

1995

# A study to determine the impact of interest-based bargaining in public school systems on mandated costs charged to the state of California

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A STUDY TO DETERMINE THE IMPACT OF  
INTEREST-BASED BARGAINING IN PUBLIC SCHOOL SYSTEMS  
ON MANDATED COSTS CHARGED TO  
THE STATE OF CALIFORNIA

A Thesis  
Presented to  
the Faculty of the Division of Technology  
San José State University

In Partial Fulfillment  
of the Requirements for the Degree  
Master of Arts

by  
T. Roger Evans  
May, 1995

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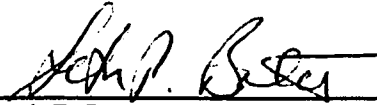
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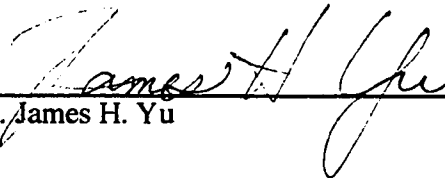
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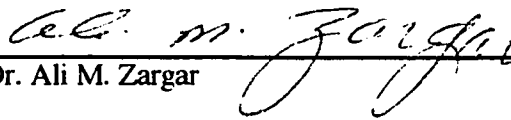
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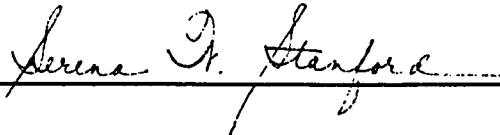


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## ABSTRACT

### A STUDY TO DETERMINE THE IMPACT OF INTEREST-BASED BARGAINING IN PUBLIC SCHOOL SYSTEMS ON MANDATED COSTS CHARGED TO THE STATE OF CALIFORNIA

by T. Roger Evans

This study examines the changes in costs of collective bargaining in school districts that moved from confrontational bargaining to interest-based bargaining. Confrontational bargaining is viewed as an expensive, time consuming, relationship damaging process, and is a poor use of the limited dollars available for educating public school students. Training in a more collaborative form of collective bargaining would allow a district to resolve labor issues while preserving key relationships necessary for the progress of the educational agenda of the district.

This research indicates that training in interest-based bargaining techniques and skills did not significantly change the costs of collective bargaining to the school districts. It did, however, find that need for outside intervention for dispute resolution was reduced, resulting in cost-savings to the State. The school districts studied received training by the Public Employment Relations Board or the California Foundation for the Improvement of Employer-Employee Relations.



## Acknowledgement

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With love and appreciation, I want to thank my son and daughter, Denny and Amy, for their support and encouragement; my mother and father, Tom and Naidene, who constantly remind me by example that learning is a life-long activity; and, my wife Toni. Your patience and strength has always been my inspiration.

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CHAPTER 1  
PROBLEM DEFINITION

Introduction

Collective bargaining for public school teachers did not exist until 1976 in California. Prior to 1976, employer-employee relations were regulated by the Winton Act. This law mandated that management and union representatives were to meet and discuss working conditions and related issues. The basis of the discussions was a document referred to as the rules and regulations of the district. If mutual agreement could be reached, the appropriate section(s) of the document would be revised. If mutual agreement could not be reached, the management position would be incorporated into the document.

Proportional representation was a part of the Winton Act that made the law particularly troublesome for the school districts and unions (J. Walden, personal communication, January, 1995). As observed by Geffner (1971):

. . . I have not been able to find the correct description for the Winton Act. It is an absolute impossibility in terms of traditional concepts of collective bargaining. Its concept of *proportional representation* [italics added] between rival organizations acting on a negotiating council to sit down and negotiate with a school board is an absolute absurdity. It is just impossible to function. You just can't get rival organizations such as the CTA [California Teachers Association] and the AFT [American Federation of Teachers], as well as many smaller professional and specialized associations and organizations in the school district, to sit down and somehow harmonize their differences and forget their organizational rivalry and negotiate with the school district (p. 36).

The Winton Act was known as a "meet and confer" law. According to Shaw (1971):

The legislative history may reveal the reason why the California law uses the term "confer" instead of the term "bargain" or "negotiate," but without the benefit of reading this legislative history--if, indeed, it exists--I would hazard a guess that the draftsmen of the law were of the opinion that the right to confer was simply the right to express a point of view as distinguished from the accepted meaning of the terms "bargain" or "negotiate" (p. 16).

The unilateral power relationship coded into the law by the Winton Act appeared to be the cause of increasing labor unrest in school districts. This unrest became most visible in the major urban/suburban school districts. For example in 1970, the United Teachers Los Angeles went on strike for nearly a month. With the help of a mediator, the union and the district negotiated a satisfactory agreement that was binding on both parties. The Superior Court for the County of Los Angeles ruled against the agreement finding that the union ". . . was not an entity which was legally qualified to enter into a contract . . ." (Shaw, 1971, p. 15). The Court also held that ". . . the binding-arbitration procedure was also an unlawful delegation of the authority of the School District under the Winton Act" (Geffner, 1971, p. 37). A parallel situation had been occurring in other urban areas around the United States, particularly in the East and Midwest. By the late sixties and into the early seventies, collective bargaining laws were passed that gave teacher unions in many Eastern and Midwestern states (and Hawaii) the right to bargain bilateral contracts with their employers. "Unless the law reflects the needs of the people, then the law will either be ignored or violated or it will be changed" (Taylor, 1971, p. 53).

The 1975 passage of the Rodda Act, effective April 1, 1976, California's kindergarten-through-14th-grade public school employee collective bargaining law, set into motion changes in the labor relations in most school districts and significant modifications in the large urban/suburban districts. At the same time the districts were adjusting to the

new law, the state was responsible for establishing an Educational Employment Relations Board to oversee implementation of the law and to deal with labor disputes that became deadlocked--reached impasse--in the local districts. (This entity has since become the Public Employment Relations Board in 1978 after non-educational public employees also secured the right to bargain.)

The passage of a collective bargaining law for public school employees was met with some resistance in the education community and elsewhere. Evans (1978) observed ". . . some items were difficult to bargain at the district level. . . . difficulties . . . can arise when there is (or [is] supposed to be) a power relationship change." Those who supported the law felt that as each district became comfortable working with it, problems would decrease and more attention could be focused on educating students and less on labor issues. However, this was not to be. Instead of smoother labor relationships in the districts, the relationships became even rougher. Unions increased their skills and training in confrontational methods. Management hired labor attorneys or professional negotiators and received training in adversarial methods to use when bargaining with their unions.

The Public Employment Relations Board had anticipated and received an early flurry of cases. The expectation was that as districts were learning to work within the new law, there would be many cases brought to the Board for adjudication. The Board also anticipated that after a few years, their work load would decrease as the districts became more skilled working with the new law. They would be able to resolve their problems at the local level resulting in fewer problems going to the Board. By the mid-eighties it became obvious to the staff of the Public Employment Relations Board that their case loads were not leveling off or decreasing, but growing. A ramification of this increased work for the Board is the increased mandated costs the school districts were generating to be paid for by the state government (See Appendix B). By the time a case came to the Board, a series



of required steps had to be taken by the district submitting the case, all of which raised the costs of bargaining, hence the mandated costs billed to the state. At the local level the concern was not so much the cost, but the toll on the people involved with confrontational bargaining. Barber (1993, p. 69) stated that ". . . investigators determined that the way in which we engage in collective bargaining and employer-employee relations left practitioners fatigued and either presumed or resulted in an *adversarial relationship* [italics added] between employer and employee (most usually articulated through the employees' union)." It should be noted that this type of bargaining not only impacted the professional educators, but also the broader educational community, which included parents, students and involved community leaders.

A small group of Public Employment Relations Board staff and Board members began informally discussing these school district labor-management conflicts and posited that there must be a better way to negotiate contracts. These discussions led to the development of a pilot training course for district management and union teams which was intended to train the participants in non-confrontational bargaining. The pilot course during the summer of 1989 seemed to be successful and several more sessions were offered and taken by interested participants during the 1989-90 school year.

The courses being offered by the Public Employment Relations Board continued to be popular and apparently successful when it became necessary to move this training program out of the Board's jurisdiction into a foundation. Currently the training is under the auspices of the California Foundation for Improvement of Employer-Employee Relations (CFIER). (See Appendix C for chronology of CFIER.)

### Statement of the Problem

This research proposes to compare the mandated costs for collective bargaining claimed by California public school districts before participating in interest-based bargaining training to their costs claimed after interest-based bargaining training.

### Research Hypothesis

The mandated costs reported to the State of California which are incurred by the districts in the years immediately preceding their interest-based bargaining training will be significantly higher than after the training.

### Significance of the Study

Collective bargaining has the reputation of being an expensive, unproductive, and time-consuming endeavor for public school officials. It is also recognized that it would be neither possible nor wise to turn back the clock to a type of negotiations that left the legal power relationship such that management could act unilaterally. "At its best, collective bargaining offers the same advantages to the public sector as it does to the private sector" (Abbott, Chisholm, & Rose, 1992, p. 3). They further state:

It provides a mechanism for developing agreements concerning workplace operations; jointly sets compensation and working conditions; provides for due process in dealing with individual problems'; reflects our society's democratic values; and mirrors our constitutional system of checks and balances. (p. 3)

It is possible to continue an adversarial type of bargaining; but not necessarily wise if there is a better and/or less costly way of reaching contract agreements. If it can be shown that there is a significant cost savings to the State of California in districts using interest-based bargaining, this study could have value to the decision-makers who allocate resources for public education.

### Limitations of the Research

This study will only analyze data from or about the California kindergarten through 12th grade public school system.

