BEFORE THE INDIANA EDUCATION
EMPLOYMENT RELATIONS BOARD

In the Matter of the Impasse Between the: Flat Rock Hawcreek Teachers Association and Flat Rock Hawcreek School Corporation	)))))))))	IEERB No. F-13-02-0370

ORDER OF THE FACTFINDER ACCEPTING IDENTICAL LBO'S

Background:

Pursuant to Indiana Code § 20-29-8-7, on November 13, 2013, the IEERB appointed Bernard L. Pylitt as factfinder in the negotiations impasse between the Flat Rock Hawcreek Teachers Association and the Flat Rock Hawcreek School Corporation. Marvin Ward was appointed as financial consultant.

The fact finding hearing commenced by agreement of the parties on Tuesday, November 19, 2013 at 9:00 a.m. in the Board Room at the Flat Rock Hawcreek School located at 9423 N. State Road 9, Hope, IN 47246. Prior to the Rebuttal by the Teachers Association, the parties jointly requested a recess, and later represented that pursuant to 560 IAC 2-4-4 (b) they will present the factfinder with identical last best offers ("LBO's") on or before 4:00 p.m. on Thursday, November 21, 2013. Identical LBO's and supporting documentation were submitted in a timely fashion.

The LBO's were signed by Christopher Campbell, ISTA Uniserv Director, on behalf of Flat Rock Hawcreek Teachers Association, and by Amy Matthews, counsel for the Flat Rock Hawcreek School Corporation.

The Flat Rock Hawcreek School Corporation and the Flat Rock Hawcreek Teachers Association submitted identical LBO's with an assurance notification verifying their agreement does not place the employer in a position of deficit financing.

The length of the agreement at page 14 of the proposed Master Contract ("Agreement") indicates that it is effective as of August 1, 2013 and shall continue in effect through June 30, 2014. The previous contract expired July 31, 2013. Therefore, a new contract must begin August 1, 2013. The parties believe it is important that the contract period be re-set to end June 30, 2014, because of the requirement that a contract cannot extend beyond a budget biennium (and also because of the new fiscal year funding formula). These dates set up a scenario in 2014 where the parties can begin a cycle of contracts beginning July 1 and ending June 30, which is the new normal for

schools. A less than one year contract is not prohibited by law. Based upon the representations of the parties, the factfinder and financial consultant accept the agreed length of the Agreement. This does however create a unique situation of an 11 month contract which the IEERB should review in the future.

Findings and Conclusions:

1. This case presents a matter of first impression as to the processing of identical LBO's under 560 IAC 2-4-4 (b).

2. The level of review chosen and utilized by the factfinder Bernard L. Pylitt and financial consultant was to review the LBO's submitted by both parties to insure that the terms would not result in deficit financing and did not contain impermissible provisions under Indiana Code 29-20-6-4.5 et seq.

3. 560 IAC 2-4-4 (b) provides that if the parties in the fact-finding process are able to reach a settlement, they shall submit identical LBO's to the fact-finder, and the fact-finder shall impose the terms of the joint LBO as the contract. The regulation also requires that each party's LBO must contain a verification statement, as required by section 3.1 of this rule.

4. Both parties submitted identical LBO's to settle the contract electronically on November 21, 2013 pursuant to 560 IAC 2-4-4 (b).

5. All items covered in the identical LBO's are items permitted to be bargained under Indiana Code § 20-29-6-4.

6. Both parties submitted verification the agreement does not place the employer in a position of deficit financing due to a reduction in the employer's actual general fund revenue or an increase in the employer's expenditures when the expenditures exceed the employer's current year actual general fund revenue.

Order:

The factfinder accepts the identical last best offers submitted by the Flat Rock Hawcreek School Corporation and the Flat Rock Hawcreek Teachers Association as the Flat Rock School Corporation contract for August 1, 2013 through June 30, 2014.

Postscript:

Caleb Thomas Pylitt was born in Florida during the factfinding hearing. Everyone is doing well and at home.

Bernard L. Pylitt
November 22, 2013

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