

Board Meeting of  
April 27, 2011

TO: Board of Education

FROM: Constance Hubbard, Superintendent  
David Roth, Ph.D., Assistant Superintendent, Educational Services

SUBJECT: **IMPACT OF COLLECTIVE BARGAINING AGREEMENT BETWEEN THE DISTRICT AND CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION (CSEA)**  
*(Additional Information Posted on Web Site 4-27-11)*

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I. **SUPPORT INFORMATION**

The District has reached a tentative collective bargaining agreement with the Classified School Employees Association (CSEA), Chapter 60. CSEA members fill a variety of vital support positions across the District including administrative assistants, general and special education paraprofessionals, library aides, groundskeepers, custodians, technology and data managers, and maintenance workers.

The District savings from this agreement totals approximately \$618,000 over three years (2011-2014). \$552,000 of saving is a result of the agreed-upon medical benefits cap. An additional \$66,000 in savings will be realized from three (3) furlough days in 2011-2012. It is anticipated that the furlough days may be extended to 2012-13 and 2013-14 after discussions as part of negotiations for those years.

The agreement also includes a Memorandum of Understanding that would yield an additional \$88,000 in savings, should the State reduce District revenue (excluding Special Education revenue) by more than \$200 per student in 2011-2012.

Additional employee concessions include, but are not limited to: a reduction of one paid holiday; a reduction in post-employment benefits; and a cap on professional growth compensation.

The District and CSEA will automatically open negotiations for salaries, benefits, and one additional article each in 2012-2013 and 2013-2014 school years.

The attached updated chart details the impact of the CSEA contract provisions on the multi-year District Budget projections. Also included is the Public Disclosure of Collective Bargaining Agreement in accordance with AB 1200 that will be filed with the Alameda County Office of Education.

The District is thankful that the members or CSEA who through their negotiations and approval of this agreement have supported the District in adjusting to the ongoing fiscal crisis in public education.

II. **RECOMMENDATION:** Review in anticipation of approval on May 11, 2011

Attachments

**FINANCIAL DISCLOSURE OF IMPACT OF  
TENTATIVE CONTRACT AGREEMENT  
BETWEEN DISTRICT AND  
ASSOCIATION OF PIEDMONT TEACHERS, JULY 1, 2011 – JUNE 30, 2014  
AND CLASSIFIED SCHOOL EMPLOYEES ASSOCIATION (CSEA), JULY 2, 2011 – June 30, 2014**

| ITEM                           | 2011-12          |  | 2012-13          |  | 2013-14            |  |
|--------------------------------|------------------|--|------------------|--|--------------------|--|
|                                | APT              | *Estimated Impact: All Employee Groups | APT              | *Estimated Impact: All Employee Groups | APT                | *Estimated Impact: All Employee Groups |
| Furlough Days:                 | \$350,000        | (\$450,000)                            | \$350,000        | (\$450,000)                            | \$350,000          | (\$450,000)                            |
| <b>CSEA:</b>                   | <b>\$66,000</b>  |  | <b>\$384,000</b> |  | <b>\$384,000</b>   |  |
| Health/Dental Benefits Cap:    | \$275,000        | (\$400,000)                            | \$550,000        | (\$800,000)                            | \$825,000          | (\$1,200,000)                          |
| <b>CSEA:</b>                   | <b>\$92,000</b>  |  | <b>\$184,000</b> |  | <b>\$276,000</b>   |  |
| Co-Curricular Schedule Freeze: | \$40,000         | (\$40,000)                             | \$40,000         | (\$40,000)                             | \$40,000           | (\$40,000)                             |
| <b>TOTALS:</b>                 | <b>\$665,000</b> | <b>(\$890,000)</b>                     | <b>\$940,000</b> | <b>(\$1,224,000)</b>                   | <b>\$1,215,000</b> | <b>(\$1,624,000)</b>                   |

| CUMULATIVE 3-YR IMPACT | APT         |                  | *Estimated Impact: All Employee Bargaining Groups |                      |
|------------------------|-------------|------------------|---|----------------------|
|                        | APT         | CSEA             | APT   | CSEA                 |
|                        | \$2,820,000 |                  | \$3,870,000                                       |                      |
|                        |             | <b>\$618,000</b> |   | <b>(\$3,735,000)</b> |

