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| File ID Number | 20-1400 |
| Introduction Date | August 1, 2020 |
| Enactment Number | 20-1136 |
| Enactment Date | August 1, 2020 er |



Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent

Board Meeting Date August 1, 2020

Subject Resolution No. 1920-0264 - Salary Adjustment Effective July 1, 2020 for Unrepresented Employees, Confidential Employees, and Employees with Employment Contracts

Action Approve Resolution No. 1920-0264 - *Salary Adjustment Effective July 1, 2020 for Unrepresented Employees, Confidential Employees, and Employees with Employment Contracts* to provide salary adjustments to unrepresented employees, confidential employees and employees with employment contracts.

Background The District has reached tentative agreements with all bargaining units representing approximately 90% of employees to provide salary increases. Salary adjustments have not been applied to salary schedules for the remainder of employees who are unrepresented, confidential, or confidential employees with employment contracts. In order to maintain a consistent compensation structure District-wide as well as acknowledge the work and commitment of all employees of the District, the Superintendent recommends that the Board approve a 5% one-time off schedule increase and 5% ongoing increase effective July 1, 2020.

Discussion The Resolution would provide the following:

- A 5% one-time off schedule increase and 5% ongoing increase effective July 1, 2020.
- An increase to the hourly rate for the following hourly and/or substitute unrepresented employees from \$13.24 to \$14.00 effective as of the date of Board ratification of this resolution: Food Service Assistant Substitutes, Paraprofessional Substitutes and Babysitters (hourly) effective as of the date of ratification by the Board.

- An increase to the hourly rate for custodian substitutes from \$15.00 to \$16.00 effective as of the date of ratification by the Board.

Fiscal Impact

The salary adjustments provided for in this Resolution are within the District's financial ability to cover the anticipated costs. Additionally, as noted in this Resolution, the District will continue to make the necessary ongoing adjustments and/or reductions to ensure fiscal solvency consistent with Resolution No. 1920-0263 - *Confirming the Oakland Unified School District's Commitment to Fiscal Solvency for 2020-2021 and 2021-2022*.

Attachment

Resolution No. 1920-0264 - Salary Adjustment Effective July 1, 2020 for Unrepresented Employees, Confidential Employees, and Employees with Employment Contracts

**RESOLUTION OF THE
BOARD OF EDUCATION
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1920-0264

**SALARY ADJUSTMENT EFFECTIVE JULY 1, 2020
FOR UNREPRESENTED EMPLOYEES, CONFIDENTIAL EMPLOYEES, AND EMPLOYEES WITH
EMPLOYMENT CONTRACTS**

WHEREAS, the District has reached collectively bargained agreements (“Agreements”) to provide various on-going salary increases equal to 5% and one-time payments equal to 3-8% of annual salaries for the period July 1, 2017 through the end of this fiscal year (June 30, 2020);

WHEREAS, the Agreements provided salary increases to all unions representing District employees: AFSCME, BCTC, CSEA, OEA, SEIU (OSEA & OCDPA), Teamsters and UAOS;

WHEREAS, all represented employee groups also received salary increases, during the 2015-2016 and 2016-2017 school years;

WHEREAS, the District’s unrepresented employees, confidential employees, and employees with employment contracts received their last salary increase effective July 1, 2015;

WHEREAS, there is a need to maintain a consistent compensation structure District-wide for continuity within the organization;

WHEREAS, there is a need to acknowledge the work and commitment of all employees of the District, including unrepresented employees, confidential employees and employees with employment contracts;

WHEREAS, pay adjustments for bargaining units and unrepresented employees, confidential employees, and employees with employment contracts shall be included in the District’s budget assumptions upon Board approval as the necessary tentative agreements and/or resolutions such as this one; and

WHEREAS, the District will continue to make the necessary ongoing adjustments and/or reductions to ensure fiscal solvency consistent with Resolution No. 1920-0263 - Confirming the Oakland Unified School District’s Commitment to Fiscal Solvency for 2020-2021 and 2021-2022.

