

District Implementation of Memorandum of Understanding and Contract Terms for CSEA

Preamble:

The District and CSEA have been unable to reach an agreement on a contract. The parties engaged in 9 negotiation sessions from October 15, 2009 to December 17, 2009. When agreement was not reached, CSEA filed for impasse. The parties met with a State Mediator on 4 occasions from February 18, 2010 to May 13, 2010. No agreement was reached and the State Mediator certified the parties to Fact Finding.

Central to this dispute was the District's inability to pay. As a result of the State budget shortfall and the District's additional loss of funding due to declining enrollment, the District had provided each employee group with a dollar amount representing their fair share of reductions required for the District to balance its Budget and remain solvent. CSEA was informed throughout negotiations that CSEA's fair share was \$4,573,400 for 2010-11 and 2011-12. During the negotiations process, the District credited employee groups with their portion of monies saved from a program reduction and a transfer from Fund 67 (\$680,724 for CSEA). In addition, in post Fact Finding negotiations, the District agreed to an additional credit to CSEA for the elimination of reclassification funding, bringing CSEA's actual fair share of reductions to \$3,888,744. This is an average decrease of 13.47% per employee.

By the end of the 2009-10 school year, all employee groups except CSEA entered into settlements with the District in which they made their fair share of reductions via contract concessions. This included unpaid furlough days in 2009-10, which assisted in spreading out the reductions over a three year, rather than two year period. CSEA did not agree to take furlough days in 2009-10.

The Fact Finding Panel hearing was held on July 7, 2010. The Panel was comprised of a member selected by CSEA, a member selected by the District and a neutral member. The Fact Finding Report was received by the District on August 16, 2010. The Report validated the District's inability to pay and that "substantial concessions spread over this year and next year are crucial in order to remain solvent."

In good faith, the District held two post Fact Finding negotiations with CSEA to make a final attempt at reaching a settlement. CSEA did not offer a proposal to meet the target of reductions designated by the District, and validated by the Fact Finding Report. CSEA's third proposal after these two negotiation sessions again failed to meet their fair share of the reductions.

After exhausting the entire negotiation and impasse process without an agreement, the parties remain at impasse. It is unfortunate that a settlement was not reached with CSEA, and that as a result, the reductions cannot be spread out over a three year period of time to lessen the impact on classified staff. The District recognizes that this is a hardship for classified employees, and regrets that unlike all other employee groups, CSEA chose not to make any reductions in 2009-10. This delay magnified the impact by condensing the reductions into two rather than three years. However, to ensure the solvency of the District, the District must implement the required reductions from CSEA, and will implement the recommendations of the Fact Finders Report, as detailed by the following "District Implementation of Memorandum of Understanding and Contract Terms for CSEA."

District Implementation of
Memorandum of Understanding and Contract Terms for CSEA
Effective: July 1, 2010 – June 30, 2012

Except as stated below, the District will continue to observe the terms of the agreement with CSEA that expired on June 30, 2010:

Classified Salary Schedules

2010-11

Effective July 1, 2010, the Classified Salary Schedules (as reflected in the July 1, 2007 – June 30, 2010 Saddleback Valley Unified School District Agreement with California School Employees Association) shall be reduced across-the-board by 2.80%.

Effective July 1, 2010 – June 30, 2012, salary step advancement pursuant to Article IV, Section A.4. and longevity advancement pursuant to Section IV.F. shall be suspended. Employees will not advance steps or longevity during this period.

The Salary Schedules and step and longevity advancement reflected in the July 1, 2007 – June 30, 2010 Saddleback Valley Unified School District Agreement with the California School Employees Association shall be restored effective July 1, 2012, unless otherwise negotiated.

Furlough Days

2010-11

For the 2010-11 school year, a sliding scale of furlough days shall be implemented as follows: 10 days for 9.5 month employees, 11 days for 9.75 month employees, 12 days for 10.0 month employees, 13 days for 10.5-10.75 month employees, 14 days for 11.0-11.25 month employees, 15 days for 11.5-12.0 month employees. For each furlough day, the employee's salary shall be reduced by one (1) day at the employee's per diem for that school year. The 2010-11 calendar will reflect these changes. The revised calendar shall include the following as non-work/non-duty days for employees: September 7, 2010, September 8, 2010, September 9, 2010, September 10, 2010, November 22, 2010, November 23, 2010, November 24, 2010; December 27, 2010 (for 9.75-12.0 month employees); December 28, 2010 (for 10.0-12.0 month employees); December 29, 2010 (for 10.5-12.0 month employees); April 21, 2011, June 22, 2011, and June 23, 2011. In addition, employees who are 11.0-11.25 month employees will have 1 additional furlough day and 11.5-12.0 month employees will have 2 additional furlough days determined by their supervisor. Some flexibility in the above dates may be needed for some employees in order to meet the operational needs of the District. These flexible days and/or the additional days will be determined by the employee's immediate supervisor, depending upon the needs of the school or work site. Every effort will be made to schedule furlough days on non-student days and to coincide with District office shutdown. For purposes of computing service credit toward retirement, the District shall appropriately notify PERS of the mandatory furlough days/reduced number of days that constitute the revised full employee work year for each employee classification. This reduction of days shall not result in loss of vacation or sick leave accrual.

