

**Orange County Department of Education
District Fiscal Services**

PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT
in Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449

CYPRESS ELEMENTARY SCHOOL DISTRICT - ASSOCIATION OF

School District - Bargaining Unit: CYPRESS TEACHERS (ACT)

Certificated, Classified, Other: Certificated

The proposed agreement covers the period beginning: July 1, 2016 and ending: June 30, 2018
(date) (date)

The Governing Board will act upon this agreement on: June 8, 2017
(date)

A. Proposed Change in Compensation

Compensation	Annual Cost Prior to Proposed Agreement 2016-17	Fiscal Impact of Proposed Agreement		
		Year 1 Increase/(Decrease) 2016-17	Year 2 Increase/(Decrease) 2017-18	Year 3 Increase/(Decrease) 2018-19
1 Salary Schedule Increase (Decrease)	\$ 15,758,103.00	\$ 315,162	\$ 80,366	\$ -
		2.00%	0.51%	0.00%
2 Step and Column Increase (Decrease) Due to movement plus any changes due to settlement	\$ -	\$ -	\$ -	\$ -
		0.00%	0.00%	0.00%
3 Other Compensation - Increase (Decrease) (Stipends, Bonuses, Longevity, Overtime, etc.)	\$ -	\$ -	\$ -	\$ -
		0.00%	0.00%	0.00%
Description of other compensation				
4 Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare etc.	\$ 2,401,534	\$ 48,030	\$ 12,247	\$ -
		2.00%	0.51%	0.00%
5 Health/Welfare Plans			\$ -	\$ -
		0.00%	0.00%	0.00%
6 Total Compensation - Increase (Decrease) (Total Lines 1-5)	\$ 18,159,637	\$ 363,192.00	\$ 92,613.00	\$ -
7 Total Number of Represented Employees (Use FTEs if appropriate)	183.00	183	183	0
8 Total Compensation <u>Average</u> Cost per Employee	\$ 99,233	\$ 1,985	\$ 506	\$ -
		2.00%	0.51%	0.00%

9. What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?

Increase of the 2015-16 certificated wage schedule by two percent (2.0%) effective July 1, 2016. Also, increase the 2016-17 certificated wage schedule by one-half percent (0.5%) effective July 1, 2017.

10. Were any additional steps, columns, or ranges added to the schedules? (If yes, please explain.)

none

11. Please include comments and explanations as necessary.

n/a

12. Does this bargaining unit have a negotiated cap for Health and Welfare benefits? Yes ☒ No ☐

If yes, please describe the cap amount.

Percentage cap depending on health insurance plan selected by unit member.

- B. Proposed Negotiated Changes in Noncompensation Items** (i.e., class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.)

n/a

- C. What are the specific impacts on instructional and support programs to accommodate the settlement?**

Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

none

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

Term of the collective bargaining agreement is extended through June 30, 2018. The District agrees to reopen negotiations on Article 3 (Wages) in the event the following State budget assumptions for fiscal year 2017/18 are modified by the Dept. of Finance: 1) Statutory COLA is increased from 1.56% to 2.25% and 2) the L.C.F.F. gap funding percentage is increased from 43.97% to 75%.

E. Will this agreement create, increase or decrease deficit financing in the current or subsequent year(s)? "Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If yes, explain the amounts and justification for doing so.

The cost of two percent (2%) salary schedule increase for 2016/17 is \$363,192. The cost of one-half percent (0.5%) salary schedule increase for 2017/18 is \$92,613. This expense is offset by new funding received from the Local Control Funding Formula.

F. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.

none

G. Source of Funding for Proposed Agreement

1. Current Year

Additional revenues gained under the Local Control Funding Formula.

2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (i.e., what will allow the district to afford this contract)?

The ongoing cost of the two percent (2%) salary schedule increase in 2016/17 and one-half percent (0.5%) salary schedule increase in 2017/18 will be offset by new funding received from the Local Control Funding Formula.

3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)

The ongoing cost of the two percent (2%) salary schedule increase in 2016/17 and one-half percent (0.5%) salary schedule increase in 2017/18 will be offset by new funding received from the Local Control Funding Formula which include 2017/18 May Revision assumptions of 1.56% COLA and 43.97% Gap Funding %.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Unrestricted General Fund

Enter Bargaining Unit: Association of Cypress Teachers (ACT)