NOW THEREFORE, BE IT RESOLVED THAT, the Board of Education of the Oakland Unified School District does hereby grant unrepresented, confidential employees, and employees with employment contracts actively employed by the District effective July 1, 2020, a one-time pay adjustment of 5% base annual salary (in lieu of retroactive salary increases) and an on-going salary schedule increase of 5% effective July 1, 2020;

BE IT FURTHER RESOLVED THAT, the Board of Education of the Oakland Unified School District does hereby increase the hourly rate for the following hourly and/or substitute unrepresented employees from \$13.24 to \$14.00: Food Service Assistant Substitutes, Paraprofessional Substitutes, and Babysitters (hourly) as of the date of ratification of this Resolution by the Board; and

BE IT FURTHER RESOLVED THAT, the Board of Education of the Oakland Unified School District does hereby increase the hourly rate for custodian substitutes from \$15.00 to \$16.00 as of the date of ratification of this Resolution by the Board.

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NAY: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSED: None

AYES: Jumoke Hinton Hodge, Gary Yee, Roseann Torres, President Jody London

NAYS: None

ABSTAINED: None

RECUSED: None

ABSENT: Aimee Eng, James Harris, Vice President Shanthi Gonzales

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Special Meeting of the Governing Board of the Oakland Unified School District held on August 1, 2020.

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| By: | er |

OAKLAND UNIFIED SCHOOL DISTRICT



Jody London
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education



July 30, 2020

Jody London, President
Board of Education
Oakland Unified School District
1000 Broadway, Suite 300
Oakland, CA 94607

RE: Public Disclosure of Collective Bargaining Agreement with UAOS, AFSCME, and Unrepresented Employees

Dear President London:

The Alameda County Office of Education (ACOE) received the completed Public Disclosure of Collective Bargaining Agreement (CBA) and signed Tentative Agreements between the Oakland Unified School District (OUSD) and United Administrators of Oakland Schools (UAOS), the American Federation of State, County, Municipal Employees Local 257 (AFSCME), and the proposed Resolution No. 1920-0264, outlining the fiscal impact for the Unrepresented, Confidential Employees and Employees with Employment Contracts. The Disclosures include increased compensation and other costs for the period July 1, 2019 through June 30, 2022. The purpose of ACOE's review, as required by Government Code (GC) Sections 3540.2 and 3547.5, is to review and comment on the tentative agreements.

Per our review, given the factors outlined below, the Agreements do not appear to "endanger the fiscal well-being of the school district."

Collective Bargaining Agreement Between OUSD and UAOS

The Agreement between OUSD and UAOS, covering period July 1, 2019 through June 30, 2022, provides for:

Article 12: Compensation

1. Bonuses

Unit members employed by the District at the time of ratification/approval of this agreement by the Board shall receive the following one-time bonuses:

- A. A one-time bonus equal to 3% of base annual salary (as of the date of Board ratification/approval).
- B. A one-time bonus equal to 3% of unit member base annual earnings between January 1, 2019 and June 30, 2019.

2. Ongoing Salary Increase Effective 2019-20

Compensation for Unit Members Retiring by June 30, 2020.

- A. Unit members employed by the District at the time of ratification of this agreement by UAOS and retiring on or before June 30, 2020 shall receive a 5% increase effective January 1, 2020. Such unit members must submit the required separation form and retirement information to Human Resources and PERS and/or STRS on or before June 1, 2020.

Compensation for Other Unit members (non-retirees)

- A. Ongoing Compensation: Unit members who remain employed by the District as of July 1, 2020 shall receive a 5% salary increase effective July 1, 2020.
- B. Additional Bonus: All unit members employed by the District at the time of ratification of this Agreement by the UAOS (and not a retiree receiving compensation per Section A above), shall receive a one-time bonus equal to 5% of unit member base annual earnings between January 1, 2020 and June 30, 2020.
- C. Longevity Pay: Effective July 1, 2020, longevity pay to unit members shall be increased as follows:
 - i. 20 years- \$1300
 - ii. 25 years of service- \$2600

3. Bilingual Stipend for Designated Sergeants

Unit member Sergeants designated by the Police Department Chief to provide translation services as needed, shall receive a \$45.00 stipend per month.

4. Reopeners

The parties agree to a reopener on compensation for the 2020-21 School Year

- A. For the 2020-21 school year, the parties agree to set a date to reopen negotiations on or before February 1, 2021 (post the California Department of Education's Fiscal Update).

