



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

WASHINGTON, Sc.

SUPERIOR COURT

RHODE ISLAND STATE LABOR RELATIONS
BOARD and EXETER-WEST GREENWICH
TEACHERS ASSOCIATION

v.

W. C. 84-0366

EXETER-WEST GREENWICH REGIONAL
SCHOOL DISTRICT COMMITTEE

EXETER-WEST GREENWICH REGIONAL
SCHOOL DISTRICT

v.

W. C. 84-0367

RHODE ISLAND STATE LABOR RELATIONS
BOARD

D E C I S I O N

CRESTO, J. In this matter, the Rhode Island State Labor Relations Board (Board) and the Exeter-West Greenwich Teachers Association Teachers Association) seek to enforce a September 13, 1984 decision of the Board pursuant to G.L. 1956 (1979 Reenactment) § 28-7-26. Consolidated with the petition to enforce is an appeal by the Exeter-West Greenwich Regional School District School Committee (School Committee) of the Board's decision pursuant to G.L. 1956 (1984 Reenactment) § 42-35-15.

In its decision, the Board found that the school committee and the teachers association had reached agreement on a three year collective bargaining contract covering the period of September 1, 1983 through August 31, 1986. The Board held that the school committee, by refusing to sign a writing memorializing the agreement, violated G.L. 1956 (1979 Reenactment) § 28-7-13(10) and ordered the school committee to immediately execute the agreement.

The pertinent, undisputed facts are as follows. During the fall of 1982, the school committee and the teachers association began negotiating a contract for the 1983-84 school year. These negotiations were unsuccessful. Pursuant to G.L. 1956 (1979 Reenactment) §§ 28-9.3-9 and 10 the matter was submitted to arbitration. On November 5, 1983, the arbitration panel issued an opinion and award for the above-mentioned three year period which addressed both monetary and nonmonetary matters

The award provided that during the first year, September 1 1983 through August 31, 1984, salary levels for the first thirteen bi-monthly pay periods would remain the same as those of the previous year but salary scales were to be increased for the remaining thirteen pay periods. In addition, salary increases were awarded commencing with both the second and third years. The award also provided for an increase over the previous year in the amount to be paid by the school district to the teachers association for dental insurance for the 1983-84 year. The entire award was ratified by the bargaining unit of the teachers association.

During the 1983-84 year, the school committee implemented the award, including the applicable monetary provisions. The school committee

paid the increased sum for dental insurance and beginning with the fourteenth period, the committee paid the salary increases provided for by the award. Among the nonmonetary matters contained in the award was a provision permitting an increase in maximum class size. The school committee implemented this provision as well.

Prior to the commencement of the 1984-85 year, it became apparent to the school committee that it would be financially unable to pay the second year salary increases outlined in the award. Such inability resulted from the refusal of voters at the regional district financial meetings, in which appropriating power is vested, to appropriate the necessary funds.

Because of the failure to appropriate funds, the school committee refused to implement the second year salary increases contending G.L. 1956 (1981 Reenactment) § 16-3-11(n) prohibits deficit spending by regional school districts.

On June 1, 1984, the teachers association filed a charge with Board alleging that the school committee engaged in unfair labor practices, as defined by G.L. 1956 (1979 Reenactment) § 28-7-13(10), by failing to execute a writing memorializing the three year collective bargaining agreement which the teachers association alleged existed. On September 13, 1984, after hearings the Board issued its decision and order. The Board found that the teachers association and the school committee had reached a "meeting of the minds" as to all aspects, including monetary terms, of a three year collective bargaining agreement. Having found that such an

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agreement existed, the Board concluded that the school committee, by refusing to execute the contract, violated § 28-7-13(10). The Board ordered the school committee to immediately execute the agreement. It is this decision and order which is the subject of the instant litigation.

