IN FACTFINDING PROCEEDINGS PURSUANT TO

THE EDUCATIONAL EMPLOYMENT RELATIONS ACT

In the Matter of an Impasse between:	
COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT, Employer, And	Arbitrator File No. 21-0050-FF PERB Case No. SF-IM-3325-E
ROHNERT PARK-COTATI EDUCATORS ASSOCIATION, Union.	**FACTFINDING PANEL'S FINDINGS AND RECOMMENDED TERMS OF SETTLEMENT**
Re: Collective Bargaining Impasse	

District Panel Member	Neutral Chairperson	Union Board Member
Roy A. Combs Fagen Friedman & Fulfrost LLP	Yuval Miller, Esq. Arbitrator/Mediator	Mark Erwin Mitchell California Teachers Association

Advocates:

Employer: Matt Phillips, CPA
School Services of California, Inc.

Union: Erik Olson Fernandez
California Teachers Association

Procedure:

Hearing: January 20, 2022
Santa Rosa, CA

Submission: February 11, 2022

This factfinding arises under California Government Code § 3548 *et seq*. following an impasse in collective bargaining between the Rohnert Park-Cotati Educators Association ("RPCEA," "Union," or "Association") and the Cotati-Rohnert Park Unified School District ("CRPUSD," "District," or "Employer"). The California Public Employment Relations Board (PERB) selected Yuval Miller to serve as Neutral Chairperson ("Chair") of the Factfinding Panel ("Panel"). The parties stipulated that all impasse procedural requirements had been met and agreed to waive the time limits in Gov. Code §§ 3548.2 & 3548.3. After a hearing in which the parties had a full opportunity to present evidence, question each other, and submit argument, the parties submitted the matter to the Panel for findings and recommended terms of settlement.

BACKGROUND

CRPUSD is a K-12 public-school district with an enrollment of 6,110 students across thirteen schools. RPCEA represents the 330 certificated non-management employees at the District. Approximately 48% of the District's students are eligible for free and reduced-price lunch meals, English-language learners, and/or foster-youth designated. To avert fiscal insolvency, the District implemented a fiscal recovery plan that required significant budget reductions in the 2019-2020 school year. The District has emerged from that fiscal recovery plan.

The parties have been bargaining for a July 1, 2021-June 30, 2024 collective bargaining agreement ("CBA" or "Agreement") since June 9, 2021. On June 9, 2021. RPCEA presented a proposal addressing, *inter alia*, Article 4—Hours of Employment, Article 6—Class Size, and Article 15—Compensation. The Article 15 proposal sought an increase of 7% in 2021-2022, 6% in 2022-2023, and 6% in 2023-2024, as well as several stipends and modifications to the structure of the current salary scale. The Article 4 proposal sought to establish a committee to develop criteria related to elementary, middle and high schools. The Article 6 proposal included class-size maximums, overage pay, and substitute-coverage pay.

On Monday, August 9, 2021, the next bargaining session, the District made counterproposals. On Article 15, the District proposed an increase of 1.5% in 2021-2022, a one-time payment of $1,000 per RPCEA member, and wage reopeners in subsequent years. According to the District, the one-time payment equals slightly over 1% of Total Compensation. On Article 6, the District rejected the proposal without counter, i.e., it proposed to maintain the current contract language. On Article 4, the District proposed what it describes as an "emergency-day-flexibility procedure to recover lost student learning time for any days that might be lost due to an emergency during the 2021-2022 school year." RPCEA did not counter these August 9 proposals on that date.

The District preempted the parties' next-scheduled bargaining date of September 23, 2021, by emailing RPCEA a Last, Best, and Final Proposal ("LBF") on September 17, 2021. In the LBF, the District left its August 9 proposals the same with one exception: It increased its Article 15 proposal to a 2% salary increase in 2021-2022 and $2,000 one-time payment—again with reopeners for future years.

On September 27, 2021, RPCEA submitted its declaration of impasse to PERB. At that time, no formal tentative agreements had been reached. Mediation was also unsuccessful in reaching a tentative agreement on any of the issues. On December 8, 2021, PERB appointed the Factfinding Chair.

The Factfinding Panel convened a hearing in Santa Rosa, California on January 20, 2022. On January 20, the partisan Panel Members, in their first executive session, identified gaps in the evidence before the Panel. To fill these gaps, the Panel asked the parties to meet and let each other know what comparable districts they each found relevant to the supplemental submissions, to add any non-Basic Aid comparables to their own charts so that the Panel could compare complete information, and to provide comment if they challenged the accuracy or relevance of any data in the other's charts.

At the end of the day on January 20, the District revised its LBF to offer a 3% salary increase in 2021-2022, a $2000 one-time payment (i.e., slightly over 2% of Total Compensation), and an increase of the hourly rate to $37/hour after ratification. The January 20 LBF retained the same terms as the District's August 9 proposal with respect to Articles 4 and 6.

On February 3, the Panel met to discuss the supplemental submissions. The Union had submitted a comprehensive chart containing all non-Basic Aid comparables that both parties found relevant and shared it with the District, but complained that the District had not taken the time to meet with it. The District had slightly modified some of its charts, but explained that it had not fully taken the opportunity to provide the Panel with requested information because it misunderstood the request. As such, the Panel decided to allow another week for further submissions. The parties submitted their final supplemental submissions on February 10. The Panel held a continued executive session on February 11 and closed the evidentiary record.

FACTFINDING CRITERIA

An Educational Employment Relations Act (EERA) factfinding panel makes findings and recommends terms of settlement for a new collective bargaining agreement (CBA) between the parties. As these recommendations are only advisory, factfinding is an extension of negotiations. Though the parties must ultimately reach agreement on their own, the factfinding report contributes to that process by offering a careful analysis, neutral outside perspective, and framework for considering settlement terms.

Under Gov. Code § 3548.2, the factfinding panel considers, weighs, and is guided by the following criteria in arriving at its findings and recommendations:

(1) State and federal laws that are applicable to the Employer.
(2) Stipulations of the parties.
(3) The interests and welfare of the public and the financial ability of the public school employer.
(4) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.
(5) The consumer price index for goods and services, commonly known as the cost of living.
(6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment; and all other benefits received.
(7) Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.[1]

ISSUES AND PROPOSALS

The following issues are before the Panel: Article 15—Wages; Article 4—Hours of Employment; and Article 6—Class Size.

Under Article 15.2:

- The Union proposes: (1) (a) wage increases of 7%, 6%, and 6% effective July 1, 2021, 2022, and 2023, respectively; (b) an increase of base salary (BA+45) to $60,000; and (c) an elementary combination class stipend, expeditionary learning stipend, and outdoor education stipend; (2) increasing the Schedule AA extra-duty hourly rate from $30 to $50; and (3) removal of the 10-year cap on creditable prior experience.

[1] These statutory criteria are correctly quoted by RPCEA.

- The District proposes: (1) (a) a 3% wage increase effective July 1, 2021 and a $2,000 one-time payment (2.9% of salary) effective 30 days after ratification; (b) a 3% wage increase effective July 1, 2022; and (c) a 1% wage increase effective July 1, 2023 with trigger language based on unrestricted LCFF growth; (2) an increase in the Schedule AA extra-duty hourly rate to $37, effective 30 days after ratification; and (3) a 20-year service credit for new hires only, effective July 1, 2022.

Under Article 4.1.1.1:

- The District proposes to add two emergency days to the end of the school year, which is currently 185 days.

- The Union proposes the *status quo*, i.e., no emergency days.

Under Article 4.2.2:

- The District proposes to add the following additional duties: attend committees, councils, restorative justice, PBIS, and interview panels.

- The Union proposes that no additional duties be added, but proposes that a bell schedule committee be added.

Under Article 6.1:

- The Union proposes to lower the maximum class sizes.

- The District proposes the *status quo*.

Under Article 6.2:

- The Union proposes new overage payments for classes that exceed prescribed class sizes, and a pro rata per diem for any teacher who covers another class in lieu of a substitute.

- The District proposes the *status quo*.

EMPLOYER POSITION

Article 15—Wages

The District is proud of the service and commitment of its educators in implementing innovative programs that prepare students for college, careers, and beyond. Though the District has emerged from its fiscal recovery plan of 2019-2020, it continues to work to maintain fiscal integrity as it provides programs to students and recruits, retains, and compensates staff.

The Panel's analysis of the question of wage increases should consider that the District provided a 2% ongoing wage increase in 2020-2021 when the funded COLA was 0%. Because COLA was unfunded in 2020-2021, the COLA in 2021-2022 of 5.07% is the combination of two years' worth of COLA. The most recent list of raises in surrounding districts reflects that the District's two-year offer is competitive and fiscally responsible. Using the most recent, state-certified salary and benefit data, the District offers a very competitive Total Compensation—especially when you consider the District's relative General Fund Revenues Per ADA.

