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Enactment Number	13-1144
Enactment Date	6/26/13



OAKLAND UNIFIED  
SCHOOL DISTRICT

Community Schools, Thriving Students

**LABOR MANAGEMENT & EMPLOYEE RELATIONS**

**To:** Board of Education

**From:** Jacqueline Minor, General Counsel, Troy Christmas, Director, Labor Strategy *J.C.*

**Meeting Date:** June 26, 2013

**Subject:** **OUSD-AFSCME Side Letter of Agreement regarding Compensation for 2012-13**

**Action Requested:** Adoption of Side Letter of Agreement Agreement for one-time pay adjustment for 2012-13.

**Summary:** On June 12, 2013, the District and American Federation of State, County and Municipal Employees (AFSCME), Local 257, representing custodians, aides special education and nutritional service workers, reached a Tentative Agreement regarding a one-time pay adjustment of 2.35% of base salary for the 2012-13 school year.

**Recommendation:** Adoption of Side Letter of Agreement regarding a one-time pay adjustment for the 2012-13 school year.

**Fiscal Impact:** General Purpose Fund

**Attachments:**

- AB 1200 letter of approval from County Office of Education
- Side Letter of Agreement

## OUSD/AFSCME Side Letter Regarding 2012-13 Compensation

### Proposal

- For the 2012-13 fiscal year only, the District proposes a one-time lump sum payment to AFSCME members of 2.35% of base salary.

### Background (For Information Only)

- The District and AFSCME have a closed agreement from July 1, 2011 through June 30, 2014 (the "Agreement").
- However, Article 13.01 of the Agreement indicates that if any employee group is to receive a wage increase, the District agrees to meet and confer regarding a wage increase for AFSCME represented employees.
- The District has set aside \$6 million of one-time funds for compensation to all employees and is in the process of negotiating a one-time payment with other employee groups for 2012-13.
- AFSCME's portion of the \$6 million translates in to a one-time compensation increase of 2.35% of base salary.

### FOR THE UNION

By: Jo Bates  
Jo Bates, Business Agent

By: Morris Tatum  
Morris Tatum, President

### FOR THE DISTRICT

By: Troy Christmas  
Troy Christmas, Director of  
Labor Strategy

By: David Kakishiba  
David Kakishiba, President  
Board of Education

By: Edgar Rakestraw, Jr.  
Edgar Rakestraw, Jr., Secretary  
Board of Education

Approved as to form and content:

By: Jacqueline P. Minor  
Jacqueline P. Minor, General Counsel

File ID Number: 13-1609  
Introduction Date: 6/26/13  
Enactment Number: 13-144  
Enactment Date: 6/26/13  
By: o2

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

Name of Bargaining Units: SEIU, BCTC, UAOS, AFSCME, OEA, Bargaining Units; and Non Representative Groups, Confidential and Individual Contract     Certified     **X** Classified     **X**

The proposed agreement covers the period beginning 07/01/2012 and ending 06/30/2013

and will be acted on by the Governing Board at its meeting on 06/26/2013

**Note:** This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.

**A. Proposed Change in Compensation**

Compensation		Annual Cost Prior to Proposed Agreement FY 2012-2013	Fiscal Impact of Proposed Agreement		
			Year 1 Increase/(Decrease) FY 2012-2013	Year 2 Increase/(Decrease) FY	Year 3 Increase/(Decrease) FY
1.	<b>Salary Schedule</b> (This is to include Step & Column, which is also reported separately in item 6)	\$ 307,991,082		\$ -	\$ -
			0.00%	0.00%	0.00%
2.	<b>Other Compensation</b> Stipends, Bonuses, Longevity, Overtime Differential, Callback or Standby Pay, etc.		\$ 4,864,726	\$ -	\$ -
			1.58%	0.00%	0.00%
2a.	<b>Description of Other Compensation</b> <b>ONE TIME BONUS - 2.35%</b>		\$ 4,864,726	\$ -	\$ -
3.	<b>Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare, etc.</b>	\$ 72,818,233	\$ 1,154,577	\$ -	\$ -
			1.59%	0.00%	0.00%
4.	<b>Health/Welfare Plans</b>	\$ -	\$ -	\$ -	\$ -
			0.00%	0.00%	0.00%
5.	<b>Total Compensation - Add Items 1 through 4 to equal 5</b>	\$ 380,809,315	\$ 6,019,302	\$ -	\$ -
			1.58%	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>	\$ -	\$ -	\$ -	\$ -
7.	<b>Total number of represented Employees (Use FTEs)</b>	0	4,078.29	0	0
8.	<b>Total Compensation Average Cost per Employee</b>	\$ -	\$ 1,476	\$ -	\$ -
			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"?