\* Pending negotiations with remaining employee group (APSA)

**REVISED 4-26-11 5:30 p.m.**  
2-28-11 10:30 p.m.

**School District**  
**Public Disclosure of Collective Bargaining Agreement**  
 In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5

Name of Bargaining Unit: **Classified School Employees Association (CSEA) Classified X**  
 School District: **Piedmont Unified School District**  
 The proposed agreement covers the period beginning **7/1/2011** and ending **6/30/2014**

and will be acted on by the Governing Board at its meeting on May 11, 2011.

**Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office prior to the date the Governing Board will take action.**

**A. Proposed Change in Compensation**

| Compensation |   | Annual Cost<br>Prior to<br>Proposed<br>Agreement<br>FY 2011-12 | Fiscal Impact of Proposed Agreement         |   |   |
|--------------|---|--|---|---|---|
|              |   |  | Year 1<br>Increase/(Decrease)<br>FY 2011-12 | Year 2<br>Increase/(Decrease)<br>FY 2012-13 | Year 3<br>Increase/(Decrease)<br>FY 2013-14 |
| 1.           | <b>Salary Schedule</b><br>(This is to include Step & Column, which is also reported separately in item 6)       | \$ 4,354,112   | \$ (66,000)                                 |   |   |
|              |   |  | -1.52%                                      | 0.00%                                       | 0.00%                                       |
| 2.           | <b>Other Compensation</b><br>Slipends, Bonuses, Longevity, Overtime Differential, Callback or Standby Pay, etc. |  | \$ -  | \$ -  | \$ -  |
|              |   |  | 0.00%                                       | 0.00%                                       | 0.00%                                       |
| 2a.          | <b>Description of Other Compensation</b>  |  |   | \$ -  | \$ -  |
| 3.           | <b>Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare, etc.</b>  | \$ 858,423   | \$ (13,200)                                 | \$ -  | \$ -  |
|              |   |  | -1.54%                                      | 0.00%                                       | 0.00%                                       |
| 4.           | <b>Health/Welfare Plans</b>   | \$ 1,002,655   | \$ (92,757)                                 | \$ -  | \$ -  |
|              |   |  | -9.25%                                      | 0.00%                                       | 0.00%                                       |
| 5.           | <b>Total Compensation - Add Items 1 through 4 to equal 5</b>  | \$ 6,215,190   | \$ (171,957)                                | \$ -  | \$ -  |
|              |   |  | -2.77%                                      | 0.00%                                       | 0.00%                                       |
| 6.           | <b>Step &amp; Column - Due to movement plus any changes due to settlement. This is a subset of item No. 1.</b>  | \$ 63,371  | \$ -  | \$ -  | \$ -  |
| 7.           | <b>Total number of represented Employees (Use FTEs)</b>   | 109.5  | 107.59                                      | 107.59                                      | 107.59                                      |
| 8.           | <b>Total Compensation Average Cost per Employee</b>   | \$ 56,760  | \$ (1,598)                                  | \$ -  | \$ -  |
|              |   |  | 0.00%                                       | 0.00%                                       | 0.00%                                       |

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9. What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?

