

APPROVED
BY THE BOARD OF TRUSTEES
1/21/09

January 15, 2009

To: Board Members
From: Dena Whittington, Assistant Superintendent of Business Services
Through: Sharon McClain, Superintendent
Subject: Board Approval of Disclosure of Collective Bargaining Agreement for Fiscal Year 2008-2009

Assembly Bill 1200 established three categories of disclosure of school district fiscal obligations. One of those categories is collective bargaining agreements. Pre-disclosure of the major provisions of the proposed written agreement including costs and itemized budget revisions necessary to meet the costs of the agreement in each year of its term must be disclosed. The disclosure requires written certification of the Superintendent and Chief Business Official that the costs incurred by the school district can be met by the district during the term of the agreement.

This disclosure reflects an increase of 3% to all salary schedules. The health and welfare benefit cap remains at \$8,048. This agreement will be in effect retroactively to December 1, 2008.

Please see enclosed Disclosure of Collective Bargaining Agreement for both certificated and classified employees. Budget adjustments pertaining to this agreement will be reflected in the Second Interim Report as of January 31, 2008.

FISCAL IMPACT: Increased cost to the General Fund \$628,676 (Step and Column of \$672,000 already budgeted)
Increased cost to the Cafeteria Fund \$2,886
Increased cost to the Enterprise Fund \$39,981

RECOMMENDED: The Superintendent recommends approval of the Disclosure of the Collective Bargaining Agreement for Fiscal Year 2008-2009.

10.13



SAN DIEGO COUNTY OFFICE OF EDUCATION

6401 LINDA VISTA ROAD, SAN DIEGO, CALIFORNIA 92111-7399 (858) 292-3500

Superintendent of Schools
Randolph E. Ward, Ed.D.

January 6, 2009

Dr. Sharon McClain
District Superintendent
Del Mar Union School District
225 Ninth Street
Del Mar CA 92014-2716

Re: Disclosure of Collective Bargaining Agreement

Dear Dr. McClain:

The San Diego County Office of Education received the school district's December 16, 2008, disclosure of collective bargaining agreement for fiscal year 2008-09 for the Del Mar Certificated Teachers Association bargaining unit in accordance with Government Code section 3547.5. Narrative in the combined report that includes certificated and classified employees for 2008-09 discloses a proposed 3.0% increase on the salary schedules to become effective on 12/1/08, with step and column and statutory benefits increases for a total average compensation cost of 3.91%. This salary increase is funded from General Fund undesignated reserves for 2008-09, with savings from potential program modifications to offset future cost.

Your report regarding the impact of the salary settlements is acceptable. Review of the impact of the settlement on the district's unrestricted reserves in the 2008-09 adopted budget reveals that available reserves are sufficient to exceed the minimum recommended level for economic uncertainties after consideration of the estimated implementation costs of these agreements. Be advised that the undesignated reserves are one-time funds and the county discourages the use of one-time funds for ongoing expenditures.

We strongly recommend future salary settlement costs be equal to or below any funded cost-of-living increase received by a school district in this time of great budget and economic uncertainty for support of education for the foreseeable future by the state and federal governments. As a basic aid district, any ongoing salary settlements exceeding the amount of property tax increase may need to be funded with reserves or by future expenditure reductions. Careful financial monitoring and planning should be followed to ensure continued fiscal stability.

Board of Education

Nick Aguilar Susan Hartley Sharon C. Jones Robert J. Watkins John Witt

SERVICE AND LEADERSHIP

Dr. Sharon McClain
January 6, 2009
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The district has complied with Education Code section 42142 and Government Code section 3547.5 by disclosing the budget revisions required to implement the provisions of the certificated bargaining unit and classified employee settlements. Please send our office a copy of the governing board excerpt approving these settlements. Districts must make any budget revisions within 45 days of approval of a collective bargaining agreement. Please send an expenditure report by major object that has been generated by your financial system showing the budget before the changes and a second expenditure report showing the budget after the changes.

Please provide an updated Supplement page of the disclosure form if additional revisions to the school district's 2008-09 operating budget are necessary to fulfill the terms of the approved agreements. Any additional costs to the school district that may result from the terms of the collective bargaining agreements also shall be reflected in future interim fiscal reports or multiyear fiscal projections.

Any questions or concerns may be directed to your business consultant Dr. Carole Parks at (858) 292-3810.

