



Administration and Business Services District Fiscal Services

Disclosure of Collective Bargaining Agreement

General Instructions:

- **Please make the Disclosure of Collective Bargaining Agreement available to the public for review, and submit to the County Superintendent of Schools at least ten (10) working days prior to the date the governing board plans to act on the proposed agreement.**
- Please complete separate documents for each collective bargaining unit. However, if the governing board is to discuss more than one agreement on the same date, the district may summarize the financial impact of all agreements in Sections G through K.
- Government Code Section 3547.5 requires that districts disclose the major provisions of all written agreements, including, but not limited to, the costs for the current and subsequent fiscal years. **Therefore, a public disclosure is necessary for all reopened contracts, including those that reduce compensation, either through salary rollbacks or furlough days, or apply to health and welfare only.** In the case of multi-year agreements tied to cost-of-living adjustments, please also disclose salary increases once the district has established an actual percentage rate and dollar amount even if the district has already partially budgeted for the cost.
- Districts have discretion on how to notify and make available for public inspection the agreement's provisions. Therefore, districts may use any, or a combination of, methods available for communicating to the public (e.g. newspaper, posted notice, letter to parents, PTA newsletter, etc.) However, the notification should address the public at large and not limited to district parents only.
- Please include multi-year financial projections and assumptions for all collective bargaining agreements. To assist in preparing the disclosure, our office has developed a multi-year financial projection (Section H) and assumptions (Section H1) worksheet. However, the district may use a different format, provided it includes comparable information.
- Prior to taking action on a proposed agreement, the governing board should review the entire collective bargaining disclosure document, including the multi-year financial projections, assumptions, budget revisions, and Certification 1.
- Per Education Code Section 42142, within 45 days of the agreement's adoption, the district superintendent is to forward any budget revisions necessary to fulfill the collective bargaining agreement's terms to the county superintendent of schools. **If the district does not adopt the necessary current year budget revisions, statute requires the county superintendent of schools to issue a qualified or negative certification for the district at the next interim reporting period (GC Section 3547.5).**

Detailed Instructions:

Note: Shaded cells contain formulas - no input is required.

1. Complete **Section A, items 1 through 10, Proposed Change in Compensation**. Include ALL funds affected by the settlement. See specific instructions on Page 2 for completion.
2. Complete **Sections A (items 10-14) through F**. Provide *detailed* information regarding the collective bargaining agreement.
3. Complete **Section G, Impact of Proposed Agreement on Current Year General Fund Operating Budget**. Enter the latest board approved General Fund operating budget, prior to the settlement in Column 1. In Column 2, enter the adjustments required in General Fund as a result of the settlement. Provide an explanation, if the total adjustments do not match Section A, Line 7 (i.e., increase was partially budgeted, salaries/benefits are budgeted in other funds, etc). Include other budget revisions, if any, in Column 3. The components of ending fund balance in Column 4 are extracted from Section H (Multi-Year Projections).
4. Complete **Section H, Multi-Year Financial Projections**. Input the amounts for Second Prior Year Actuals, Prior Year Actuals and Current Year Adopted Budget columns. The Current Year Revised Budget revenues and expenditures will be extracted from Section G, Impact of Proposed Agreement on Current Year General Fund Operating Budget, Column 4. The components of ending fund balance require manual input. The revenues and expenditures for the two subsequent fiscal years are extracted from Section H1, Multi-Year Projection Assumptions.
5. Complete **Section H1, Multi-Year Projection Assumptions**. The Current Year row is extracted from Section H, Multi-Year Projections. Input the assumptions for the two subsequent years and return to Section H, Multi-Year Projections. The revenues and expenditures for the two subsequent years will be extracted from Section H1, Assumptions. The components of ending fund balance need to be input on Section H, Multi-Year Projections.
6. Complete **Section I, Impact of Proposed Agreement on Unrestricted Reserves**. Enter the district's State Standard Minimum Reserve Percentage on line 1b and any Special Reserve Designations or Unappropriated amount on lines 2c and 2d. The remainder of items 1 and 2 will be pre-filled with amounts from Section H, Multi-Year Projections. Complete item 3. If applicable, complete item 4.
7. Complete **Section J, Impact of Proposed Agreement on Current Year Operating Budget**. The total revisions should match Section G, Columns 2 and 3. Submit copies of necessary fund transfers and/or budget resolutions with the completed disclosure document.
8. Complete **Section K, Impact of Proposed Agreement on Subsequent Fiscal Years Operating Budget**. Required for multi-year agreements only.
9. **Section L, Certification 1**, must be signed by the District Superintendent and Chief Business Official certifying in writing that the costs incurred under the agreement can be met by the district during the term of the agreement. This certification must be submitted with the completed disclosure documents, prior to the governing board taking action.
10. **Section M, Certification 2**, must be signed by the District Superintendent and Clerk or President of the Governing Board at the time of formal board action. The certification and approved budget revisions must be submitted to DFS within 45 days of the board approval date, or by the next interim report, whichever is earlier.

Detailed Instructions for Page 1, Section A, Lines 1 through 10:

Line 1 - Salary Schedule:

Cost Prior to Proposed Agreement – Enter the current annual salaries cost data prior to the proposed agreement. Include only the salary schedule cost for the affected bargaining unit excluding extra pay, retroactive pay, and other compensations, such as overtime, stipends, bonuses, etc. If you have Step and Column changes due to the settlement, do not include these costs on Line 1, Salary Schedule; report it separately on Line 4b. Current year Step and Column should already be included on Line 1 in the Cost Prior to Proposed Agreement.

