

**STATE OF FLORIDA  
PUBLIC EMPLOYEES RELATIONS COMMISSION**

HILLSBOROUGH COUNTY TEACHERS ASSOCIATION,

Union,

v.

PERC Case No.: SM-22-019

SCHOOL DISTRICT OF HILLSBOROUGH  
COUNTY, FLORIDA

Employer.

**POST-HEARING BRIEF OF SCHOOL DISTRICT OF HILLSBOROUGH  
COUNTY, FLORIDA**

Pursuant to the stipulation between the above-captioned partners before the Special Magistrate, the School District of Hillsborough County, Florida (the "District") hereby submits its post-hearing brief in support of its position.

**INTRODUCTION**

The District emerged from the 2021-2022 school year after having been warned that the State might have to take over due to "dire" finances. Nonetheless, the District entered negotiations for the following 2022-23 school year in good faith. However, the Hillsborough Classroom Teachers Association ("HCTA" or the "Union") came to the table without regard to financial reality.

## **LEGAL STANDARD**

Section 447.405, *Fla. Stat.* provides in part as follows:

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[.]

\* \* \*

(5) Availability of funds.

The testimony and exhibits introduced by the District address each of these factors.

## **HOW SCHOOL DISTRICTS ARE FUNDED**

Jerry Ford explained that in its Florida Education Finance Program ("FEFP"), the State of Florida attempts to equalize the money state pays each

district on a per-student-basis (Tr. 54).<sup>1</sup> This is done using a 21-variable formula including, the size of the school district, the number of students, the property values in the district, and the cost-of-living in the district (Tr. 54-55; DX 2). From this calculation, the State determines how much of a district's budget comes from the state FEFP funds and how much comes from local property taxes (Tr. 55).

However, it is difficult for school districts to predict funding for future years (Tr. 55). All school districts run models to project their student count for an upcoming school year, and these figures may not agree with the State's projections (TR 55). This process begins early in the Florida state legislative process with the legislature first looking at what it gave the various districts the prior year (Tr. 56). There will be early estimates of student count, but these change throughout the year as a legislative session progresses (Tr. 56). Eventually, an education budget is passed (Tr. 58-59).

The school districts themselves conduct surveys of student count at various points during the school year (Tr. 59). The goal is to count, weighted by student type (i.e., AP, IB, ESE, etc.) full-time equivalent ("FTE") students (Tr. 59, 64-66; DX 6). The FTE count dictates how much money the State will give the various districts, and there may be adjustments from time to time due to fluctuations in the student count (Tr. 59).

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<sup>1</sup> Citations to the transcript of the December 8, 2022 hearing shall be as follows: (Tr. [page number]). District exhibits shall be cited as: (Tr. [page number]; DX [number]) and Union exhibits shall be cited as: : (Tr. [page number]; UX [number]).

One of the financial measuring points is the fund balance (Tr. 59). The fund balance fluctuates over the course of the year (Tr. 59-60; DX 3). The fund balance does not demonstrate the District's financial liquidity nor does it indicate cash flow (Tr. 60). A large portion of the District's funding comes from property tax money which it receives in "big chunks" during the last week of November and through January and early February (Tr. 60; DX 3). The state funds come in regularly every month (Tr. 60). Thus, the cash builds up to a peak in December – January, and it is drawn down every month (Tr. 60-61; DX 3). The District's cash position reaches its lowest position during mid-October to mid-November (Tr. 61, 63; DX 3, 4). The average monthly expenditure of the District is approximately \$150 million, and in mid-November the District's cash flow position is below \$150 million (Tr. 61-62).

The significance is that if there was a disruption such as a hurricane or late tax collections, the District might not be able to make payroll and/or pay its vendors without short-term borrowing (Tr. 62). Another potential disruption is if there was a change in student population, for example, if a charter school opened and District students switched schools the amount of money coming from the state would decrease [Tr. 66-67). If the District was planning on receiving a certain amount of money and that money decreased, the District could be placed into a difficult financial position (Tr. 65-66). Thus, "it is fiscally irresponsible" to look solely to the fund balance without also looking at cash on hand (Tr. 63-64; DX 4).