In support of its refusal to implement the second year salary increases provided for by the arbitration award, the school committee advances two arguments. First, the committee contends that, by implementing the monetary terms of the arbitration award for the first year, it did not become bound to abide by the monetary provisions applicable to the second and third years. Second, the school committee argues that, to the extent to which an agreement to implement second and third year salary increases might exist, any such payment is prohibited by the § 16-3-11(n), given the refusal of voters at the district financial meetings to approve the necessary appropriations. This second argument is the subject of an action presently pending before the Rhode Island Supreme Court. Although this issue is not presently before this Court, it is its opinion that neither that section of the statute nor the refusal of the citizens of the district to appropriate the necessary funds can be employed to relieve a school district of its contractual obligations. To hold otherwise would render meaningless both the collective bargaining process and the statutory authority of school committees, pursuant to G.L. 1956 (1979 Reenactment) Chapters 28-9.3 and 9.4, to negotiate and enter into multi-year contracts with teachers. The 1981 amendment to § 16-3-11(n) expressly provides that "[n]othing contained herein shall be construed so as to prohibit a school committee from negotiating and

contracting with school employees and teachers for services to be rendered in the ensuing fiscal years pursuant to Chapters 28-9.3 and 28-9.4" See also, Providence Teachers Union v. School Committee of the City of Providence, 108 R.I. 444, 276 A.2d 762 (1971), wherein it was stated that a school committee cannot use a lack of funds to avoid its contractual obligations.

The sole matter before this Court is whether the school committee, by implementing the monetary terms of the arbitration award for the first year, became bound to abide by the monetary award for the second and third years. Pursuant to G.L. 1956 (1984 Reenactment) § 42-35-15, this Court is not permitted to substitute its judgment on questions of fact for that of the Board. Rather, the Court's inquiry is limited to determining whether the Board's decision is supported by substantial evidence or whether its decision is clearly erroneous as a matter of law.

Pursuant to G.L. 1956 (1979 Reenactment) § 28-9.3-12, arbitration awards are binding on all matters not involving the expenditure of money. Therefore, in order to hold the parties bound by the monetary terms of the award, a finding of agreement to such terms or at minimum a finding that the school committee is estopped to deny the existence of such an agreement, is required.

There is sufficient evidence in the record to support the Board's finding that the parties had reached a "meeting of the minds" as to all aspects of a three year collective bargaining agreement, including monetary terms. It is undisputed that the school committee, without apparent reservation, implemented the first year salary increase and the additional

dental insurance payment as recommended by the arbitration panel. The school committee implemented the nonmonetary provisions of the award as well, including the permitted increase in maximum class size. There is no evidence that, at the time of implementation, the school committee intended to grant a salary increase only in the first year and not grant the increase recommended by the arbitration panel for the second and third years. Rather, the evidence suggests that the school committee intended to accept the entire three year package. It was only when it later became apparent that there would be insufficient monies to satisfy the second and third year increases that the school committee refused to implement these increases

An arbitration award presents a package which likely represents compromises reached among members of the arbitration panel during the course of their deliberations. For example, the panel might be willing to recommend a smaller salary increase for the first year of an award period in exchange for a recommendation of a greater salary increase in the second and third years. Similar compromises might be reached between monetary and nonmonetary matters. Since the arbitration panel's recommendations were not binding on monetary matters, the parties were free to accept or reject any or all of the recommendations. However, by implementing and therefore accepting the first year monetary recommendations without apparent reservation, the school committee implicitly accepted all of the recommendations. Therefore, there is sufficient evidence in the record to support the Board's finding that the parties had accepted the award in its entirety. Thereby, in effect, the parties had agreed to a three year contract including monetary terms.

The school committee contends that even if it has bound itself to the second and third years of the award, it is not required to sign a contract incorporating the award. G.L. 1956 (1979 Reenactment) § 28-9.3-4 provides that the obligation of the school committee to bargain in good faith includes "the duty to cause any agreement resulting from negotiations or bargaining to be reduced to a written contract". The school committee argues

any finding that it is obligated to honor the second and third year salary increases rests on principles of estoppel rather than on a finding a collective bargaining agreement exists. However, the Board found the parties had reached agreement on a three year collective bargaining contract. As stated above, this finding is supported by substantial evidence. Once either party files a charge with the Board alleging violation of § 28-9.3-4, the Board shall treat the complaint in the same manner as if it were a charge of unfair labor practice. The Board may compel the committee to sign a written contract formalizing any prior agreement. Warren Education Association v. Lapan, 103 R.I. 163, 235 A.2d 866 (1967).

For the above reasons, the school committee's appeal is denied dismissed; the decision and order of the Board is affirmed and the petition to enforce is granted; and the school committee shall execute the collective bargaining agreement forthwith.

Counsel for the Board shall prepare and present a judgment in conformance with this decision.