Collective Bargaining Agreement Between OUSD and AFSCME

The Agreement between OUSD and AFSCME, covering period July 1, 2019, through June 30, 2022, provides for:

Article 13 Compensation

1. Bonuses In-Lieu of Retroactive Increases

- A. 2017-18 Bonus in lieu of salary increase: A one-time bonus equal to 3% of base annual salary (as of the date of Board ratification/approval).
- B. 2018-19 Bonus in lieu of salary increase: A one-time bonus equal to 3% of unit member base annual earnings between January 1, 2019 and December 31, 2019.

2. 2019-20 Salary Increase and Bonus

- A. 2019-20 Ongoing Increase: Unit members who remain employed by the District as of July 1, 2020 shall receive a 5% base annual salary increase effective July 1, 2020.
- B. 2019-20 Additional Bonus: All unit members employed by the District at the time of ratification of this Agreement by the AFSCME, shall receive a one-time bonus equal to 5% of the unit member's base annual earnings between January 1, 2020 and June 30, 2020.

3. Me too Clause

- A. If any represented/unrepresented employee group and/or bargaining unit receives a wage increase during FY 2020-2021, AFSCME shall have the opportunity to return to the table to negotiate wages.

4. Reopeners

- A. For the 2020-21 school year, the parties agree to set a date to reopen negotiations on or before February 1, 2021 (post the California Department of Education’s Fiscal Update).
- B. For the 2020-21 school year, the parties agree to set a date to reopen two Articles (each) for negotiations.

Unrepresented Employees, Confidential Employees, and Employees with Employment Contracts – Resolution 1920-0264

To acknowledge the work and commitment of all employees of the district, and to maintain a consistent compensation structure District-wide for continuity within the organization, Resolution 1920-0264 granted unrepresented, confidential employees and employees with employment contracts actively employed by the District effective July 1, 2020, a one-time pay adjustment of 5% annual salary (in lieu of retroactive salary increases) and an on-going salary schedule increase of 5% effective July 1, 2020.

An increase to the hourly rate for the following hourly and/or substitute unrepresented employees from \$13.24 to \$14.00: Food Service Assistant Substitutes, Paraprofessional Substitutes, and Babysitters (hourly).

Fiscal Impact of the Tentative Agreements with UAOS, AFSCME and Resolution 1920-0264

The estimated fiscal impact of the tentative agreements with UAOS, AFSCME, and Resolution No. 1920-0264 are as follows:

| Description | 2020-21 | 2021-22 | 2022-23 |
|--|--------------------|---------------------|--------------------|
| One-Time Fiscal Impact: UAOS | 3,293,920 | \$0 | \$0 |
| Ongoing Fiscal Impact: UAOS | 1,847,137 | 1,865,625 | 1,884,298 |
| One-Time Fiscal Impact: AFSCME | 1,755,466 | \$0 | \$0 |
| Ongoing Fiscal Impact: AFSCME | 1,147,811 | 1,159,157 | 1,170,614 |
| One-Time Fiscal Impact: Resolution No. 1920-0264 | 645,379 | \$0 | \$0 |
| Ongoing Fiscal Impact: Resolution No. 1920-0264 | 774,114 | 832,172 | 894,585 |
| Total Fiscal Impact | \$9,463,827 | \$3,856,954* | \$3,949,497 |

**minor correction to the formula from public disclosure documents*

Note: Pursuant to Assembly Bill (AB) 2756 and GC Section 3547.5(c) the county superintendent is granted the authority to take specific action if a school district does not process the budget revisions necessary to meet the costs of the agreement in each year of its term.

Structural Deficit Spending and Reserves

The District’s combined UAOS and AFSCME public disclosure document projects structural operating deficits in its general fund of \$10.5 million for fiscal year 2020-21, \$55.5 million for fiscal year 2021-22, and \$76.3 million for fiscal year 2022-23. The District’s financial analysis, as presented in the disclosure, projects the District is unable to meet the 2% percent minimum reserve requirement level, as set by the state criteria and standards for two (2) of the three (3) years.

