

FACT FINDING DISCUSSION AND RECOMMENDATIONS

Between)	Re: Case No. LA-IM-3744-E
)	
Ramona Unified)	
School District)	
)	
and)	
)	
Ramona Teachers)	
Association/CTA/NEA)	
_____)	

Impartial Chair

Bonnie Prouty Castrey
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District Panel Member

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Hearing Held

February 27-28, 2013
Ramona Unified School District
Conference Rooms
790 9th Street
Ramona, CA 92065-2348

BACKGROUND

The Ramona Unified School District (RUSD or District) and the Ramona Teachers Association (Association or RTA), a local affiliate of the California Teachers Association and the National Education Association (CTA/NEA), are the parties in this fact finding matter. The certificated staff in this bargaining unit are members of RTA/CTA/NEA. There are about 247 members in this bargaining unit.

The District currently serves about 5,900 students in six (6) elementary sites, one (1) middle school, one (1) comprehensive high school, one (1) alternative education site, 1 K-12 alternative program that provides a teacher/parent school and home school program. The District covers some 172 square miles in San Diego County. One school is in program improvement (PI), however all schools but 1 have an Academic Performance Index (API) of 800 points or higher. The District has experienced declining enrollment for the past eleven (11) years which has resulted in an annual loss of some \$677,000.00. (District Facts {DF} page 2 and Association Facts {AF} tab 1).

The negotiations between these parties commenced on or about August 15, 2012 following the public hearings of the District's and Association's proposals for the re-opener of the 2009-2013 Collective Bargaining Agreement (CBA or Agreement). The respective proposals were sunshined by the District on October 20, 2011 and revised June 7, 2012 and the RTA July 2 and 12, 2012 (DF pg 12-14 and AF Tab 2).

The parties met in the Fall of 2012 and on October 19, 2012, the District submitted impasse proceedings with PERB. On October 30, 2012 PERB assigned Michelle Keith, a Mediator with the California State Mediation and Conciliation Service to assist the parties. They met in formal mediation sessions on November 16, 2012, December 4 and 10, 2012. When they were unable to reach agreement, the mediator certified the parties to Fact Finding. PERB acknowledged a District request to fact finding on December 26, 2012 (DF pg 13-14 and AF Tab 2).

The District selected John Gray as its Panel Member and the Association selected Margaret Wallace as their Panel Member. They selected Bonnie Prouty Castrey to Chair the Panel (DF pg 14).

The issues before this Panel are Inability to Pay, Article I Agreement; Article 11 Health and Welfare Benefits including Appendix A-3 District Reimbursements for co-insurance and in-lieu payout to employees; Article 12 Salary including furlough days and SAFE Account; Article 16 Class Size; Article 18 Evaluation both frequency and public charges; New Article Teacher Workload (DF pg 97-102 and AF Tab 5).

Both parties briefly presented their documentation and facts regarding the issues before the Panel and had time for clarifying questions. The Panel Members then worked in joint, separate and off the record confidential sessions in an attempt to assist the parties in reaching a Tentative Agreement.

The District and Association Panel Members met once again with

the parties on March 27, 2013 in another attempt to assist the parties in reaching an Agreement. When this effort was not successful, the Panel Members studied both parties' entire submissions thoroughly and the Chair drafted this Report and Recommendations.

In this matter, the Panel is guided by the California Government Code Section 3548.2 of the EERA which states in pertinent part:

In arriving at their findings and recommendation, the Fact Finders shall consider, weigh, and be guided by all the following criteria:

1. State and federal laws that are applicable to the employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the public school employer.
4. Comparison of the wages, hours, and conditions of employment of the employers involved in the fact finding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.
5. The consumer price index for goods and services, commonly known as the cost of living.
6. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment and all other benefits received.
7. Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations."

ADDITIONAL PERTINENT STATE LAWS

Government Code Section 3547.5

- (a) Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of

representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.

- (b) The superintendent of the school district and the chief business official shall certify in writing that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education Code and shall itemize any budget revision necessary to meet the costs of the agreement each year of its term.
- (c) If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of the collective bargaining agreement, the county superintendent of schools shall issue a qualified or negative certification for the district on the next interim report pursuant to Section 42131 of the Education Code.