This study will not analyze data from districts that have received training other than that provided by the Public Employment Relations Board or the California Foundation for Improvement of Employer-Employee Relations.

### Definitions of Terms

Deflator. The implicit price deflator for the costs of goods and services to governmental agencies, as determined by the California Department of Finance.

Education Community. A term that includes all employees in a school district, but also the students, parents, businesses and other residents within the district boundaries.

K - 12. Refers to public schools that include kindergarten to the 12th grade.

Mandated Cost. Expenses incurred by a school district in fulfilling a legislative mandate to expand an existing program or institute a new program. The expenses are charged to the State of California.

### Abbreviations

AFT is an abbreviation for the American Federation of Teachers

CB is an abbreviation for collective bargaining.

CFIER is an acronym for the California Foundation for Improvement of Employer-Employee Relations. (Pronounced "see-fire.")

CTA is an abbreviation for the California Teachers Association

EERA is an abbreviation for Educational Employment Relations Act. This is the same law that is referred to as the Rodda Act.

JPS is an abbreviation for joint problem solving.

PB is an abbreviation for pure bargaining.

PERB is an abbreviation for the California Public Employment Relations Board.

QWL is an abbreviation for Quality of Work Life.

## CHAPTER 2

### REVIEW OF THE RELATED LITERATURE

#### Negotiating Without Giving In

Negotiating is a way of life for most of us. We negotiate on a personal level with family, friends, and strangers. We may also be part of a formal labor-management negotiations process. California's collective bargaining law for school employees did not mandate confrontational bargaining, but it is modeled after private sector, industrial based labor law. The industrial model is viewed as confrontational by some because they believe that one party wins because the other gives in. Fisher and Ury (1981, p. 6) believe that this type of bargaining, also called positional bargaining, is inefficient:

The standard method of negotiation may produce either agreement . . . or breakdown . . . . In either event, the process takes a lot of time. . . . Positional bargaining becomes a contest of will. Each negotiator asserts what he will and won't do. The task of jointly devising an acceptable solution tends to become a battle. Each side tries through sheer will power to force the other to change its position. . . . Positional bargaining thus strains and sometimes shatters the relationship between the parties.

People feel that this traditional type of bargaining puts them in a difficult position.

Again quoting from Fisher and Ury (1981, p. xii):

They see two ways to negotiate: soft or hard. The soft negotiator wants to avoid personal conflict and so makes concessions readily in order to reach agreement. He wants an amicable resolution; yet he often ends up exploited and feeling bitter. The hard negotiator sees any situation as a contest of wills in which the side that takes the more extreme positions and holds out longer fares better. He wants to win; yet

he often ends up producing an equally hard response which exhausts him and his resources and harms his relationship with the other side. Other standard negotiating strategies fall between hard and soft, but each involves an attempted trade-off between getting what you want and getting along with people.

There is a third way that is neither hard nor soft. The Harvard Negotiation Project (Appendix D) developed a method of *principled negotiation* that provide a third alternative to the hard and soft positional style of bargaining. Fisher and Ury (1981) believe that the principled negotiation alternative can be reduced to four basic points:

These four points define a straightforward method of negotiation that can be used under almost any circumstance. Each point deals with a basic element of negotiation, and suggests what you should do about it.

- People: Separate the people from the problem.
- Interests: Focus on interests, not positions.
- Options: Generate a variety of possibilities before deciding what to do.
- Criteria: Insist that the result be based on some objective standard. (p. 11)

What the parties need to do in principled negotiations is to focus on their interests and avoid developing positions.

Schoonmaker (1989, p. 294) comments in his list of recommended reading that *Getting To Yes* is a "well-written and useful guide to joint problem solving, but one that essentially ignores conflict. It is also oversimplified; they claim there are only four basic principles." He views bargaining and problem solving as opposites on a continuum. "There are two diametrically apposed approaches: pure bargaining (PB) and joint problem solving (JPS). PB is a way to cut up a pie; who gets what? The more you get, the less I get. JPS is a method for making the pie bigger so we both get more. JPS seems clearly superior so concentrating on it should benefit everyone" (p. 7). Even though the preceding

statement would seem to contradict Schoonmaker's opinion of *Getting To Yes* problem solving, he makes a strong case for PB as the only way to resolve conflict in many situations.

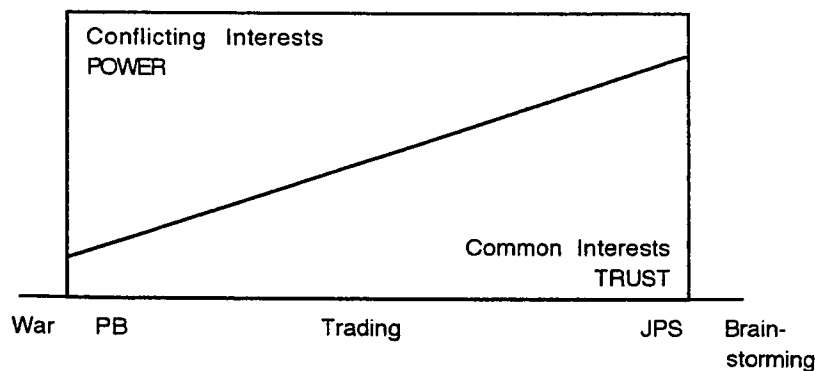


Figure 1. Contrasting the approaches (Schoonmaker, 1989, p. 9).

The figure above shows that PB and JPS are indeed at opposite ends of a continuum. Schoonmaker believes that bargaining and problem solving are not only at opposite ends on a continuum, but incompatible. "Most actions that support one detract from the other. Ultimately bargaining is based on power, while problem solving is based on trust and information, and *almost everything that builds power reduces trust and the flow of information and vice versa*" (p. 8). PB is a win-lose game and JPS is a win-win game. In case there is any doubt in the reader's mind about the opinion of the author on the role of PB and JPS, he states:

Some people, including a few alleged authorities, claim that one should always strive for a win-win approach. Such exhortations are naive, childish, and cowardly. The people making them simply lack the courage to face the reality that there are genuine conflicts of interest, that wars, strikes, and lawsuits are facts of life. Alas, some of these naive people have reached extremely high positions, including the American presidency. (p. 10)

Another way to look at the continuum of negotiations is in relation to transaction costs (money, emotional energy, and time spent disputing), satisfaction, relationship effects, and dispute recurrence. Ury, Brett, and Goldberg argue that "in general, reconciling interests costs less and yields more satisfactory results than determining who is right, which in turn costs less and satisfies more than determining who is more powerful" (1988, p. 4). They point out that an ". . . interests-based approach can help uncover hidden problems, it can help the parties identify which issues are of greater concern to one than to the other" (p. 13). This is not to say that an interest-based approach is quicker than other methods of dispute resolution. It may take quite a long time, depending on the nature of the dispute. The transaction costs are definitely less than the costs of engaging in a power contest such as a strike.

"In sum, focusing on interests, compared to focusing on rights or power, tends to produce higher satisfaction with outcomes, better working relationships and less recurrence, and may also incur lower transaction costs" (Ury, Brett, & Goldberg, 1988, p. 14).

An interest approach to bargaining appears to have significant merit, but it cannot be the only focus. If the parties involved have unequal distribution of power, it may not be possible for the weaker party to get the stronger party to the bargaining table to begin to discuss interests. In other situations, resolving rights may be preferable to resolving interests. For example, resolving a dispute at the bargaining table and incorporating it into a local contract will only affect those directly involved. If, however, an unfair labor practice charge is filed with California's Public Employment Relations Board, the ruling will have a legal impact on all bargaining in California school districts.

As Ury, Brett, and Goldberg (1988, p. 18) point out, "not all disputes can be--or should be--resolved by reconciling interests. Rights and power procedures can sometimes



accomplish what interests-based procedures cannot." They also make the point that power procedures and rights procedures are often used when it is *not necessary* to do so.

The outcomes of negotiation can sometimes be viewed as a balance between competing interests. Not in the sense of positional bargaining where a compromise is reached by both sides giving up something, but was agreement reached fairly. As stated by Albin (1993, p. 250), "agreements viewed as fair at their conclusion have a better chance of enduring than outcomes resulting from a mere confrontation of skill and power in negotiations."

The field of conflict resolution is often criticized as being utopian. With some justification, the critics say that real conflicts of interest, such as those between labor and management or between Arabs and Israelis, cannot be solved: they are intractable. Dispute systems design offers a practical response. It does not aim to eliminate conflict but simply to resolve at low cost the resulting disputes. (Ury, Brett, & Goldberg, 1988, p. 172)

Win-win bargaining, joint problem solving, collaborative bargaining, and interest-based bargaining are sometimes considered to be synonymous. This study will not consider those terms synonymous. As pointed out by Barber (1993, p. 69), "Accurately called *interest based negotiations*, rather than *win-win* or *collaborative bargaining*, this collection of principles and practices is quite contrary to the traditional heritage of employer and employee relationships. The interest based approach eventually erupts in trust, understanding, and mutual commitment . . ."

Interest-based bargaining and principled negotiations will be used in the context and understanding of the CFIER mission and purpose (Walden, 1994, January, p. 7).

The California Foundation for Improvement of Employer-Employee Relations (CFIER) is dedicated to the transformation of public education through building effective relationships and partnerships, and by the establishment of "interest" or "principled" approaches to resolving conflict and crafting solutions to the complex and challenging issues facing the education community. . . .

### Building Relationships

"In the . . . program, however, school boards and their staff members build relationships and resolve problems to pave the way for . . . the most important common goal: to provide the best education system possible, given the resources available" (Henderson, 1993, p. 316).

