PCSB / PESPA Bargaining Meeting
Minutes
August 12, 2022
PCS Administration Building

Present: Paula Texel, Dave Richmond, Kevin Smith, Dena Collins, Nelly Henjes, Lindsey Blankenbaker, Bryan Bouton

Meeting began: 1:03 pm

Paula Texel begins meeting by thanking everyone for a smooth start of the school year. We have been at many sites and it was great to see everyone with smiles on their faces- teachers, students and families. PESPA brought a proposal to the first session, the district is ready to provide a 3.25% increase and a .85 share of the health care along with bringing up the minimum wage to $15 to meet statutory requirements. Total is a 5.68%. This is now presented in written format.

Kevin Smith shares we did not ignore the offer of the $3.89 flat rate increase across the board on the hourly rate on all PEPSA employees - it brings the overall numbers to $14 million as the proposal from PESPA.

Lindsey shared the flat rate was based on what they costed out over a number of plans- doing the most for the majority of people and following the statutory requirements. She wanted to frame it as Tallahassee wants to support people- yes, provide a living wage- yet no significant funding was given to stop compression. 875 employees that are currently under 15 in her union (approx.). This does not do anything to address the pressure 2000+ others in the bargaining unit that are impacted. She wanted to bring up the living wage movement- this has been gaining steam to get to the 15 an hour. In our geographical area looking at the 11.5% CPI- the living wage is outdated- and it is important to state for the record the money has not provided for the salary. The 3.89- flat amount was the amount to extend the bargaining unit- for equity and recognizing the veteran- the ability to live here and continue working here. When we look at 3.25 increase- we have concerns. It will not come close to the 11% which what the employees are living with right now. Her continued concern is a plan in place for a number of years- a multi- year plan.

Kevin asks to interrupt- it is true that we want to increase. We want to keep everyone on a salary schedule- keep in a box- negotiated this with the union over the course of several years- the 3.25 was built into the structure- during the 2020 school year this became consistent. The intention of the plan from 10 years ago was to increase the salaries over the years- some more and some less. As Dr. Grego led the district- keep giving the maximum raise that we can. It was never decided it would be 3.25%- we adjusted the salaries to match that. It is our intention to always give as much and stretch where we can. We agreed to the philosophy not the percentage.

Laurie Dart shares the plan was not a negotiated plan. We set an aspirational goal of 3.25 as a minimum- if we can reach that we want to get 3.25- some years we go above and some we went below. The numbers we give you are based on 18.4-million-dollar budget that we have available after reviewing and looking at our programs and the budget from the state. We are stretching to get to 3.25 based on 18.4. We are here to look at numbers. We resent the statement we are not bargaining in good faith.

Lindsey says we, the district, are making a statement consistently- that we are not bargaining in good faith. If truly, there was not the plan, I think this would be clarified- up until now. She understands the spread- she understands last year- there was virtually no movement on either side. Looking at the ARP funds- no movement from 3.25. Kevin Smith interrupts and stated we gave 2 additional days of planning out of these dollars. Lindsey continues on it was not until the very end that there was increase to flat rate. If the plan was not already set- it felt that there was a plan.

Kevin goes back to the collaborative plan- even when we didn't have money- we tried to get to the plan. Last year the FEFP was down 18 mil. It was hard to get to the 3.25%- the loss of Family Empowerment dollars was greater than expected- 20 million was lost. We could have gone back on the number- we did not. We didn't have 3.25 when the money went away. We wanted to adhere to this- this is the purpose of the reserve to endure and react as needed. He pointed out 3.25 was well beyond comfort- as we lost dollars- knowing the environment- with the pandemic- we gave the raise knowing the impact on the fund balance. You perceive it as no movement.

Laurie shares we have a good offer based on the level of confidence in Kevin's numbers. We reach to get to the 3.25. Lindsey says, we are not swimming in cash- we continuously look at this 18.4 as the pot- it is a weird situation- coming from the different "tables". She says, Kevin- I understand what the reserve is for- the times when we don't have the money. You can reduce it to a rainy- day fund- the living cost here is above the national average- the reality we are negotiating for the lowest paid employees. Through attrition we have been able to save, through reducing units this has been done with expanding the regular duties of others. Now, we reduce the budget- putting more on individual plates- throw up our hands- nothing more to do. People are living in their cars- Nelly shares the rent has gone up and she is getting calls. People can afford to stay in their homes.

Laurie shares, we understand this- but where does the money come from? Less kids are less money. Are you going to ESSR/ARP? Where are you saying the money comes from?

Lindsey understands where the money is coming from- not treating our general funds as a recurring fund. She thinks it is our responsibility to be vocal. We have room for growth in this area. We need to look at additional ways the ESSR/ARP to be used- instead of sending funds back to the state. Find ways to cover expenses to not lose them- this freezes up dollars to spend in the general fund.