*The negotiated One Time Bonus percentage of 2.35% for fiscal year 2012-2013 is for employees who are members of the following bargaining units, UAOS, SEIU, OEA, BCTC, AFSCME; and non-representative groups, confidential and Individual contract. The computation of the 2.35% One Time Bonus is based on each individual employee annual salary, effective June 14, 2013.*

*However, the AB1200 Form calculated percentage reflects a percentage of 1.58% on line 2 above, this calculation is result of the sum of all of the employees's varying full time equivalent (FTE's) factors who are less than 1.00FTE*

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

NO

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

N/A

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

N/A

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**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.).

N/A

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

N/A

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**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.

NO

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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.

N/A

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G. Source of Funding for Proposed Agreement

1. Current Year

All costs of the 2.35% One Time Bonus are funded by the General Fund, General Purpose for the 2.35% One Time Bonus

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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)?

One Time Bonus

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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.)

Not a multiyear agreement, one time bonus funding source unrestricted General Fund Balance

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

	Column 1 Latest Board- Approved Budget Before Settlement <i>As of: 1/31/2013</i>	Column 2 Cost of Adjustments as a Result of Settlement	Column 3 Other Revisions Costs Increases (Decreases)	Column 4 Total New Budget (Col 1+2+3)
<b>Revenues</b>				
Revenue Limit Sources (8010-8099)	\$ 176,595,554	\$ -	\$ -	\$ 176,595,554
Remaining Revenues (8100-8799)	\$ 86,285,812	\$ -	\$ -	\$ 86,285,812
<b>Total Revenues</b>	<b>\$ 262,881,366</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262,881,366</b>
<b>Expenditures</b>				
1000 Certificated Salaries	\$ 99,751,814	\$ 3,372,013	\$ -	\$ 103,123,827
2000 Classified Salaries	\$ 37,133,401	\$ 1,492,713	\$ -	\$ 38,626,114
3000 Employee Benefits	\$ 59,340,232	\$ 1,154,577	\$ -	\$ 60,494,809
4000 Books and Supplies	\$ 9,390,710	\$ -	\$ -	\$ 9,390,710
5000 Services and Operating Expenses	\$ 17,938,930	\$ -	\$ -	\$ 17,938,930
6000 Capital Outlay	\$ 58,650	\$ -	\$ -	\$ 58,650
7000 Other Outgo	\$ 3,744,977	\$ -	\$ -	\$ 3,744,977
<b>Total Expenditures</b>	<b>\$ 227,358,714</b>	<b>\$ 6,019,302</b>	<b>\$ -</b>	<b>\$ 233,378,016</b>
Operating Surplus (Deficit)	\$ 35,522,652	(\$6,019,302)	\$ -	\$ 29,503,350
Other Sources and Transfers In	\$ (34,176,787)	\$ -	\$ -	\$ (34,176,787)
Other Uses and Transfers Out	\$ (1,000,000)	\$ -	\$ -	\$ (1,000,000)
Current Year Increase (Decrease) In Fund Balance	\$ 345,865	(\$6,019,302)	\$ -	\$ (5,673,437)
Beginning Balance	\$ 32,869,087			\$ 32,869,087
Current Year Ending Balance	\$ 33,214,952	(\$6,019,302)	\$ -	\$ 27,195,650
<b>Components of Ending Balance</b>				
Nonspendable and Restricted 9711-9740	\$ 150,000	\$ -	\$ -	\$ 150,000
Reserved for Economic Uncertainties 9789 (3%)	\$ 12,498,067	\$ 0.00	\$ -	\$ 12,498,067
Committed and Assigned 9770-9780	\$ 20,566,885	(\$6,019,302)	\$ -	\$ 14,547,583
Unassigned/Unappropriated 9790	\$ -			\$ (0)