0% Salary Schedule increase for each year of the agreement; Three (3) unpaid furlough days the first year of the agreement; future furlough days subject to negotiation per the development of the instructional calendar

10. Were any additional steps, columns or ranges added to the schedules? (If yes, please explain.)

No additional steps, columns, or ranges; cap on professional growth steps (6) at \$270/month

11. Please include comments and explanations as necessary. (If more room is necessary, please attach additional sheet.)

District contribution toward medical benefits capped: \$6,500 EO; \$13,000 E+1; \$18,000 Family  
Termination of Retirement Consultant program (6/30/2011); Post-Employment medical/dental benefits  
up to Medicare eligibility age or five (5) years, whichever occurs first

- B. Proposed Negotiated Changes in Non-compensation Items** (e.g. class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.)

- C. What are the Specific Impacts (Positive or Negative) on Instructional and Support Programs to Accommodate the Settlement?** Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (e.g. counselors, librarians, custodial staff, etc.).

- D. What Contingency Language is Included in the Proposed Agreement (e.g. reopeners, etc.)?**

Contingency Plan for salary reduction in the event District revenue is reduced by \$200.00 or more per student (excluding Special Education Categorical Funding) below projected by the Governor's 1/10/2011 education budget; the District can impose up to four (4) additional furlough days for 2011-12

- E. Will this Agreement Create, Increase, or Decrease Deficit Financing in the Current or Subsequent Year(s)?**

"Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If yes, explain the amounts and justification for doing so.

The agreement will decrease deficit financing by saving a projected \$600k over three years against projected medical benefits increases of 13.5% (trend rate). Modest additional savings in reduced number of holidays.

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**F. Identify Other Major Provisions that do not Directly Affect the District's Costs; such as Binding Arbitration, Grievances Procedures, etc.**

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**G. Source of Funding for Proposed Agreement**

1. Current Year

General Fund which includes parcel taxes and local contributions

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2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (I.e., what will allow the district to afford this contract)?

This is a multi-year agreement

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3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)

Source of funding is the General Fund; assumptions include School Services Dartboard Revenue Limit Projections, Special Education and Categorical program COLA's, local funding contributions at 2011-12 rates

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**School District**  
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**H. Impact of Proposed Agreement on Current Year Operating Budget (Ed. Code 42142)**

|  | Column 1<br>Latest Board-<br>Approved<br>Budget Before<br>Settlement<br>As of | Column 2<br>Cost of<br>Adjustments<br>as a Result<br>of Settlement | Column 3<br>Other Revisions<br>Costs<br>Increases<br>(Decreases) | Column 4<br>Total New<br>Budget<br>(Col 1+2+3) |
|--|---|--|--|--|
| <b>Revenues</b>                                  |   |  |  |  |
| Revenue Limit Sources (8010-8099)                | \$ 13,225,009   |  | \$ -   | \$ 13,225,009                                  |
| Remaining Revenues (8100-8799)                   | \$ 14,962,123   | \$ -   | \$ -   | \$ 14,962,123                                  |
| <b>Total Revenues</b>                            | <b>\$ 28,187,132</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 28,187,132</b>                           |
| <b>Expenditures</b>                              |   |  |  |  |
| 1000 Certificated Salaries                       | \$ 15,270,517   | \$ (350,000)   | \$ (365,000)   | \$ 14,555,517                                  |
| 2000 Classified Salaries                         | \$ 4,753,037  | -66000   | \$ (100,000)   | \$ 4,587,037                                   |
| 3000 Employee Benefits                           | \$ 6,876,920  | \$ (387,053)   | \$ -   | \$ 6,489,867                                   |
| 4000 Books and Supplies                          | \$ 785,588  |  | \$ -   | \$ 785,588                                     |
| 5000 Services and Operating Expenses             | \$ 2,432,075  | \$ -   | \$ -   | \$ 2,432,075                                   |
| 6000 Capital Outlay                              | \$ -  | \$ -   | \$ -   | \$ -   |
| 7000 Other Outgo                                 | \$ 276,556  | \$ -   | \$ -   | \$ 276,556                                     |
| <b>Total Expenditures</b>                        | <b>\$ 30,394,693</b>  | <b>\$ (803,053)</b>  | <b>\$ (465,000)</b>  | <b>\$ 29,126,640</b>                           |
| Operating Surplus (Deficit)                      | \$ (2,207,561)  | \$ 803,053   | \$ 465,000   | \$ (939,508)                                   |
| Other Sources and Transfers In                   | \$ 120,000  | \$ -   | \$ -   | \$ 120,000                                     |
| Other Uses and Transfers Out                     | \$ -  | \$ -   | \$ -   | \$ -   |
| Current Year Increase (Decrease) In Fund Balance | \$ (2,087,561)  | \$ 803,053   | \$ 465,000   | \$ (819,508)                                   |
| Beginning Balance                                | \$ 3,075,676  |  |  | \$ 3,075,676                                   |
| Current Year Ending Balance                      | \$ 988,115  | \$ 803,053   | \$ 465,000   | \$ 2,256,168                                   |
| <b>Components of Ending Balance</b>              |   |  |  |  |
| Reserved and Legally Restricted 9711-9740        | \$ -  | \$ -   | \$ -   | \$ -   |
| Reserved for Economic Uncertainties 9770 (3%)    | \$ 911,841  | \$ (24,092)  | \$ (13,950)  | \$ 873,799                                     |
| Board Designated Amounts 9775-9780               | \$ 76,274   | \$ -   | \$ -   | \$ 1,314,389                                   |
| Unappropriated Amounts 9790                      | \$ -  |  |  | \$ -   |