District witness Jerry Ford prepared a comparative chart of five (5) different key financial factors and how the District shaped up against other Florida school districts (Tr. 66; DX 8). For ease of reference, it is reproduced below:

Florida's Ten Largest School Districts  
Financial Statistics

Days Cash on Hand (Cash ÷ Expenditures * 365)			Liquid Fund Balance (Assigned + Unassigned)		
Rank	District	DCOH	Rank	District	per FTE
1	Lee	91 days	1	Orange	\$ 1,872
2	Pasco	83 days	2	Pasco	\$ 1,425
3	Orange	78 days	3	Lee	\$ 1,307
4	Palm Beach	71 days	4	Palm Beach	\$ 1,279
5	Polk	69 days	5	Dade	\$ 784
6	Broward	53 days	6	Polk	\$ 725
7	Dade	47 days	7	Broward	\$ 663
8	Pinellas	34 days	8	Duval	\$ 539
9	Hillsborough	31 days	9	Hillsborough	\$ 520
10	Duval	17 days	10	Pinellas	\$ 356

  

Voted Operating Millage and Additional Revenue			Instruction Expenditures			Instructional Expenditures as a Percentage of Total Expenditures			Average Teacher Salary (FY 2021-22, Final Survey 3)		
Levy	District	per FTE	Rank	District	per FTE	Rank	District	%	Rank	District	Average
1.00 mill	Palm Beach	\$ 1,193	1	Palm Beach	\$ 6,905	1	Hillsborough	70%	1	Broward	\$ 54,304
1.00 mill	Orange	\$ 795	2	Dade	\$ 6,466	2	Dade	67%	2	Hillsborough	\$ 53,979
1.00 mill	Duval	<i>new</i>	3	Pinellas	\$ 6,104	3	Polk	66%	3	Dade	\$ 53,159
0.75 mill	Dade	\$ 764	4	Orange	\$ 5,649	4	Palm Beach	66%	4	Palm Beach	\$ 52,952
0.50 mill	Pinellas	\$ 537	5	Hillsborough	\$ 5,617	5	Duval	65%	5	Duval	\$ 52,257
0.50 mill	Broward	\$ 430	6	Broward	\$ 5,516	6	Orange	64%	6	Pinellas	\$ 51,810
-	Hillsborough	-	7	Polk	\$ 5,391	7	Pinellas	63%	7	Orange	\$ 51,346
-	Lee	-	8	Duval	\$ 5,327	8	Lee	62%	8	Lee	\$ 50,354
-	Pasco	-	9	Lee	\$ 5,292	9	Pasco	62%	9	Polk	\$ 48,065
-	Polk	-	10	Pasco	\$ 4,838	10	Broward	62%	10	Pasco	\$ 46,380

Sources: Annual Financial Reports (unaudited) as of June 30, 2022; Florida Department of Education

(Tr. 66; DX 8). Although the chart is self-explanatory, the comparisons are stark. The District ranks ninth out of ten school districts in days cash on hand (Tr. 66; DX 8). Ford testified that the District is the next to the last in ability

to pay its bills if revenues stopped (Tr. 67). Similarly, the District ranks ninth out of ten in fund balance per FTE (Tr. 66-67; DX 8).

Ford also compared the District to others with regard to voter operating millage per FTE (Tr. 66-67; DX 8). Five of the six districts (Palm Beach, Orange, Dade, Pinellas and Broward) have additional millage revenue, and, of course, due to the failure of the Hillsborough millage referendum, the District has no such revenue (Tr. 66-67).<sup>2</sup> Accordingly, Ford testified that the District is “living within constraints that those [five] districts do not have” (Tr. 67-68).

Despite this comparably less financially stable position, the District ranks in the middle in terms of instructional expenditures per FTE (Tr. 66, 68; DX 8). Similarly, the District ranks first in instructional expenditures as a percentage of total expenditures (Tr. 66, 68; DX 8). And, finally, the District ranks second to Broward in average teacher salary (Tr. 66, 68; DX 8).