Further work with the Harvard Negotiation Project has shown Roger Fisher that it is important to build a relationship while negotiations progress. It is necessary to recognize which are relationship issues and which are substantive issues. According to Fisher and Brown (1988, p. 16):

In every situation we have two kinds of concerns: the way we handle the situation - - process -- and the results -- substance. Process and substance are distinct but related: one affects the other. . . . Competing and changing interests create problems. The working relationship we need is one that produces a solution that satisfies the competing interests as well as possible, with little waste, in a way that appears legitimate in the eyes of each of the parties. The solution should also be durable and efficiently reached.

Incorporating concepts from *Getting Together*, CFIER supports the following (Walden, 1994, June, p. 1):

Principles of an effective labor-management relationship:

1. Use an **interest based** approach
2. **Rationality** will balance emotion with reason
3. Seek first to **understand**, then to be understood
4. Use principled **communications**
5. Demonstrate **reliability** by being wholly trustworthy--not wholly trusting
6. Use **persuasion vs. coercion**
7. Be unconditionally **accepting**
8. Separate **relationship from substance**

In collective bargaining, private or public, the relationships within the groups are also important. Teams are formed to bargain for the group and need to be accountable to constituencies. The culture of management and labor dictates a different orientation to their team structure. Ancona, Friedman and Kolb (1991) noted that ". . . the authority

relationship between management . . . teams and their constituent groups is based primarily on hierarchy, while the authority relationship between union . . . teams and their constituents is based primarily on politics." The culture and value differences are so great, that it seems as if labor and management are from different countries. Abbott and Rose used the following figure to help get to what they believe to be the root cause of many labor-management problems.

<b>Cultural Attributes</b>	
<b>Union Country</b>	<b>Management Country</b>
Egalitarian	Hierarchical
Democratic decision-making	Factual decision-making
Brotherhood, mutual protection	Individualism, competition
Seniority	Performance
Challenge	Control
Pay and benefits	Profit
QWL	Productivity
Past and precedent	Now, what works
Rules	Flexibility

Figure 2. Labor-management cultural differences (Abbott and Rose, 1991, p. 7).

When two parties have different values but *do not* know what each others' are, there is a level of unpredictability in the relationship which leads to distrust. When two parties have different values and *do* know what they are, the very predictability of difference [may] produce distrust. (Abbott and Rose, 1991, p. 8)

Gemmill and Elmes, in discussing a psychodynamic theory of intergroup relations note that . . . "Ethnocentrism, paralleling *egocentrism*, refers to the observed tendency of a group to evaluate other groups in reference to itself and to view itself as superior to other groups." (1993, p. 45)

Ancona et al. (1991) also observed "If negotiators get too close to opponents, constituents become suspicious, monitor the negotiators, and thereby reduce their flexibility to act and produce a good agreement."

The problem of dealing with constituencies was given careful attention by the PERB/CFIER trainers of the labor-management teams in this study.

### Meeting Needs

As recently as October, 1991, bargaining is still clearly perceived by some researchers as a problem of give and take rather than mutual gains. Ross and Stillinger (1991) state that ". . . each party seeks to trade something it values for something it values more . . ." Also, Robbins (1992, p. 183) in discussing compromise in his chapter on conflict states "In negotiations between unions and management, compromise is required in order to reach a settlement and agree upon a labor contract."

Another way of looking at that is to return to the pie analogy. The bigger the piece of pie one gets the smaller the piece left for the other. Interest-based negotiations suggest to the contrary, that together a bigger pie can be created and all will get a bigger piece. Solving a problem to get a bigger piece, as posited by Avruck and Black (1990) ". . . entails a special sort of cognitive task called problem-solving, leading to the discovery or creation of choices that mutually benefit all parties to the conflict."

In order for a mutual benefit to occur, both sides must be aware of the needs of the other side. Meeting those needs will go a long way toward a mutually beneficial outcome. Goldman (1991, p.7) observes in reference to needs that ". . . the significance of this element seems obvious enough. (Indeed, the surprising thing is that much that is published about the subject says little or nothing about the importance of this factor.)"

Meeting the needs of the other side is possible by using an interest-based approach to collective bargaining. However, positional or confrontational bargaining is deeply

ingrained in the labor-management relationships in most California school districts. It will take time and effort to change those relationships.

### Paradigm Shift

In the public and private sectors, there are attempts to shift the confrontational bargaining paradigm to a more cooperative approach. Abbott observes that:

. . . many union and management leaders have come to the conclusion that the traditional forms and assumptions of adversarial labor relations are a luxury they can no longer afford. Whether the motive is economic survival, responsiveness to public pressure, the desire to find a better way, or simply battle fatigue, a major change has been under way. (1990, p. 1)

When some Public Employment Relations Board (PERB) employees began to analyze their case loads, they discovered that not only had the number of cases continued to rise, but they appeared to be coming from the same employers and unions. What were the factors that allowed so many school districts to bargain successfully without third party intervention, while others routinely needed assistance? As reported by Glaser and Tamm ". . . PERB surveyed 1,300 management and labor representatives to identify labor-management trends." (1991, p. 22) Good bargaining relationships, as shown by the survey, had several factors in common. ". . . Mutual commitment to problem solving, a practice of readily shared information, a willingness to listen to the other side with an open mind, and a willingness to understand each other's point of view" (p. 23). The issue of trust also emerged from the survey results. PERB learned that in the districts with positive bargaining experiences, the labor and management representatives believed they could trust each other.

The importance of trust is certainly not limited to California school district negotiations. An example is Montgomery Township school district in central New Jersey. In 1989, it took 11 months to negotiate a contract. Henderson (1993, p. 314) believes "the delay was caused by *distrust* (italics added) on both sides and an inability to resolve several

minor but important contract language issues collaboratively."

"CFIER (sé fire) n. A coalition committed to shifting the labor relations paradigm" (Barber, 1992, p. 1), is a definition from the first issue of *Viewpoints*. Appendix C outlines the evolution of the PERB staff concerns and research to the current CFIER commitment to improving labor-management relations in California's schools.

The PERB/CFIER training programs are designed to provide the basis for the paradigm shift from positional to interest-based negotiations for the participating labor-management teams. As Abbott, Chisholm, and Rose observed (1992):

The interest-based approach to negotiations and problem-solving seems particularly attractive to program participants because the approach feels congruent with the style, organizational philosophies and premises of the education sector. Districts which succeed in moving from power based decision-making and negotiations to a system based on rational criteria and honoring parties' needs are modeling--for children in the classroom--a conflict resolution process strikingly similar to the one that administrators and employees would and do urge the children to use when disputes arise on the playground (p. 11).

Conflict is a natural part of collective bargaining. Interest-based bargaining skill development does not eliminate conflict. It does, however, provide techniques to resolve conflicts without confrontation. Schoonmaker (1989, p. 10) observes that conflict is inevitable and infers that confrontational (pure) bargaining is the only non-cowardly way to resolve the conflict. Careful reading of *Getting To Yes* (Fisher & Ury, 1981), *Getting Together* (Fisher & Brown, 1988), and published reports on CFIER training, programs, and policies, clearly indicate that interest-based negotiations *do not* avoid conflict resolution issues. If value-laden terms such as bravely or cowardly are to be used, it could be argued that "brave" is the better description of those willing to change from the traditional power-based bargaining to a non-traditional method of bargaining. As Abbott observes (1990):

So far as . . . the capability of the new approaches to achieve shared goals . . . is concerned, the parties themselves make their own decisions--and often do so with trepidation. Management fears loss of control, slower decision-making, and reduced productivity. Unions fear loss of independent authority, co-optation to

"management's agenda" and the defection of members as a result. The parties have to overcome decades of conditioning. (p. 3)

In concluding a paper on the transformative practice of public conflict resolution, a professor and mediator notes that ". . . Can anyone believe that . . . a world can ever be constituted or maintained without a capacity for engaging different viewpoints, confronting difficult issues, and resolving difficult problems? Public conflict resolution offers a unique challenge, and opportunity, to help build this capacity" (Dukes, 1993, p. 54). There is certainly no public arena that has more differing viewpoints, difficult issues, and difficult problems to resolve than public education.

There is a great deal of debate nationally, state-wide, and locally on the direction of change in the public schools. There is, however, very little disagreement that change is necessary. As the needs of students, their families, and society change, the schools will need to change (or reform) to fulfill its role in the 21st Century. "Indeed, improved employee and labor relations are seen by many as one of the most significant 'gates' to reform. If the gate remains closed, the system cannot pass through and major change will not be achievable" (Abbott, Chisholm, & Rose, 1992, p. 3).

If traditional collective bargaining is viewed as an obstruction to meaningful reform, is interest-based bargaining a means of assisting reform? Wishnick and Wishnick (1993, p.1) observe that "teachers and administrators are beginning to recognize that the problems facing public education may be resolved only if they work together in a cooperative fashion." Their study of a large California school district that changed from confrontational labor relations to a collaborative model, led them to assert that "once free from the ritualistic practices of traditional labor relations, teachers and administrators may be able to take risks in developing reforms in governance, curricula, and the delivery of instruction" (p. 9).

Is interest-based negotiation a better method of collective bargaining for those labor-management teams that have received PERB/CFIER training than the traditional method it

replaced? There is a growing body of evidence to say that it is. Better is usually defined in terms of the relationship of the parties to each other rather than how much time (increase or decrease) or money (more expensive or less expensive) it took to reach agreements. If the relationship of the parties is good, it can be posited that there will be less need for third party intervention to resolve disputes.