The District's enrollment, which is the primary driver for funding under the Local Control Funding Formula, has been declining. The focus on LCFF is critically important because LCFF represents nearly 93% of the District's resources available for bargaining.

The District is funded at a lower rate than many of its geographic neighbors and other unified school district statewide. These low total revenues are further stressed by the fact that the District has the lowest reserve percentage of other school districts with ADA between 1,500 and 15,000 within a 25-mile radius of the District—the group of districts CRPUSD considers the relevant comparators for the Panel's consideration.

Each year, most RPCEA members are eligible to receive an increase in compensation from step-and-column movement. It is a significant benefit to the employee, and a cost to the District equivalent to approximately a 1.48% wage increase in 2021-2022. The District spends more than 80% of its revenues on personnel costs, which is greater than the average of the group of districts CRPUSD considers the relevant comparators for the Panel's consideration.

The District is prioritizing teachers. In the aggregate, salary settlements have exceeded cost-of-living adjustments (COLA) over the past nine years. Even a 2% ongoing wage increase is greater than RPCEA members' fair share of new on-going revenues. The District exceeded the statutory requirement in Education Code Section 41372 to allocate at least 55% of its General Fund expenses to classroom salaries and benefits, allocating 55.02%.

Funding received by school districts is directly related to the COLA. If the District were to give teachers a raise equal to COLA each year (taking into account step-and-column movement), it would result in teachers maintaining their position relative to other employees.

For that reason, the District has provided ongoing compensation increases that exceed both COLA and CPI over the last nine years. A 2% increase in wage is greater than the Association's fair share of new ongoing revenues. 2021-2022 New LCFF Revenue, not including supplemental/concentration grant funding targeted through LCAP, is $2,323,102.

The District has decided that RPCEA's "fair share" of new money should equal 58.53% of its budget. After subtracting costs—including step-and-column costs—this leaves $397,017 available for RPCEA salaries. The cost to the District of a 1% RPCEA salary increase is approximately $270,000. Therefore, a "fair share" for RPCEA would be a wage increase of 1.47%. The District's offer of a 3% wage increase is therefore very generous when compared with the 58.53% of new money to which the District would like to limit expenditure on teachers.

The focus on LCFF is critically important because the LCFF represents nearly 93% of the District's resources that the District has chosen to make available for bargaining.

Based on the District's forecasts—including a forecast of 2021-2022 Unrestricted General Fund Revenues of $48,260,814—RPCEA's request for consecutive ongoing wage increases would cause the District to enter negative financial status.

The District allocates a huge percentage of resources to health-and-welfare benefits on behalf of RPCEA members: 15% of total expense, transfers, and other uses. For this reason, the Panel should focus on Total Compensation.

California has implemented a significant increase in school-district contribution rates to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS); this has a negative financial impact on the District because contributions will continue to increase. The State has also implemented a significant increase in school district contribution rates to the School Employers Fund, which is a pooled fund that administers Unemployment Insurance benefits.

Article 4—Hours of Employment

The two emergency days are needed in the event of a school closure. This does not increase the work year, but provides a fallback solely in the event of a school closure. This ensures that learning opportunities are not lost—something that is critical now as students return to in-person learning after nearly two years of distance and hybrid learning. Six of the comparative districts the District asks the Panel to consider have a work year in excess of the District's current work year of 185 days. The California Department of Education recommends schools add emergency days into their calendar.

The District's request to add language related to duties simply reflects already-extant practices and builds on the current language in the contract. That language reads "Unit members may be required to perform the following duties: attendance at graduation ceremonies, plays, concerts, dances, judging speech events, supervision at athletic events, sponsorship of class or club activities, not to exceed twenty (20) hours per year. Such duties shall be assigned on an equitable basis at each site . . . ."

The District's bell schedules should not be devolved to a committee with RPCEA members because bell schedules are the responsibility of management. Current law establishes the minimum required instructional minutes on a daily and annual basis, and hierarchical management will ensure continued compliance with such law.

Article 6—Class Size

RPCEA has a heavy burden, as the moving party, to persuade the Panel to support any move from the *status quo* on class sizes. Current contract language for class size is in line with the comparative group the District would like the Panel to consider. The District's current language already reflects an intention to maintain smaller class sizes in primary grades; further reduction of class sizes or increase in overage payments would create an untenable financial burden.

UNION POSITION

Article 15—Wages

The District fails to make teachers a priority in the budget; it typically adopts a budget in June with 0% allocated for the teachers, and then months into the school year teachers are told there is almost nothing left for them. The District should make teachers a priority in the budget, in the adoption of the budget, and in negotiations. The teachers need a multi-year agreement that forces the District to prioritize the teachers rather than continuing to make them the bottom priority. The District has delayed far too long, in violation of Gov. Code § 3543.7.

The panel should not recommend anything less than a three-year agreement including ongoing wage increases for each year, because the evidence presented at the hearing showed teachers cannot count on this District management team to even show up prepared to meaningfully negotiate reasonable wages with its teachers. A three-year agreement will provide labor peace and allow the parties to work on their now broken labor-management relationship.

This would be in the interests and welfare of the public. It is in the public interest to be able to recruit and retain the best educators. It is not in the interests of the public to have teachers who are financially overwhelmed, underappreciated, and undervalued because that leads to poor education and teachers leaving the profession. A Public Policy Institute survey of California, statewide, found that "sixty-one percent of adults and 59 percent of public school parents think teacher salaries are too low. . . . [66% of people] in the San Francisco Bay Area . . . say teacher salaries are too low." Several articles in the record demonstrate that teachers are leaving and few people want to join the field; this is entirely due to low respect and low compensation.

The District has the financial ability to pay for RPCEA's proposals. Total revenues have increased by nearly $10 million in the last five years and will go up again with the Governor's "all time high," "historic" education budget combined with huge federal stimulus funds. Taking into account all statutory costs, each 1% wage increase costs only $274,465.

Despite the high cost of living in Sonoma County, the District does not compare well statewide, regionally, or in Sonoma County. In Imperial County SD, total funding per pupil is $11,849, and the district pays its teachers an average salary of $96,900. In CRPUSD, total funding per pupil is $12,823—almost $1,000—yet the District pays its teachers an average salary of only $63,878—over $30,000 less. The typical value of a home in Imperial County is $304,020; in Sonoma County, it is $770,337. The District can do much more than it is currently doing to help our educators by prioritizing them in the budget.

Prediction of the future is more accurate when using Unaudited Actuals from the past—real numbers—rather than management projections and forecasts, which are artificially skewed to appear low. The District has always severely under-projected reality. In fact, School Services itself—the District's advocate in this case—has specifically advised districts to look for variances between unaudited actuals and projections in past years, and to minimize such variances. The Panel should rely on unaudited actuals, not projections.

In June 2020, the District approved an Adopted Budget saying it would have $62.6 million in total revenues. But when the real numbers came out, the District had $72.8 million. Now the District has budgeted less for this year—$71 million—despite the State (and even School Services that made the District's presentation at the Factfinding) heralding a "historic" record state education budget that will rise to "stratospheric levels." In Fall 2021, the Legislative Analyst's Office predicted a huge increase in funding for K-12 schools.

The District claims it wants to prioritize teachers, but it serially lags far behind the trends in the State and in Sonoma County. School Services states that most school districts pay employee salaries and benefits in the amount of 85-90% of Total Outgo; at CRPUSD, only 77.41% of Total Outgo goes to compensating our teachers. Meanwhile, administrator salaries are *above* the statewide average of 5.19% and have been for at least five years; CRPUSD administrator salaries were at 6.35% in 2020-2021 and budgeted to go up to 6.8% in 2021-2022.

Further, School Services states that the statewide average for certificated bargaining unit salaries is 37.23% of Total Outgo. At the District, they are only 32.21% of Total Outgo. If the District merely sought to be *average*, it could afford not only RPCEA's proposals but much more. To meet the state average, the District would provide a *15.57% wage increase*.

The Statewide Average for the "Services & Other Operating Expenses" budget category—which includes attorneys and consultants—is 10.38%. At CRPUSD it is 15.64%. Neighboring Gravenstein is at 6.7%. The difference between 15.64% and 10.38% is $3,737,838. The District should prioritize teachers over this over-invested-in budget category.

The Governor proposed an "all-time-high" state education budget for 2021-2022. As of January 10, 222, the Governor's budget included an LCFF COLA of 5.33%, the highest since the Great Recession. This increase will result in $3.3 billion in additional discretionary funds for local educational agencies. In addition, some $30 billion in one-time COVID-related federal funding has been provided to local educational agencies and remains available for expenditure. Moreover, the Governor's budget amends the LCFF calculation to mitigate the effect of declining enrollment by basing ADA on the greatest of each district's last three years of enrollment.