Factors such as cash on hand affect an entity’s credit rating (Tr. 69). In 2012, the District was in the top three highest credit rated school districts in Florida (Tr. 69). Since 2012, the District’s credit rating has been downgraded multiple times by each of the three major credit reporting services (Moody’s, S & P and Fitch) (Tr. 70-71; DX 9). The credit rating reports from the services

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<sup>2</sup> In the referendum, the District requested the voters in Hillsborough County to approve a one (1) mill operating supplement (Tr. 73). The supplement would have expired after four (4) years and was to be used predominantly for teacher salaries (Tr. 73). Ford testified that, despite the expiration of the supplement, he had never seen a subsequent millage referendum fail once the original referendum was passed (Tr. 73). Thus, recurring expenses would be less of a concern due to the almost certain renewal of the supplement (Tr. 73).

speak to “structural imbalance” due to the District’s fund balance being drawn down from 2012 until 2022 (Tr. 70). Currently, the District is on negative credit watch or outlook by all three services (Tr. 70-71; DX 9). Obviously, the poor credit rating impacts any borrowing by the District in terms of increased interest rates (Tr. 69). Ford also testified that the taxpayers of Hillsborough County “absolutely” have an interest in the District’s credit rating and that “if your credit ratings are dropping, that’s a flashing red light that says somebody is not taking care of business properly” (Tr. 89).

### **LACK OF AVAILABILITY OF FUNDS**

As the credit ratings dropped and the fund balance continued to decrease, the situation was dire and culminated in an April 21, 2021, letter to then-District School Board Chair, Lynn Gray, from the Florida Commissioner of Education, Richard Corcoran (Tr. 147; DX 11). The letter could be described as harsh and startling:

Dear Chair Gray:

I am writing because, as you know [the District’s] deteriorating financial condition has reached a **point of crisis**. The District’s lack of attention to this issue since 2015 has already created a disruption with your workforce, and your lack of comprehensive and timely action at present threatens the basic delivery of educational services to Hillsborough’s students.

(Tr. 147; DX 11, emphasis supplied). Specifically, Florida law requires that school districts maintain a minimum fund balance of 3%. See § 1011.051(1), *Fla. Stat.* (2022). If the fund balance is projected to fall below 2%, a District

will receive the above-quoted letter from the State Commissioner of Education. See § 1011.051(2), *Fla. Stat.* (2022).

The brand-new CFO of the District Romaneir Johnson described the District's finances at the time of her hire as projecting an overall deficit of \$23 million (Tr. 144). Johnson implemented a financial recovery plan (Tr. 148-49). Additionally, the Florida Department of Education required that the District make monthly financial reports regarding its recovery plan and status of finances beginning July 1, 2021, and the District still is under this reporting requirement (Tr. 147, 149; DX 11). The District also was under threat due to having two (2) prior negative reports (from 2016-17 and 2019-20) from the state Auditor General finding unauthorized transfers to the capital fund (Tr. 145-46; DX 13, 14). Johnson testified that it was her understanding that a third such finding could result in a financial penalty and having to go before the state Board of Education (Tr. 145-46).

Johnson encountered a series of prior, staggering operational deficits:

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21 (projected)
SURPLUS (DEFICIT)	<b>(\$6.3 million)</b>	<b>\$5.4 million</b>	<b>\$4.3 million</b>	<b>(\$32.2 million)</b>	<b>(\$70.8 million)</b>

(Tr. 154-55; DX 16). Johnson also was hired at a time when the District had a recent history of what she would deem excessive percentage of personnel services expenditures over revenue:

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21 (projected)
PERCENTAGE	<b>88%</b>	<b>87%</b>	<b>85%</b>	<b>87%</b>	<b>92%</b>