STIPULATIONS OF RUSD AND RTA

1. The District is a public school employer within the meaning of Section 3540.1(j) of the Educational Employment Relations Act.
2. RTA is a recognized employee organization within the meaning of Section 3540.1(d) of the Educational Employment Relations Act and has been duly recognized as the exclusive representative of this bargaining unit in the District.
3. The parties to this factfinding have complied with the public notice provisions of the Government Code Section 3547 when they publically noticed their respective proposals on October 20, 2011; June 7, 2012; July 7, 2012 and July 12, 2012 (revised)
4. An impasse in bargaining for the 2012-2013, 2013-2014, and 2014-2015 was declared by the District on October 19, 2012. The Public Employment Relations Board (PERB) determined the existence of an impasse on October 30, 2012. Michele Keith was appointed by PERB to act as a mediator and the parties met with the mediator in an effort to reach agreement until December 10, 2012. On the same day, the mediator informed PERB that Factfinding was appropriate.
5. On December 11, 2012, the District notified PERB that it wished to proceed to Factfinding. On the same day, the

District notified PERB that John Gray of School Services of California was designated as the District's Panel Member for Factfinding. On January 10, 2013, RTA notified PERB that Margaret Wallace was selected as RTA's Panel Member for Factfinding. On January 11, 2013, PERB was notified that the parties mutually agreed to select Bonnie Prouty Castrey as the Chair of the Factfinding panel. In selecting the Chair, the parties agreed to waive the time-lines of Government Code Section 3548.3.

6. The contract issues which are appropriate before the Factfinding Panel are as follows:
 - (A) **Article 1**-Agreement
 - (B) **Article 11**-Teacher Health & Welfare Benefits (including Appendix A-3 District Reimbursements)
 - (C) **Article 12**-Salary (including furlough days and RTA safe Account)
 - (D) **Article 16**-Class Size
 - (E) **Article 18**-Evaluation: and
 - (F) **(New)** Teacher Workload
7. There were no written tentative agreements
8. PERB appointed Ms Bonnie Castrey as the panel chairperson on January 14, 2013. (DF pg 10)

COMPARISON DISTRICTS

The District used the comparison districts of unified, elementary and high school districts, in San Diego County, where they are likely to compete for teachers in this geographic area.

They are :

Bonsall Union Elementary
Cajon Valley Union Elementary
Chula Vista Elementary
Coronado Unified
Escondido Union Elementary
Escondido Union High
Grossmont Union High
La Mesa-Spring Valley
Lakeside Union Elementary
Lemon Grove Elementary

Mountain Empire Unified
National Elementary
Oceanside Unified
Poway Unified
San Diego Unified
San Marcos Unified
Santee Elementary
South Bay Union Elementary
Sweetwater Union High
Valley Center-Pauma Unified
Vista Unified

The District did not select Basic Aid districts as their funding model is different from "Revenue Limit" Funded districts.

(DF pg 7)

The Association submitted comparison districts as follows:

Coronado Unified
Escondido Union High (C)
Fallbrook Union Elementary
Lakeside Union Elementary
Oceanside Unified
Poway Unified (S)
San Diego Unified (SC)
San Marcos Unified
Santee Elementary
Valley Center-Pauma Unified
Vista Unified (C)

The Association did not compare to Basic Aid Funded Districts. They compared with districts similar to Ramona Unified, ADA, and/or within the geographic area in which the bargaining unit members may choose to commute.

(AF Tab 4)

Considering that the Association has compared 11 Districts and the District 22 and with the exception of Fallbrook Union Elementary, they have used ten of the same comparison districts, the Chair will use both sets of comparison districts in the analysis of issues.

ISSUES

INABILITY TO PAY

DISCUSSION AND FINDING

The first issue is the question of inability to pay.

When a district asserts inability to pay, they have the heavy burden of proving that they cannot afford to continue paying salary and benefits at the level they currently are obligated to pay and/or that they cannot afford to negotiate increases in compensation.

State law requires that school districts must maintain a positive ending balance in the current year and two successive school years. In other words, the budget for fiscal year/school year (FY) 2012-2013, which commences July 1, 2012 and ends June 30, 2013, must have a positive ending balance and this district is required to maintain a minimum three (3) percent reserve for economic uncertainties, including all appropriate funds. In addition, FY 2013-2014 and FY 2014-2015 must also be able to show a positive ending balance with at least the 3% reserve for economic uncertainty.