Fiscal Impact of Proposed Agreement – In the “Current Year” column, enter the amount of the incremental cost increase or decrease that would result from the proposed agreement for the fiscal year in which the contract is first effective. If the agreement includes a retroactive salary increase for a prior year and the impact of the increase is in the current fiscal year, show the total increase of both prior and current years in the “Current Year” column. Fill in the “Year 2” and “Year 3” columns only if the proposed agreement is a multi-year contract going forward for years subsequent to the current year **and** has a fiscal impact on multi-year financial projections. The % (shaded cells) will be calculated based on this amount divided by the Cost Prior to Proposed Agreement, Line 1. For multi-year contracts, add Step and Column in Years 2 and 3 from Line 8 to calculate the percentage of change. For example:

Year 2

$$\% \text{ of change} = \frac{\text{Year 2 Salary Schedule Impact, Line 1}}{\text{Cost Prior to Agreement, Line 1} + \text{Current Year Impact, Line 1} + \text{Year 2 Step and Column, Line 8}}$$

Year 3

$$\% \text{ of change} = \frac{\text{Year 3 Salary Schedule Impact, Line 1}}{\text{Cost Prior to Agreement, Line 1} + \text{Current Year Impact, Line 1} + \text{Year 2 Impact, Line 1} + \text{Years 2 \& 3 Step and Column, Line 8}}$$

Line 2 - Statutory Benefits:

Cost Prior to Proposed Agreement - Report only the cost of Statutory Benefits for the affected bargaining unit. Do not include health/welfare benefits.

Fiscal Impact of Proposed Agreement - Enter the amount of increase or decrease for the proposed change in Statutory Benefits resulting from changes in salaries reported on Line 1. The % (shaded cells) will be calculated based on this amount divided by the Cost Prior to Proposed Agreement, Line 2. For multi-year contracts, add Statutory Benefits applicable to Step and Column in Years 2 and 3 on Line 8 to calculate the percentage of change (please see next page):

Year 2

$$\% \text{ of change} = \frac{\text{Year 2 Statutory Benefits Impact, Line 2}}{\text{Cost Prior to Agreement, Line 2} + \text{Current Year Impact, Line 2} + \text{Year 2 Statutory Benefits for Step and Column on Line 8}}$$

Year 3

$$\% \text{ of change} = \frac{\text{Year 3 Statutory Benefits Impact, Line 2}}{\text{Cost Prior to Agreement, Line 2} + \text{Current Year Impact, Line 2} + \text{Year 2 Impact, Line 2} + \text{Years 2 \& 3 Statutory Benefits for Step and Column on Line 8}}$$

NOTE: By default, the % of Statutory Benefits for Step and Column in Years 2 and 3 is the same as for the Current Year. If you anticipate a change in the %, adjust the % formula on Line 2 accordingly.

Line 3 – Total Base Costs

Sum of Lines 1 and 2.

Line 4

4a. Other Compensation

Cost Prior to Proposed Agreement - Should not have any data as it is included in Line 1.

Fiscal Impact of Proposed Agreement - Enter the amount of the increase or decrease for the proposed change in Other Compensation. The % (shaded cells) will be calculated based on this amount divided by the Salary Schedule, Line 1.

Describe specific changes for each affected year in Section 12 on Page 2. Examples include off-schedule and one-time bonuses.

4b. Changes to Step and Column due to settlement

Cost Prior to Proposed Agreement – Should not have any data as it is included in Line 1.

Fiscal Impact of Proposed Agreement - Enter the amount of the increase or decrease for the proposed change in Step and Column due to the agreement. The % (shaded cells) will be calculated based on this amount divided by the Salary Schedule, Line 1.

Describe specific changes for each affected year in Section 13 on Page 2. Examples of Step and Column changes due to settlements include adding or deleting steps/columns to the salary schedule or changing the % increase between the steps/columns, etc.

4c. Applicable Statutory Benefits

Enter the amount of statutory benefits that are applicable to Other Compensation and Changes in Step and Column due to settlement. The % (shaded cells) will be calculated based on this amount divided by the Salary Schedule, Line 1.

Line 5 – Health/Welfare Benefits

Cost Prior to Proposed Agreement - Report only the cost of health/welfare benefits for the affected bargaining unit.

Fiscal Impact of Proposed Agreement - Enter the amount of the increase or decrease for the proposed change in Health/Welfare benefits. The % (shaded cells) will be calculated based on this amount divided by the Salary Schedule, Line 1.

Enter the ***Current Cap*** and ***Proposed Cap*** amounts. If Health/Welfare Benefits are fully funded by the district (no cap is negotiated), enter the amounts of Current and Proposed Employer's Contribution.

Line 6 – Proposed Negotiated Change in Compensation (excluding statutory benefits)

Sum of Lines 1, 4a, 4b and 5. The % will be calculated based on this amount divided by the Salary Schedule, Line 1.

Line 7 – Total Cost of Agreement (including statutory benefits)

Sum of Lines 3, 4 and 5. The % will be calculated based on this amount divided by the Base Costs, Line 3.

Line 8 – Step and Column (Due to Movement)

Cost prior to Proposed Agreement – Current year Step and Column are part of Salary Schedule and therefore should be included in the amount on Line 1.

Fiscal Impact of Proposed Agreement – For multi-year agreements, report Step and Column for Years 2 and 3. The amounts are included in the denominator when calculating the % to Salary Schedule and % to Base Costs on Lines 1 through 7. For Line 2 (Statutory Benefits), benefits applicable to Step and Column are prorated based on the current year ratio of statutory benefits to salary schedule.

Line 9 – Total Number of Represented Employees

Enter the number of full-time equivalent employees (FTE) for the affected bargaining unit.

Line 10 – Cost of Agreement per Average Employee:

Total Cost of Agreement (Line 7) divided by the Total Number of Represented Employees (Line 9).