



STATE OF INDIANA

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IEERB's 2014 Last, Best Offer Requirements

Pursuant to 560 IAC 2-4-3.1, below are the LBO requirements for 2014. **Please note that deficit financing will be based on fiscal year 2015, July 1, 2014 – June 30, 2015.** Unless otherwise indicated, all financial information and documents listed below refer to those of the school employer.

If parties cannot ratify an agreement during mediation, they must exchange LBOs. LBOs must then be sent to IEERB at impasse@ieerb.in.gov. For more information, visit www.in.gov/ieerb. IEERB shall review the LBOs to ensure that the LBO is in the required format and contains the required information and documents. Failure to substantially comply with the requirements of an LBO, or failure to provide format, information, or documents requested by IEERB during its review, could result in rejection of the submitted LBO and acceptance of the opposing party's LBO.

This document lists only the required format, information, and documents (with some recommendations). The fact-finder may require additional information or documents. Ultimately, it is the parties' responsibility to prove why their LBO is the best solution for the impasse. **Therefore, parties are strongly encouraged to include any additional information or documents that support their LBO, and to provide clear analysis explaining their LBO.**

A school employer, or an exclusive representative who bargains with a school employer, that does not receive a DOE Certification pursuant to Indiana Code Section 20-29-6-12.5 (e.g., special education cooperatives and career centers) or for whom the LBO Requirements may need to be modified, may request a conference with IEERB staff in writing at any time from the start of formal bargaining until two weeks after a mediator appointment. After receiving a request, IEERB staff shall hold a conference with the parties to determine the funding mechanisms particular to the school employer. Within one week of the conference (or the issuance of the year's LBO requirements, whichever is later), IEERB staff shall issue a non-binding advisory opinion on the revenue available to the parties for use in their LBO and any modified LBO Requirements.

List of Abbreviations

- ADM = average daily membership (student count)
- CBA = Teacher collective bargaining agreement
- CY = Calendar year: January 1 – December 31 of that year
- DOE = Indiana Department of Education
- DOE Certification = DOE certification of estimated general fund revenue available for bargaining from the school funding formula (state tuition support) pursuant to IC 20-29-6-12.5(b)
- DLGF = Indiana Department of Local Government Finance
- DLGF Certification = DLGF certification of general fund operating referendum amount pursuant to IC 20-29-6-12.5(b)
- From DOE = Available through DOE’s online school finance report portal at: <http://www.doe.in.gov/finance/school-financial-reports>
- From Gateway = Available through DLGF’s Gateway budget report portal: https://gateway.ifionline.org/report_builder
- FY = Fiscal year: July 1 of prior year – June 30 of current year (e.g., FY 2015 = July 1, 2014 – June 30, 2015)
- GF = School employer’s general fund
- IAC = Indiana Administrative Code
- IEERB = Indiana Education Employment Relations Board
- IC = Indiana Code
- LBO = Last, Best Offers
- Party Estimate = A party’s estimate of general fund revenue available for bargaining from the school funding formula (state tuition support) from the party’s Bargaining Status Form: At Impasse
- School Performance Award = Annual performance grant for school year 2014-2015 distributed by DOE pursuant to IC 20-43-10-3
- Teacher = bargaining unit member
- Verification = Signed verification stating that all information is correct and that the LBO does not place the employer in deficit financing, as required by 560 IAC 2-4-3.1(b).

FORMAT

The sections and order listed below are mandatory. Parties may add sections.

I. Deficit Financing Summary

- A. Deficit Financing Calculation
- B. Percentage of LBO Cost Compared to GF Revenue
- C. Number of Teachers covered
- D. *(If applicable)* Party Estimate Calculation

II. Proposed CBA

- A. Summary of Proposed CBA
- B. *(If applicable)* Summary of Agreed Sections of CBA

III. LBO Rationale

- A. Public Interest
- B. Fiscal rationale/financial implication
 - 1. Current Financial Status
 - 2. Financial Trends
- C. Past Agreements
- D. Comparables

IV. Exhibit Index

V. Proof of Service

INFORMATION

All information is required unless otherwise marked.

This list contains required/recommended information; IEERB strongly recommends including any other information that supports your party's LBO.