On February 1, 2022, School Services (the District's advocate in this factfinding proceeding) reported that the Legislative Analyst's Office revised the COLA estimate for 2022-2023 to 6.17% (up from the 5.33% in the Governor's budget) to the Assembly Budget Subcommittee on Education, taking additional inflation into account.

A comparison of the District with comparable districts demonstrates that the Union's proposals are necessary for teacher salaries to be fair. Teachers coming to CRPUSD are capped at ten years of experience (Step 11 on the salary schedule). By comparison, lateraling teachers at SCOE, Santa Rosa, Gravenstein, Healdsburg, Old Adobe, Sonoma Valley, Wilmar, and Windsor are not capped at all; they are given their full years of credit on the salary schedule. Research shows that experienced teachers are critical to student success; those teachers, if they move to Sonoma County, will choose another district ahead of CRPUSD so they can get their credit.

As RPCEA's comprehensive comparison chart demonstrates, CPRUSD is behind the other districts in wages, overall compensation, and the percent of total outgo to certificated bargaining-unit salaries. All four of the Marin County districts chosen by the District as comparators spend more than the statewide average of 37.23% on certificated bargaining-unit salaries; they also have higher wages and Total Compensation.

All of the Sonoma County districts listed in the chart also do better than CRPUSD in wages *and* Total Compensation. This is so even though wages and healthcare in Sonoma County have been depressed for years by county superintendents and boards. Not one single district in the county pays above the statewide average. And the statewide average of Total Compensation is $100,445; at CRPUSD, it's just $87,492.[2]

These trends are reflected in the fact that all but two districts (Mark West & Santa Rosa) are below the 37.23% statewide average Percent of Total Outgo going to certificated bargaining-unit salaries. Vallejo City Unified School District in Solano County—identified by the District as a "comparable" district—is the only district with lower Total Compensation than CRPUSD. But even Vallejo has better wages—and those increased by 3.5% effective January 2022.

Many other districts, *especially* in Sonoma County, will be making even further gains with their collective bargaining agreements—in 2021-22 and beyond. CRPUSD will continue to lag further behind unless a significant three-year agreement is finalized.

The panel should recommend the last RPCEA proposal—a 3-year deal of 7%/6%/6%—as the basis for settlement of the 2021-2024 CBA. CRPUSD spends even less in total dollars than its

[2] RPCEA underrepresents Total Compensation figures by not including dental and vision benefits along with medical. For this reason, the Chair uses the District's Total Compensation figures wherever possible.

neighbors on its educators because its wages are so low. This means that comparatively more of the District's "Total Compensation" amount goes to benefits only.

Notably, benefits incur no statutory-benefits costs. These costs, also known as driven costs, include fixed percentage amounts for State Teachers Retirement System (CalSTRS), Medicare, Unemployment, and Workers Compensation. The savings realized by CRPUSD as a result of this amounts to several hundreds of thousands of dollars each year.

The Panel should also consider that teachers—mostly women—are underpaid compared to their peers in other professions. Districts do not pay into Social Security for teachers, and off-schedule bonus pay is not eligible to be counted as earnings for retirement-pension purposes.

CRPUSD's argument that it gets less per-pupil funding than certain other districts should fall on deaf ears. Under the state's Local Control Funding Formula (LCFF) paradigm, districts receive funding in large part in relation to the percentage of high needs students, i.e. free/reduced lunch, foster youth, migrant youth and English-language learners. These are also referred to as "unduplicated" pupils. CRPUSD has fewer such high-needs students (46.43% versus 62.48% statewide), so it receives less funding. But districts with a higher percentage of high-needs students are also responsible for providing more services, resources, and staff for their higher-need student populations, while CRPUSD is not similarly burdened. The relatively lower extent of need of the CRPUSD student population is the counterbalance to the level of funding it receives. This argument is a red herring and should be disregarded.

Further, the Union proposal is necessary to keep up with the Consumer Price Index (CPI). The Consumer Price Index rose 6.8% from November 2020 to November 2021, the largest twelve-month increase since the period ending June 1982—forty years ago. Energy prices rose

33.3% and food prices increased 6.1%.

Sonoma County was ranked the fourth least-affordable county in the state for teachers in 2017. Only 0.5% of homes are within their reach, based on average salary and median home prices. And it has not gotten better, in 2019, Santa Rosa ranked among the five least affordable cities for teachers in the entire United States.

To evaluate CPI and the price of good, services, and real estate, the Panel should look at salary level, *not* Total Compensation. Teachers cannot buy food or a home with health benefits. Though financial planners recommend spending no more than 30% of total income on housing, CRPUSD teachers spend much more. Sonoma County teachers who own a home spend an average of 56.2% of their salary on their mortgage; and those who rent spend an average of 43.6% of their salary on a two-bedroom unit.

A neutral factfinder in neighboring Forestville recently noted in 2019 that "increases in health benefit contributions in recent years provided by the District, while helpful, may not address a teacher's living situation, as such increases often merely help pay the higher cost of health insurance." The factfinder further found—even before the big budget increases and projected COLAs this year—that the neighboring Forestville school district under-projects its financial ability to pay. The factfinder found that "Forestville teachers and teachers in Sonoma County are underpaid, especially in comparison with the real cost of living in those areas."

Wages, eliminating duplicate salary-schedule steps, and removal of the cap on years of experience are RPCEA's top priorities. This helps recruit and retain the best educators. There is also no reason the District could not increase stipends and the hourly rate to $50 instead of $37.

Article 4—Hours of Employment

The Union does not believe "emergency days" are necessary or justified. The parties can negotiate if and when there is a real emergency. On this record, nearly no argument was made by the Union about emergency days.

Article 6—Class Size

Class size is a relatively less important issue than wages. On this record, nearly no argument was made by the Union about class size.

FINDINGS AND RECOMMENDATIONS

The following findings and recommendations are intended to provide the parties a basis upon which to reach settlement. Substantial acrimony between the parties has hindered their past efforts at settlement. RPCEA believes the District fails to appreciate the sacrifices teachers make to survive in an area with a high cost of living. CRPUSD, on the other hand, believes RPCEA pays short shrift to fundamental financial challenges the District faces, especially in an economic climate that—though booming—is fraught with risk. Notwithstanding this divide, the two parties have mutual interests that create opportunities for their working together. The factfinding process, and these findings and recommendations, seek to highlight these opportunities.

Article 15—Wages

Article 15 Recommendation 1/3: The Chair recommends that the parties adopt a three-year contract with ongoing wage increases as follows: (1) effective July 1, 2021, a wage increase of 6%; (2) effective July 1, 2022, a wage increase of 5%; and (3) effective July 1, 2023, a wage increase equal to funded statutory COLA. The Union has met its burden to demonstrate that significant wage increases are necessary to address budgetary priorities that are consistent with the core interests of the parties and the public, are financially feasible, and keep the District robustly competitive with other comparable districts. In continuing negotiations, the District may be able to substantiate its argument for lower wage increases than those recommended here if it produces complete financial data. As discussed below, however, the District's submissions in this matter were deficient. The Panel can base recommendations only on the evidence it has received.

With respect to the public interest, both parties assert that they want to make teachers a higher priority in the District's budget because of the importance of teachers to our society, and because of the risk of good educators leaving. Both parties seek a multi-year agreement that prioritizes teachers more highly relative to other parts of the budget.

To examine this mutual goal of the parties, it is necessary to consider what would keep teachers in a *status quo* position relative to the rest of the budget. Maintaining wage increases *at least* in line with COLA is necessary for this purpose.[3] The Factfinding Panel also agreed that COLA funding received in 2021-2022 was 5.07%, the COLA in 2022-2023 is expected to be greater than 6.17%, and COLA in 2023-2024 is unknown. As such, ongoing wage increases that *almost* allow teachers to keep up with COLA would be 5% in 2021-2022 and 6% in 2022-2023.

The District confirms it has *additional* one-time funding of $2,000—equivalent to 2.9% of salary (1% is $690)—to offer teachers as a bonus in 2021-2022. This would add to the COLA-

[3] The District argues that step-and-column increases amount to the equivalent of an almost 1.48% salary increase each year. While the Chair keeps this in mind, not all teachers receive step-and-column increases—but all teachers need salaries that take into account the rising cost of living. Because of this, and because the parties are both committed to prioritizing teachers more highly in the budget, the Chair finds step-and-column increases relevant but their value mitigated by missing revenue in the District's financial data (as discussed below). The Chair joins the District Panel Member in concluding that, on this record, no change to the step-and-column chart is appropriate. But the District may wish to offer lower wage increases than those recommended here in exchange for changes to the step-and-column chart that satisfy the Union's interest.

based increases, as follows: 5%+$2,000 in 2021-2022 and 6% in 2022-2023. These amounts are equivalent to 6%+$1,310 in 2021-2022 and 5% in 2022-2023 (moving one ongoing percentage point from the second year to the first and reducing the first year's one-time salary bonus by 1%, i.e., $690, of salary). Keeping teachers almost in line with COLA and adding available one-time funding, therefore, would result in a wage line of 6%+$1,310 in 2021-2022, 5% in 2022-2023, and statutory funded COLA in 2023-2024. Step-and-column increases are addressed below.