In considering this entire argument, it is a fact that schools in California are dependent on The State of California for their revenue. Furthermore, the State is and has been in fiscal crises for several years since at least 2007 with billions of dollars in deficit budgets. Some economists have described California's budget as being in "free fall". As a result of the State budget

shortfall, due to decreased revenues from sales tax, income tax, and other revenues, the State has unceremoniously cut school districts' unrestricted and categorical (restricted) funding by literally billions of dollars and has not maintained the Proposition 98 floor of funding.

For this District this decreased funding amounts to more than a twenty two percent (22%) decrease in unrestricted funding and about twenty percent (20%) in restricted/categorical funding from what would be required by statute (DF tab 14-15, pg 145-190 and tab 21 pg 244). They now only receive approximately 77-78 cents for every dollar they should be funded and about 80 cents for categorically funded programs.

In addition, this District has sustained a loss of Average Daily Attendance (ADA) of some 671 students since 2008-09. This amounts to an ongoing loss of about 3.5 million dollars based on the current State's decreased funding of the Base Revenue Limit (BRL) of \$5,158.00 per ADA through June 30, 2012 (DF pg 191).

Had the State not cut its unrestricted funding, also referred to as the BRL over the past five (5) years, RUSD would have received in the 2012-2013 FY, \$6,708.00 for each student attending class each day (ADA). With the State decreasing its funding of the BRL, the District received only \$5,214.00, a difference of \$1,494.00 equal to 22.3%. The 2007-08 school year is the last year in which the District received it's fully funded BRL at \$5,787.00. Since that time they have received from \$479.00 per ADA less to

\$1,494.00 per ADA less in funding. As stated above, in this years funding that is equal to 22.3% less in general fund monies (DF pg 244).

While the tax initiative, Proposition 30, meant to stabilize education funding, was passed by the voters in the November 2012 election; the amount of funding for school districts remains in question, at this writing. The Governor has proposed a new funding model, using a weighted student formula called Local Control Funding Formula. Districts likely will not know until June or later how the actual funding for 2013-14 will be implemented. Therefore at this point in time, for budgeting purposes within State Law, looking out two years to 2013-14 and 2014-15, the District must make their budgeting assumptions and projections under the current funding model.

To make matters even worse for school districts, including RUSD, the State has deferred payments of monies to school districts which has caused a serious cash flow issue for districts. If the deferrals continue, this District may have to borrow externally and pay high interest rates on the borrowed money in order to pay its bills including salaries and benefits. The District has already been denied its application for a Tax and Revenue Anticipation Note (TRAN) (DF pg 245-255).

According to the most recent audited figures for FY 2011-12, salaries and benefits account for 86.96% of RUSD's budget (DF pg 256-258). The Association shows that at the 1st Interim Report for

2012-13, which are unaudited figures, the District's total outgo for salaries and benefits is lower at 82.69%, accounting for a decrease in staffing, including the significant loss of teachers, who were not replaced because of the declining enrollment (AF Tab 6). With the District spending nearly 83%-87% of the unrestricted dollars on personnel, including salaries and benefits, there is simply not enough money in the remaining 13%-17% of monies to absorb the deep cuts the state has imposed, by failing to adequately fund schools and by deferring the funds that are allocated.

Making the District's financial situation even worse, the District incurred long term debt through Certificates of Participation (COPS) in order to build and modernize District schools. The COPS were to be repaid with Developer Fees in the Capital Facilities fund. With the national and state economic downturn, the Developer Fees, on which they made their decisions for repayment of the COPS, have been significantly reduced. Although the Board of Supervisors has approved building in this area of the County, at this point, the developer fees have not been realized by the District (AF Tab). Furthermore, the community has not approved a General Obligation (GO) Bond to repay the COPS. Hence, with the decrease in Developer Fees and the lack of a GO Bond, the District must meet the debt obligation for the new schools and modernization with general fund monies. Commencing in 2013, the District must make payment of 1.4 million dollars from

the general fund and those payments increase over the years to 3.2 million dollars in 2032 (DF pg 192-193).

The Association countered this argument of Inability to Pay, stating that the District's analysis of its ending balances are both in excess of the state mandated amounts and are also inaccurate. They cite the projected ending balances of the last several years and the actual ending balances, which are higher than projected (AF Tab 6).