2011-12

For the 2011-12 school year, a sliding scale of furlough days shall be implemented as follows: 10 days for 9.5 month employees, 11 days for 9.75 month employees, 12 days for 10.0 month employees, 13 days for 10.5-10.75 month employees, 14 days for 11.0-11.25 month employees, 15 days for 11.5-12.0 month employees. For each furlough day, the employee's salary shall be reduced by one (1) day at the employee's per diem for that school year. A 2011-12 calendar will be created that reflects these changes. The revised calendar shall include the following as non-work/non-duty days for employees: August 1, 2011, August 2, 2011, August 3, 2011, August 4, 2011, August 5, 2011 (for 11.5-12.0 month employees); September 6, 2011, November 21, 2011, November 22, 2011, November 23, 2011 (for 9.5-12.0 month employees); April 10, 2012 (for 9.75-12.0 month employees); April 11, 2012 (for 10.0-12.0 month employees); April 12, 2012 (for 10.5-12.0 month employees); April 13, 2012 (for 11.0-12.0 month employees); June 15, 2012, June 18, 2012, June 19, 2012, June 20, 2012, June 21, 2012, and June 22, 2012 (for 9.5-11.25 month employees), unless otherwise determined by the District. In addition, employees who are 11.5-12.0 month employees will have 2 additional furlough days determined by their supervisor. Some flexibility in the above dates may be needed for some employees in order to meet the operational needs of the District. These flexible days and/or the additional days will be determined by the employee's immediate supervisor, depending upon the needs of the school or work site. Every effort will be made to schedule furlough days on non-student days and to coincide with District office shutdown. For purposes of computing service credit toward retirement, the District shall appropriately notify PERS of the mandatory furlough days/reduced number of days that constitute the revised full employee work year for each employee classification. This reduction of days shall not result in loss of vacation or sick leave accrual.

On July 1, 2012, the employee work year for each employee classification shall revert back to the provisions contained in the July 1, 2008 – June 30, 2009 Saddleback Valley Unified School District Agreement with the California School Employees Association, unless otherwise negotiated.

Classified Lay-off

As indicated in the Fact Finding report, the District acknowledges the ongoing effect of savings from the lay-off of classified employees. If and when the District receives monies from HR 1586, it invites CSEA to sit down and discuss the potential impact on the classified unit.

Reclassification Funding

The District will credit CSEA with \$150,000 in 2010-2011 and \$150,000 in 2011-2012, as a credit toward the total required CSEA reductions over the term of the contract 2010-2012. This supersedes the MOU of February 23, 2007 regarding the District's annual funding of \$50,000 toward reclassification. Therefore, effective July 1, 2009, the District will no longer be required to provide any money toward reclassification.

Early Retirement

As recommended by the Fact Finding Report, the District requests that CSEA schedule a negotiation session to explore the possibility of implementing an effective, cost saving early retirement plan. If such a plan is determined by the District to be cost effective, the plan shall be implemented no later than February 1, 2011.

Re-Opener/Restoration Language

For the 2010-11 fiscal year, if the funded Base Revenue Limit (BRL) per Average Daily Attendance (ADA) increases or decreases by twenty-five dollars (\$25.00) or more from the Governors January 2010 Budget Proposal, the parties shall have the option to reopen on salary and work year. For the 2011-12 fiscal year, if the funded Base Revenue Limit (BRL) per Average Daily Attendance (ADA) increases or decreases by twenty-five dollars (\$25.00) or more from the 2010-11 State adopted budget, the parties shall have the option to reopen on salary and work year.

If the funded BRL per ADA for the Saddleback Valley Unified School District per the above budget, increases by twenty-five dollars (\$25.00) or more, the Association shall have the right to re-open on salary and/or work year.

If the funded BRL per ADA for the Saddleback Valley Unified School District per the above budget, decreases by twenty-five dollars (\$25.00) or more, the District shall have the right to re-open on salary and/or work year.

For the purposes of the sample below the funded 2010-11 BRL per ADA for the Saddleback Valley Unified School District per the Governor's January 2010 Budget Proposal being used is \$4,984.00.

Example:

$\$4,984.00 + \$25.00 = \$5,009.00$ (or higher) Association right to re-open

$\$4,984.00 - \$25.00 = \$4,959.00$ (or lower) District right to re-open

Start of 2012-13 Negotiations

The parties will submit their 2012-13 initial proposals by October 2011 and will hold at least six (6) negotiation sessions prior to December 17, 2011.