Analyses of PERB case filings (third party intervention) is one way of determining if the relationship is good. Chisholm and Tamm (1993) studied the three major types of cases filed under the collective bargaining law. Unfair practice charges, request for impasse determination/appointment of a mediator, and requests for factfinding. The first type is filed when one party believes the other party has violated the law. The second type is filed when further negotiations are considered futile by one or both parties. The final type can be filed by either side in the dispute if agreement cannot be reached and the mediator certifies that further mediation would not be productive. They found a statistically significant reduction in filings among those receiving PERB/CFIER training.

"First, the overall reduction in the rate of PERB filings among the 94 relationships examined is 67 per cent (or 74 per cent with extremes deleted). Second, those relationships that have used the new skills for the longest amount of time have reduced their PERB filings by an average of 85 per cent" (p. 6).

Concerned that the above data may reflect a general trend that was not related to receiving or not receiving PERB/CFIER training, Chisholm and Tamm examined filings from all parties covered under the Educational Employment Relations Act (EERA). They did find an overall reduction in filings of 23 per cent (1993, p. 6), but not the significantly greater reduction experienced by the PERB/CFIER trained sample. The PERB/CFIER sample would have impacted the overall rate since those labor-management relationships are part of the group generating the largest numbers of filings.



Abbott, Chisholm, and Rose observe that:

The earliest Districts to participate in the [PERB/CFIER] program continue to report progress, albeit with occasional hiccups and setbacks. Most, however, are conscious of the need to work actively to sustain the improvements registered in early days. During and after the program, there is an emphasis on the importance of stick-to-it-iveness and on working for a permanent improvement in labor-management relations based on institutionalization of new process and relationship principles and ground rules. Most participants have found that the new approach requires both more effort and time than their old methods. Most, however, seem to regard it as well worthwhile. (1992, p. 12)

An attorney working in dispute resolution notes that "the CFIER project is the first major attempt in the California public sector to redirect scarce resources into dispute avoidance, rather than allowing the continuation of expenditures on litigation, unfair practice charges, arbitration, and other traditional forms of dispute resolution" (Kay, 1991, p. 11).

#### Literature Summary

The literature revealed an interest in the private and public sectors to change the process of collective bargaining from being exclusively positional to an interest-based approach. The positional or traditional style of labor relations is still assumed by some authors to be the only practical method of resolving labor-management conflicts. There is, however, a growing body of research to support the efficacy of using an interest approach to resolving conflict. The interest approach in resolving collective bargaining conflicts in the public school systems in California may be a key to the potential success or failure of its schools to make the necessary changes required by an increasingly diverse population.

## CHAPTER 3 METHODOLOGY

### Research Design

The methods and procedures that will be used in this study are analytical. As Leedy (1988, p. 174) indicates, "in the analytical survey, we are concerned primarily with *problems of estimation* and with *testing statistically[-]based hypotheses*."

The data for this research will be the costs of collective bargaining as reported to the State Controller's Office on Form CB-1 (line 04, Total Rodda Act Direct Costs) of the School Mandated Cost Manual.

The data needed are (a) the names of the California public school districts which have completed interest-based bargaining training prior to January 1991, (b) the mandated costs incurred by these districts in collective bargaining during the three or four years preceding their training, and (c) the mandated costs incurred by these districts in collective bargaining during the years following their training.

Collective bargaining in most districts is cyclical and the related mandated costs incurred may reflect this phenomenon. Bargaining a successor agreement to a multiple-year contract typically is a longer, more involved process than annual negotiations on a small number of reopened issues. This is not to say that the reopened issues are not important or difficult to negotiate, e.g., wage adjustments or health benefits. Because of bargaining cycles, this research will analyze data from at least three years preceding the PERB/CFIER training to increase the probability of one complete contract negotiation year

being included.

In order to have sufficient post-training data to analyze, it is important to have at least two years of mandated cost information from the school districts being studied. By limiting this research to districts that received training on or before December, 1990, there will be a minimum of two years of mandated cost information to analyze following their PERB/CFIER training.

#### Target Population

There are 20 California public school districts that have received PERB/CFIER training prior to January, 1991. These districts are not intended to be representative of all public school districts in California or the United States. Participating in PERB/CFIER training is voluntary on the part of the school districts and their employee union(s). PERB/CFIER training is available to any California public school district which requests it and agrees to the fees that will be charged. Elementary districts with grades kindergarten through eighth grade, high school districts with grades 9 through 12, unified school districts with kindergarten through 12th-grade, and community colleges with grades 13 and 14 are eligible to be trained.

Twenty districts participated in PERB/CFIER training prior to January, 1991. Three of the twenty are community college districts and are excluded from this study. One of the 17 remaining districts was reconfigured after the training making the before and after comparison of mandated-costs invalid. This research will target the remaining 16 districts.

#### Statistical Analysis

All public school districts in California may submit to the State Controller's Office a *Mandated Costs Collective Bargaining Claim Summary* (Form CB-1, see below) with supporting documents. This request for reimbursement is usually filed with the State Controller in November following the close of the fiscal year for which reimbursement is

being claimed.

The total Rodda Act direct costs as reported on Form CB-1 will be used for the before and after training analysis of each district. (See Appendix B for a detailed explanation of the mandated costs reimbursement process and a copy of Form CB-1.)

All mathematical and statistical analyses of data will be accomplished by using *MINITAB statistical software, Release 8.2 Accelerated, Macintosh version* and appropriate data tables (Triola, 1992). The average mandated cost for collective bargaining will be calculated for each district prior to PERB/CFIER training and after training. The before and after costs will be tested to determine if there is a significant difference. A nonparametric test such as a sign test could be used. "If the two sets of data have equal medians, the number of positive signs should be approximately equal to the number of negative signs" (Triola, 1992, p. 589). This sign test recognizes the differences, but ignores the magnitude of the differences. The Wilcoxon signed-ranks test is sensitive to the magnitude of the difference in costs and is more likely to be correct. Therefore, it will be used to analyze these data. When using a sign test, the researcher should check to ensure that the circumstances warrant the conclusion being reached. "It is only when the sense of the sample data is *against* the null hypothesis that we should even consider rejecting it. If the sense of the data supports the null hypothesis, we should fail to reject it regardless of the test statistic and critical value" (Triola, 1992, p. 590).

If the sense of the data is against the null hypothesis, a table of critical values will be used. In this research  $n = 16$ ; therefore the table of critical values of  $T$  (the smaller of the sum of the ranks) for the Wilcoxon Signed-Rank Test is used to find the critical values of  $T$ . The value of  $T$  is 36 for  $n = 16$  at an alpha of .05 for a one tail-test. Reject the null hypothesis if the test statistic  $T$  is less than or equal to the critical value 36 from the Critical Values of  $T$  for the Wilcoxon Signed-Ranks Test table (see Appendix E).

The original claim that the cost of collective bargaining was greater before PERB/CFIER training will become the alternate hypothesis. The null will be that the cost of collective bargaining was less than or equal to the cost after training. When making claims, ". . . we should arrange the null and alternative hypotheses so that the most serious error is a type I error (rejecting a true null hypothesis)" (Triola, 1992, p. 336).

Null Hypothesis: The average annual cost of bargaining before interest-based training will be equal to or less than the average annual cost of bargaining after training.

Alternate Hypothesis: The average annual cost of bargaining before interest-based training will be greater than the average annual cost of bargaining after training.

The dollar amount on Form CB-1 (Mandated Costs Collective Bargaining Claim Summary), line 04, represents what the district believes to be its total cost of bargaining. Various adjustments to that figure are made by the district before their request is submitted to the State Controller's Office on Form FAM-27 (Collective Bargaining Claim For Payment) along with CB-1 and all supporting documentation. The personnel in the Controller's Office will then audit the district's figures, make adjustments as needed, and authorize payment.

In 1986-87, Form CB-1 was not used and only an early version of Form FAM-27 plus supporting documentation was sent to the Controller's Office. In 1986-87 the dollar amounts from line 2a, Reimbursement Claim, were used for this study.

The data for all districts for the year they received the initial PERB/CFIER training was excluded. The districts received their training during 1989-90 or 1990-91. Five districts had data for three years prior to training and for three years after training. The remaining 11 districts had data for four years prior to training and for two years after training. The training year was excluded from the before and after calculation.

The data was tested as reported on FAM-27 or CB-1. The data was also tested after

being adjusted by a price deflator. (The implicit price deflator for the costs of goods and services to governmental agencies as calculated by the Department of Finance was used. The Department of Finance uses data published in the *Survey of Current Business*, by the U.S. Department of Commerce, Economics and Statistics Administration Bureau of Economic Analysis. The deflator is adjusted to a fiscal year.) Table 1 contains the deflator data that was used.

#### Result of Statistical Test

The Wilcoxon signed-ranks test of the data as reported to the State Controller's office is shown in Table 2. The Wilcoxon signed-ranks test of the data as adjusted by the deflator is shown in Table 3.

The Wilcoxon statistic is greater than  $T$  in Table 2 therefore the conclusion is to fail to reject the null hypothesis. The Wilcoxon statistic is greater than  $T$  in Table 3; therefore, the conclusion is to fail to reject the null hypothesis.

#### Analysis of Threats to Validity

The data for 1986-87 was taken exclusively from FAM-27 for that year. By using the FAM-27 data, is the researcher making a valid comparison with the data obtained from CB-1? Some of the districts provided copies of both forms for some of the years included in this study. Comparing the data from CB-1, line 04, with FAM-27, line 2a, showed that FAM-27 was a larger figure in some years in some districts and the CB-1 figure was the larger in some years in some districts. A Wilcoxon signed-ranks test was made of the data without including the 1986-87 costs in the before training averages.