Moreover, they charge that the District has failed to account for the decreased number of teachers, based on the declining enrollment, and point out that class sizes have increased, saving the District money. Further, they assert that the decreases in numbers of teachers is disproportionate to the decline in enrollment.

The Association charges that the District's budgeting and their choices of priorities is not in the best interest of the public given the Governor's optimistic budget proposal for education, following the passage of Proposition 30 (AF Tab 6).

In analyzing all of this information, the Chair must consider the tremendous volatility of the economy during this entire timeframe which is known as the "Great Recession". Both the state and nation have experienced dreadful economic issues and the state, as discussed above, has cut school districts revenues by over 22 billion dollars in this timeframe. Additionally, the one time Federal Stimulus monies came to districts and helped to save jobs,

but also made budgeting extraordinarily challenging and most districts in the state, did grow their ending balances. The State also made a payment on the last day of the year, which had to be "booked" for the year ending, but not spent till the next fiscal year. All these factors makes budgeting during these challenging times very difficult. Furthermore, it is important to remember that the ending balance is one time money and should not be used for any ongoing expenditures such as salaries and benefits.

The District has already made severe cuts including eliminating full time equivalent teaching positions in this bargaining unit from 331 in 2007-08 to 245 in 2012-13, increasing class sizes by two to three students, capping health and welfare benefits for the other bargaining units and administrators and decreasing salary obligations through furlough days for all other employees except this bargaining unit. At the time of this writing, it is the Chair's understanding that there has not been restoration of either furlough days or Health and Welfare payments to any other bargaining unit (Panel Executive Session 4/5/13).

From the Chair's study of the budget documents, it is a fact that the District is projected to continue spending down its reserves and thus will be continuing to deficit spend in the current fiscal year and for the foreseeable future. This is a major concern particularly considering the volatility of the State's structural deficit, which future elimination was greatly helped by the passage of Proposition 30, but which is not completely eliminated.

Moreover, the current discussions of the budgeting processes for education including whether the current funding formula, using the BRL, will continue and if so, for how long and how much will be added per ADA in 2013-14 and 2014-15; or, if a new funding model will be designed and if so, how it will affect the ADA for this District. Specifically, the elements of that new funding model is currently being debated in the state legislature. This remains a time of great fiscal uncertainty for school districts and the employees.

As discussed above, the reductions of staff in this bargaining unit have been substantial. Those reductions also helped to fund the ending balance. Further bloating of the ending balances came about as a result of some Federal funding received late in the school year and also a year when the state provided funding on June 30, which had to be accounted for in the school year, but obviously could not be spent in the year it was received.

In Sum, with the lack of a fully funded BRL, the continuing deferment of allocated monies by the state, the District's large indebtedness for the repayment of the COPS; the District's ability to continue to pay the salaries and health and welfare benefits at the current level is not sustainable.

The District is currently in a Qualified status with the County of San Diego (DF 194-202). Without significant additional economic relief, the District is in danger of being Negative in the "out years".

For all these reasons, the Chair concludes that the District

meets its heavy burden of proof and does have an inability to continue to pay personnel costs including salaries and benefits at the current levels.

The following is a discussion of the contract issues before this Panel for analysis and recommendations for settlement by the parties of this dispute.

ISSUES

Article 1 Agreement

DISCUSSION AND RECOMMENDATION:

This year 2012-13, is actually the re-opener for the third year of the current Collective Bargaining Agreement (CBA) which states in pertinent part:

1.4 **Renegotiations.** The parties agree to reopen negotiations limited to salary, health and welfare benefits, and up to two (2) additional article selected by each party for the second and third year of this agreement.

In its initial proposal, "sunshined" October 20, 2011, the District stated that they were interested in continuing the current CBA until June 30, 2015 (DF pg 19). In its revised proposal "sunshined" June 2, 2012, they reiterated that interest (DF pg 23).

The RTA's proposal was "sunshined" on July 2, 2012 for only the 2012-2013 year (DF 29 and 32).

The District has consistently advocated for a three year agreement including this re-opener year 2012-13 through 2014-15 and the Association has continued to insist that this is only a re-opener. While this is a re-opener, without additional years in which to spread the salary and benefit changes, the Chair would

have to recommend very draconian cuts in order for the District to meet the requirements of the applicable laws. This in the Chair's opinion, would seriously impact the parties collective bargaining relationship. Moreover, a three year agreement would provide a time of stabilization of the parties relationship and time to work on the serious Health and Welfare issues they face.