With this in mind, the Chair reviews additional considerations regarding the District's financial ability and the public interest in raising the priority of teachers relative to the rest of the District's budget. As an initial matter, the District argues with respect to the 2021-2022 budget alone that the District is limited to its LBF's proposed wage increase of 5.9% (i.e., 3% ongoing plus 2.9% in one-time bonus) because it already established the budget for this year and has nothing more left for teachers. While the Union contends the District should not make teachers its last priority, the Chair finds that it is not reasonable to expect the District to have budgeted in Summer 2021-2022 for projected COLA increases that the State did not announce until 2022. Accordingly, the Chair concludes any wage increase for 2021-2022 alone should not be much higher than what the District has already admitted it can afford in this year's budget.

Further considering the public interest in higher relative prioritization of teachers, RPCEA presents evidence showing that the District allocates 32.21% of total outgo to teacher salaries, whereas the statewide average is 37.23%. The Union also showed that the District allocates 15.64% of total outgo to "services & other operating expenses" (e.g., attorneys and consultants) whereas the statewide average is 10.38% and neighboring Gravenstein allocates only 6.7%. Some of this difference is caused, however, by the fact that the Union compares salaries rather than Total Compensation, only a higher salary can buy food, shelter, and services.

Although other Sonoma County school districts have *historically* had similar financials relative to state averages, on this record it appears clear that the public interest has been changing rapidly in recent years throughout Sonoma County. With each new collective bargaining agreement, Sonoma County districts have accelerated wage increases to prioritize teachers.

CRPUSD requests that the Panel take into account its already-significant efforts to make teachers a high priority. It highlights that it gave teachers a 2% raise in 2020-2021 even though COLA was unfunded that year, and RPCEA members have received raises over the last nine years that cumulatively exceeded both COLA and CPI when those figures were low.

The District may be applauded for this, but the Chair is not persuaded that the District's past wage increases should be weighed as the District requests. The District asks the Panel to subtract 2% from any 2021-2022 wage increase because of the District's 2020-2021 wage increase in that amount. It would not be consistent, however, both to rely on the 2% increase as proof that the District believes in a higher priority for teachers and also to count such prior wage-increase agreements against the teachers. The first argument suggests a one-way ratchet upward to a higher priority level; the second suggests a pendulum swinging teachers back to their prior status.

The pendulum approach—i.e., counting last year's 2% raise against RPCEA—would be misguided. The parties are both entitled to the benefit of their 2020-2021 bargain. Negotiating parties, through the give-and-take of bargaining, make concessions to reach an agreement. When that agreement is signed, each concession has been traded for others. Whether it was a change to contract language, aversion of a strike, retention of good teachers, or achieving its stated goal of making teachers a higher priority in the budget, the District gained something in exchange for the

2% raise. It should not now seek to squeeze yet *more* value out of a concession it made in the past.

Notably, several other districts CRPUSD highlighted as comparators gave substantial raises in 2020-2021 (when COLA was unfunded) and *again* in 2021-2022 (a year with a 5.07% funded COLA). For example, Santa Rosa City Schools[4] gave a 4% raise in 2020-2021 and a 6.5% raise in 2021-2022; Sonoma Valley USD gave a 5.25% raise in 2020-2021 and a 5.5% raise in 2021-2022; and Bellevue Union ESD gave a 5% raise in 2020-2021 and a 4% raise in 2021-2022. Petaluma City Schools gave a 5% raise in 2020-2021 and had not yet set wage increases for future years. While there are some jurisdictions providing lesser amounts, the evidence shows those jurisdictions are lagging behind the public interest. The Union presented undisputed evidence that the jurisdictions making strides to reprioritize teachers are doing so because of a Sonoma County public interest in improving teacher living conditions, preventing good teachers from leaving, and correcting a history, perceived by the public, of neglect for teacher welfare.

With respect to the District's financial ability to pay, the Chair agrees with the District that Total Compensation is more important than salary. While salary is more important when considering CPI and purchasing power, Total Compensation is more important with respect to District costs because it represents the total money CRPUSD pays to RPCEA members.

Total compensation is particularly applicable in this case, where the District has the

[4] The District presented evidence that Santa Rosa City Schools submitted a "Qualified" certification in connection with its first-interim budget—indicating that district *might* not be able to meet its financial obligations in the next three years. This document, a subjective opinion by an unknown analyst, is speculative. Moreover, the District presented no evidence that Santa Rosa City Schools' even subjectively correlated its unknown analyst's speculative prediction with personnel costs, much less with any wage increase that district negotiated with its teachers. It is difficult to give much weight to the District's speculation about an unknown analyst's speculation about the possible result of an unknown correlation unsupported by any data.

highest health-and-welfare benefit contribution of all comparators used by the District (over $20,000). RPCEA salaries represent only around 77% of Total Compensation. Moreover, "overall compensation" is one of the statutory criteria the Panel must consider.

Reliance on Total Compensation requires recognizing that wage increases actually have a lower impact on Total Compensation—and lower impact on District costs—than would appear from the wage-increase percentage figure alone. For example, the District's charts show that Santa Rosa City Schools in 2019-2020 had an average salary of $78,059 ($81,181/1.04) and average health-and-welfare benefits of around $8,300; this amounts to a Total Compensation of $86,358. Santa Rosa City Schools gave a 4% and a 6.5% raise in 2020-2021 and 2021-2022 respectively. That raise affected only the average salary, raising it to $81,181 in 2020-2021 and to $86,458 in 2021-2022. Adding $8,300 to each of those figures leads to a Total Compensation of $89,481 in 2020-2021 and $94,758 in 2021-2022—i.e., Total Compensation increased only 3.6% (89,481/86,358) and 5.9% (94,758/89,481) in those two years (not 4% and 6.5%).

The District's Average Salary table (Tab 31) shows that RPCEA members have the highest health-and-welfare benefit contribution of all districts. This means that, if the District were to have applied the same wage increases applied in any other comparator district, the increase to Total Compensation at CRPUSD would have been less than the percentage increase in that district. In 2019-2020, RPCEA members had an average salary of $67,096 ($68,438/1.02) and average health-and-welfare benefits of around $20,364; this amounts to a Total Compensation of $87,460. Applying a 4% increase to the average salary would have increased it to $69,780 in 2020-2021, and applying a 6.5% increase to that figure would have increased it to $74,316 in 2021-2022; adding $20,364 to each of those figures would have led to a Total

Compensation of $90,144 in 2020-2021 and $94,680 in 2021-2022. In other words, if the District had had the same wage increases as Santa Rosa City Schools, Total Compensation would have increased by only 3.1% (90,144/87,460) and 5.0% (94,680/90,144) in each of those two years at the District (not 3.6% and 5.9% as at Santa Rosa City Schools).

To review, wage increases of 4% and 6.5% in 2020-2021 and 2021-2022 led to Total Compensation increases of 3.6% and 5.9% at Santa Rosa City Schools, but would have led to Total Compensation increases of only 3.1% and 5.0% at CRPUSD. In other words—*per percentage point*—2021-2022 wage increases cause an approximately 18% greater increase in Total Compensation at Santa Rosa City Schools than they do at CRPUSD (5.9%/5%=1.18).

The 18% figure can also be found by dividing the proportion of Total Compensation taken up by 2020-2021 average salary in comparable districts (e.g., 91% [81,181/89,481] at Santa Rosa City Schools) by the proportion of Total Compensation taken up by 2020-2021 average salary at CRSUSD (77% [68,438/88,802]). Dividing 91% by 77%, we see that the degree to which a 2021-2022 wage increase raises Total Compensation in Santa Rosa City Schools is 18% greater than the degree to which a 2021-2022 wage increase raises Total Compensation at CRPUSD. In other words, the CRPUSD Total Compensation Value of a wage increase is 18% greater than the same Santa Rosa City Schools Total Compensation Value of that same wage increase.

This differential must be kept in mind when comparing 2021-2022 wage increases at comparator school districts with any proposed 2021-2022 wage increase at CRPUSD. To get the same Total Compensation increase at CRPUSD as provided by a comparable school districts' 2021-2022 wage increase, the wage-increase percentage at CRPUSD would have to be higher.

If, for example, CRPUSD wanted a comparable increase to Total Compensation as was achieved by Santa Rosa City Schools' 2021-2022 wage increase of 6.5%, CRPUSD would have to offer a 2021-2022 wage increase of 7.7%—18% higher. This is true for all comparables for which we have data in the record: their wage-increase percentages underrepresent the wage increases CRPUSD teachers would need to receive in order to have the same increase to Total Compensation the comparable district's teachers enjoyed.