I. Deficit Financing Summary

A. Deficit Financing Calculation

1. Total claimed FY 2015 GF revenue
 - a. FY 2015 DOE Certification
 - b. *(If applicable)* ½ CY 2014 DLGF Certification
 - c. *(If applicable)* ½ CY 2015 estimated GF operating referendum revenue
 - d. *(If applicable)* School Performance Award estimate
 - e. Other estimated GF miscellaneous revenue for FY 2015
2. Total budgeted FY 2015 GF non-teacher¹ expenses
3. Total amount to fund LBO (Total claimed FY 2015 GF revenue - Total budgeted FY 2015 non-teacher GF expenses)
4. Total LBO cost
5. Difference (Total Amount to Fund LBO - LBO cost)

B. Percentage of LBO cost compared to GF revenue

C. Number of teachers covered

D. *(If applicable)* Party Estimate Calculation

1. Party estimate
2. Total claimed FY 2015 GF revenue (using Party Estimate instead of DOE Certification)
3. Total amount to fund LBO (using Party Estimate instead of DOE Certification)
4. Total amount to fund LBO (using Party Estimate) - LBO cost
5. Percentage of LBO cost compared to GF revenue (using Party Estimate)

II. Proposed CBA

A. Summary of Proposed CBA

B. *(If applicable)* Summary of Agreed Sections of CBA

III. LBO Rationale

A. Explanation of why LBO is in the public interest

¹ As a reminder, teacher is defined as a bargaining unit member for purposes of these requirements.

B. Explanation of the Fiscal Rationale/Financial Implication of the LBO

1. Current Financial Status

a. Explanation of FY 2015 GF revenue calculations

- i. *(If applicable)* Explanation of Party Estimate
- ii. *(If applicable)* Explanation of estimated CY 2015 GF operating referendum revenue
- iii. *(If applicable)* Explanation of School Performance Award estimate
- iv. Explanation of estimate of other FY 2015 miscellaneous revenue

b. Explanation of FY 2015 GF expenses

- i. Summary of current teacher salary, wages, and benefit amounts
(recommended October 1, 2014 or later)
- ii. Summary and explanation of proposed teacher salary, wages, and benefit amounts

c. *(Recommended)* Summary and explanation of changes between FY 2014 GF revenues and expenditures and estimated FY 2015 GF revenues and expenditures

2. Financial Trends

a. LBO as Percentage of GF

- i. Percentage of FY 2014 teacher CBA cost compared to GF FY 2014 revenue
- ii. *(Recommended)* Percentage of FY 2013 teacher CBA costs compared to FY 2013 GF revenue
- iii. *(Recommended)* Percentage of FY 2012 teacher CBA costs compared to FY 2012 GF revenue
- iv. Explanation of percentage of LBO cost to GF revenue, including reason(s) for any change(s) from prior year(s)

b. ADM

- i. Current ADM (September 2014)
- ii. Past ADM
 - *(If applicable)* May 2014
 - February 2014
 - September 2013
 - *(Recommended)* February 2013
 - *(Recommended)* September 2012
 - *(Recommended)* February 2012

- *(Recommended)* September 2011
- iii. ADM Projections
- Explanation of projections
 - February 2015
 - September 2015
 - *(Recommended)* February 2016
 - *(Recommended)* September 2016
- c. Budget History of General Fund (*chart format recommended*)
- i. FY 2015 GF
- Budget amount
 - Estimated teacher costs
 - Estimated non-teacher costs
 - *(Recommended)* Additional Appropriation Amounts AND Anticipated Additional Appropriation Request Amounts
 - *(Recommended)* Tax Anticipation Warrant Amounts AND Anticipated Tax Anticipation Warrant Amounts
- ii. FY 2014 GF
- Budget Amount
 - Revenue
 - Expenses
 - Teacher Budget
 - Teacher Expenses
 - Non-Teacher Budget
 - Non-Teacher Expenses
 - *(Recommended if applicable)* Additional Appropriation Amounts
 - *(Recommended if applicable)* Tax Anticipation Warrant Amounts
- iii. *(Recommended)* FY 2013 GF
- Budget Amount
 - Revenue
 - Expenses
 - Teacher Budget
 - Teacher Expenses

- Non-Teacher Budget
- Non-Teacher Expenses
- *(If applicable)* Additional Appropriation Amounts
- *(If applicable)* Tax Anticipation Warrant Amounts

iv. *(Recommended)* FY 2012 GF

- Budget Amount
- Revenue
- Expenses
- Teacher Budget
- Teacher Expenses
- Non-Teacher Budget
- Non-Teacher Expenses
- *(If applicable)* Additional Appropriation Amounts
- *(If applicable)* Tax Anticipation Warrant Amounts

d. Description of changes, trends, or unique features of district/budget relevant to the fiscal rationale/financial implication of the LBO

C. Comparison of Proposed CBA to Prior Agreements

1. Changes from prior CBA
2. Explanation of changes from prior CBA

D. Comparison of Proposed CBA to Comparables

1. Salary, wages, and benefits of other employees doing comparable work
2. Explanation of similarities/differences between LBO and comparables

DOCUMENTS

All documents are required unless otherwise marked.