Therefore, the Panel Chair recommends an agreement which incorporates the re-opener year from the current CBA and adds two years to make a new three year CBA. Further, that the new CBA include an opener in 2013-14 for Salary and two additional articles and the 2014-15 year include a re-opener for Salary and Health and Welfare Benefits (as discussed further below) and two additional articles for each party.

Article II Health and Welfare Benefits

DISCUSSION AND RECOMMENDATION:

The District currently pays 100% of the Health and Welfare benefit cost for these bargaining unit employees.

On average the District pays \$13,658.00 per FTE. The minimum contribution per employee is \$4,988.00 (DF pg 288). And, the maximum per FTE is \$17,955.00 (DF pg 285). In the comparison districts, the District is one of only two of the 22 comparison districts which pays 100% of health care benefits. As noted above, the Association compares itself to ten districts within those of the District's comparison districts. Therefore, even by the Association comparative districts, there are only two districts, Ramona USD and San Diego Unified which pay full 100% of

the cost of Health Benefits. The average cost of RUSD at \$13,658.00, is just under \$600.00 per FTE more than San Diego Unified's, whose average is \$13,061.00 (DF pg 285).

The District's comparative group average is \$11,132.00 and the maximum per FTE is \$14,949.00 (DF pg 286). Therefore, within the comparison group, RUSD pays up to \$3000 more per FTE at the maximum of \$17,955.00.

The Association argues that no other district in their comparison group has taken such drastic cuts and this is not good for teachers, students or the community.

This argument does not take in to account the fact that other districts' employees in the comparison have been paying a share of their health benefits for some time. When changes are spread out over a longer period of time, employees have an opportunity to make decisions regarding plans that meet their needs both for health care and for expense to the employee. This has apparently not happened in these negotiations, which has created an economic problem for both parties. The District has been unable to save the monies to show their solvency for three years and the employees have not had an opportunity to spread the cost over the fiscal year and/or to make different choices regarding health plans.

For a contract which includes a new agreement for this current school year plus two years, with an expiration of June 30, 2015, the Chair recommends an 85/15% split of cost with the District paying 85% of the benefit cost and bargaining unit employees paying 15% of their chosen plan. As it is already April of FY 2012-13,

the Chair recommends that the 15% per employee for this school year, be retroactive for only one half of the school year, commencing to approximately February 2013, subject to carrier limitations or the value of 15% per bargaining unit member. And further, that the parties reopen benefits in the 2014-15 contract re-opener, as discussed below.

Additionally, the current agreement states:

Article 1. Agreement

1.5 Continued Review of Health and Welfare Benefits. The parties agree to continue the cooperative and cost effective efforts to provide unit members with the quality health and welfare benefits. Recommendations may include changes in carriers and /or benefits during the term of this agreement.

Moreover, in Appendix A-4, of the CBA, the Insurance Committee is codified.

The District facts show that from 2000-01 through 2011-12, the cost to the district of Health and Welfare plans has risen dramatically. In 2000-01 on average, they paid \$5, 537.00 per FTE and in 2011-12, they paid \$13,658.00 on average per FTE. That represents a total increase of 100.26% (DF pg 335).

As discussed above those increases are not sustainable for either the District to pay nor for the employees to absorb on an ongoing basis.

The Chair recommends that the parties meet immediately to implement this language and to revitalize the Insurance Committee. Jointly, the parties can look carefully for savings in these or other plans in order to bring down the payment which both the

District and bargaining unit members will be paying. If they do this immediately, employees could make plan decisions for the next plan year in 2013-14.

In the 2014-15 recommended re-opener, the Chair further recommends that they analyze the savings achieved with any plan changes they made for the 2013-14 school year, with a goal of moving to a 90/10 split, or better, in payments to the Health and Welfare plans as soon as fiscally possible.

In-lieu Payment Appendix A-3

In-lieu of taking insurance, the District currently pays bargaining unit employees a \$1500.00 annual payment as a financial incentive. This is paid on June 30 of each year. The District proposes to eliminate this benefit, which affects 26 bargaining unit members, in order to save that direct expenditure. The Association proposes to continue this benefit.

The Chair recommends that this contract provision be eliminated and be reevaluated in the recommended 2014-15 re-opener.