Tentative Agreements

The Tentative Agreements below on Article XIII – Leaves of Absence shall be incorporated into the Saddleback Valley Unified School District Agreement with the California School Employees Association:

ARTICLE XIII LEAVES OF ABSENCE

F. Sick Leave

7. When an employee is absent due to illness or injury for a period of more than three (3) consecutive days, the District may require the employee to provide a physician's statement verifying the illness or injury. An employee shall not normally be required to provide such verification for an absence or injury of three (3) consecutive days or less. Written verification by a physician will be required of consecutive absences of ten (10) days or more.

9. Each employee in the bargaining unit shall once a year be credited with a total of one hundred (100) days sick leave in addition to the sick leave provided under Sections F.1., F.1.a., F.1.a.(1) of this Article. Each day of sick leave provided by this Section shall be compensated at the rate of fifty percent (50%) of the employee's regular salary. The paid sick leave provided for under this section shall be in addition to any other paid leave provided for in this Article and shall be used after the exhaustion of all accumulated sick leave and earned vacation time. In order to use this pay, a doctor's note/notes must be provided covering the entire period of absence. Otherwise unexcused days will be without pay.

G. Sick Leave for the Purpose of Caring for an Ill Family Member

3. General provisions:
 - a. Requests to use accrued sick leave for the purpose of caring for an ill family member or domestic partner or his or her family shall be made in advance to the Assistant Superintendent, Personnel Services or designee. The request shall indicate the number of days of accrued sick leave to be taken and whether the ill person is a child, spouse, domestic partner or parent. Request must include a doctor's note. If the nature of the illness prevents the employee from requesting for an advance leave, then the employee must present this verification within three days of return to duty.

Additional Contractual Terms

The additional Contractual Terms on Article VI – Non Salary Benefits and Article XIX - Term which shall be incorporated into the Saddleback Valley Unified School District Agreement with the California School Employees Association:

ARTICLE VI NON-SALARY BENEFITS

“Domestic Partnership” means both persons have filed a Declaration of Domestic Partnership with the Secretary of State of California pursuant to Section 298 of the Family Code and for whom that partnership is still valid.

A. Insurance Programs

1. The District will contribute ~~100%~~ 80% of the cost of the PPO and HMO medical care insurance policy premiums or programs, dental care insurance policy premiums or programs, vision care policy premiums or programs, and life insurance policy premiums for group plans covering eligible active employees and eligible dependents, ~~where applicable~~ subject to the employee making an annual contribution for the balance of the premium above the District contribution for dependent PPO medical benefit coverage as stipulated in Section A.3 below. (See Plan Document for complete regulations regarding eligibility).
2. Employees working twenty (20) hours per week, or more, prior to the Board ratification of the 1998-01 Contract are eligible for participation in such insurance programs subject to the employee making an annual contribution, ~~for dependent PPO medical benefit coverage as stipulated in Section A.3 below~~ and so long as they remain in a position of twenty (20) hours a week or more.
3. For the fiscal years under this agreement, the Board shall implement annual employee payroll contributions for PPO and HMO medical benefit coverage, ~~as follows:~~
 - ~~\$1200 for employee only~~
 - ~~\$1900 for employee plus one dependent~~
 - ~~\$3000 for employee plus two or more dependents.~~Payroll deductions will be made tenthly.
4. ~~The District will contribute toward the cost of an HMO medical care insurance policy premium or program for the group plan covering eligible active employees. Dependent coverage may be purchased by the employee. Each group plan must be recognized and approved by the District.~~
 - a. 4. Employees working between twenty (20) hours a week and thirty (30) hours a week (inclusive), (excluding hours worked as a substitute, short term, recreation or otherwise excluded by law from the classified service) employed on or after the ratification of the 1998-01 Contract (April 20, 1999), will be eligible for participation in such insurance program an HMO medical care insurance policy premium or program for he group plan covering eligible active employees.

The annual contributions will be as follows:

<u>Hours</u>	<u>District</u>	<u>Employee</u>
20-24.9 hours/week	50%	50%
25-29.9 hours/week	75%	25%
30 hours/week	100% <u>80%</u>	0% <u>20%</u>

Dependent coverage may be purchased by the employee. Each group plan must be recognized and approved by the District.
 - b. 5. Employees working less than twenty (20) hours per week shall not be eligible for participation in a medical care insurance plan, dental care insurance plan, vision care insurance plan or life insurance plan as approved by the Board and no contributions will be made by the District on behalf of those employees.

5. 6. Effective July 1, 2003, employees in the Preschool and The Learning Connection Programs who work assignments of six (6) hours or more per day shall ~~receive~~ be eligible to participate in the District's HMO medical plan.

