

**BOARD OF EDUCATION**

**Attachment: Action**

**8**

**PALO ALTO UNIFIED SCHOOL DISTRICT**

**Date:**

**11.17.09**

**TO:** Kevin Skelly, Ph.D., Superintendent

**FROM:** Scott Bowers, Ed.D., Assistant Superintendent, Human Resources

**SUBJECT:** Ratification of Tentative Agreement with the Palo Alto Educators Association

### **STRATEGIC PLAN INITIATIVE**

Staff Recruitment and Development

### **BACKGROUND**

Representatives of the Board of Education and the Palo Alto Educators Association (PAEA) have concluded their negotiations for the 2009-10 school year. The Palo Alto Educators Association membership held a ratification vote at the end of October and will report the results of the vote at the Board meeting on November 10, 2009.

The following information highlights changes that will be made to the current agreement as a result of these negotiations. A financial disclosure statement is also included. Copies of the tentative agreement have been given to the Board members and are available upon request from the Human Resource Center.

#### Article II, Term

- Language was modified to reflect our current negotiations schedule. The deadline for PAEA to "sunshine" its articles for negotiations is April 15 of each year, with the deadline for the District to "sunshine" its articles for negotiations by June 15 of each year.
- The term of the agreement is effective through June 30, 2013.

#### Article VI, Compensation and Benefits

- The District will increase its contribution to employee benefits in the coming year with the average benefits contribution per employee increasing from \$12,125 to \$12,865.
- New language allows early retirees eligible for fully paid District benefits to opt out of the District's coverage and receive \$3,000 for each year of eligibility forfeited.
- New language specifies that life insurance coverage will be provided for qualified active employees only.
- New language establishes a PPO dental plan for all eligible employees hired on or after January 1, 2010. Current employees have the option of choosing the new PPO dental plan or remaining on the dental incentive program currently in place.

#### Article IX, Class Size

- Modified language to clarify whether class size staffing ratios were under Class Size Reduction Funding.

#### Appendix D

- New language allows early retirees eligible for fully paid District benefits to opt out of the District's coverage and receive \$3,000 for each year of eligibility forfeited.

The Palo Alto Educators Association will report the results of their ratification vote at the Board meeting on November 10, 2009.

**RECOMMENDATION**

This item was discussed and a public hearing held on November 20, 2009. It is recommended the Board approve this tentative agreement.

**DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT**  
In Accordance with AB 1200

PALO ALTO UNIFIED SCHOOL DISTRICT

Name of Bargaining Unit: PALO ALTO EDUCATORS ASSOCIATION

Certificated XX

Classified \_\_\_\_\_

The proposed agreement covers the period beginning 07/01/2009 and ending 06/30/2010 and will be acted upon by the Governing Board at the meeting on 11/17/09.

**A. Proposed Change in Compensation**

Compensation	Cost Prior to Proposed Agreement	Fiscal Impact of Proposed Agreement		
		Current Year Increase / Decrease 2009-10	Year 2 Increase / Decrease 2010-11	Year 3 Increase / Decrease 2011-12
1. Regular Compensation	N/A	N/A	N/A	N/A
		%	%	%
2. Other Compensation Stipends, Bonuses, etc.	N/A	N/A	N/A	N/A
Description of other compensation				
3. Statutory Benefits STRS, PERS, FICA, WC, UI, Medicare, etc.	N/A	N/A	N/A	N/A
4. Health / Welfare Plans	\$ 9,184,565	\$ 357,027	\$ 255,019	\$ -
Notes for Health / Welfare costs	Average cost / FTE = \$12,125	Average cost / FTE = \$12,556	Average cost / FTE = \$12,865	
5. Total Compensation Add Items 1 through 4 to equal 5	N/A	\$ 357,027	\$ 255,019	\$ -
6. Step and Column Due to movement plus any changes due to settlement. This is a subset of Item No. 1	N/A	N/A	N/A	N/A
7. Total Number of Represented Employees (Use FTEs if appropriate)	734 FTE	734 FTE	734 FTE	734 FTE

## DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

### Impact of Proposed Agreement on Current Year and Next Two Years Unrestricted Reserves \*\*

#### B. State Reserve Standard

	Current Year	Year 2	Year 3
1. Total Expenditures, Transfers Out, and Uses (including Cost of Proposed Agreement) **	\$ 152,180,931	\$ 152,956,191	\$ 154,516,753
2. State Standard Minimum Reserve Percentage for this District	3%	3%	3%
3. State Standard minimum reserve amount for this District (Line 1 times 2 or \$50,000 for a district with less than 1,001 ADA)	\$ 4,565,428	\$ 4,588,686	\$ 4,635,503

#### C. Budgeted Unrestricted reserve (After Impact of Proposed Agreement)

1. General Fund Budgeted <u>Unrestricted</u> Designated for Economic Uncertainties	\$ 4,565,428	\$ 4,588,686	\$ 4,635,503
2. General Fund Budgeted <u>Unrestricted</u> Unappropriated Amount	\$ 5,931,537	\$ 3,954,358	\$ 1,977,179
3. Special Reserve Fund (J-207) Budgeted Designated for Economic Uncertainties	\$ 9,510,721	\$ 9,796,043	\$ 10,089,924
4. Special Reserve Fund (J-207) Budgeted Unappropriated Amount	\$	\$	\$
5. Article XIII-B Fund (J-241) Budgeted for Economic Uncertainties	\$	\$	\$
6. Article XIII-B Fund (J-241) Budgeted Unappropriated Amount	\$	\$	\$
7. Total District Budgeted <u>Unrestricted</u> Reserves	\$ 20,007,686	\$ 18,339,086	\$ 16,702,605

D. Do unrestricted reserves meet the state standard minimum reserve amount for the current and next two fiscal years? YES: XX NO: \_\_\_\_

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

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## DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

### E. CERTIFICATION

To be signed by the District Superintendent upon submission to the Governing Board and the Board President upon formal Board action on the proposed agreement.

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 Collective Bargaining Agreement").

\_\_\_\_\_  
District Superintendent (or Designee)  
(Signature)

\_\_\_\_\_  
Date

After public disclosure of the major provisions contained in this Summary, the Governing Board, at this meeting on November 17, 2009, took action to approve the proposed Agreement with the PALO ALTO EDUCATORS ASSOCIATION Bargaining Unit.

\_\_\_\_\_  
President (or Clerk), Governing Board  
(Signature)

\_\_\_\_\_  
Date

**Special Note:** The 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.