The data being used is what the districts reported was their total Rodda Act costs. Audited data was available for some years for some districts, but this study analyzed only original district claimed costs. Some of the audited data that was available, however,

Table 1

Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies

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National Deflator State and Local Purchases	
1986-87	98.1
1987-88	102.2
1988-89	106.5
1989-90	110.7
1990-91	115.3
1991-92	118.0
1992-93	121.0

---

Note: 1987 = 100

Table 2

The Wilcoxon Signed-Ranks Test of the Data as Reported to the State Controller's Office

District	Pre Ave	Post Ave	Difference	Ranks	Signed-Ranks
1	\$43618	\$79596	(\$35978)	11	-11
2	\$67126	\$98906	(\$31780)	9	-9
3	\$158407	\$185156	(\$26749)	8	-8
4	\$44227	\$78900	(\$34673)	10	-10
5	\$141185	\$273061	(\$131876)	15	-15
6	\$68530	\$110184	(\$41654)	12	-12
7	\$21849	\$15003	\$6846	5	5
8	\$50222	\$56071	(\$5849)	4	-4
9	\$392790	\$232802	\$159988	16	16
10	\$58796	\$103564	(\$44768)	13	-13
11	\$13924	\$6898	\$7026	6	6
12	\$31020	\$36238	(\$5218)	3	-3
14	\$152904	\$80064	\$72840	14	14
15	\$19456	\$9760	\$9696	7	7
16	\$55571	\$57930	(\$2359)	1	-1
17	\$52368	\$47380	\$4988	2	7

The sum of the absolute values of the negative ranks: -86

The sum of the positive ranks: 50

The Wilcoxon statistic : 50

Test statistic  $T$  for a one tail-test: 36



Table 3

The Wilcoxon Signed-Ranks Test of the Data as Adjusted by the Deflator

District	Pre Ave	Post Ave	Difference	Ranks	Signed-Ranks
1	\$42769	\$67456	(\$24687)	11	-11
2	\$65175	\$84075	(\$18900)	9	-9
3	\$156531	\$155541	\$990	1	1
4	\$42801	\$66685	(\$23884)	10	-10
5	\$136498	\$233088	(\$96589)	14	-14
6	\$66399	\$92332	(\$25933)	12	-12
7	\$21253	\$12714	\$8539	6	6
8	\$48736	\$46865	\$1871	3	3
9	\$380447	\$194720	\$185727	16	16
10	\$55484	\$86824	(\$31340)	13	-13
11	\$13200	\$5766	\$7434	5	5
12	\$29445	\$30710	(\$1265)	2	-2
14	\$148746	\$67112	\$81634	15	15
15	\$18293	\$8170	\$10123	8	8
16	\$53741	\$48458	\$5283	4	4
17	\$49727	\$39837	\$9890	7	7

The sum of the absolute values of the negative ranks: -71

The sum of the positive ranks: 65

The Wilcoxon statistic : 65

Test statistic  $T$  for a one tail-test: 36

Note: deflator adjustment are the dollars \* 100 / deflator for that year

indicated what might be a significant reduction in the before training costs for one district. A Wilcoxon signed-ranks test was made of the data without the before and after averages of that particular district.

Sometimes a district did not file any CB-1 and/or FAM-27 forms with the State Controller's Office for one or more years. In order for a district to submit a claim, the claim must exceed two hundred dollars (Commission on State Mandates, 1991, p. 38). It is likely that the claim would need to be greater than two hundred dollars before a district would take the time and spend the money necessary to prepare a request for reimbursement. Not submitting a claim could mean that there were no collective bargaining costs for that year or the costs were very small. One district that had not filed a 92/93 mandated costs claim indicated that they had claimable costs for that fiscal year, but would be filing a late claim.

A Wilcoxon signed-ranks test was made of the data exclusive of any district that had one or more years of no claim filed.

The following (Table 4) are Wilcoxon signed-ranks tests of the data as received, adjusted by a deflator, without using 1986-87 data, and by excluding any districts that had not filed claims for one or more years. The tests are repeated on the data with the one district that may have a significant difference between original claim and audited claim. Also, these tests were two tailed tests to test the null hypothesis that before training averages were equal to after training averages vs. not equal.

Any test that resulted in rejecting the null hypothesis would be repeated as a left-tailed test and a right-tailed test. If there is a significant difference in cost, it would be important for this study to determine if the higher cost occurred before the training or after the training.

Table 4

Wilcoxon signed-ranks tests

Test	N	Wilcoxon Statistic	Critical Value <i>T</i>	<i>P</i> -value
Original Claim	16	50	30	.366
Deflator Calculated	16	64	30	.856
Excluding 1986-87	16	63	30	.816
Excluding Districts 7, 11, and 12	13	39	17	.675

Wilcoxon statistic derived without including district 9.

Test	N	Wilcoxon Statistic	Critical Value <i>T</i>	<i>P</i> -value
Original Claim	15	34	25	.148
Deflator Calculated	15	48	25	.514
Excluding 1986-87	15	47	25	.478
Excluding District 7, 11, and 12	12	26	14	.327

Table 5

*P*-value Interpretation

<i>P</i> -value	Interpretation
Less than .01	Highly statistically significant Very strong evidence against the null hypothesis
.01 to .05	Statistically significant Adequate evidence against the null hypothesis
Greater than .05	Insufficient evidence against the null hypothesis

In all cases tested, the critical value  $T$  is less than the Wilcoxon statistic. Therefore, the researcher must fail to reject the null hypothesis that the before training and after training averages are equal.

The data also includes the  $P$ -value. If the data were based on the  $P$ -value alone, the researcher must fail to reject the null hypothesis based on Table 5 (Triola, 1992, p. 351).

(The sense of the data as viewed in Tables 2 and 3 is not against the null hypothesis. Therefore the researcher could not have considered rejecting the null hypothesis even if the statistical analysis had indicated otherwise.)

## CHAPTER 4

### RESULTS

There is not sufficient evidence to support the claim that the mandated costs reported to the State of California incurred by the districts the years immediately preceding their interest-based bargaining training will be significantly higher than after the training. In every test of the data, the researcher must fail to reject the null hypothesis. Examination of the data clearly show that some districts reported a decrease in costs after receiving training while other districts reported an increase in cost. It is just as clear, however, that there is no statistically significant difference in the before and after reported costs for the population in this study.

Analyzing data on third party interventions in the districts in this study shows that there appears to be a significant reduction after receiving PERB/CFIER training. The data in Table 6 and graphed in Figures 3 and 4 (J. Walden, personal communication, April, 1993) show all filings for the five years preceding training through December, 1992, for the districts in the population being studied.

Is this data evidence of a reduction in third party interventions a result of the PERB/CFIER training or an indication of a general trend that was occurring throughout California school districts from 1986-87 through 1992-93?

The data in Table 7 and graphed in Figure 5 are the cases PERB resolved from 1986-87 through 1992-93 (J. Tamm, personal communication, April 7, 1994).

Table 6

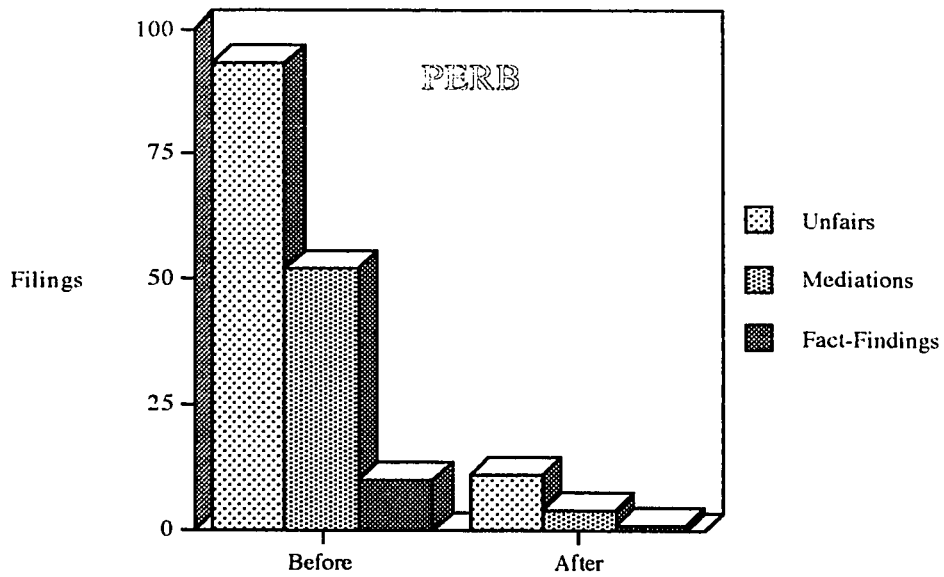
PERB Filings by the 16 Districts Included in this Study

Districts	U	M	F	Totals	Training	U	M	F	Totals
1	5	5	0	10	8/89	0	0	0	0
2	11	5	2	18	1/90	0	0	0	0
3	9	4	0	13	2/90	1	0	0	1
4	1	1	0	2	2/90	1	0	0	1
5	22	9	2	33	2/90	2	2	0	4
6	3	4	0	7	7/90	2	0	0	2
7	1	2	0	3	7/90	2	0	0	2
8	1	0	0	1	7/90	1	0	0	1
9	17	5	2	24	8/90	3	0	0	3
10	1	1	0	2	8/90	0	2	1	3
11	3	5	0	8	8/90	0	0	0	0
12	1	3	0	4	8/90	0	0	0	0
14	13	4	3	20	11/90	0	0	0	0
15	0	0	0	0	11/90	1	0	0	1
16	2	1	1	4	11/90	0	0	0	0
17	3	3	0	6	11/90	0	0	0	0
<b>Totals</b>	<b>93</b>	<b>52</b>	<b>10</b>	<b>155</b>		<b>11</b>	<b>4</b>	<b>1</b>	<b>16</b>
<b>Years</b>				<b>5</b>					<b>1.48</b>
<b>Average Filings/Year</b>				<b>31</b>					<b>10.81</b>