To carry out the District's suggestion that evidence be reviewed in terms of Total Compensation, the Chair considers the effect of wage increases on comparables' Total Compensation. Comparable districts' 2021-2022 wage increases would have to be adjusted upward by the following percentages to result in the same increase to Total Compensation at CRPUSD as they had at the comparable district: Oak Grove SD (26%); Bellevue Union ESD (19%); Santa Rosa City Schools (18%); Ross Valley ESD (16%); San Rafael City ESD (14%); Mark West Union ESD (13%); Piner-Olivet Union ESD (12%); Novato USD (13%); Sonoma County Office of Ed. (10%); Roseland SD (5%); West Sonoma County HSD (5%); Windsor USD (4%).[5]

The above percentages are used in the following table ("*Figure 1*") to show the actual value of the wage increases at comparable districts in terms of Total Compensation at CRPUSD. The first column of the following table shows 2021-2022 wage increases in each comparable school district; the second column shows the percentage modifier required for to compare the Total Compensation impact comparable 2021-2022 wage increases would have with potential CRPUSD 2021-2022 wage increases; and the third column shows the percentage 2021-2022 wage increase CRPUSD would need provide to have the same increase in Total Compensation as

[5] The numbers that led to these figures were taken from the District's Average Salary chart where possible. Where the District did not include figures in that chart, figures were taken from the Union's comprehensive chart.

the comparable district achieved with its 2021-2022 wage increase (i.e., taking into account the $20,000 per year CRPUSD contributes on behalf of RPCEA members):[6]

CRPUSD Total Compensation Value (TC Value)
of Comparable Districts' Wage Increases

School District	2021-2022 wage increase	Adjustment for comparison with CRPUSD	CRPUSD TC Value of comparable districts' 2021-2022 wage increase
Santa Rosa City Schools (Sonoma Cty)	6.5%	18%	7.7%
Mark West Union ESD (Sonoma Cty)	5%	13%	5.65%
Piner-Olivet Union ESD (Sonoma Cty)	5%	12%	5.6%
Roseland SD (Sonoma Cty)	5%	5%	5.25%
Bellevue Union ESD (Sonoma Cty)	4%	19%	4.8%
Ross Valley ESD	3%+$3,000 bonus	16%	3.5%+$3,000 bonus
San Rafael City ESD	3%	14%	3.4%
Sonoma Cty Office of Ed. (Sonoma Cty)	3%	10%	3.3%
Cotati-Rohnert Park USD (Sonoma Cty)	3%+$2,000 bonus (LBF Proposal)	0%	3%+$2,000 bonus (LBF Proposal)

Figure 1

Taking an "average" from the above table is useless because the denominator is not analytically sound: *Figure 1* is missing many useful comparators due to insufficient data. [7] What

[6] The Panel agreed that health-and-welfare contributions are unlikely to appreciably rise during the term of the contract.
[7] Sonoma Valley USD, Mill Valley ESD, Tamalpais Union HSD, San Rafael City HSD, Vallejo City USD, Petaluma City Schools, and Miller Creek ESD are excluded from the table because the District did not provide Total Compensation or salary figures for them in Tab 31. West Sonoma County Union HSD, Petaluma City Schools, Novato USD, and Oak Grove also do not

Figure 1 does show is trends in recent bargaining—particularly in Sonoma County. In terms of ongoing wage increases, CRPUSD's LBF is lower in TC Value than *any* other district. And the comparable districts agreed on their wage increases even *before* the Governor's budget projected 2022-2023 COLA and the LAO estimated a 2022-2023 COLA of 6.17%.[8] Had comparable districts known of these rising COLAs, their wage increases might have been even higher.

Figure 1 also roughly represents relative costs. A 3% wage increase at the District costs less than a 3% wage increase at any of the District's comparables in *Figure 1*.[9] In fact, the third column in the above table underrepresents the District's cost savings because health-and-welfare contributions incur no statutory-benefits costs.

In sum: *per-percentage-point*, wage increases at the District result in (a) lower increases to Total Compensation than any comparable district; and (b) lower increases to CalSTRS, Medicare, Unemployment, and Workers Compensation costs than any comparable district. These factors must be considered alongside the District's financial data and comparables.

The District's financial data has been carefully considered. CRPUSD's "fair share" table (Tab 4) raises more questions than it answers. Based on this table, the District argues that anything more than a 1.47% wage increase would give RPCEA members more than their "fair share" of *new* ongoing revenues. But the table is based on an opaque assessment, without explanation, that RPCEA's "fair share" should be 58.53% of the budget. If this is the proportion

---

appear because information about their 2021-2022 wage increases is not available. Without average salary or 2021-2022 wage-increase information, *Figure 1* calculations are not possible.

[8] The Panel agreed that this 6.17% figure, while not as set in stone as the Governor's budget, was almost certainly likely to continue to rise even higher before LCFF funding is established.

[9] This is based on the District's average health-and-welfare-contribution figures. Those figures in some cases disagree with RPCEA's figures for the same comparable district.

of the budget *historically* allocated to RPCEA, then this "fair" percentage would simply entrench teachers' position relative to other personnel and costs—not give the teachers higher relative priority as the District claims it wants. More importantly, the table is limited only to *new* LCFF revenue and uses the 58.53% figure to limit "Dollars Available for Salary" to $397.017—a fraction of that new revenue, which is itself a fraction of the total budget. The 1.47% figure therefore has little meaning. The District's LBF offers twice that amount: 3%, or $810,948.

If the District is offering RPCEA *more than double* the supposed "dollars available for salary," the dollars "available" for salary must be understated. The District's LBF shows there are more resources "available" for wage increases. But how many more? None of the District's charts show where the District found the additional 1.53% (plus $2,000 bonus, i.e., 2.9% of salary) to flesh out its LBF or whether the District has the ability to find more from that same source.

Likewise, the "available resources" listed in the District's submissions appears plainly understated. Given the state of the record, it is not possible to determine from District documents asserting what resources are "available for bargaining" whether the District's LBF represents a fair effort to adjust budgeting practices in favor of prioritizing teachers.

Some of the data in the District's tables regarding "available resources" is not as reliable as it could be. Tab 29 contains the District's February 10, 2022 submission containing the data underlying CRPUSD's claim that RPCEA's wage proposal would cause it to "immediately enter negative financial status." The table in that Tab 29 submission is from July 1, 2021 and understates certain verifiable ongoing funding and projections by more than 50%. For example, Row 1, which describes LCFF "available resources," both: (a) lists the 2021-2022 COLA as "2.50%" when it is actually <u>5.07%</u>; and (b) relies on a 2022-2023 COLA projection of "3.04%"

despite the fact that—prior to February 10, 2022—the Governor's Budget projected it at 5.33% and School Services (the District's advocate here) reported the LAO had revised the projection to 6.17%. Given the outdated figures, it is difficult to give these projections much weight.

The Tab 29 table further understates "available resources" for wage increases because it treats Unrestricted General Fund Revenues as the only source of RPCEA wage increases. Although this is not true of all school districts, *RPCEA represents special-education teachers*.

The District's multiyear Tab 29 tables leaves out at least $11,577,418 in Restricted Fund Revenues part of which are used to pay special-education teachers—and, more importantly, also leaves out the COLA applicable to those Restricted Revenues. New revenue received due to that Restricted COLA is not in the record. Some amount of that new revenue increases resources available to pay for special-education costs, diminishing the $11,236,936 the District has made in "deficit spending" contributions from the Unrestricted Fund. That, in turn, leaves additional "available resources" in the Unrestricted Fund available to raise RPCEA wages. While the new revenue may be offset or enhanced by non-teacher-salary (NTS) special-education costs that outpace or lag behind the Restricted COLA, the District has not provided any of this data.

An illustration demonstrates why the data the District did not provide may be relevant: If (a) the 2021-2022 Restricted COLA were around 5%, (b) the District's NTS special-education costs did not outpace or lag behind Restricted Fund COLA, and (c) 75% of the District's special-education costs constitute the wages of RPCEA special-education teachers, then (d) *new* revenue of $434,000 ($11,577,418 x .05 x .75) would be available to offset CRPUSD's deficit spending of $11,236,936, leaving $434,000 more in the Unrestricted General Fund available for wage increases. That would permit an additional 1.6% wage increase ($434,000/$270,000), which would more than make up for the District's cited 1.48% cost of step-and-column increases.

In short, while the District's "financial insolvency" concerns should not be ignored, the figures presented by the District show an incomplete picture to substantiate those concerns. The Chair urges the District to update its figures and make missing data available in continuing negotiations. To the extent that data shows costs have outpaced the new revenue missing from the evidence at factfinding, lower wage increases than those recommended here might be appropriate. But, given that it is the District's burden to show any inability to pay, the Chair cannot credit data that understates Unrestricted COLA and leaves out Restricted COLA.