Sincerely,



Linda Visnick
Executive Director
District Financial Services

LV: CDP

Attachment

cc: Dena Whittington, Assistant Superintendent
Dr. Carole Parks

Disclosure of Collective Bargaining Agreement

In Accordance with AB 1200 (Statutes of 1991, Chapter 1213);
GC § 3547.5 (Statutes of 2004, Chapter 52)

Del Mar Union School District

ALL FORMS WERE COMPLETED USING ESTIMATES

ACTUAL CALCULATIONS FROM PAYROLL SYSTEM WILL BE INCLUDED IN 08-09 SECOND INTERIM

Name of Bargaining Unit: Del Mar Certificated Teachers Association Certificated: X Classified: _____
 The proposed agreement covers the period: Beginning: 7/1/2008 Ending: 6/30/2008
 This agreement will be acted upon by the Governing Board at its meeting on: January 28, 2009

A. Proposed Change in Compensation

Compensation	Cost Prior to Proposed Agreement (a) \$	Fiscal Impact of Proposed Agreement					
		Current Year 2008-2009		Year 2 2009-2010		Year 3 2010-2011	
		(b) \$	(c) %	(b) \$	(c) %	(b) \$	(c) %
1. Step & Column as included in the 08-09 Adopted Budget	\$26,366,264	\$672,000	2.55%	\$689,476	2.55%	\$720,220	2.55%
2. Salary Schedule - 3% Effective December 1, 2008	\$27,038,264	\$516,185	1.91%	current agreement for 08-09 only	0.00%	current agreement for 08-09 only	0.00%
3. Other Compensation - Increase (Decrease) in Stipends, Bonuses, etc.	Existing expense of all stipends and bonuses included above	increase to master stipend included above	0.00%	no increase to master stipend included above	0.00%	no increase to master stipend included above	0.00%
4. Statutory Benefits - Increase (Decrease) in STRS, PERS, FICA, WC, UI, Medicare, etc.	\$3,639,139	\$66,470	1.83%	increase included in amount above	0.00%	increase included in amount above	0.00%
5. Health/Welfare Benefits - Increase (Decrease)	\$2,578,472	\$46,021	1.78%	not known at this time	0.00%	not known at this time	0.00%
6. Total Compensation - Increase (Decrease) Total Lines 3(a), 4(a), 5(a)	\$33,255,875	\$1,300,676	3.91%	\$689,476	2.00%	\$720,220	2.04%
7. Total Number of Represented Employees (not FTE)	606	606		606		606	
8. Total Compensation Cost for Average Employee - Increase (Decrease)	\$54,878	\$2,146	3.91%	\$1,138	2.00%	\$1,188	2.04%

Estimated Impact on other Funds for both Salary and B: Cafeteria Fund \$ 2,886 Enterprise Fund \$ 39,981
 The projected Fund Balance in the Enterprise Fund and the Cafeteria Fund is sufficient to cover the above estimated increase

Figures above include all certificated, classified and management employees (except the Superintendent)
 313 Certificated employees, 293 Classified employees

Step and Column Assumption: 2.55% for two future years

Master Stipend increased by 3% in the 08-09 school year effective December 1, 2008

Health Benefit Cap remains at \$8,048. Increase above due to premium increase on employees who have not used 100% of Health Benefit Cap.

Net Health Benefit increase of \$46,021 due to premium increases for employees who have not reached the \$8,048 cap

- A. Provide a brief narrative of the proposed change in compensation, including percentage change(s), effective date(s), and comments and explanations are necessary:**

The proposed change is a 3% increase to the salary schedule effective December 1, 2008. The master's stipend on the certificated schedule will also be increased by 3% effective December 1, 2008.

- B. Proposed Negotiated Changes in Non-Compensation Items (class size adjustments, staff development days, teacher prep time, etc.):**

There will be no non-compensation item changes associated with this agreement.

- C. What are the specific impacts on instructional/support programs that accommodate the settlement? Include the impact of non-negotiated changes such as staff reductions and program reductions/eliminations:**

There will be no impacts on the instructional program to accommodate this agreement.

- D. What contingency language is included in the proposed agreement? Include specific areas identified for reopeners, applicable fiscal years, and specific contingency language:**

There is no contingency language included in the agreement.

- E. Source of Funding for Proposed Agreement:**

The source of funding in the current year will be the General Fund Undesignated Reserves. Program modifications are being analyzed to offset future cost.