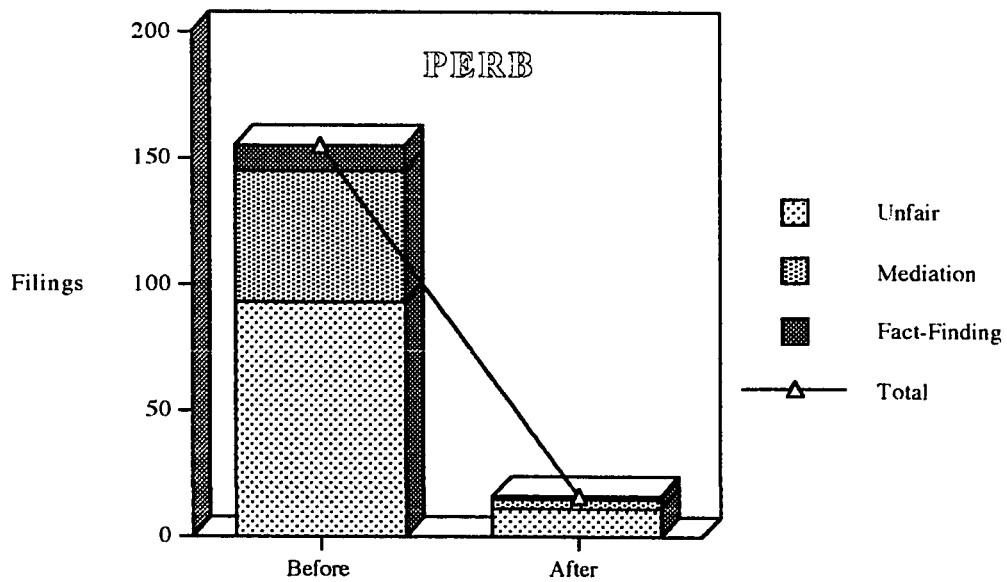
Note: U = Unfair labor practice charge

M = Request for a mediator

F = Factfinding process



**Figure 3.** The average filings per year during the 5 years preceding PERB/CFIER training in comparison to after the training.



**Figure 4.** The average total filings per year during the 5 years preceding PERB/CFIER training in comparison to after the training.

Table 7

PERB Filings by all School Districts Including the Districts in this Study

Year	Unfairs	Mediations	Fact Findings	Total Cases
86-87	660	301	52	1013
87-88	600	385	70	1055
88-89	413	329	47	789
89-90	485	340	48	873
90-91	444	268	36	748
91-92	599	337	67	1003
92-93	467	292	44	803

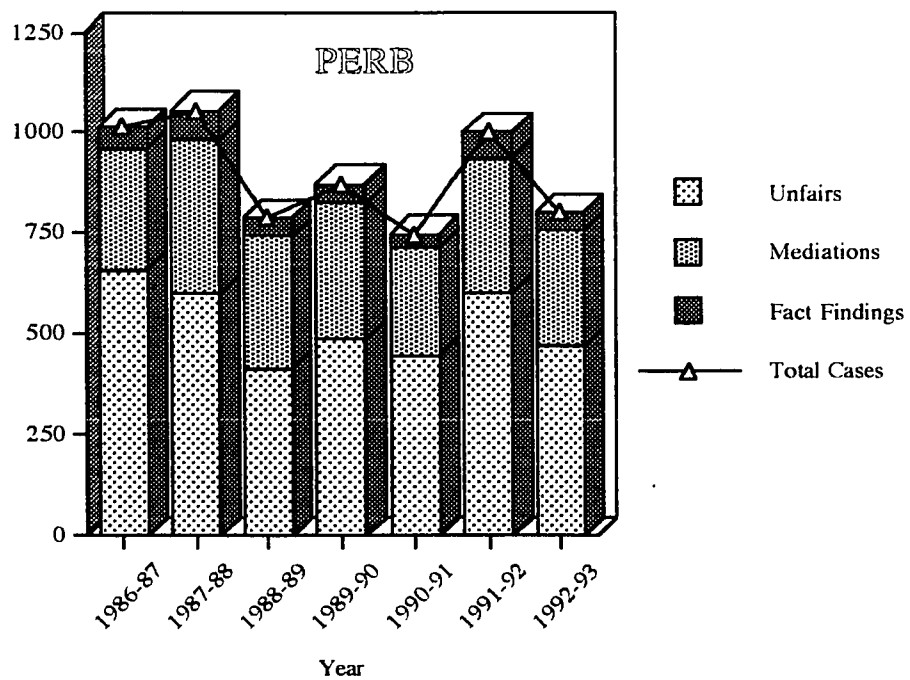


Figure 5. PERB filings for all California school districts.



There appears to be a trend of fewer cases being filed each year. The districts being studied participated in the PERB/CFIER training between August, 1989 and November 1990 (see Table 6). By arbitrarily eliminating the 1989-91 data in Table 7, a mean of the total cases filed from 1986-87 through 1988-89 and 1991-92 through 1992-93 can be calculated. This calculation can be compared with the before and after means of total cases filed by the districts in this study. The percent decrease in cases filed, as shown in Table 8, appears to be significant.

The PERB budget for the years 1986-1993 appears to be decreasing (see Table 9). It is unknown if the decrease is the result of fewer cases coming before the Board, the result of cuts by the State to help balance the budget, or a combination of the two factors.

Table 8

Comparing the average total cases filed with PERB

PERB	1986-89	1990-93	Percent Change
All Districts	952.3	903.0	5.2% decrease
Districts Studied	Before Training	After Training	Percent Change
16	31	10.81	65.1% decrease

Table 9

PERB Budgets for 1986-87 through 1992-93

Year	Budget	Deflator	Adjusted
86/87	\$4,956,000	98.1	\$5,051,988
87/88	\$5,028,000	102.2	\$4,919,765
88/89	\$4,865,000	106.5	\$4,568,075
89/90	\$5,041,000	110.7	\$4,553,749
90/91	\$6,356,000	115.3	\$5,512,576
91/92	\$5,337,000	118.0	\$4,522,881
92/93	\$4,420,000	121.0	\$3,652,893

The PERB annual budgets (Table 9) appear to be declining. The 1992-93 budget is 27.7% less, in constant dollars, than the 1986-87 budget. If the trend continues and inflation stays low, tax-payer dollars previously needed for third party intervention by PERB could be placed in other education budget categories.

CHAPTER 5  
SUMMARY, CONCLUSIONS, AND IMPLICATIONS

Summary

A comparison of the mandated costs for collective bargaining claimed by the California public school districts in this study before participating in interest-based bargaining to their costs claimed after interest-based bargaining show no significant difference.

Conclusions

The estimated State savings in reimbursing school districts averages \$10,096 per PERB filing (C. Miller, personal communication, August 27, 1992). The 16 districts in this study have shown a significant reduction in PERB filings (Table 8). The before PERB/CFIER training average of 31 filings/year indicate a cost to the State of \$312,976 per year. The after PERB/CFIER training average of 10.81 filings/year indicate a cost to the State of \$109,138 per year. The annual savings to the State of these kinds of costs is \$203,838 per year. However, the data does not show an overall decrease in costs generated by the districts in this study.

The costs of collective bargaining are not limited to the filing of unfair labor practices, mediations, and factfindings by school districts. The time spent by employees of the district on collective bargaining as well as bargaining related attorney fees and/or professional negotiator fees are included in the mandated costs calculations. If a district does not have any PERB filing expenses after interest-based training yet has no overall reduction in bargaining costs, the other fees and charges must have increased. Further

research could analyze the costs in districts that did not show a savings after training to determine what area of the bargaining process was causing the increases. If there is more time required to reach agreement by the district and union negotiators, the cost increase of the lengthier negotiations could balance the cost-savings of not filing PERB actions.

There is information indicating that the interest-based approach to collective bargaining takes more time than the traditional approach in some situations and less time in other situations. In a discussion of the advantages and disadvantages of interest-based negotiations and traditional negotiations, a researcher found that ". . . actual planning and negotiating sessions [using traditional bargaining approaches] may take less time and money. Time and money may be spent later, however, on legal battles" (Kelso, 1994, p. 60). Janet Walden found that a Canadian school district that had received interest-based training reported a significant reduction in time spent to negotiate a contract. ". . . the district told us that this year's negotiations were accomplished in shorter days with a total of 163 hours expended, . . . contrasted . . . to their last round . . . which took 313 hours to complete" (1993, p. 2). In a study of CFIER-trained labor-management teams by Andrew Tolsma, the concern about the time spent using the interest-based approach could be a hindrance to its use. "The [CFIER] process seems to be slightly less successful in very small districts where there are fewer people to share the load. The *hindrance is time* [italics added]. This hindrance seems to decrease as districts adjust to the time demands" (1994, p. 9). ". . . Caldeira of the [California School Employees Association] CSEA points out [that] initially, he concedes, the process is more time consuming than traditional methods in which proposals and counterproposal are made without much effort on solving problems jointly" (McKenzie, 1993). "Because of the emphasis on searching for mutually acceptable options, interest-based bargaining often takes longer than conventional bargaining" (Anderson, 1993/1994, p. 12).