Kevin disagrees- the unassigned is 1% of our contingency. It is a half a week payroll period. If we used this-the unassigned would be 0. You don't want that. Reserves have been used from time to time. The result of lower funding and lower fund balance is a reduction in work force- we have had this- massive cuts of employees. 82% of our expense is salary and benefits- the only way to increase is to cut people. We are trying to not have RIF.

Lindsey knows we don't want a RIF, when we need teachers- she doesn't think a RIF is realistic when we can't get people off the street to get them to come in. We are in a situation where there is a significant vacancy gaps in particular groups- this is adding additional burden on the staff working. We are dealing with 75% of employees in this bargaining group that will not see an increase that is even close to someone just walking in. There is a looming crisis- example if a hurricane hits- it is coming. We need to pay a living wage for our local community.

Kevin says- I can pay them this year with the ESSR- but it goes away next year. The work force has disappeared- this is not unique to this organization. We can't raise the FEFP contribution. We also have the constitutional amendment- this was put into overdrive. What caused inflation- supply, massive infusion of cash- this is the perfect storm in this area. It is a number that we are going to chase until the problem is resolved- Tallahassee needs to fix.

Lindsay agrees we are all frustrated with Tallahassee- we need to find together, ways to reduce expenditures to pay our lowest paid employees. Kevin states we look at this every year- there are things we can't control- fuel, electric- up 5 mill over last year. We are still paying more than last year. Those are inflationary pressures- supplies, textbooks are all up. Kevin invited Lindsey to come in and look at the budget with him. Which program do you cut?

Kevin shares we have benefits and hours that drive the work force to us. Nelly states we need to better. Kevin shares the plan that the majority health care program that most are on- the increase in cost would be $80 for the year. We, as a bargaining unit, decided to have a well- funded health benefit system. We have been putting as much as we can in salaries- board picked up 9 million last year of increased health care. This year is 6.8 million increase- the board is picking up the majority- 85%.

Lindsey stated the board absorbed 9 million- to refrain from passing on it to the employees. $4 million came back to the district- Lindsey shared. Kevin shared that the money that came back off set the cost of health care in the current year. Kevin shares that are health care is not fully funded- we are shy of our total reserve- we can't put this on the employees. The CFO must have a written statement that we are good in our reserve to cover the costs of health care in the event we fall short. This is another reason why we must monitor our fund balance as a reserve.

Lindsey spoke about our state allocation- a mischaracterized amount of money due to the Family Empowerment Scholarship- a $20 mill increase last year- this was a revenue decline. Because we may have a hit- we need to be conservative in salary- what happens if I say to the state- I don't have the money. Kevin says, we never see the money. Based on the counts- the state makes the adjustment. The state doesn't give it to you. Last year the increases were in this area broad sided school district. We have doubled the empowerment every year- this is misleading in the FEFP. It makes it difficult to budget.

Lindsey continues when does a staffing shortage or inability to keep people- when does this turn into an unexpected hit? Same kind of emergency to look to the reserve to add. Kevin says hard to answer- solving a long- term problem with a short- term reserve. Next year where do I find the money to cover the expenses next year? Lindsey says it is important to communicate to the board- she gets the policy of the percent for the balance. You can't pay your piggy bank by starving the kids- this is a bigger conversation. We may need to step outside of the comfort zone to help employees.

Kevin states, we just can't cover the cost of this inflation. This creates a hole next year to resolve- we can only reduce employees, reduce salaries and benefits. What else can be done? Kevin asks.

Paula reaffirms- Kevin has analyzed the budgets and programs. Kevin is hired to do this work- make recommendations to the board. It is the intent of the CFO to balance the budget.

Lindsey affirms it is transparent the budget- she does pay attention. Lindsey would like to sit down with Kevin. There are places- amounts that comprise or total millions. The fund balance is relatively steady. Don't want to be in a place where you fall below the fund balance.

Lindsey takes the stance- a shortage of 100's or 1000's of employees- is not comfortable.

Kevin shares- we would like a counteroffer. Lindsey will take the information and look at the numbers to get something meaningful.

Laurie- it would be productive to let the books close, sit with Kevin and review the numbers- won't include the AFR, but it would be the expenditures. This should be done by next week. We are working on some deadlines as a result of the statuary requirements. We want to do this.

Next Steps:

Lindsey and Kevin will work together to set a meeting to review the numbers and the philosophy of the district.

Another bargaining session will be set after meeting with Kevin- Lindsey wants to go ahead and schedule. The next meeting set for August 29 @ 3:00 pm – 4:30pm - Tentative hold and Lindsey will get back with Paula to confirm.

Meeting concluded at 3:00 pm