The portent of the District's evidence regarding other statistics is also problematic. For example, the District claims its expenditure on personnel costs is greater than the average of the districts it thinks are comparable based on 2019-2020 figures. But the District's personnel-cost data does not take into account the fact that many of the comparators it cites have raised teachers' salaries substantially since that data was created. For example, Sonoma Valley USD and Santa Rosa City Schools, in 2020-2021 and 2021-2022, have provided—according to the District's own chart—cumulative wage increases of <u>10.75%</u> and <u>10.5%</u>, respectively. As we see in *Figure 1*, the latter 10.5% increase would have had to be an increase of about <u>12.3%</u> at CRPUSD to lead to the same increase in Total Compensation achieved at Santa Rosa City Schools (i.e., Total Compensation Value). Similarly, Petaluma City Schools, with the second highest personnel-cost percentage according to the District's table, gave a 5% wage increase in 2020-2021 alone, and will likely still agree on a significant 2021-2022 raise in light of the 6.17% COLA and 6.8% CPI.

Furthermore, as shown in *Figure 1*, districts in Sonoma County that are *not* on the District's tables have provided substantial raises in 2021-2022: 5% at Mark West ESD (which would have to be 5.65% to lead to the same Total Compensation increase at CRPUSD) and 5% at Piner-Olivet Union ESD (which would have to be 5.6% to lead to the same Total Compensation increase at CRPUSD). Moreover, *Figure 1*—including Sonoma County districts and others still lagging behind the public interest—*understates* appropriate wage increases because districts on it collectively bargained wage increases before COLA figures started soaring as we see today.

The Panel kept the record open after the hearing to allow both parties to update their tables with missing information in which the Panel was interested. The Panel also requested that the parties submit any criticism of data provided by the other side. In response, the Union submitted nearly all of the information requested. The District provided less information, requesting more time. The Panel allowed another week for the District to further supplement submissions. Once again, however, the District did not provide all of the information requested.

One type of requested evidence the District declined to provide concerned Sonoma County school districts, including Mark West ESD, Piner-Olivet Union ESD, and Sonoma County Office of Ed. These districts are absent from the tables the District submitted, including comparative tables regarding GFR ADA and reserve levels at CRPUSD. It is not clear why the District would withhold this information after twice being given a second opportunity to provide it. But the Panel has been deprived of information regarding how these additional comparables would affect the District's charts, particularly charts the District cites to support its claim to have the "lowest" or "second lowest" funding and reserve levels of "the comparative group."

In response to the Panel's requests, CRPUSD added only one Sonoma County district to its amended funding-levels table (Tab 8): Roseland SD. Roseland SD is the *highest*-funded of *any* other comparable. The Chair does not reach the conclusion that Roseland SD was cherry-picked simply because it supports the District's arguments, or that Mark West ESD, Piner-Olivet Union ESD, and Sonoma County Office of Ed. were left out because they do not. It could have been a simple mistake. But the lack of twice-requested comparable data cannot be wholly ignored. It reduces further the credibility of the District's "comparative group" data, as does the District's continued inclusion of Basic Aid districts in its supplemental submissions—districts the Panel asked the parties to exclude because of differences in how Basic Aid districts are funded.

In any event, even relying on the incomplete comparables actually provided by the District shows only vague correlation between the District's tables and the District's ability to carry out the goal it claims to champion: to give teachers a higher relative priority in CRPUSD's budget. For example, limiting review to non-Basic Aid comparables in the District's own tables: (1) <u>General Fund Revenues Per ADA</u>: (a) Santa Rosa City Schools has the *fifth lowest* GFR ADA out of twelve districts, yet has given teachers the *highest* 2021-2022 raise among all twelve; and (b) West Sonoma County Union HSD has the *second highest* GFR ADA out of those twelve, yet has given teachers the *fifth lowest* 2021-2022 raise among the twelve; (2) <u>Total Compensation</u>: (a) Bellevue Union USD has the *lowest* Total Compensation out of ten districts in the "2020-2021 Salary Paid for BA+60, Step 10, Plus Avg. H&W Benefit Contribution" table, yet has given teachers the *second highest* 2021-2022 raise among all ten of those districts, and (b) San Rafael City ESD and Sonoma County Office of Ed. have the *two highest* quanta of Total Compensation, yet gave teachers the *two median* 2021-2022 raises out of those ten; and (3) <u>Reserve Percentage</u>: (c) the districts with the *four lowest* 2020-2021 Reserve Percentages out of eleven districts on the table have given teachers the *highest*, *second highest*, *third highest*, and *fifth highest* 2021-2022 raises out of those eleven districts. Notably, the two Sonoma County districts CRPUSD left out of these tables—Mark West ESD and Piner-Olivet Union ESD—gave a 2021-2022 raise exceeded in *Figure 1* only by Santa Rosa City Schools. The Panel lacks information about how these raises would compare to GFR ADA, Total Compensation, or Reserve Percentage at Mark West ESD or Piner-Olivet Union ESD simply because the District did not provide this requested information.

The District contends that any comparison of comparable districts' wage increases must contend with the fact that other districts have high concentrations of "unduplicated" students that generate supplemental and concentration grants—grants that the District does not receive. Those districts do receive more LCFF funding for certain threshold percentages of high-needs students. At the same time, however, districts with a higher proportion of high-needs students must also provide more resources and staff to their higher-need student populations. The District's data regarding comparables does not show which districts are receiving unduplicated-student funding *or their unduplicated-student costs*, let alone whether the *funding-to-costs ratio* leaves those districts with more or less money available for teacher wage increases.

The Panel is statutorily required to consider CPI. The high CPI weighs in favor of RPCEA in this matter. The CPI rose 6.8 percent from November 2020 November 2021, the largest 12-month increase since the period ending June 1982. It is predicted to be climb even higher in the following year. Although the District asserts COLA is the only important measure because schools are funded based on it, CPI is important because its basket of goods and services is a proxy for the purchasing-power hardships facing RPCEA members. When considering rising CPI, Total Compensation is less important than salary because health-and-welfare contributions will not pay for food, gas, or shelter. Wage increases must be sufficient to support the public interest in retaining good teachers who can provide our students a decent education.

To review, although the Union has made its case to show that the public interest is firmly behind significant wage increases beyond those suggested by the District's LBF, the Union could not carry its burden to show that a 7% increase would be advisable or feasible in the first year of the contract. The District has already established its budget for 2021-2022, and it would pose a significant burden to alter it substantially to prioritize teachers in the second semester of the year. It is clear, however, that the District can implement a 6% one-time payment for 2021-2022 because it has already offered nearly that amount in ongoing and one-year salary increases.

The Union has demonstrated that the 2022-2023 wage increase should be 5%, but not 6%. The District complains that new revenue in 2022-2023 will not support even an ongoing 6% that begins 2021-2022, but that argument depends on unreliable and outdated financial projections about what "share" of revenue would be "fair" to provide to teachers. Unrestricted COLA for 2022-2023 is likely to be *over* 6.17%, and—combined with the Restricted COLA and other information missing from the District's financial data—could support the wage increase. The only way to spur the District to make the hard choices it needs to make to keep CRPUSD an attractive labor market for skilled teachers that can provide a proper education to our students is to raise teacher salaries and find ways to trim the budget elsewhere or raise revenue (e.g., by recruiting parents to sign their children up for free-and-reduced lunches in order to). That said, a 6% wage increase in 2022-2023 would be unjustified at this juncture given that COLA projections are unpredictable and the data regarding comparable districts.

The Union has not met its burden to show that the wage increase in 2023-2024 should be 6%. Instead, it should be at the level of funded statutory COLA for that year. It is too early now to set a fixed wage increase at anything greater than 4.5% because of risks involved. While the

District should continue its project to make teachers a higher priority in its overall budget, the District will already be taking on significant ongoing obligations due to 6% and 5% wage increases in the prior two years and—especially given the historically high COLA from 2020 to 2022—another fixed-rate increase is inadvisable. The District's LBF has already exhibited CRPUSD's willingness to have a wage trigger in 2023-2024 based on Unrestricted LCFF growth; as the parties continue to negotiate, the District should also consider Restricted COLA to the extent that RPCEA members include special-education teachers.

Article 15 Recommendation 2/3: <u>The Panel Majority recommends that the parties increase the Schedule AA extra-duty hourly rate from $30 to $37 effective July 1, 2022 as offered by the District. The Panel Majority further recommends that the parties retain the *status quo* regarding stipends, the current step-and-column chart, and the current base salary</u>. RPCEA did not present sufficient probative evidence to persuade a Panel Majority that the parties should: (a) raise the base salary; (b) increase the Schedule AA extra-duty hourly rate beyond the $37 offered by the District; or (c) create an elementary combination class stipend, expeditionary learning stipend, or outdoor education stipend. The District, by contrast, presented evidence demonstrating the costs each of these measures would entail. If the parties adopt a three-year contract with the significant wage increases recommended herein, and eliminate the 10-year cap on creditable prior service, the District should not also have to take on additional significant costs the need for which RPCEA has not provided sufficient evidentiary support.