### Implications

The subject of future research could be a more detailed analysis of collective bargaining expenses of those districts that showed no change or an increase in costs of bargaining after training with those districts that had lower bargaining costs after training. Also, a longer-term study of these 16 districts would give a researcher an opportunity to include more post-training years in the data. If more years of after PERB/CFIER training data were available, the following questions could be explored:

- Does increased experience with the interest-based negotiation process affect the costs of bargaining?
- Are union and management teams able to consistently shorten the bargaining process with experience and training?
- Will the opportunity to study a complete after training bargaining cycle yield data that indicates an overall reduction in the costs of bargaining for the districts?
- Is there a bargaining cycle, as it has been traditionally perceived, in the districts using interest-based negotiations or are negotiations on-going without new contract negotiations interspersed with sessions that are limited to selected sections of the contract?

Ultimately, the improvement of the relationships of the parties to the bargaining process is the primary value of the PERB/CFIER training. Labor and management cannot get "divorced" from each other. Even though the individual participants may change, the organizations will continue to exist. If the relationship can be a positive, problem-solving process, all members of the school-community stand to benefit. When the employees of the school district can work collaboratively to solve the myriad problems confronting California's schools, those schools will be better able to meet the continuing challenges facing public education in the 1990's.

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APPENDIX A  
SELECTED SCHOOL DISTRICTS

East Side High School District  
Escondido Union High School District  
Las Virgenes School District  
Morgan Hill Unified School District  
Placer Hills Union High School District  
Pleasanton Unified School District  
Plumas Unified School District  
Red Bluff Union School District  
Redding School District  
Sacramento City Unified School District  
San Dieguito Union High School District  
San Jose Unified School District  
San Juan Unified School District  
Santa Maria-Bonita School District  
South Pasadena Unified School District  
Whisman School District

APPENDIX B  
MANDATE PROCESS

State of California Commission on State Mandates. (1991). *Local government guide to the mandate process* (WP2166A, rev. 02/91, pp. 1-4). Sacramento, CA: Commission On State Mandates.

## I. INTRODUCTION

Since the inception of the Commission of State Mandates (Commission), we have received many questions regarding the operations, authority, and procedures of the Commission. Therefore, in order to provide local agencies with some insight into the Commission's procedures and authority, we have developed this guidebook.

Reimbursement of costs mandated by the state has become a major area of concern for local agencies and school districts. The idea that the state should reimburse local agencies and school districts for mandated activities was originated in the Property Tax Relief Act of 1972, Senate Bill No. 90, Chapter 1406, Statutes of 1972, more commonly known as SB 90. The primary purpose of SB 90 was to limit the ability of local agencies and school districts to levy taxes. As an offset for these limitations, the Legislature declared its intent to reimburse local agencies and school districts for the costs of new programs or increased levels of service mandated by state government.

In 1979, the voters approved Proposition 4 which added article XIII B to the California Constitution. This constitutional amendment was primarily concerned with imposing appropriation limits on the tax proceeds of both state and local governments. Accordingly, section 6 of article XIII B was superimposed upon the existing SB 90 legislation contained in the Revenue and Taxation Code. Section 6 of article XIII B requires that whenever the Legislature or any state agency mandates a new program or higher level of service on local government, the state must provide a subvention of funds to reimburse local government for the costs of such new programs or increased levels of service, with certain exceptions.

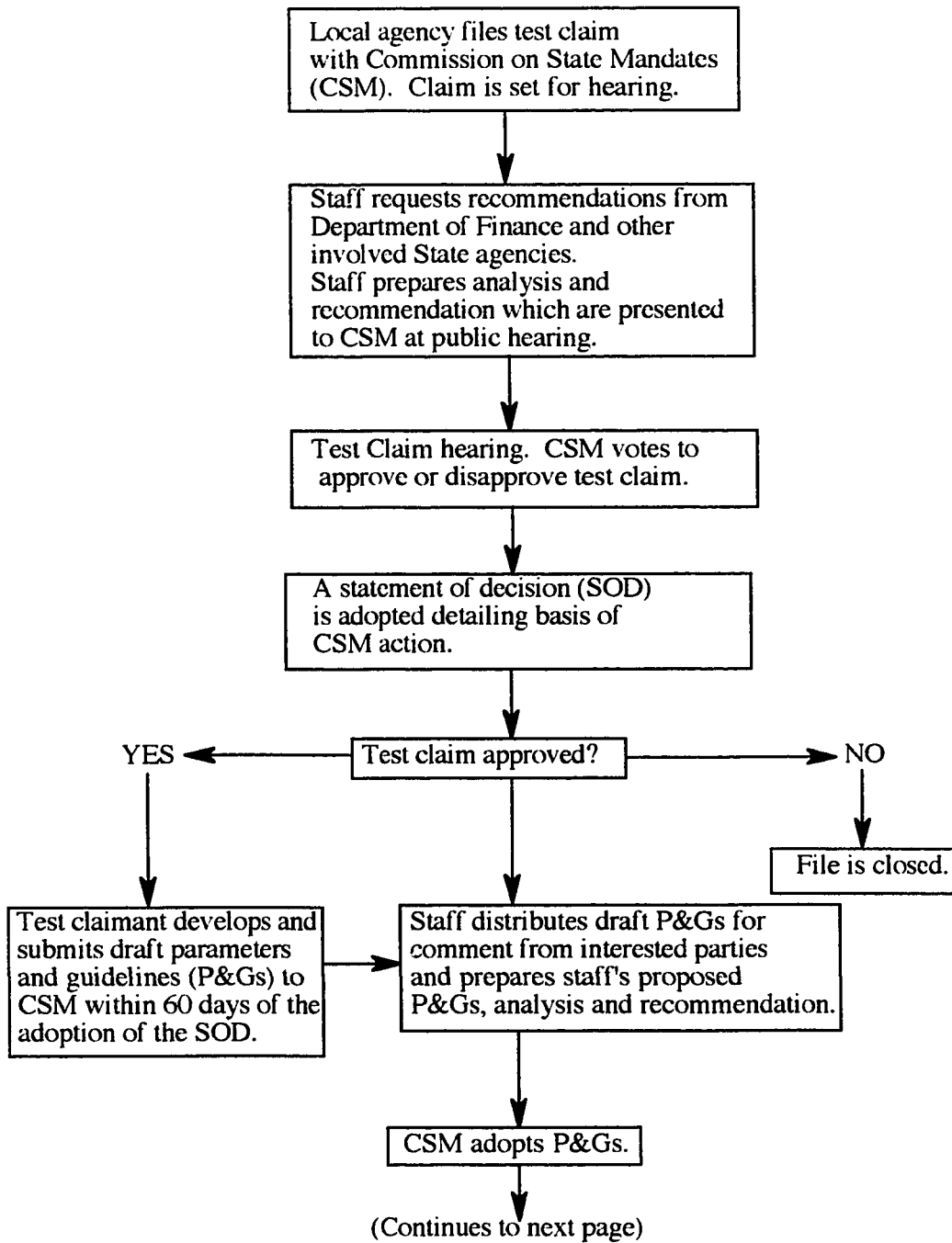
Originally, the Revenue and Taxation Code provided the Board of Control with the authority to hear and decide upon claims requesting reimbursement of costs mandated by the state. Subsequently, on January 1, 1985, the Commission was created pursuant to Government Code section 17500 et seq., Chapter 1459, Statutes of 1984. The Commission is a quasi-judicial body whose primary responsibility is hearing and deciding claims which allege that local agencies or school districts are entitled to be reimbursed by the state for costs mandated by the state, as required by section 6 of article XIII B. This constitutional requirement has been addressed in several court decisions.

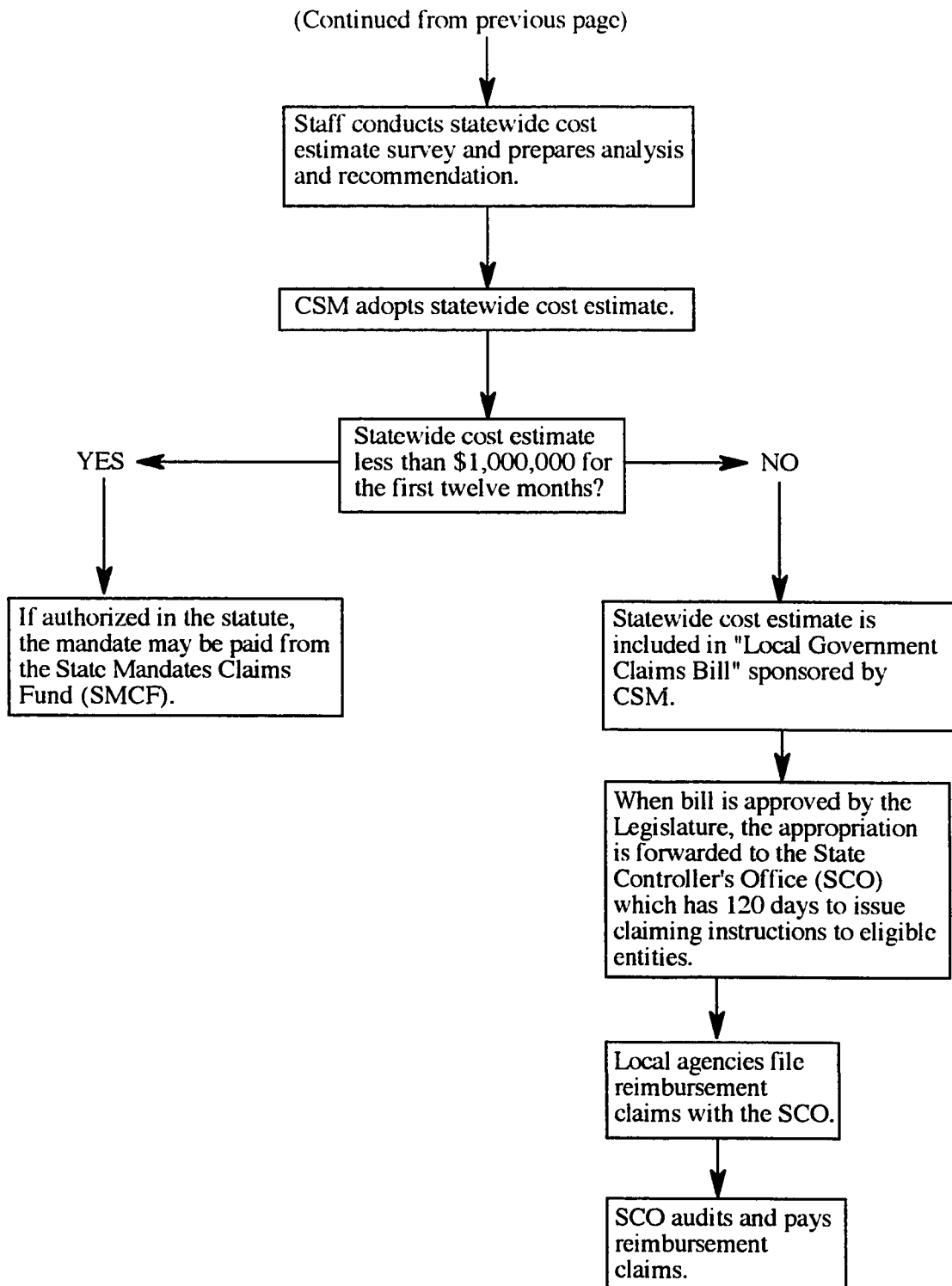
The Commission also has the statutory authority to hear and decide upon a claim which alleges that the State Controller's Office has incorrectly reduced a reimbursement claim submitted by a local agency or school district.

