which the Union does believe is necessary to prevent the District from falling behind even more); however, the proposal will address the immediate issue of the District employees' compensation being so far behind those of other school districts.

In summation, the Union stresses that there is no difference between the cost of the Union's proposal and the cost of the District's proposal for the 2022-23 fiscal year. The only difference lies in how the compensation adjustments impact future years, and the Union asserts that it is fundamentally unfair to restrict current employees compensation and benefits because of speculation as to what "might happen" financially in the future.

FINDINGS AND RECOMMENDATIONS

A Special Magistrate appointed to preside at an Impasse Hearing is required by Florida Statute to take certain factors into consideration when making a Recommendation to the governing body. Those factors are set forth in Section 447.405, Florida Statutes, which is set forth in full:

The special magistrate shall conduct the hearings and render recommended decisions with the objective of achieving a prompt, peaceful, and just settlement of disputes between the public employee organizations and the public employers. The factors, among others, to be given weight by the special magistrate in arriving at a recommended decision shall include:

- (1) Comparison of the annual income of employment of the public employees in question with the annual income of employment maintained for the same or similar work of employees exhibiting like or similar skills under the same or similar working conditions in the local operating area involved.
- (2) Comparison of the annual income of employment of the public employees in question with the annual income of employment of public employees in similar public employee governmental bodies of comparable size within the state.

- (3) The interest and welfare of the public.
- (4) Comparison of peculiarities of employment in regard to other trades or professions, specifically with respect to:
 - (a) Hazards of employment.
 - (b) Physical qualifications.
 - (c) Educational qualifications.
 - (d) Intellectual qualifications.
 - (e) Job training and skills.
 - (f) Retirement plans.
 - (g) Sick leave.
 - (h) Job security.
- (5) Availability of funds.

While the District primarily focused on subsection (5), outlining in great detail the financial condition of the District, the Union presented its argument relying upon most of the other statutory factors: The Union presented a comparison of the compensation of a variety of other comparable school districts for employees performing the same or similar work (both in the local area, the commutable-expanded local area, and districts of comparable size), as well as presenting an argument regarding the risk of harm being done to the District's stakeholders (the students, the parents, and the public in general) if the low compensation continues to negatively impact the classroom, the staffing, and the services provided by the District. Lastly, the Union addressed the educational and intellectual qualifications of its personnel with advanced degrees who are not properly compensated for bringing this heightened level of competence into the workplace.

While the record does show that the District made more movement throughout the bargaining process, it would appear the reason for that was: (1) the almost immediate agreement on many of the secondary (albeit important) issues, but not on the annual salary issue; and (2) the Union's position that the annual salary issue was a monumental

concern for its membership and there was little or no room for movement on that item. While I commend the District for its movement, I cannot fault the Union for standing firm on the item it sees as its most vital.

The District has offered a recurring step-increase for all personnel for the 2021-22 fiscal year, retroactive to July 1, 2022. Additionally, the District and the Union have come to an agreement on all outstanding items, except for the salary compensation for the 2022-23 fiscal year; the supplemental for advanced degrees; the \$30/hour supplement for instructional personnel when they are pressed into additional duties (additional students, split classes, doubled classes, or losing their planning time); and the \$10/hour supplement for paraprofessional when asked to step-up into a substitute teacher capacity.

After careful analysis of the arguments of both the District and the Union, as well as a careful review of the evidence provided by both parties, my Recommendation to the governing body is as follows:

- 1. SALARY COMPENSATION FOR THE INSTRUCTIONAL UNIT FOR THE 2022-23 FISCAL YEAR:**
- 2. SALARY COMPENSATION FOR THE ESP UNIT FOR THE 2022-23 FISCAL YEAR:**

I have placed these two items together for purposes of my recommendation because the cases presented by both the District and the Union created no reason to treat the Instructional bargaining unit any differently than the Paraprofessional or Clerical units when it comes to salary adjustments.

While it is understandable that the District needs to be a good steward of public tax money and needs to make wise decisions in that regard; it is equally true that a public school district cannot serve its constituents properly without the dedicated and

competent work of its employees. The record in this case reflects that the Union stepped-up in years' past when the District was in dire financial conditions and accepted compensation terms which they, no doubt, would have preferred not to accept. They did so because the Union was being a team-player. They did so because they knew that the District was in trouble and needed their help.

It goes without saying that individuals who work for the public schools do not do it to get rich. School personnel, both instructional and non-instructional (and, for that matter, both public and private), are committed individuals looking to make a difference in the world. They do not do it for the money and, in fact, most of them (especially given their education) could make much more money in other career fields.

Therefore, the Union's making concessions in years' past to assist the District in financial hard times was extremely commendable and, no doubt, a difficult thing to do. The teachers and other school employees could clearly have benefitted from a traditional step increase which would serve to not only advance their career, but compensate them fairly for their work.

We are all well aware that the economy over the past couple years has become extremely poor. Cost of goods have risen, gas prices have risen, insurance prices have risen – the mere cost of surviving day-by-day has risen for nearly every American. While the District sees this bad economy as a reason to be more conservative in spending, to do so is to abandon the very people who perform the daily work which is necessary for the District to carry-out its mission.