6. 7. Early Retirement

Classified employees who elect early retirement at age 50 may continue with group medical, dental, vision care, and life insurance coverage provided by the District in accordance with the options provided in the schedule below:

a.	Number of Years Service In Health Benefit <u>Eligible Position</u>	Number of Years District will pay 100% <u>80%</u> <u>Benefit Cost*</u>
	10	8 years
	15	15 years

*Note: District will pay for the number of years indicated or to age 65 whichever occurs first.

7. 8. Health Benefits for Retirees

a. Any employee who has served the District for a period of not less than five (5) full-time years and has attained the age of 55 and has not attained the age of 65 is eligible for all medical, dental, and vision care benefits given by the District to employees upon his/her retirement.

b. The District shall contribute ~~one hundred percent (100%)~~ of 80% of the cost for providing the retired employee the same insurance benefits (medical, dental, vision, psychological services, and life insurance) that would be provided if the person were a regular, non-retired employee eligible for benefits, at the time of retirement. Employees who retire on or after January 1, 2003 shall make the same contributions for medical coverage for the balance of the premium above the District contribution, just as is required of existing employees. Health benefits will be continued for the retiree and retiree's spouse or domestic partner and eligible dependents provided the retiree has attained the age of 55 and has not attained the age of 65. In the event the retiree dies, and the spouse or domestic partner and/or eligible dependents are enrolled in the District's Health Benefits program, the health benefits (medical, dental, vision, and psychological services) will be continued for the retiree's spouse or domestic partner and eligible dependents provided he/she has attained the age of 55 and has not attained the age of 65 and dependents continue to meet the eligibility requirements specified by the Plan Document. In the event the retiree attains the age of 65, the health benefits will be continued for the retiree's spouse or domestic partner provided he/she has attained the age of 55 and has not attained the age of 65. In the event the retiree is 55 to 65 and the retiree's spouse or domestic partner is over 65, health benefits will be continued for both the retiree and the retiree's spouse or domestic partner until the retiree reaches the age of 65. These insurance benefits shall be secondary to any benefits for which the retired employee or his/her spouse/domestic partner is eligible under Medicare or MediCal.

- c. After the retiree and his/her dependents or domestic partner are no longer eligible for District Health Benefits, the retiree may purchase the same health benefits given to regular employees through COBRA for a fee of 102% of the cost of benefits for regular employees, (unless the retiree is no longer eligible for COBRA benefits). These benefits shall be secondary to any benefits for which the retiree or dependents is eligible under Medicare or Medical.
 - d. When the retiree is no longer eligible for COBRA benefits, the retiree and spouse or domestic partner may purchase the same medical and dental benefits provided to regular employees. Those who are Medicare eligible may purchase the same medical and dental benefits provided to regular employees for a fee of 140% of the cost of the benefits for regular employees. These benefits shall be secondary to Medicare. Employees who retire on or after July 1, 2004 and are not Medicare eligible may purchase these benefits at 300% of the cost of benefits for regular employees.
 - e. All 9 through 12 month employees working eight (8) hours per day are eligible for the above, and employees working less than eight (8) hours but four (4) or more hours will be eligible for the above benefits.
 - f. Retirees opting for insurance programs coverage must continue to meet the eligibility requirements provided in the District's agreement with the particular insurance carriers.
- ~~8.~~ 9. Disability Retirement
Employees who take disability retirement will be afforded the opportunity to participate in the District's Health Plan until age 65 subject to the provisions of A.7.c. and A.7.d.
- ~~9.~~ 10. The District shall maintain in force the same insurance programs during this agreement insofar as the carriers will allow. The District may change insurance benefit carriers in order to provide like coverage. Eligible employees must continue to participate in the insurance programs of the District.

Contribution Changes effective September 1, 2010:

80% Cap on District Contribution based on 2010 rates

Payroll Contributions	Employee Only	Employee + 1	Employee + Fam
HMO	\$112.44	\$215.58	\$314.62
PPO	\$152.34	\$296.83	\$442.23

Note: Contributions subject to change annually based on increases or decreases in benefit rates.

ARTICLE XIX TERM

This Agreement shall be effective July 1, ~~2007~~ 2010, except as otherwise specifically stated herein and shall remain in full force and effect up to and including June 30, ~~2010~~ 2012. ~~In the 2008-2009 and the 2009-2010 school years, each party may agree to reopen negotiations on the Salary and Benefits plus two Articles of each parties' choosing.~~ The parties agree that except as otherwise provided in the Memorandum of Understanding of August 19, 2010 reopener proposals, for negotiations after 2012-13, shall be submitted thirty (30) working days following Board ratification of the current Agreement or March 31, whichever comes first. The District agrees to extend the above mentioned deadline upon receipt of written request, submitted by the CSEA Chapter President by March 15.