The Commission is comprised of five members: the State Controller, State Treasurer, Director of the Department of Finance, Director of the Office of Planning and Research, and a public member with experience in public finance, who is appointed by the Governor and approved by the Senate.

If you have any questions, or need assistance in the area of costs mandated by the state, please do not hesitate to either call us at (916) 323-3562, or write us at: Commission on State Mandates, 1414 K Street, Suite 315, Sacramento, CA 95814.

COMMISSION ON STATE MANDATES  
AN OVERVIEW OF THE TEST CLAIM PROCESS





State Controller's Office

School Mandated Cost Manual

<b>MANDATED COSTS COLLECTIVE BARGAINING CLAIM SUMMARY</b>					<b>FORM CB-1</b>	
(01) Claimant:		(02) Type of Claim: Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year: 19 __/ __		
<b>Rodda Act Direct Costs</b>		<b>Cost Elements</b>				
(03) Reimbursable Components:		(a)	(b)	(c)	(d)	(e)
		Salaries and Benefits	Transportation and Travel	Supplies	Contracted Services	Total
1. Determination of Bargaining and Exclusive Representation.						
2. Election of Unit Representation.						
3. Cost of Negotiations.						
4. Impasse Proceedings.						
5. Contract Administration.						
6. Unfair Labor Practice Charges						
(04) Total Rodda Act Direct Costs						
<b>Winton Act Direct Costs</b>						
(05) Base Year, 1974/75 Direct Costs						
(06) Base Year Direct Costs Adjusted by 1990/91 GNP Deflator:		Line (05)(e) x 2.601				
(07) Increased Direct Costs		Line(04)(e) - line(06)				
<b>Indirect Costs</b>						
(08) Total Rodda Act Direct Costs less Contracted Services:		Line (04)(e) - line(04)(d)				
(09) Base Year Costs less Contracted Services adjusted by GNP: {[Line (05)(e) - line (05)(d)] x 2.601}						
(10) Increased Direct Costs less Contracted Services		Line (08) - line (09)				
(11) Indirect Cost Rate						%
(12) Increased Indirect Costs		Line (10) x line (11)				
(13) Total Increased Direct and Indirect Costs		Line (07) + line (12)				
<b>Cost Reduction</b>						
(14) Less: Offsetting Savings, if applicable						
(15) Less: Other Reimbursements, if applicable						
(16) Total Claimed Amount:		{Line (13) - [Line (14) + line (15)]}				

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Chapter 961/75

APPENDIX C  
THE CFIER STORY



Walden, J. (1994, June). *How far can you go with the interest approach?* Paper presented at the FMCS Seventh National Labor-Management Conference, Washington, D.C. (pp. 38-39).

### The CFIER Story

The California Foundation For Improvement of Employer-Employee Relations (CFIER), a non-profit, public benefit corporation, is a state level coalition of union, employer and neutral individuals and groups. This coalition includes the Association of California School Administrators (ACSA), California School Employees Association (CSEA), School Employers Association (SEA) and Service Employees International Union (SEIU). CFIER provides joint training, facilitation and consultation services in the public education arena. CFIER is dedicated to assisting districts and unions in their efforts to improve labor relations, solve problems and provide leadership in the public education community. CFIER got its start in 1987 as a project developed within the California Public Employment Relations Board (PERB).

- 1987      PERB began looking for ways to assist its constituents to improve their employer-employee relations. After eleven years in existence, PERB had noticed a marked difference in how the 1100+ school districts within its jurisdiction handled their labor relations. For example, PERB discovered that fifty percent of its unfair labor practice filings came from only ten percent of districts.
- 1988      PERB, with the assistance of a group from its Advisory Committee and a professional research consultant, surveyed its public school jurisdiction to determine what factors accounted for both good and poor collective bargaining relationships, what types of bargaining and problem solving practices were being used, and how best PERB might help the parties. Responses revealed that relationship issues were of primary concern, and that skill levels needed to be improved as well.
- 1989      PERB obtained an initial grant from the Stuart Foundation, formed a Curriculum Committee of its constituents and training experts, and developed its 5-day intensive joint training program--a combination of skills building (including introduction of the interest approach to negotiations), team and relationship-building--designed for attendance by key leaders and negotiators for the union and the district. Much of the coursework was based on principles from two books authored by Roger Fisher: *Getting To Yes* and *Getting Together*.
- With its Curriculum Committee and in cooperation with the University of California at Davis, PERB conducted its first training program.
- 1990      With the assistance of grant funds from both the Stuart and Hewlett Foundations, the following were achieved:
- The conduct of eight more 5-day intensives, training a total of 285 people in 25 union-management relationships.

- The development of a core group of union and management trainers and facilitators.
- The development and implementation of a follow-up facilitation program which provided assistance to participant teams after they had completed their initial 5-day program.

PERB's attempts to secure additional government funding for the training project were unsuccessful. Instead, the California Legislature directed that a private, non-profit foundation be created to continue the project.

1991 Independent evaluation of the training and follow-up program by the Institute of Industrial Relations at UC Berkeley found the program to yield remarkable results. UC findings are further validated by reports of success from around the state.

CFIER was formed effective April 1, 1991, in accordance with legislative directive. PERB Curriculum Committee members served as its initial board of directors. The Stuart and Hewlett Foundations continued to be CFIER's primary funders. Participants in CFIER programs also paid part of the costs of services they received.

CFIER received the prestigious **Abner Award** from the international Society of Professionals In Dispute Resolution (SPIDR), in recognition of its positive impact on dispute resolution practices in the California education sector.

In existence for nine months by the end of 1991, CFIER had conducted five 5-day workshops and two 3-day workshops, and provided related training and follow-up services to its and PERB's workshop "graduates" in 66 union-management relationships.

1992 During its first full year in operation, CFIER held 5-day start-up workshops for the 19 union-management relationships, 3-day start-up workshops for 17 union-management relationships and provided related training and follow-up services to all of these groups. CFIER also conducted training sessions for new leaders throughout the year, developed and conducted three facilitator training programs, and held an annual conference.

1993 CFIER continued its start-up training program, holding 3- to 5-day workshops for 49 union-management relationships. Advanced programs were developed and delivered to 19 additional labor-management clients. New Leaders and Facilitator training programs were also continued. CFIER also completed major work on curriculum for its site-based shared decision-making programs. CFIER continues the tradition of excellence established at PERB and remains committed to building union-management partnerships which will positively impact public education in California.

APPENDIX D  
THE HARVARD NEGOTIATION PROJECT

Fisher, R. & Brown, S. (1988). *Getting together*. Boston: Houghton Mifflin, page 215.

The Harvard Negotiation Project is a research project at Harvard University which works on negotiation problems and develops and disseminates improved methods of negotiation and mediation. It is part of the Program on Negotiation, a consortium of scholars and projects from Harvard, MIT, and elsewhere trying to improve the theory and practice of conflict resolution.

APPENDIX E

CRITICAL VALUES OF  $T$  FOR THE WILCOXON SIGNED-RANKS TEST

**Critical Values of  $T$  for the Wilcoxon Signed-Ranks Test**

$n$	alpha			
	.005 (one tail)	.01 (one tail)	.025 (one tail)	.05 (one tail)
	.01 (two tails)	.02 (two tails)	.05 (two tails)	.10 (two tails)
5				1
6			1	2
7		0	2	4
8	0	2	4	6
9	2	3	6	8
10	3	5	8	11
11	5	7	11	14
12	7	10	14	17
13	10	13	17	21
14	13	16	21	26
15	16	20	25	30
16	19	24	30	36
17	23	28	35	41
18	28	33	40	47
19	32	38	46	54
20	37	43	52	60
-	-	-	-	-
30	109	120	137	152

Note: This table is adapted from Triola, 1992, p. 676, Table A-8.