(Tr. 154-55; DX 16). Johnson explained that anything over 82% for a not-for-profit organization is a structural issue that needed to be addressed immediately (Tr. 155). Similarly, the historical data showed an ever-increasing amount of revenue that the District could not use because it would pass through immediately to charter schools:

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21 (projected)
CHARTER PASS- THROUGH (rounded)	<b>\$121 million</b>	<b>\$145 million</b>	<b>\$169 million</b>	<b>\$190 million</b>	<b>\$229 million</b>

(Tr. 154-55; DX 16). Johnson explained the process of building a budget and accounting for transferable and non-transferable funds (Tr. 150-53). Johnson also explained that, critically, without the one-time influx of the federal COVID ESSER monies, “the District would have been in major trouble” (Tr. 159-61). Additionally, the CFO testified it would be financially unwise to have a recurring cost paid for by the one-time ESSER funds, “we know we have one-time infusion of money, but that’s one-time money. It cannot be spent on recurring costs, and that’s essential for everybody to know that. If you get a

bonus in your check, that don't mean you go and give yourself a raise and keep on [sp]ending" (Tr. 157-58).

To attempt to simplify things, the District's position was and is that it could not afford a two-step, recurring increase in teacher salaries. Johnson projected the annual cost of such increase as \$28 million per year (Tr. 166-68; DX 18). Such a recurring cost would have the following projected, negative effects on the District's financial position:

YEAR	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FINANCIAL POSITION (rounded)	<b>(\$11.19 million)</b>	<b>(\$12.01 million)</b>	<b>(\$12.85 million)</b>	<b>(\$13.72 million)</b>	<b>(\$14.61 million)</b>

(Tr. 166-68; DX 18). Similarly, there would be a projected, ongoing draw down of the ending fund balance:

YEAR	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
ENDING FUND BALANCE (rounded)	<b>\$158.3 million</b>	<b>\$146.3 million</b>	<b>\$133.5 million</b>	<b>\$119.8 million</b>	<b>\$105.1 million</b>

(Tr. 166-68, 171-72; DX 18). Finally, there would be a like projected, decrease the percentage of fund balance over revenue:

YEAR	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
% OF FUND BALANCE/REV.	<b>9.6%</b>	<b>8.8%</b>	<b>8.1%</b>	<b>7.2%</b>	<b>6.4%</b>

(Tr. 166-68, 171-72; DX 18).

## **UNION STONEWALLING IN BARGAINING**

Despite this clear financial picture, the Union refused to budge during negotiations. The first bargaining session was a relatively early date of June 6, 2022 (Tr. 92-93; DX 19, 20). The Union presented its initial “asks” in a proposed memorandum of understanding (“MOU”) containing thirteen (13) items (Tr. 92-93; DX 19, 20).<sup>3</sup> The proposed MOU asked that the unit employees be moved up two (2) levels on the salary schedule (Tr. 95-96; DX 20). There is no automatic movement upwards on the existing salary schedule, and salary is negotiated annually (Tr. 97). The previous year, due to budget constraints, the District and the Union agreed to a one-time payment equivalent to a one-step increase on the salary schedule (Tr. 97-98). The third ask was that instructional employees at the top of the salary schedule receive a one-time payment of \$3,000 and educational support personnel (“ESP”) would receive a one-time additional payment of \$1,500 (Tr. 99; DX 19, 20).

The fourth ask was that all ESP employees making less than \$15 an hour be moved up to \$15 an hour by July 1, 2022 (although this was already legislatively mandated to occur by October 1) (Tr. 99; DX 19, 20). The fifth ask was related to the fourth ask in terms of raising employees up to \$15 an

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<sup>3</sup> The District kept transcribed notes of the bargaining sessions the accuracy of which has not been challenged by the Union (Tr. 95; DX 20)

hour (Tr. 99-100; DX 19, 20). The sixth request was to increase all instructional supplements by 15% (Tr. 101; DX 19, 20).