Hospital Reimbursement Appendix A-3

The current agreement provides for Co-insurance benefit of 20% payment for regular hospital in-patient services, if the bargaining unit employee who takes the Health-Net policy, submits their billing for such reimbursement. The District proposes elimination of this benefit. The Association proposes that this benefit continue.

The Chair recommends that this benefit be eliminated for the term of this agreement.

Article 12 Salary

The District and Association agree that the cost of 1% for this bargaining unit is \$203,551.00 (AF tab 6, pg 1 and DF pg 103).

Again, the District is looking for ways to save money going forward in order to meet the requirements of AB1200 and to pay their bills including the COPS which is due in 2013, as discussed above. If the District has to borrow externally to meet its cash flow, for any of its bills, including salaries and benefits, that comes with high interest payments, which further compounds their budgetary issues.

The District seeks to reduce the ongoing costs of this bargaining unit through furlough days. Each furlough day is worth 0.54%.

The Association has suggested three days and argues that they are being asked to take deeper cuts and more days than other San Diego comparative districts, however, a close study of furlough days taken by the comparative districts, in prior years from 2009-10 shows that they have had as few as 0.5 to 20 days per employee. The total average number of days over these years is 5.42 days. Of the 46 San Diego County districts listed, 25 had furlough days. And 9 of the 25 district had between 10 and 20 days and 16 had 9 or fewer days (AF Tab 7 pg 005).

While furlough days are not ideal for either employees or for students, who then missed time on task in school; those employees did suffer deep cuts in their salaries, in order to help the

districts to remain solvent and to solve the funding problems which the State of California has placed on the districts, including the employees and students, of this state by failing to fund them by some 22 billion dollars, as discussed above.

Because this District did not have furlough days in the initial years of this fiscal crisis, they are now faced with the possibility of not being able to show that in the third year, 2014-15, that they can pay their bills, including payroll.

A furlough day in this District is 0.54%. Therefore, the Chair recommends that the parties agree to six (6) furlough days in each of the three years of the recommended CBA. Further that these be at least four student days and two staff development days in 2012-13, 2013-14 and 2014-15. Additionally, the Chair recommends that these days be taken consecutively, at the end of each school year, so that if monies allow in any school year, the days can be restored to the work year and student's class time.

The Chair further recommends that the parties reopen salary for school year 2013-14, after the legislature acts on the 2013-14 budget in order to assess if there is money to restore any or all of the 2013-14 recommended furlough days. At that time, they will also know either the BRL or the elements of the funding model which the Legislature passes. Restoration should be a first priority for the parties. In order to assist the parties in accomplishing this priority, the Chair further recommends that the District and Association Panel Members, or their designee from School Services of California and the California Teachers Association, return to

evaluate the budget, within 30-60 days of the passage of the State budget, and to assist these parties in reaching agreement.

Further the Chair recommends that salary and work year be fully restored by June 30, 2015.

Appendix A-2 SAFE Account

The current CBA provides that 1% of all certificated bargaining unit salary, including statutory benefits, be placed into the SAFE Account which is a post retirement fund.

The Chair recommends that this 1%, not be contributed for the duration of this CBA, in order for the District to save monies without further furlough days by employees, than the Chair has already recommended. The contributions should be restored at the conclusion of this CBA.

Article 16-Class Size

Class size increases are an area wherein the parties can save money, however, this late in the school year, it would be extraordinarily difficult to increase class sizes as schedules are in place with teachers assigned for the 2013-14 school year.

If the parties are able to agree on changes in the Health and Welfare Benefits and Furlough Days, then the Chair recommends leaving the class size as is, in the current CBA.

Article 18-Evaluation Procedures

The Education Code in Section 44664 (a)(3), provides that experienced teachers may be evaluated every five years by mutual agreement and the Association has proposed this change to the CBA.

Considering both the experience and effectiveness of teachers, as well as the fact that they have been evaluated many times, over the years, and the workload of administrators, as well as the need to provide time to assist inexperienced teachers, the Chair recommends that the CBA reflect the five (5) year cycle for experienced, effective teachers.

New section 18.4 Public Charges

The District proposed this new section. They did not provide supporting evidence of the necessity for this new section and therefore the Chair recommends that this section not be included in the CBA.