Article 15 Recommendation 3/3: <u>The Panel Majority recommends that the parties immediately raise the 10-year cap on creditable prior experience to a 20-year cap applicable to new hires only</u>. The Union has met its burden to demonstrate that it is important to attract experienced teachers to CRPUSD. The District's LBF recognizes this importance by agreeing to raise the 10-year cap to a 20-year cap. On this record, there is insufficient evidence of a need to attract teachers with *over* 20 years' experience, or to go beyond new hires—e.g., any cognizable risk that teachers who are already employed by CRPUSD will leave the District if the cap is not retroactively removed. By the same token, however, the District has not presented evidence of why it would need to delay the change in hiring standards until July 1, 2022. The change should take place immediately.

<u>*Article 4—Hours of Employment*</u>

Article 4 Recommendation 1/2: <u>The Chair recommends: (a) adding two emergency days to the school year; and (b) providing additional pay to teachers pro rata for each emergency day worked unless the District notifies a teacher two weeks in advance of an emergency day that the day is canceled, in which case no pay will be owed for that day</u>. The District met its burden of persuasion to establish that two emergency days are advisable due to state recommendations and comparable school-year lengths at other districts. The Union presented the fair point, however, that teachers have second jobs and other obligations, and need time: (a) to reschedule those obligations if they must come in on an emergency day; or (b) to make money for the additional time they must work on short notice. The cancellation period is also an added incentive for the District to use the emergency days only during *bona fide* emergencies. The Union's proposal that the parties negotiate every time there is an emergency, such as a fire or hazardous smoke, would be too unwieldy due to the exigent nature of emergencies.

<u>**Article 4 Recommendation 2/2**</u>**:** <u>The Panel Majority recommends *not* adding additional duties into Article 4.2.2 as sought by the District and *not* creating a bell schedule committee as</u>

sought by the Union. The District did not meet its burden to substantiate its claim that the duties it wishes to add to the list are already being performed by RPCEA members. If the District is right regarding that claim, however, then the past practice it alleges may support a conclusion that the language in Article 4.2.2 listing "[s]uch duties" is not exhaustive, i.e., not subject to the maxim of *expressio unius est exclusio alterius*. The Union did not meet its burden to substantiate its request for a bell-schedule committee with evidence as to why a committee should be formed.

Article 6—Class Size

Article 6 Recommendation 1/1: The Panel Majority recommends not adopting the Union's class-size or overage proposals. The Union presented almost no evidence on this item. It did not meet its burden of persuasion to show why—especially given CRPUSD's efficiency and compliance concerns—the *status quo* should be changed.

CONCLUSION

The foregoing recommendations are offered with the hope that they will assist the parties to bridge their divide in continued negotiations.

Date: March 3, 2022

Yuval Miller, Neutral Factfinding Chairperson

CONCERRENCE AND DISSENT OF DISTRICT PANEL MEMBER

Introduction:

The effort of the Panel majority to reach a recommendation for ongoing compensation increases that can form the basis of an agreement between the parties is respected and laudable. However, the factual and analytical basis of the recommended ongoing wage increases, based on the record before the Panel, is deeply and fundamentally flawed. Unfortunately, these failures diminish the usefulness of the wage recommendation as a basis for settlement.

While I dissent with the recommendation for ongoing wage increases, I hope the RPCEA and CRPUSD will recognize the common realities they both face. Compensation should increase yet it must be affordable. Revenue is certainly better and will get better but it is not unlimited. By reaching a mutual understanding on these and other key realities, I encourage frank and candid discussions aimed at resolving the current labor dispute in a way that does not further harm or disrupt the educational environment for District students, families of those students, and the employees of the District.

I now turn to my concurrence and dissent by addressing the three articles addressed in the Factfinding hearing in the same order discussed in the main body of the Chair's report: Article 15, Article 4, and Article 6.

Article 15 – Wages:

Achieving significant compensation increases for the educators in the Cotati Rohnert Park Unified School District ("CRPUSD" or "District") is a genuine objective of the District. The ability to do so is now aided by very recent events, including projections from the State of a historically high State COLA and adjustments in average daily attendance revenue calculations in particular, especially beginning in the 2022-2023 school year. This is good news.

In this Factfinding proceeding and in the real world, however, the extent to which CRPUSD can increase compensation must be tied to the actual evidence in the record that supports increased ongoing compensation while maintaining the financial solvency of CRPUSD.[1] The majority's specific recommendation for ongoing wage increases does not do that. Instead, if adopted it would drive the District to financial insolvency in the near term – possibly as soon as the next fiscal year. Therefore, I dissent with the majority recommendation for ongoing wage increases in Article 15.

This dissent is not based on doom and gloom but is based on the actual evidence in the record. There is more revenue flowing from the State into CRPUSD under LCFF which provides opportunities for real compensation improvement. Yet the excitement we all should have about State funding projections that are higher than we've seen in decades should not form the basis of either miscalculation or misunderstanding of the CRPUSD's financial realities and the extent to which it can provide ongoing increases.

A key misunderstanding is over California's Local Control Funding Formula (LCFF) that dramatically restructured how school districts receive revenue from the State. Beginning in 2013, school districts are funded based on needs of their students in several categories. Districts having higher concentrations of students with unique needs, like Santa Rosa City Schools, receive additional revenue in the form of supplemental and concentration grants under the LCFF funding formula. (https://www.cde.ca.gov/fg/aa/lc/#:~:text=The%20Local%20Control%20Funding%20Formula,succeed%20to%20their%20greatest%20potential .)

CRPUSD, however, benefits less from the additional supplemental and concentration grants that some other districts in the area have received because CRPUSD does not have the high concentrations of students that generate those additional dollars. In fact, CRPUSD does not receive any concentration grants. While it is important and appropriate to look at and consider what other districts in the area are doing for compensation increases, ignoring the per-pupil funding from the State under LCFF ignores the

[1] The Chair correctly notes that while wages – salary – is the specific issue before the Panel in Article 15, it is total compensation that should guide the comparative analysis. Total compensation reflects more accurately the cost to a District – and the full benefit to an employee – of employment in any particular district because it includes health and welfare benefits which are especially important, very costly and also vastly different between districts.

key factor impacting the extent to which increases can be provided – namely the availability of revenue. The extensive discussion of comparative districts all but ignores this funding difference. The failure to account for the funding difference, combined with the misunderstanding of key evidence in the record, undercuts the value of the wage recommendation. The evidence before the Panel is that CRPUSD is the lowest funded of the districts in the comparison chart on a per ADA basis.

Although the majority virtually ignore the difference in funding between CRPUSD and the comparable districts, almost four pages in the Majority's report focus on providing a detailed explanation to support using the information in Figure 1 as a component of the wage recommendation. (Pgs. 21-25.) Figure 1 seeks to show the "actual value" of a 2021-2022 wage increase in comparable districts if it were applied to CRPUSD. The mathematical gymnastics to produce a tighter apples-to-apples wage increase comparison, although laudable, is drawn so tight that Figure 1 ignores the simple fact – clearly revealed by information in the Figure 1 itself – that using the far-right column the *average wage increase across the eight other districts is 4.9%* for 2021-2022, *not the 6%* the majority recommend.[2] And as a group, those districts have average per ADA funding that is *higher* than CRPUSD.

The premise of Figure 1 as a basis for an ongoing wage increase is also fundamentally flawed because it ignores total compensation since it is premised on an analysis of *salary only* – not total compensation. In doing so, Figure 1 actually distorts the comparative total compensation in each of the referenced districts relative to CRPUSD because it ignores CRPUSD's contribution on behalf of employees for health and welfare benefits – which is more than $20,000 per year, and virtually the highest of the comparative districts. While attempting to create a chart with an apples-to-apples salary only might be helpful to some, the recommendation and the report penalizes the District for negotiating a generous health and welfare benefit package for its employees.

[2] And this ignores the supplemental information submitted by CRPUSD for Tab 28 showing the recent average salary negotiated increase of 3.4% for the comparable districts that CRPUSD proposed for consideration.

Figure 1 also does not, and the majority analysis as a whole does not, acknowledge the evidence in the record that the District with the highest wage increase in the chart, Santa Rosa City Schools, recently submitted a "qualified" certification in its first interim report as of December 15, 2021. A "qualified" certification reflects that as of the date of the first interim report to the County Office of Education, the district may not be able to meet its financial obligation in the current or two subsequent years. To be fair, it cannot be said that the negotiated wage increases in Santa Rosa City Schools are *the* reason for their qualified first interim budget. However, there is no dispute that personnel costs are the single largest expenditure in public school districts, including in CRPUSD. Given that fact, if the cumulative cost of negotiated personnel and labor increases, health and welfare benefit cost increases, STRS/PERS retirement contributions increases, and other operating costs increases from transportation to utility costs, grow at pace faster than LCFF increases, the cumulative effect of these rising costs catch up.