The seventh request was that employees holding advanced degrees would receive \$1,000 for a master's, \$2,000 for specialists and \$3,000 for doctoral degrees (Tr. 101; DX 19, 20). There is a grandfathered group of employees with advanced degrees that have additional pay built into their salary schedule (Tr. 102). The eighth request was for a \$2,000 supplement for ESE teachers (Tr. 102; DX 19, 20). The ninth request was for national board-certified teachers to receive a one-time payment of \$1,000 (Tr. 102-03; DX 19, 20).

The tenth request was that certified behavioral analysts receive a one-time \$500 supplement (Tr.103; DX 19, 20). The eleventh ask was that licensed school psychologists receive a one time \$500 supplement (Tr.103; DX 19, 20). The twelfth request was for the District to provide zero premium health insurance for employees only (Tr. 103; DX 19, 20). Finally, the thirteenth ask was that the District continue to pay for fingerprinting of employees (Tr. 103; DX 19, 20).

The next step in the process following the first meeting was for the District's finance team to cost out the Union proposal (Tr. 103-02). The finance team determined that the total cost of the HCTA's proposal was \$250,621,289, with a \$26,274,708 recurring cost for the two-level increase (Tr. 104-09; DX 21):

<b>HCTA REQUEST ITEM<sup>4</sup> NOS.</b>	<b>COST</b>
1 and 2	\$26,274,708
3	\$8,377,005
4	\$10,214,532
5	\$116,527,818
6	\$1,122,177
7	\$9,915,157
8	\$7,316,120
9	\$91,630
10	\$4,760
11	\$27,370
12	\$73,750,112
<b>TOTAL</b>	<b>\$250,621,289</b>

(Tr. 104-09; DX 21). The School Board met in executive session to consider the cost of the Union proposal and to give its bargaining team authority (Tr. 109-10).

The parties met for a second bargaining session on June 28, 2022 (Tr. 110; DX 22). The Union presented another MOU which was almost identical to the first with a few tweaks (Tr. 110; DX 22). The Union altered the fifth request to be contingent upon passage of the referendum as it appeared the Union realized that the District could not afford the \$116 million cost of this item without the additional millage (Tr. 111).<sup>5</sup>

The District countered at the June 28 bargaining session as follows:

<b>HCTA REQUEST</b>	<b>DISTRICT COUNTEROFFER OR POSITION</b>
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<sup>4</sup> Throughout the negotiations and correspondence, the "asks" have been referenced as "Item No. \_\_\_\_." For ease of reference, the District will use the same nomenclature within this brief.

<sup>5</sup> The District previously had committed in another MOU that 80% or 85% of the revenue from the referendum if passed would be committed towards employee salaries (Tr. 111-12).

<b>ITEM NOS.</b>	
1 and 2	Counteroffered one-time payment equivalent to a two-level upward movement on the salary scale
3	Countered with longevity stipend of \$1500 for instructional employees and \$500 for ESP employees
4	District would continue to adhere to October 1, 2022, start date for legislatively-mandated minimum wage of \$15 per hour
5	Accepted
6	Counteroffered 10% in response to 15% ask
7	Rejected
8	Accepted
9	Accepted
10	Accepted
11	Accepted
12	Accepted

(Tr. 112-17; DX 22). The next bargaining session was held on July 20, 2022, but at that time the Union failed to bring any counteroffer to the table (Tr. 116; DX 23). However, the District adjusted its prior counteroffer as to Item No. 3 to provide \$1,100 for instructional personnel at the top of the scale and \$550 for ESP employees (Tr.116; DX 23). In essence, the District bid against itself on these two items.

The fourth bargaining session occurred on July 28, 2022 (Tr. 117; DX 24). At that time, it was the District's understanding from the previous bargaining session that the Union would be presenting a counteroffer (Tr. 117; DX 24). Rather than presenting a counteroffer, the Union's chief negotiator, Graham Picklesimer, made the following statement:

For us, time is of essence here. We are heading into the school year with tons of vacancies. We've been going back and forth on some things and making some progress, but not tremendous

progress. So, what we're going to do is – you're going to know later today – we are going to notify PERC that we have reached an impasse but what we're going to do in the meantime, is give you our bottom-line proposal today.

