Negotiations – Q&A

Q: **ETA claims the District is moving “slowly” in negotiations. Have these negotiations been moving more slowly than normal?   What accounts for the general pace of a negotiation period?**

A: There is no set time frame for bargaining to be concluded. Both parties have an obligation to meet and confer in good faith. In so far as those discussions continue to be productive, the parties continue to meet. We are prepared to sit down with ETA as long as it takes to come to an agreement that is fair to all.

Q: **How much new funding did the District receive in the recent Governor’s budget?**

A: The recent Governor’s Budget did not increase 2014-15 funding.  However, the budget does impact future year projections.  LCFF funds will increase by $1.7M in 2015-16 and will also see an increase of one-time funding of $2.2M in 2015-16.  The total revenue increase in 2015-16 will be $3.9M.   These future revenues will allow the District to achieve balance to the budget while offering a fair salary increase to our teachers. Accordingly, given this funding, our current offer of a 2.25% salary increase in 2014-15 will allow the district to maintain a balanced budget three years out.

Q: **Can’t the District just use the existing reserves to give the teachers a salary increase?**

A: The reserve is a one-time fund while salary increases are on-going expenditures.  In any “best business practice”, one-time funds should not pay for on-going expenditures as they lack sustainability and can’t be counted on to fund year-over-year budget costs.

Q: **Isn’t the District obliged to pay down the extra reserve anyway?**

A: No.  In fact the district is still in a deficit spending (revenue received is less than expenditures spent) situation.  The reserve has been used for unforeseen revenue loss which could come at any time and given the vulnerable state of an organization that is still in deficit, need to be maintained (and has been rapidly decreasing as reserve funds have been used to support the ongoing budget expenses).

Q: **How does a salary increase now impact future years? (i.e. what would 2% this year mean for future years vs. 1.5%, etc.?)**

A: A 1% salary increase for all groups in 2014-15 will cost $728,675. The district is required by law to process a three-year budget.  Based on STRS and PERS retirement cost increases the budget outlay will be $739,612 in 2015-16 and $765,124 in 2016-17.  The total cost of every 1% increase is $2,233,411.

Q: **What’s next in the process?**

A: When the parties have reached a deadlock in negotiations, they are said to have reached an “impasse” in negotiations. There are procedures under state law for resolving impasse. A request for impasse determination/appointment of mediator is requested through PERB (Public Employment Relations Board). A mediator may be brought in to try and resolve differences between the District and the union. Mediators have no authority to impose a settlement, but can be useful in helping the parties look at the problem from a new perspective and to move past differences.

If mediation does not facilitate an agreement between the district and union, with the assistance of the (PERB), a fact finding panel is appointed which reviews both parties’ proposals, holds hearings and ultimately recommends a settlement.

Q: **What is the District’s latest offer? What is this number based on?**

A: The District’s last offer was a 2.25% beginning July 1, 2015. The law (AB 1200) requires that any settlement that is agreed upon must allow the District to have a positive budget certification three years out. This means that the District must be able to meet both the increased salary obligations and all other cost increases and maintain a 3% reserve in the current and two subsequent years.

Q: **How does the District know what its revenue and expenses will be three years out?**

A: This is a very good question. The District relies upon the Department of Finance for its revenue assumptions. It uses recent history to forecast cost increases. The following cost increase assumptions are currently being used:

Health Care 5.12%

Utilities 4%

Contract Services 4%

\*STRS & PERS 1.85% & .829% respectively for 2014-2015 to 2015-2016

 1.85% & 2.4% respectively for 2015-2016 to 2016-2017

*\*STRS (California State Teacher Retirement System) and PERS (California Public Employee Retirement System) contribution increases are determined by the State of California. The District is required to pay them. They will rise over the next six years to 19.1% and 20.4% respectively.*

Q: **When will this process be at an end?**

A: We are working hard with ETA to arrive at a settlement that is fair to all parties. Both the District and ETA are committed to the interests of our hard working teachers and the families whose children attend Evergreen schools. We’ll keep working until a fair settlement can be reached without undue delay. In the meantime please never hesitate to contact the District if you have any questions or concerns and keep checking back here for updates as the process unfolds.