This list contains required/recommended documents; IEERB strongly recommends attaching any other documents that support your party's LBO.

It is recommended that you label documents as provided below (e.g., label proposed CBA as "Ex. 1.a.").

1. Proposed CBA Information

- a. Proposed CBA (any agreed-upon sections clearly marked as such)
- b. 560 IAC 2-4-3.1(b) Verification
- c. Proposed CBA (clearly marked to show all agreed-upon sections) redlined to show all (non-formatting) changes from prior CBA
- d. Any agreements (including MOUs) between the parties since 2011
- e. *(Recommended)* Agreements (including MOUs) between the parties prior to 2011

2. CY 2015 Financial Information

- a. GF Budget Estimate (DLGF Budget Form 1) OR Line-Item Budget Estimate Report (from Gateway)
- b. GF Estimate of Miscellaneous Revenue (DLGF Budget Form 2) OR Estimate of Miscellaneous Revenue Report (from Gateway)
- c. GF Budget Estimate – Financial Statement – Proposed Tax Rate (DLGF Budget Form 4b OR report from Gateway)
- d. *(If applicable due to a referendum)* County auditor certification 2014 pay 2015 net assessed values pursuant to IC 6-1.1-17-1
- e. *(Recommended)* Current Year Financial Worksheet (DLGF Form, formerly Line 2 Worksheet)
- f. *(Recommended)* GF Budget Report (DLGF Budget Form 4a) OR Budget Summary (from Gateway)

3. FY 2015 Financial Information

- a. DOE Certification
- b. *(If applicable due to Party Estimate)* Bargaining Status Form: At Impasse
- c. List of current teacher salary, wages, and benefit amounts
- d. List of proposed teacher salary, wages, and benefit amounts
- e. *(Recommended)* 2014 Basic Grant Monthly Distribution (no earlier than October 1, 2014) (DOE form DOESA545, formerly DPI54)

- f. *(Recommended)* State Tuition Support Worksheet (DOE form)
 - g. *(Recommended)* Career and Technical Education Information (DWD Form 30A)
 - h. *(Recommended)* Estimate of General Fund Revenue (DOE)
4. **CY 2014 Financial Information**
- a. *(If applicable)* DLGF Certification
 - b. Monthly financial report showing current GF revenue and expenses by line item
(recommended October 1, 2014 or later)
 - c. *(Recommended)* DLGF 1782 Notice, including any changes OR Certified GF budget by line item
 - d. *(Recommended)* DLGF Budget Order
 - e. *(Recommended if applicable)* Certified Copy of Additional Appropriation OR Notice to Taxpayers of Additional Appropriations OR Additional Appropriation Resolution (*DLGF - most recent form available recommended*)
 - f. *(Recommended if applicable)* Notice of Tax Anticipation Warrant Sale
5. **Past Financial Information**
- a. FY 2014: DOE Form 9 OR Fiscal Financial Report – Descriptive Listing by Fund (from DOE)
 - b. *(Recommended)* CY 2013 Annual Financial Report
 - c. *(Recommended if applicable)* CY 2013 Certified Copy of Additional Appropriation
 - d. *(Recommended if applicable)* CY 2013 Notice of Tax Anticipation Warrant Sale
 - e. FY 2013: DOE Form 9 OR Fiscal Financial Report – Descriptive Listing by Fund (from DOE)
 - f. *(Recommended)* CY 2012 Annual Financial Report
 - g. *(Recommended if applicable)* CY 2012 Certified Copy of Additional Appropriation
 - h. *(Recommended if applicable)* CY 2012 Notice of Tax Anticipation Warrant Sale
 - i. *(Recommended)* FY 2012: DOE Form 9 OR Fiscal Financial Report – Descriptive Listing by Fund (from DOE)
6. *(Recommended)* **ADM History**
- a. September 2014 Report
 - b. February 2014 Report
 - c. September 2013 Report
 - d. February 2013 Report

- e. September 2012 Report
- f. September 2011 Report