New Article-Teacher Workload

The Association proposed the creation of a joint committee to manage the increase in teacher workload. They posit that looking at the workload and all that is expected of teachers would help to increase morale and emphasize quality over quantity (AF Tab 10).

The District suggests that the status quo has worked over the years and that the language proposed by the Association would place decision making authority with the committee and that during the negotiation process, the Association has not presented compelling evidence (DF pg 377-381).

The Chair recommends that at this time, the Association drop this proposal.

The Panel Members representing the District and Association have met in Executive Session by conference calls on March 27 and April , 2013 to finalize this Report and Recommendation. Based on the above Recommendations of the Chair they concur or dissent as follows:

For the District:

Concur

Dissent

Concur in Part

Dissent in Part

Report attached NO

For the Association:

Concur

Dissent

Concur in Part

Dissent in Part

Report attached YES



John Gray

District Panel Member



Margaret Wallace

Association Panel Member

Issued with attachment on April 8, 2013 by



Bonnie Prouty Castrey,

Panel Chair

Case No. LA-IM-3744-E

Between Ramona Unified School District and Ramona Teachers Association/CTA/NEA

INTRODUCTION

The current fact finding proceedings between Ramona Teachers Association and Ramona Unified School District (RUSD) are unique and financially frustrating due to the changing status of the upcoming 2013-14 state budget and the previous financial decisions of the Ramona Unified School District, especially the Certificates of Participation commitment.

All of the employees of RUSD are suffering the consequences of this financial chaos and all of them should be compensated with guarantees of restoration, prudent financial accuracy, and elimination and adjustments of assumptions that hold little historical viability.

Article 1 TERM OF AGREEMENT

I dissent from the Chairperson's recommendations on Term of Agreement. The term at hand is a reopener for 2012-13 only. Due to the passage of Proposition 30, the future year outlooks will improve. This has not yet been translated into a quantifiable change due to the uncertainty of the implementation of the governor's proposed local control funding formula. After June, everyone expects the future year projections to improve for all school districts. We are in a manufactured crisis right now with projections tied to artificial constraints by the County Office of Education since the Proposition 30 distribution is unknown. It is imprudent to make a recommendation at this time for the out years due to the unprecedented change that is scheduled to take place shortly.

Even though a one-year solution is the only reasonable course under these very unusual circumstances, I believe that a second year (2013-14) with contingency language is a possibility only if that assist both parties in reaching an agreement.

I concur, but with stronger emphasize, with the Chairperson's recommendation on restoration. When the state has determined the final 2013-14 budget, both parties will return to the table within 30-60 days of the final adoption of the state budget and renegotiate, in good faith, all financial decisions generated from this fact finding process for the specific purpose of restoring furlough days and health and welfare benefits in the 2013-14 year. Neutral participants from School Services and California Teachers Association will assist in the calculation.

Article 11 HEALTH AND WELFARE BENEFITS

I concur with the Chairperson's recommendation on health and welfare to implement a shared distribution where both parties share responsibility for monitoring cost containment during the District's current financial crisis.

I dissent with a 85/15% split, with the district paying 85% of the premium cost and bargaining unit employees paying 15%. I recommend a 90/10% split, with the district paying 90% of the premium cost and bargaining unit employees paying 10%.

I concur with the Chairperson's recommendation for the parties to meet immediately to revitalize the Insurance Committee for the purpose of analyzing savings through insurance adjustments. I concur with the concept that these savings be the one of the catalysts for restoring Health and Welfare to a 90/10% or better split before the conclusion of the Collective Bargaining Agreement.

I believe the purpose of this contribution change is to assist the District during this immediate financial crisis, not to become a permanent and assumed practice. Due to the passage of Proposition 30, the future year outlooks will improve. This has not yet been translated to a quantifiable change due to the uncertainty of the implementation of local control funding formula. After June, everyone expects the future year projections to improve for all districts. We are in a manufactured crisis right now with projections tied to artificial constraints by the County Office of Education since the Proposition 30 distribution is unknown.

IN-LIEU PAYMENT APPENDIX A-3

I concur with the Chairperson's recommendation that In-lieu payments be eliminated.

HOSPITAL REIMBURSEMENT APPENDIX A-3

I concur with the Chairperson's recommendation to eliminate the 20% hospital reimbursement.

ARTICLE 12 SALARY

Although I understand the constraints of multi-year projections, several questions arise whether they are a valid indicator in the District's inability to pay argument.