Subsequent to the District’s approval of its Adopted Budget, the Governor signed several bills that shifted the proposed 10% reduction in Local Control Funding Formula (LCFF) outlined in the Governor’s May

Revise to a 0% reduction in LCFF plus hold-harmless provision on Average Daily Attendance (ADA). However, the enacted budget included deferrals of apportionment for the months of February to June 2021, which will be repaid to the District in July to November 2021. A portion of these apportionment deferrals will not be implemented, if additional federal stimulus funds are received.

In addition to the significant adjustment in LCFF, the State-enacted budget includes a Learning Loss Mitigation Fund (LLMF). This fund is allocated to Local Educational Agencies (LEA) with an emphasis on ensuring the greatest resources are available to LEAs serving students with greatest needs. This fund is intended to track and mitigate the inequitable impact that the COVID-19 pandemic has had on different student populations, including low-income students and students with disabilities. With these learning loss mitigation efforts come additional guidelines and compliance measures for the recipient LEAs.

The State enacted budget also includes appropriation for OUSD pursuant to Assembly Bill (AB) 1840, which will provide additional unrestricted funds to the District upon completion of specific criteria. While OUSD is well positioned to complete the required criteria, OUSD did not include this funding in the adopted budget to give the District time to ensure that all the criteria will be met. This funding may be incorporated in the upcoming interim budget reporting.

Based on the Multi-Year Budget Projection (MYP) included in OUSD's approved 2020-21 Adopted Budget that incorporates reductions, adjusted to include the revisions outlined in the Governor's signed budget act, and incorporating the proposed settlements for UAOS, AFSCME, as well as the Unrepresented Employees, Confidential Employees, and Employees with Employment Contracts, it appears that OUSD is able to meet its minimum required reserve in the current and subsequent two (2) fiscal years, and to designate the additional board-approved 1% reserve.

OUSD's Commitment to Fiscal Solvency

The Governing Board has the fiduciary responsibility to maintain fiscal solvency for the current and subsequent fiscal years. On March 4, 2020, the Governing Board of OUSD (Board) approved Resolution No. 1920-0214, which committed to implementing expenditure reductions and other budget balancing solutions of \$20.2 million for 2020-21 and reaffirmed its commitment to establish a 1% reserve above the 2% reserve required by the State at the closing of books for 2019-20.

On June 24, 2020, the Board approved Resolution No. 1920-0263, which expressed the Board's commitment to develop additional budget solutions for the subsequent two fiscal years (2021-22 and 2022-23) to ensure long-term fiscal solvency. Per the resolution, "the District's target solution number for 2020-21 may be recalibrated (higher or lower) based on the outcome of the 2019-20 Unaudited Actuals (Closing of the Books), the final State and Federal revenue calculations (as of August 2020), and/or any other changes to the multi-year assumptions, and shall be updated and presented to the board no later than October 15, 2020."

Now, more than ever, the District will benefit from the strong leadership and the efforts by the OUSD Board, Superintendent, and Fiscal Team to establish stable reserves. For LEAs throughout the state, the need to retain reserves in excess of the minimum is a necessity. For many districts, the minimum required reserve will scarcely address the LEA's weekly payroll. With apportionment deferrals anticipated for the current and subsequent fiscal years, the removal of one-time funding sources starting in 2021-22, as well as the uncertainties in what the new normal in education will be, we encourage governing boards to

thoughtfully identify and implement budget adjustments throughout the course of operation, as well as vigorously monitor the LEA's cash position.

We appreciate the assistance and cooperation from the District's business office during our review process. If you have any questions, please feel free to call me at (510) 670-4140.

Sincerely,



L. Karen Monroe
Alameda County Superintendent of Schools

cc: Board of Education, Oakland USD
Kyla Johnson-Trammell, Superintendent, Oakland USD
Lisa Grant-Dawson, Chief Business Official, Oakland USD
Tony Thurmond, State Superintendent of Public Instruction
Chris Learned, Fiscal Oversight Trustee
Raul A. Parungao, Associate Superintendent of Business Services, ACOE
Dan Bellino, Interim Chief of District Business & Advisory Services, ACOE
Shirene Moreira, Director II, District Advisory Services, ACOE