The point made by the District's evidence showing that CRPUSD has made significant efforts to make teachers a high priority showing that ongoing salary increases over the last nine years under LCFF through and including 2020-2021 have exceeded both COLA and CPI increases was to demonstrate a commitment to improving compensation for its employees. The District has never argued or suggested any pendulum swing. Rather, the fact that negotiated increases have exceeded COLA and CPI historically reflects the "ratchet upward" in priority the Chair refers to. The chair's metaphor of an upward rachet is apropos here because it implicitly recognizes the increasing pressure of the current and expected revenue increases not being able to withstand dramatic upward pressure in expenditures that would result from a large unsustainable compensation increase.[3]

The Panel majority's fundamental misunderstanding of the evidence before the Panel concerning the District's current revenues and expenditures based on audited actuals, and projected revenues and

---

[3] In an analogous way, the District's evidence reflecting that RPCEA's "fair share" of the current budget is 58.53% was presented as a piece of relevant evidence concerning the current budget. The District did not argue that it is seeking to hold RPCEA to that percentage, and the January 2022 LBF is the best evidence of the District's commitment to increase compensation that is not limited by the current distribution of expenditures.

expenditures, further undermines the usefulness of the Majority's recommendation. As an example, the Chair states [s]ome of the data in the District's tables regarding "available resources" is not as reliable as it could be pointing to a table in Tab 29 of the District's February 10, 2022, supplemental submission . (Pg. 27.) The Chair suggests the Tab 29 submission understates certain verifiable ongoing funding and projections by "more than 50%." (*Id*.) Tab 29 does not support that statement or conclusion and reflects an important misunderstanding.

First, projections are just that – projections based on the best available information at the time. The second of the two tables in Tab 29, which appears to the table the Chair is referring to, was generated on June 18, 2021, for the District's 2021-2022 budget adoption. By definition it is a budget projection and as of that point in time it was accurate and did not understate projected revenue. It was not until January 2022 – less than two months ago – that 5.33% was the new state COLA projection for next year (2022-2023). Accordingly, information about the 2022-2023 school was not known, and could not have been known before January 2022. Second, and equally importantly, the evidence submitted by the District reflects the full impact of a 5.07% COLA received in 2021-22.

The most troubling aspect of the Chair's analysis, however, is the discussion regarding the $11.577,418 million in the District's *Restricted* General Fund Revenues. (Pg. 27-28.) The Chair suggests that "some amount" of these funds are "additional 'available resources'" for wage increases. (Pg. 27.) This is flat wrong and represents a gross misunderstanding of the District's budget, the District's legal obligations regarding *restricted* revenues and expenditures from its *restricted general fund*, and a fundamental misunderstanding of school budgets in general. First, the District has never said or suggested that "restricted" general fund revenue is available for negotiated increases.

Second, the Chair's belief that restricted funds are somehow available to fund compensation increases ignores the legal and operational reality of the District. Under California law, a school district's general fund is comprised of an "unrestricted" general fund and a "restricted", designations required by and consistent the California School Accounting Manual (2019) that is required to be used by California Public Schools. (CSAM, 2019, *see also* Education Code §41010.) It states in relevant part: "Within the general fund, restricted programs or activities must be identified and, accounted for, and reported separately. This requirement means that general fund activities will be divided into restricted and unrestricted segments." (P.105-4.) CSAM goes on to explain that restricted programs and activities are subject to specific constraints "imposed by external resource providers or by law through constitutional enabling provisions." (Id.) These funds are not, therefore, an available resource for negotiated compensation increases. Rather, just the opposite is true – they are not. In short, the $11,577,418 is not available for negotiated increases and to suggest otherwise is simply wrong.[4]

Finally, the suggestion that any portion of the restricted funds is an available source for negotiated wage increases also defies logic in CRPUSD. As reflected in Tab 29, the restricted general fund expenditures *exceed* the restricted fund revenue by over $11 million dollars. (See Tab 29, Row C.) In other words, the restricted fund is deficit spending. As a result, the *unrestricted* general fund had to contribute $11.236 million to the restricted fund to cover the *restricted* fund's operating deficit. Indeed, both the original and supplemental information in the record clearly show that the $11.24 million is contributed *from the unrestricted general fund* to the *restricted general fund* to pay for special education costs, mandated routine maintenance costs which exceed the restricted revenues and therefore must be paid by the unrestricted general fund. (Tab 29,~~-~~Row D3, in the supplemental submission.) The difference between Tab 5 and Tab 29 reflects this contribution.

As a result, any conclusion or inference that the $11,577,418 is somehow "available resources" for compensation is fundamentally wrong. Those restricted funds are spent to support those direct and essential services for students – including legally mandated special education services – and they are completely exhausted which has required the *unrestricted* general fund to make a substantial contribution to the restricted fund. By not recognizing that the $11,577,418 in restricted revenue is not available for wage increases but is already completely spent for essential, federally-mandated services to support

[4] To the extent the Chair counts this $11,577,418 as part of the purported understatement of verifiable ongoing funding referenced earlier, the Chair incorrectly double counts these restricted resources, because they are included and fully expended in the ***restricted*** general fund.

students, the value of the recommendation for ongoing wage increases is significantly, if not completely, undermined.

Because of this, it cannot be fairly argued that the District's January 2022 LBF of a minimum ongoing increase of 7% over three years, with more in the third year if new LCFF revenue exceeds budget projections, plus a $2,000 payment that equates to approximately 2.9% of the average teacher salary, is unreasonable. Although I dissent from the majority's recommendation regarding ongoing increases, I strongly recommend and encourage the parties to continue their negotiations to reach a fiscally responsible three-year agreement that promotes competitive total compensation and promotes stability and success for the District's students in the educational environment.

Finally, I concur with the recommendation to raise the extra-duty hourly rate reflected in Schedule AA from $30 to $37 per hour effective July 1, 2022. I also concur in the recommendation to increase the cap on credited prior experience for salary placement from 10 years to 20 years effective July 1, 2022, and I concur in the recommendation to maintain the status quo regarding stipends, the current step-and-column chart, and the current base salary.

Article 4 – Hours of Employment

Concerning Article 4.1.1.1, I concur with the Chair's recommendation to add to emergency days to the school year calendar, to be used if needed, but dissent with the recommendation that the days be compensated if worked. The point of the emergency days is to replace days *not worked* in the event of an emergency. While the concern for those working second jobs or having other commitments is real and legitimate, by including those days on the annual calendar in advance allows educators and all employees to consider the possibility of working those days in advance.

Concerning Article 4.2.2, I concur in the recommendation to maintain the status quo.

Article 6 – Class Size

I concur in the recommendation to maintain the status quo regarding class sizes.

CONCLUSION

As explained above, I dissent with the main recommendations of the Panel Majority regarding the recommended ongoing salary increases. While the effort to propose a wage recommendation is respected, the basis of the recommendation on the record before the Panel reflects is not supported, materially diminishing the value of the recommendation. Nevertheless, I encourage the parties to focus their efforts on reaching an agreement on compensation in the days ahead and do so in a fiscally responsible manner that values and priorities the commitment of the District's educators, and that looks to the future and not the past.

Dated: March 3, 2022

/S/

Roy Combs, District Panel Member

CALIFORNIA TEACHERS ASSOCIATION

March 3, 2022

Concurrence in part and Dissent in part regarding PERB Fact Finding Case SF-IM-3325-E

Dear Mr. Miller:

This communication constitutes my concurrence in part and dissent in part, on behalf of the Rohnert Park Cotati Educators Association/CTA/NEA regarding your final report as Chair in this case.

I concur with all of the Chair's recommendations except his recommendations regarding two issues: i) the educators' extra duty hourly rate of pay, and ii) the restructuring of the educators' salary schedule.

In order for the extra duty hourly rate of pay to be in line with that of most neighboring districts, it should be raised to $50 per hour as proposed by the union.

Rohnert Park educators deserve to earn a living wage and to be able to remain in the district for their entire career. Accordingly, the salary schedule should be restructured as proposed by the union. Specifically, the minimum rate of pay for a new teacher should be raised to $60,000 per year, and all duplicate annual experience steps, i.e. annual experience steps with no increase in pay as compared to the previous annual experience step, must be eliminated.

Please attach this concurrence in part and dissent in part to the final decision to be filed with the parties and with PERB.

Thank you for your service to the parties.

Sincerely,

Mark Erwin Mitchell

Mark Erwin Mitchell
Regional UniServ Staff
California Teachers Association