1. The District has a history of highly exaggerated multi-year projections as compared to unaudited actual numbers, thus causing a high probability of an improved 2012-13 ending balance.
2. The probable positive change on the 2012-13 ending balance has a compounding effect on the out years, thus improving the outlook for the 2013-14 and 2014-15 multi-year projections.
3. Even though the District ADA has decreased, the teacher population has also decreased accordingly with a loss of 41 FTEs from 2011-12 to 2013. I consider this an appropriate strategy to address declining enrollment.
4. The use of School Services dashboard for increases to the BRL is not a requirement under AB 1200. Although I appreciate and respect their projections, they too have a history of conservative extrapolation.
5. The impact of the District's Certificates of Participation (COPs) is real. The decision to use this option bypasses public participation in building schools. The school funding mechanism simply can't afford COPs. The District has indicated that the drastic cuts are due to Certificates of Participation and thus securing debt that is ongoing. These COPs were never approved by the community.

I recommend that the District take full advantage of their options to meet their fiscal responsibilities:

- a. I recommend that the District fully engage the Association in its attempt to pass a bond. This bargaining crisis could have been averted. The fiscally unsound decision to issue Certificates of Participation will continue to interfere with future bargaining. Therefore I recommend that the District work toward a viable solution to their ongoing indebtedness created by the COPs by attempting to pass another bond with full engagement from the Association.
- b. I recommend that the District readjust their financial assumptions on expenditures and revenues, and bring them more in line with the audited history from the past five years, including, but not limited to, FTE projections, step and column projections, ending balance, expenditures, and revenues.
- c. I recommend that the District readjust their multi-year projected BRL to reflect the indicators created by the state Department of Finance.

I dissent with the Chairperson's recommendation of (6) furlough days in each year. I recommend (5) furlough days for 2012-13 and (6) furlough days for 2013-14.

I concur, but with stronger emphasize, with the Chairperson's recommendation on restoration. When the state has determined the final 2013-14 budget, both parties will return to the table within 30-60 days of the final adoption of the state budget and renegotiate, in good faith, all financial decisions generated from this fact finding process for the specific purpose of restoring furlough days and health and welfare benefits in the 2013-14 year. Neutral participants from School Services and California Teachers Association will assist in the calculation.

Once again, due to the passage of Proposition 30, the future year outlooks will improve. This has not yet been translated into a quantifiable change due to the uncertainty of the implementation of local control funding formula. After June, everyone expects the future year projections to improve for all school districts. We are in a manufactured crisis right now with projections tied to artificial constraints by the County Office of Education since the Proposition 30 distribution is unknown. It is imprudent to make a recommendation at this time for the out years due to the unprecedented change that is scheduled to take place shortly.

I concur with the Chairperson's recommendations for furlough days to be a mixture of student days and staff development days, but dissent in the distribution. I also recommend (4) student days and (1) staff development day for 2012-13 and then (5) student days and (1) staff development day for 2013-14. I recommend that all of these days be taken consecutively at the end of each year. This will then allow maximum opportunity for any restoration due to improved District financial status.

APPENDIX A-2 SAFE ACCOUNT

I concur with the Chairperson's recommendation on the Safe Account.

Article 16 CLASS SIZE

(Section 16.1)

I dissent with the Chairperson's recommendation that this article be contingent with an agreement on Health and Welfare as well as Furlough Days. I recommend leaving class size as is in the current CBA.

Article 18 EVALUATION PROCEDURE

(Section 18.1.2 Frequency of Evaluations)

I concur with the Chairperson's recommendations on evaluation. This includes the five year evaluation cycle for experienced unit members in good standing in accordance with Education Code 44664 (a) (3).

Article 18 EVALUATION PROCEDURE

(Section 18.4 Public Charges)

I also concur with dropping the District proposal to amend section 18.4 regarding alleged conduct subject to investigation. The District did not demonstrate any need to include this change. At a time when employees are being asked to take such draconian salary and benefit cuts, unnecessary punitive language may have inflamed the bargaining climate.

NEW ARTICLE Teacher Workload

I concur with the Chairperson's recommendation on teacher workload. Even though this professional concept has proven to be successful in many districts, this new article may have to be addressed at another time.

Respectfully Submitted By

Margaret Wallace

Fact Finding Panel Member Representing California Teachers Association