The employees of the District stood-up when the District needed them to. Its now time to make the correction from those years with a proper salary adjustment. The

Record in this case clearly established that comparator school districts have found a way to compensate their employees in a more favorable way than the District. The District should be concerned that, without a meaningful adjustment, the District could begin seeing its employees looking elsewhere for employment with better compensation.

Accordingly, it is my Recommendation to the governing body that the District make the salary adjustment for the 2022-23 year a recurring step-increase (rather than a one-time “bonus”), retroactive to July 1, 2022. This will not financially impact the District this year at all, as that money has already been offered by the District.

3. SUPPLEMENTAL PAY FOR ADVANCED DEGREES:

The request of the Union in this matter is to provide a \$1,000 per year salary supplement for employees with a Masters degree; a \$2,000 per year salary supplement for employees with a Specialist degree; and a \$3,000 per year salary supplement for employees with a Doctorate degree. I cannot see how this would be seen as a bad thing.

An educational institution like the District, more than any other employer, should place a high value on education. Having its classroom teachers and other personnel well educated and possessing advanced degrees does nothing but raise-the-bar on the quality of work being done in the District. While the current reimbursement plan assists current instructional personnel obtain an advanced degree (thereby signaling that the District sees a value in such), it does nothing to compensate either for those coming to the District already possessing such an advanced degree, nor to continue to compensate for the higher-level of skill being brought into the District by anyone possessing such an advanced degree.

Florida Statutes clearly sees the value of both the level of education and the intellectual level of bargaining unit employees, because they specifically enumerate both educational qualifications and intellectual qualifications as factors to be considered when looking at compensation. It is my recommendation that the District do the same. That said, I can see the value of establishing certain parameters to make sure that the advanced degree is in a field which is relevant and applicable to the position held by the employee.

Accordingly, it is my Recommendation to the governing body that the \$1,000/\$2,000/\$3,000 recurring supplement for those with applicable advanced degrees be included in the District's compensation plan.

4. SUPPLEMENTAL PAY FOR INSTRUCTIONAL PERSONNEL'S EXTRA DUTIES:

The Union seeks a thirty (\$30) per hour supplement for instructional personnel when they are pressed into additional duties, such as accepting additional students into their classroom, splitting classes, teaching in doubled-up classrooms, or losing their planning period. While I see the extra work and attention which goes into these types of workplace adjustments, I believe the Record is also clear that these situations are often unavoidable and unforeseen. I see that keeping track of short periods when these things occur as being difficult, and I do not believe that if any of these situations occur unexpectedly or unplanned, that it would be worth doubling the teacher's hourly rate.^{1/} If, on the other hand, this was a long term situation, where a teacher is expected to handle a double class, or repeatedly lose a planning period because of other duties – I believe that some sort of compensation would be called for.

¹ I am basing this off the Union's case in which it describes a teacher working 8 hours a day for 198 days (1,584 hours) at a salary of \$47,500 (\$29.99/hour). I realize that there is much fluctuation in those numbers.

Accordingly, it is my Recommendation to the governing body that the Union's proposal for \$30 per hour not be considered, but the parties meet-and-confer on an appropriate "extra duty" proposal which would compensate teachers put in these situations on more than an occasional basis.

5. SUPPLEMENTAL PAY FOR PARAPROFESSIONAL'S SERVING AS SUBSTITUTES:

The Union is also seeking a ten (\$10) dollars per hour supplement for a paraprofessional who is called to serve in the capacity of a substitute teacher. This is a very different situation. Clearly, the District has the resources to utilize substitute teachers in the event of absences or for any number of reasons. When a substitute teacher is called in, they are compensated for their service. If a school site can have a paraprofessional step-up for the purpose of substituting for an absent teacher, the District saves money on the outside substitute teacher. More importantly to this analysis, however, is that the paraprofessional is being asked to take on a role which they are not hired to perform. They are being asked to go from para-to-teacher for the day. It is unclear how this could be seen as not deserving of extra compensation more than the \$4 currently provided. Many of the statutory elements come into play here, but most significantly would be the basic job training and skills needed for a paraprofessional to step into the role of a teacher for the day. While the two positions are interrelated, they are very different jobs, and I believe every Principal would admit that there are only certain paraprofessionals they would entrust with such a duty.

Accordingly, it is my Recommendation to the governing body that the Union's proposal be accepted and a \$10 per hour supplement for a paraprofessional serving as a substitute teacher be included in the compensation plan.

CONCLUSION

It is always difficult to step into a dispute and make the hard decisions, knowing that one side may be displeased or, more likely, both sides will be displeased. I am also very aware that operating an organization the size of the Hillsborough County School District is no easy task. However, the District IS its people and they need to be considered. Accordingly, I make these Recommendations to the governing body in hopes that a fair and equitable compensation package can be put into place for the dedicated professionals of the Hillsborough County School District.

The undersigned shall retain jurisdiction of this matter for the sole purpose of clarifying this Recommendation if needed.

Dated: March 29, 2023



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