F. Impact of Proposed Agreement on Current Year Unrestricted Reserves

1. State Reserve Standard

a. Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$41,552,045
b. State Standard Minimum Reserve Percentage for this District	3.00%
c. Projected P-2 ADA	4,229
d. State Standard Minimum Reserve Amount for this District <i>(Line 1a times Line 1b, or \$50,000, whichever is greater, for a district with less than 1,001 ADA)</i>	1,246,561

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

a. General Fund Budgeted Unrestricted Designated for Economic Uncertainties	\$1,246,561.00
b. General Fund Budgeted Unrestricted Unappropriated Amount	\$4,489,030.87
c. Special Reserve Fund 17-Budgeted Designated for Economic Uncertainties	\$0.00
d. Special Reserve Fund 17-Budgeted Unappropriated Amount	\$1,345,746.00
e. Total District Budgeted Unrestricted Reserves	\$7,081,337.87

3. Do unrestricted reserves meet the state standard minimum reserve amount?

Yes

No

G. Certification

The information provided in this document summarized the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement in accordance with the requirements of AB 1200 and Government Code § 3547.5.


We hereby certify that the costs incurred by the school district under this agreement can be met by the district during the term of the agreement.



 Dr. Sharon McClain, Superintendent

12-16-08

 Date



 Dena Whittington, Asst. Superintendent of Business

12-16-08

 Date

Contact Person: Dena Whittington

Telephone No.: 858-523-6195

Supplement

H. Impact of Proposed Agreement on Current Year Operating Budget*

Date of governing board approval of budget revisions in Col. 2: 28-Jan-09
 in accordance with Education Code § 42142 and Government Code § 3547.5

Provide a copy of board-approved budget revisions and board minutes. In addition, provide two expenditure reports generated by the district's financial system: one showing the budget by major object before the changes and a second showing the budget by major object after the changes.

If the board-approved revisions are different from the proposed budget adjustments in Col. 2, provide a revised report upon approval of the district governing board.

	(Col. 1) Latest Board- Approved Budget Before Settlement as of Dec. 10, 2008	(Col. 2) Adjustments as a Result of Settlement	(Col. 3) Other Revisions	(Col. 4) (Cols. 1 + 2 + 3) Total Impact on Budget
REVENUES				
Revenue Limit Sources (8010-8099)	30,883,860	0	0	30,883,860
Remaining Revenues (8100-8799)	7,347,831	0	0	7,347,831
TOTAL REVENUES	38,231,691	0	0	38,231,691
EXPENDITURES				
1000 Certificated Salaries				
Certificated Teacher Salaries	19,030,212	363,304	0	19,393,516
Certificated Pupil Support Salaries	494,667	9,444	0	504,111
Certificated Supervisors and Administrative S	1,602,657	30,596	0	1,633,253
Other Classified Salaries	201,426	3,845	0	205,271
2000 Classified Salaries				
Classified Instructional Salaries	2,210,099	42,193	0	2,252,292
Classified Support Salaries	1,680,714	32,086	0	1,712,800
Classified Supervisors and Administrative Sa	208,732	3,985	0	212,717
Clerical, Technical and Office Salaries	1,261,868	24,090	0	1,285,958
Other Classified Salaries	347,889	6,642	0	354,531
3000 Employee Benefits				
STRS	1,773,005	33,848	0	1,806,853
PERS	524,718	10,017	0	534,735
OASDI/Medicare/Alternative	745,964	14,241	0	760,205
Health and Welfare Benefits	2,578,472	0	46,021	2,624,493
Unemployment Insurance	80,997	1,546	0	82,543
Workers' Compensation	357,072	6,817	0	363,889
OPEB Allocated	141,969	0	0	141,969
OPEB Active Employees	0	0	0	0
PERS Reduction	0	0	0	0
Other Employee Benefits	15,414	0	0	15,414
4000 Books and Supplies				
	2,859,140			2,859,140
5000 Services and Operating Expenses				
	4,585,983			4,585,983
6000 Capital Outlay				
	126,630			126,630
7000 Other				
	95,741			95,741
TOTAL EXPENDITURES	40,923,369	582,655	46,021	41,552,045
OPERATING SURPLUS (DEFICIT)	(2,691,678)	(582,655)	(46,021)	(3,320,354)
OTHER SOURCES AND TRANSFERS IN				0
OTHER USES AND TRANSFERS OUT	190,230			190,230
CURRENT YEAR INCREASE (DECREASE)				
IN FUND BALANCE	(2,881,908)	(582,655)	(46,021)	(3,510,584)
BEGINNING BALANCE	11,481,755			11,481,755
CURRENT YEAR-ENDING BALANCE	8,599,847			7,971,171
COMPONENTS OF ENDING BALANCE:				
Reserved Amounts (9700-9759)	119,651			119,651
Economic Uncertainties (9770)	1,227,701			1,246,561
Board Designated (9780)	2,115,928			2,115,928
Unappropriated Amounts (9790)	5,136,567			4,489,031