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If the total amount of the adjustment in Column 2 on page 4 does not agree with the amount of the Total Compensation Increase in Section A, line 5, page 1 (e.g. increase was partially budgeted), explain the variance below:

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Increase was partially budgeted as a part of overall health benefits costs

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Please include any additional comments and explanations of page 4 as necessary:

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Extension of Furlough Days Savings (\$450,000) from 2010-11 agreements

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**School District**  
**Public Disclosure of Collective Bargaining Agreement**  
 In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5

**I. Impact of Proposed Agreement on Current Year Unrestricted Reserves**

1. State Reserve Standard

|  |                      |
|--|----------------------|
| a. Total Expenditures, Transfers Out, and Uses (Page 4, Column 4, total Expense & Other Uses and Transfers Out<br><i>(Must include restricted and unrestricted expenditures)</i> | <b>\$ 29,126,640</b> |
| b. State Standard Minimum Reserve Percentage for this District   | <b>3.00%</b>         |
| c. State Standard Minimum Reserve Amount for this District<br>(For districts with less than 1,001 ADA, this is the greater of Line a. times Line b. or \$50,000.                 | <b>\$ 873,799</b>    |

2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)

|  |                   |
|--|-------------------|
| a. General Fund Budgeted <b>Unrestricted</b> Designated for Economic Uncertainties | <b>\$ 873,799</b> |
| b. General Fund Budgeted <b>Unrestricted</b> Unappropriated Amount                 | <b>\$ -</b>       |
| c. Special Reserve Fund 17-Budgeted Designated for Economic Uncertainties          | <b>\$ -</b>       |
| d. Special Reserve Fund 17-Budgeted Unappropriated Amount                          | <b>\$ -</b>       |
| e. Article XIII-B Fund 72-Budgeted Designated for Economic Uncertainties           | <b>\$ -</b>       |
| f. Article XIII-B Fund 72-Budgeted Unappropriated Amount                           | <b>\$ -</b>       |
| g. Total District Budgeted Unrestricted Reserves                                   | <b>\$ 873,799</b> |

3. Do unrestricted reserves meet the state standard minimum reserve amount? YES **X**

If NO, how do you plan to restore your reserves?