(Tr. 117-18; DX 24). Later in the session, the Union failed to move at all on Item Nos. 1, 2 or 3 (Tr.; DX 24). The only movement by the Union at all was to agree to the 12% offered by the District as to Item No. 6 and, as to Item No. 7, it agreed that advanced degree supplements would only be available to employees for whom such advanced degrees are required (Tr. 117, 119; DX 24). In response to a question from the District negotiator, Danielle Shotwell, as to whether that was the Union's last and final offer, Mr. Picklesimer closed the session with this following statement:

I would say there is little flexibility, I will say there is unless you come up with something very creative. I would say there was virtually no flexibility on the first two possibly first three and not a great deal of flexibility on the others but again, if you have something creative, we will obviously entertain it.

(Tr. 117, 120-21; DX 24). That same day, the District received notice from PERC that the HCTA had declared impasse (Tr.121-22; DX 25).

The next bargaining session was on August 4, 2022, and consisted mostly of the District's finance team providing financial information supporting the District's position (as discussed above from the testimony of Romaneir Johnson) (Tr.122-24; DX 27).

The referendum vote was held on August 23, 2022, and it failed in a close vote (Tr. 126). Even the local newspaper, the *Tampa Bay Times*, urged voters to vote against the referendum in an editorial (DX 30). The District then

met again in executive session with the School Board to obtain authority for further bargaining in light of the failed referendum (Tr. 124-25; 128). By adjusting the allocation formula to reduce approximately 360 allocations (i.e., budgeted positions within the District), it was made possible to offer a one-level, recurring increase (Tr.124-25).

A bargaining session originally had been planned for September 7, but, at the District's request, a session was held on August 29, 2022 (Tr. 124-26; DX 27). At the August 29 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 (Tr. 127-28; DX 27). 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 (Tr. 132; DX 27). 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 (Tr. 130). 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 (Tr. 132; DX 27). The Union made no changes in its previous position at the August 29 session (Tr. 131).

Another session was held on September 13, 2022, and at the beginning of the session the Union passed out another MOU purporting to chart the items

on which there was agreement or disagreement (Tr. 131; DX 28). Somewhat surprisingly, as to Item No 7, the Union reverted to its original position as to the supplemental pay for employees with advanced degrees despite having apparently agreeing to only making such payments to individuals to whose positions such degrees apply (Tr. 132-33; DX 28).

The Union also asserted a request that when a teacher is required to assume coverage duty during a planning. Or to supervise students from a split or double up class, the teacher would be able to choose either compensatory time or \$30 per hour (Tr. 135-36). However, Shotwell testified that this provision already exists in the current collective bargaining agreement (Tr.135-36). The Union 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 (Tr. 136; DX 28).

As to the advanced degree supplement, Shotwell testified that the District already provides reimbursement through what is known as the education reimbursement supplement ("ERS") (Tr. 13 6-37). Under this program if an employee after hire goes back to school to get an advanced degree that would contribute to their teaching, they are reimbursed in four (4) increments totaling approximately \$12,000 (Tr.137).

At the conclusion of the September 13 session, there was some discussion as to whether there were going to be further negotiations on money

in language, in the Union stated that they had some work to do and would get back to the District with a bargaining date (Tr. 137-38; DX 28). The Union never got back with the District (Tr. 138).

At that point, the District was confused as to whether the parties were truly at impasse as the Union discussed having continued negotiations on money and language (Tr. 138). Accordingly, on October 5, 2022, District counsel Jeff Gibson emailed Mr. Picklesimer to confirm whether it was the Union's position that the parties were at impasse (Tr. 138; DX 29). Mr. Picklesimer replied the same day confirming the Union's position that the parties were at impasse (Tr. 138; DX 29). The District still remained willing to negotiate over money and language as of October 5 (Tr. 139).

