
Stakeholder FACTS

Labor Negotiations – What’s happening now?

Despite high hopes, the last fact finding session was not successful. LMUTA (the Teachers’ Union) and District representatives will meet again with the Neutral Fact Finder on March 25 for further mediation. The District is very committed to reaching an agreement and avoiding a strike. The Union is demanding a 10% salary increase for this school year and the District has offered a 2% salary increase. The District is open to considering a multi-year agreement as a solution to the parties’ stalemate and we are ready at any time to work together towards a fair solution – before, during, and after fact finding on the 25th.

Ten Facts You Need to Know....

- 1. Lucia Mar was and still is at the bottom of the funding chain in our geographic area.*** The District received \$6,103 per student in 2012-2013 under the old State funding model for schools (last in our County), while the average funding for school districts in the County was \$7,613 per student per year. That’s nearly \$1,500 per student less than the average. This school year, in 2014-2015, the District’s funding is estimated at \$7,189 per student, while the average funding for school districts in our County is \$8,518 per student per year. That’s nearly \$1,300 per student less than the average. While the Local Control Funding Formula (LCFF) is incrementally working to close the funding gap between districts, wide discrepancies still remain.
- 2. San Luis Coastal USD, which LMUTA uses as a comparison to us, gets \$10,430 per student per year. If we received this amount, we would have over \$33 million more per year to spend.*** Santa Maria Bonita USD, also used as a comparison, gets \$9,450 per student per year and if we received this amount, we would have almost \$23 million more per year to spend. These districts simply have more money available to spend on programs for students and also on teacher compensation. School funding in California is not equitable. We do the best we can with the funding we receive for our employees and our students.
- 3. Salaries and benefits for all employees represent 91.78% of Lucia Mar’s unrestricted General Fund budget. This is the highest percentage of any school district in our County.*** Despite receiving less money per student than neighboring districts, Lucia Mar USD spends a higher percentage of its budget on its people. This demonstrates that the District values its employees and their primary role in the success of educational programs for students. It also demonstrates that the District does not have as much money as other districts for books, technology and other student needs.
- 4. Coming out of the Great Recession, Lucia Mar has done more than any other district in the County to increase teacher salaries.*** Unlike in other school districts in our County and across the State, the District did not seek to impose furlough days resulting in lost wages for employees in order to save money during the tough economic times we all faced. This year’s 2% salary offer, combined with the 4.3% raise last year and 2% in 2012-2013, gives teachers an 8.3% increase over three years. This is by far the highest series of raises given by any other district in the County over the same three-year period. In fact, it is more than double the raise most districts in the County gave to their teachers.
- 5. The cost of a one percent raise for all employees is \$684,644***
For teachers alone it is \$451,865; but we value all employees, not just one group, when salary increases are awarded.

6. **Despite challenging financial issues, salary increases for teachers in the last ten years exceed the State CPI (Cost Per Index) by nearly one percent.** The State CPI measures the purchasing power of consumers. Over the last 10 years the cost of goods has risen 20.17% and LMUTA salary increases have kept pace increasing by 20.85%.

7. **Multi-Year Projections and Balanced Budgets** The School Board has regularly given direction to staff to budget so we stop spending more than we receive. In order to receive County approval on its annual budget, every school district must show balanced budgets for not only the current fiscal year, but for an additional two years forward. This means that a salary increase given now will not be permitted if it sends the District's reserves below the State's minimum amount three years in the future. A 10% salary increase would do just that.

8. **We DID receive more money this year and the NEW expenses required this year are substantial**
In 2014-2015, the District received \$6,630,326 in new revenue, which is approximately 10% of our budget. This is in line with what most districts in the State received — at least a 10% increase in funding. Of this amount, the State requires \$2,357,968 be allocated to the Local Control Accountability Plan (LCAP – additional funding which must be used to increase or improve services to low income, ESL, and foster youth students). This money must be spent according to the LCAP. After LCAP, this left \$4,272,358 remaining in new discretionary funds. The District had new expenses which consumed a significant amount of these funds, including the increase in what the District pays to STRS (State Teachers Retirement System) for each teacher. (*A cost of \$293,897 for Lucia Mar in current 2014-2015 school year and projected \$802,234 for 2015-2016 school year*)

Summary of ongoing new costs related to teachers this year, totaling \$ 3,228,845

- *The Offer of a 2% raise retroactive to July 1 2014=\$903,730 (for teachers)*
- *Automatic salary schedule increases (step and column*) effective July 1 2014 =\$605,396*
- *Stipends increase = \$252,950*
- *STRS Increase = \$293,897*
- *New teaching positions for class size reduction (\$360,000) and other certificated staffing (\$812,872)*

If we start with \$6,630,326 in new revenue, less \$2,357,968 for LCAP, less new costs of \$3,228,845 related to teachers this year, this leaves \$1,043,513 for all other expenses or allocations. The District simply cannot increase teacher salaries by 10% just because the District received 10% more revenue. (The average salary increase in our county this year is 2.4%) * **Step and Column** refers to automatic annual pay increases built into the teacher salary schedules. These are in addition to any negotiated raises. A majority of our teachers receive a step and column salary increase or longevity increase each July 1. A very experienced teacher who is at the top of the current schedule step will not receive an automatic increase.

9. **Lucia Mar spends the lowest amount on District administration per ADA of the school districts in our County.** We spend \$406.36 per student (which is the lowest) on District administration while the other districts spend between \$443.62 to \$1520.18 per student. The County average is \$609.96 per student. This means the District concentrates its spending on the classroom more than other districts.

10. **Teachers want to work in Lucia Mar and are staying here.** Lucia Mar's rate of teachers leaving the District over last three years is 2.9% (compared with 2.6% at San Luis Coastal USD; 2.6% at Atascadero; 7.8% at Paso Robles.) District teachers are not leaving in large numbers to accept higher paying jobs in other districts. That rumor is simply not true. We have no trouble attracting a large number of qualified applicants for teaching openings.

OTHER NEGOTIATIONS NEWS: CSEA Chapter #275 Settles The Classified negotiations team and our district bargaining team reached a Tentative Agreement on January 21, 2015, for a 2.25% salary increase retroactive to July 1, 2014. The new contract for the 2014-2015 school year was approved by the members of the Classified union on February 21, 2015. The next step in this process, review and approval by the County Superintendent of Schools, was received on March 13. This Agreement will be presented to our School Board for its approval on March 24, 2015. Classified bargaining members will see their new raises reflected in their April paychecks.