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**School District**  
**Public Disclosure of Collective Bargaining Agreement**

In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5

**Revised MYP Including the Effects of Collective Bargaining**

District Name: Piedmont Unified

General Fund

Multi-Year Projections

Budget Year: 2011-12 through 2013-14

|   | ADA 2475          | ADA 2475          | ADA 2475          |
|---|-------------------|-------------------|-------------------|
|   | COLA 1.67%        | COLA 1.8%         | COLA 2.3%         |
|   | Deficit 19.608%   | Deficit 19.608%   | Deficit 19.608%   |
|   | 2011-12 Budget    | 2012-13 Budget    | 2013-14 Budget    |
| <b>Revenues</b>                           |                   |                   |                   |
| Revenue Limit Sources                     | 13,225,009        | 13,451,918        | 13,754,744        |
| Federal Revenue                           | 610,735           | 620,087           | 620,087           |
| Other State Revenue                       | 2,326,827         | 2,329,054         | 2,382,622         |
| Local Revenue                             | 12,020,986        | 11,507,599        | 11,507,599        |
| Other Financing Sources                   | 3,575             | 0                 | 0                 |
| <b>Total Revenue</b>                      | <b>28,187,132</b> | <b>27,908,658</b> | <b>28,265,052</b> |
| <b>Expenditures</b>                       |                   |                   |                   |
| Certificated Salaries                     | 14,334,500        | 14,796,632        | 15,018,581        |
| Step & Column Adjustment                  | 221,017           | inc               | inc               |
| Cost-of-Living Adjustment                 | 0                 | 0                 | 0                 |
| Other Adjustments                         |                   |                   |                   |
| Classified Salaries                       | 4,583,830         | 4,659,712         | 4,729,608         |
| Step & Column Adjustment                  | 69,207            | inc               | inc               |
| Cost-of-Living Adjustment                 |                   | 0                 | 0                 |
| Other Adjustments                         |                   |                   |                   |
| Employee Benefits                         | 6,489,867         | 6,489,867         | 6,489,867         |
| Books & Supplies                          | 785,588           | 785,588           | 785,588           |
| Services, Other Operating Exp             | 2,432,075         | 2,432,075         | 2,432,075         |
| Capital Outlay                            | 0                 | 0                 | 0                 |
| Other Outgo                               | 0                 | 0                 | 0                 |
| Direct Support/Indirect Costs             |                   |                   |                   |
| Other Financing Uses                      | 276,556           | 281,810           | 288,291           |
| Other Adjustments                         |                   |                   |                   |
| <b>Total Expenditures</b>                 | <b>29,192,640</b> | <b>29,445,684</b> | <b>29,744,010</b> |
| Excess of Revenues over Expenditures      | (1,005,508)       | (1,537,026)       | (1,478,958)       |
| Beginning Fund Balance                    | 3,075,676         | 2,633,769         | 1,216,743         |
| Adult Ed Transfer Adj.                    | 120,000           | 120,000           | 120,000           |
| Adjust to Beginning Balance (1st+2nd Int) | 443,601           |                   |                   |
| Ending Balance                            | 2,633,769         | 1,216,743         | (142,215)         |
| Restricted Balance                        | 1,314,389         | 333,373           |                   |
| Required Reserve                          | 875,779           | 883,370           |                   |
| Unrestricted Balance (Incl Revolving)     |                   |                   |                   |

Comments (Major changes):

Emergency Parcel Tax (\$941,000) expires 6/30/2012

Extension of Furlough Days Savings (\$450,000) from 2010-11 agreements

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**J. Salary Notification Requirement**

The following section is applicable and should be completed when any Salary/Benefit Negotiations are settled after the district's final budget has been adopted.