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

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**OAKLAND UNIFIED School District**  
**Public Disclosure of Collective Bargaining Agreement**  
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**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 <i>(Must include restricted and unrestricted expenditures)</i>	<b>\$ 234,378,016</b>
b. State Standard Minimum Reserve Percentage for this District	<b>3.00%</b>
c. State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a. times Line b. or \$50,000.	<b>\$ 7,031,340</b>

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

a. General Fund Budgeted Unrestricted Reserve for Economic Uncertainties	<b>\$ 7,031,340</b>
b. General Fund Budgeted Unrestricted Unassigned/Unappropriated Amount	<b>\$ 20,164,310</b>
c. Special Reserve Fund 17-Budgeted Reserve for Economic Uncertainties	<b>\$ -</b>
d. Special Reserve Fund 17-Budgeted Unassigned/Unappropriated Amount	<b>\$ -</b>
e. Article XIII-B Fund 72-Budgeted Reserve for Economic Uncertainties	<b>\$ -</b>
f. Article XIII-B Fund 72-Budgeted Unassigned/Unappropriated Amount	<b>\$ -</b>
g. Total District Budgeted Unrestricted Reserves	<b>\$ 27,195,650</b>

3. Do unrestricted reserves meet the state standard minimum reserve amount? YES  NO

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

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**OAKLAND UNIFIED School District**  
**Public Disclosure of Collective Bargaining Agreement**  
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**Revised MYP Including the Effects of Collective Bargaining**

District Name: OUSD			
General Fund			
Multi-Year Projections			
Budget Year: 2012-2013			
	34,493	ADA:	ADA:
	3.24%	COLA:	COLA:
	77.728%	Deficit:	Deficit:
<u>Revenues</u>	Year: 2012-2013	Year:	Year:
Revenue Limit Sources	176,595,544		
Federal Revenue	69,999		
Other State Revenue	60,540,712		
Local Revenue	25,675,101		
<b>Total Revenue</b>	<b>262,881,356</b>	<b>0</b>	<b>0</b>
<u>Expenditures</u>			
Certificated Salaries	99,751,814		
Step & Column Adjustment			
Cost-of-Living Adjustment			
Other Adjustments			
Classified Salaries	37,133,401		
Step & Column Adjustment			
Cost-of-Living Adjustment			
Other Adjustments			
Employee Benefits	59,340,232		
Books & Supplies	9,390,710		
Services, Other Operating Exp	17,938,930		
Capital Outlay	58,650		
Other Outgo	8,951,416		
Direct Support/Indirect Costs	(5,206,439)		
<b>Total Expenditures</b>	<b>227,358,715</b>	<b>0</b>	<b>0</b>
<b>Operating Surplus (Deficit)</b>	<b>35,522,641</b>	<b>0</b>	<b>0</b>
Other Financing Sources & Transfers In(Positive figure)	(34,176,787)		
Other Financing Uses & Transfers Out (Neg Figure)	(1,000,000)		
<b>Current Yr Inc(Dec) in Fund Balance</b>	<b>345,855</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>32,869,087</b>		
Audit Adjustments/Restatements			
<b>Ending Balance</b>	<b>33,214,942</b>	<b>0</b>	<b>0</b>
Restricted Balance	20,566,885		
Required Reserve	12,498,067		
Unrestricted Balance (Incl Revolving)			
Comments (Major changes):			

**OAKLAND UNIFIED School District**  
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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: (obtain from the FY 2012-2013 County Office-provided Revenue Limit or+B263 Form RL, Line 3	<u>\$ 6,711.37</u> (Estimated)
(b) Prior Year Base Revenue Limit per ADA: (Form RL, Line 1)	<u>\$ 6,499.37</u> (Actual)
(c) Amount of Current Year Increase: (a) minus (b)	<u>\$ 212.00</u>
(d) Percentage Increase in BRL per ADA: (c) divided by (b)	<u>3.26%</u>
(e) Indicate Total Settlement Percentage Increase from Section A, line 5, Page 1 for current year	<u>1.58%</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.*

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.

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

6/28/13

\_\_\_\_\_  
 Date

After public disclosure of the major provisions contained in this summary, the Governing Board, at its meeting on **JUNE 26, 2013**, took action to approve the proposed Agreement with the **SEIU, BCTC, UAOS, AFSCME, OEA, Bargaining Units; and Non Representative Groups, Confidential and Individual Contract**

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

6/28/13

\_\_\_\_\_  
 Date

**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.