Even the Union understands its case is weak. In a PowerPoint presentation to its members in September 2022, the Union admitted that "the simple arguments are in the District's favor" and "our case is winnable, but it's an uphill battle" (Tr. 139; DX 29). The Union's lack of movement on teacher salary and flip-flopping on the advanced degree supplement and premature declaration of impasse should have resulted in an unfair labor practice charge, but the District refrained in hope of a compromise.

## **REQUESTED RECOMMENDATIONS**

### ***Item Nos. 1 and 2 -- The Two-Step Increase***

As to the comparability issues, the District provided ample evidence that its teachers are the second most highly-compensated in the State. The District

spends the highest percentage of instructional expenditures as a percentage of total expenditures in the State. This is true against the backdrop of facing inordinately tough financial times. In financial terms as opposed to teacher compensation, the District ranks near the bottom of the largest districts in the state in terms of days cash on hand, liquid fund balance and the lack of voluntary millage.

Regarding ability to pay, the District presented compelling evidence of a history of operational deficits, declining fund balances. Even with a sound financial recovery plan, the District remains under the monthly monitoring of the State Department of Education. Most importantly, it presented evidence regarding the unpredictability of school finance and the exhaustion of ESSER funds that makes a large recurring expenditure financially unwise. Indeed, the District clearly negotiated in good faith whereas the Union engaged in what traditional labor lawyers call Boulwarism -- the Union never budged on Item Nos. 1 and 2. On the other hand, the District made an exhaustive effort to locate funds to make their reasonable offer of a one-step recurring increase and a one time second step. Where the Union stonewalled, the District continued to make movement through the negotiations.

Finally, as to public interest, both the voters and the local newspaper demonstrated that this factor weighs against the Union's position. The Union may argue that it was simply a matter of not wanting to pay additional taxes, but the voters' motivation is immaterial to the result here.

Based on the foregoing, the District respectfully requests the Special Magistrate recommend adoption of the District's position on Item Nos. 1 and

**2. *Item No. 6 – Advance Degree Supplement***

Although neither the District or Union presented evidence regarding the factors of comparability to other districts, ability to pay and/or public interest on this item, the District did present evidence of its ERS program which does provide a gratuitous (to the employee) reimbursement for those who choose after being hired to pursue an advanced degree. Additionally, the Union backtracked on its concession that any such payment should only be made to individuals who have an advanced degree which is required for the position they hold. It could be said it is not in the public interest that a math teacher with a PhD in psychology automatically should receive additional pay. The District requests that the Special Magistrate recommend that the District's ERS program provides a reasonable, if not generous, avenue for teachers to obtain advanced degrees through reimbursement. At a minimum, the District requests that the Special Magistrates recommend that the Union adhere to its position during bargaining that any such supplement be paid only to those whose advanced degree aligns with their position.

***Item No. 12 – Coverage Pay***

As with Item No. 7, neither party presented evidence on this item with regard to comparability, ability to pay or the public interest. However, the existing collective bargaining agreement between the parties addresses this

issue and provide for compensatory time to be paid under these circumstances. The District respectfully requests that the Special Magistrate recommend rejection of the Union's position on this item.

***Item No. 13 – Additional Pay for Paraprofessionals***

Neither the District nor the Union presented evidence on this item as to comparability, ability to pay or the public interest. The District did present evidence that paraprofessional pay already is negotiated in the collective bargaining agreement and that a large number of paraprofessionals who were making less than \$15 an hour received a substantial increase to the legislatively mandated minimum-wage of \$15 an hour. The District respectfully requests that the Special Magistrate recommend rejection of the Union's position on this item.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished on January 30, 2023, via email to: the Hon. James D. Stokes, Special Magistrate, 3425 Bayside Lakes Blvd., SE, Ste. 103-220, Palm Bay, FL 32909-6867; [jstokes@floridaneutral.org](mailto:jstokes@floridaneutral.org) and Mr. Graham Picklesimer, Executive Director, Hillsborough Classroom Teachers Association, 3102 N. Habana Avenue, Tampa, FL 33607; [graham.picklesimer@floridaea.org](mailto:graham.picklesimer@floridaea.org).

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