**Comparison of Proposed Agreement to Change in District Base Revenue Limit**

|   |  |
|---|--|
| (a) Current Year Base Revenue Limit (BRL) per ADA:<br>(obtain from the FY2010-11 County Office-provided Revenue Limit or+B263 Form RL, Line 3 | <u>\$ 6,403.55</u> (Estimated)   |
| (b) Prior Year Base Revenue Limit per ADA:<br>(Form RL, Line 1)   | <u>\$ 6,428.55</u> (Actual)<br>5253.28 (Less Deficit)                          |
| (c) Amount of Current Year Increase: (a) minus (b)  | <u>\$ (25.00)</u>  |
| (d) Percentage Increase in BRL per ADA: (c) divided by (b)  | <u>\$ 1,150.27</u> (Real Decrease)<br><u>-0.39%</u><br>17.9630% (Real Deficit) |
| (e) Indicate Total Settlement Percentage Increase from Section A,<br>line 5, Page 1 for current year  | <u>-2.77%</u>  |

**K. Certification**

*The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.*

|   |   |
|---|---|
| <p>The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Collective Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code 3547.5.</p> |   |
| <p>_____</p> <p><b>District Superintendent (or Designee)</b><br/>(Signature)</p>  | <p>11-May-11</p> <p>_____</p> <p>Date</p> |
| <p>After public disclosure of the major provisions contained in this summary, the Governing Board, at its meeting on March 9, 2011, took action to approve the proposed Agreement with the <b>Association of Piedmont Teachers (APT)</b> Bargaining Unit, and the <b>Piedmont Unified School District</b></p>   |   |
| <p>_____</p> <p><b>President (or Clerk), Governing Board</b><br/>(Signature)</p>  | <p>11-May-11</p> <p>_____</p> <p>Date</p> |

**Special Note:** The Alameda County Office of Education reserves the right to ask any additional questions or request any additional information we feel is necessary to review the district properly under AB 1200. Including a copy of the Tentative Agreement.

# Certification of the Districts Ability to Meet the Costs of Collective Bargaining Agreement

*This disclosure document must be signed by the District Superintendent and Chief Business Official prior to the public disclosure.*

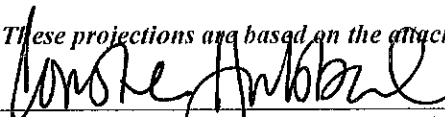
**In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Official of The Piedmont Unified School District, hereby certify that the District can meet the costs incurred under the Collective Bargaining Agreement between the District and the Classified School Employees Association (CSEA) Bargaining Unit, during the term of the agreement from July 1, 2010 to June 30, 2012.**

*The budget revisions necessary to meet the costs of the agreement in each year of its term are itemized below. If the District does not adopt all of the revisions in the current fiscal year, the County Superintendent is required to issue a qualified or negative certification on the next Interim Report per Government Code (GC) 3547.5(c)*

| Budget Adjustment Categories       | Increase(Decrease)<br>Year 1 | Increase(Decrease)<br>Year 2 | Increase(Decrease)<br>Year 3 |
|------------------------------------|------------------------------|------------------------------|------------------------------|
| Revenues/Other Financing Sources   |                              |                              |                              |
|                                    |                              |                              |                              |
| Expenditures/Other Financing Uses  |                              |                              |                              |
| Total Compensation                 | (\$171,957)                  |                              |                              |
|                                    |                              |                              |                              |
|                                    |                              |                              |                              |
| Ending Balance Increase (Decrease) | (\$171,957)                  |                              |                              |

(No budget revisions necessary)

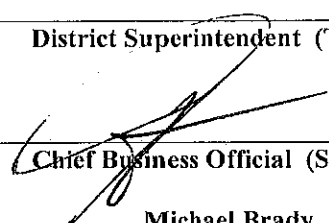
*These projections are based on the attached assumptions, which become an integral part of this document.*

  
 \_\_\_\_\_  
 District Superintendent (Signature)

4.27.2011  
 \_\_\_\_\_  
 Date

Constance Hubbard

\_\_\_\_\_  
 District Superintendent (Type Name)

  
 \_\_\_\_\_  
 Chief Business Official (Signature)

4/27/11  
 \_\_\_\_\_  
 Date

Michael Brady

\_\_\_\_\_  
 Chief Business Official (Type Name)