	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of 3/08/17)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
REVENUES				
Local Control Funding Formula Sources (8010-8099)	\$ 30,620,452	\$ -	\$ -	\$ 30,620,452
Remaining Revenues (8100-8799)	\$ 3,914,791	\$ -	\$ -	\$ 3,914,791
TOTAL REVENUES	\$ 34,535,243	\$ -	\$ -	\$ 34,535,243
EXPENDITURES				
Certificated Salaries (1000-1999)	\$ 15,199,983	\$ 315,162	\$ -	\$ 15,515,145
Classified Salaries (2000-2999)	\$ 3,856,528	\$ -	\$ -	\$ 3,856,528
Employee Benefits (3000-3999)	\$ 5,930,805	\$ 48,030	\$ -	\$ 5,978,835
Books and Supplies (4000-4999)	\$ 1,529,742	\$ -	\$ -	\$ 1,529,742
Services, Other Operating Expenses (5000-5999)	\$ 2,540,832	\$ -	\$ -	\$ 2,540,832
Capital Outlay (6000-6599)	\$ 375,213	\$ -	\$ -	\$ 375,213
Other Outgo (7100-7299) (7400-7499)	\$ 291,754	\$ -	\$ -	\$ 291,754
Direct Support/Indirect Cost (7300-7399)	\$ (306,852)	\$ -	\$ -	\$ (306,852)
Other Adjustments				
TOTAL EXPENDITURES	\$ 29,418,005	\$ 363,192	\$ -	\$ 29,781,197
OPERATING SURPLUS (DEFICIT)	\$ 5,117,238	\$ (363,192)	\$ -	\$ 4,754,046
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ -	\$ -	\$ -	\$ -
TRANSFERS OUT & OTHER USES (7610-7699)	\$ 1,292,601	\$ -	\$ -	\$ 1,292,601
CONTRIBUTIONS (8980-8999)	\$ (4,934,364)	\$ -	\$ -	\$ (4,934,364)
CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE	\$ (1,109,727)	\$ (363,192)	\$ -	\$ (1,472,919)
BEGINNING BALANCE	\$ 9,601,572			\$ 9,601,572
Prior-Year Adjustments/Restatements (9793/9795)	\$ -			\$ -
CURRENT-YEAR ENDING BALANCE	\$ 8,491,845	\$ 8,128,653	\$ 8,128,653	\$ 8,128,653
COMPONENTS OF ENDING BALANCE:				
Nonspendable Reserves (9711-9719)	\$ 15,000	\$ -	\$ -	\$ 15,000
Restricted Reserves (9740)	\$ -	\$ -	\$ -	\$ -
Stabilization Arrangements (9750)	\$ -	\$ -	\$ -	\$ -
Other Commitments (9760)	\$ -	\$ -	\$ -	\$ -
Other Assignments (9780)	\$ 5,588,360	\$ -	\$ -	\$ 5,588,360
Reserve for Economic Uncertainties (9789)	\$ 1,289,099	\$ -	\$ -	\$ 1,289,099
Unassigned/Unappropriated (9790)	\$ 749,386	\$ -	\$ -	\$ 749,386

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Restricted General Fund

Enter Bargaining Unit: Association of Cypress Teachers (ACT)

	Column 1 Latest Board- Approved Budget Before Settlement (As of 3/08/17)	Column 2 Adjustments as a Result of Settlement	Column 3 Other Revisions	Column 4 Total Current Budget (Columns 1+2+3)
REVENUES				
Local Control Funding Formula Sources (8010-8099)	\$ -	\$ -	\$ -	\$ -
Remaining Revenues (8100-8799)	\$ 6,122,554	\$ -	\$ -	\$ 6,122,554
TOTAL REVENUES	\$ 6,122,554	\$ -	\$ -	\$ 6,122,554
EXPENDITURES				
Certificated Salaries (1000-1999)	\$ 3,161,592	\$ -	\$ -	\$ 3,161,592
Classified Salaries (2000-2999)	\$ 2,148,294	\$ -	\$ -	\$ 2,148,294
Employee Benefits (3000-3999)	\$ 2,551,897	\$ -	\$ -	\$ 2,551,897
Books and Supplies (4000-4999)	\$ 577,410	\$ -	\$ -	\$ 577,410
Services, Other Operating Expenses (5000-5999)	\$ 1,797,188	\$ -	\$ -	\$ 1,797,188
Capital Outlay (6000-6599)	\$ 421,228	\$ -	\$ -	\$ 421,228
Other Outgo (7100-7299) (7400-7499)	\$ 444,893	\$ -	\$ -	\$ 444,893
Direct Support/Indirect Cost (7300-7399)	\$ 306,852	\$ -	\$ -	\$ 306,852
Other Adjustments				
TOTAL EXPENDITURES	\$ 11,409,354	\$ -	\$ -	\$ 11,409,354
OPERATING SURPLUS (DEFICIT)	\$ (5,286,800)	\$ -	\$ -	\$ (5,286,800)
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ -	\$ -	\$ -	\$ -
TRANSFERS OUT & OTHER USES (7610-7699)	\$ -	\$ -	\$ -	\$ -
CONTRIBUTIONS (8980-8999)	\$ 4,934,364	\$ -	\$ -	\$ 4,934,364
CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE	\$ (352,436)	\$ -	\$ -	\$ (352,436)
BEGINNING BALANCE	\$ 862,507			\$ -
Prior-Year Adjustments/Restatements (9793/9795)	\$ -			\$ -
CURRENT-YEAR ENDING BALANCE	\$ 510,071	\$ 510,071	\$ 510,071	\$ (352,436)
COMPONENTS OF ENDING BALANCE:				
Nonspendable Reserves (9711-9719)	\$ -	\$ -	\$ -	\$ -
Restricted Reserves (9740)	\$ -	\$ -	\$ -	\$ -
Stabilization Arrangements (9750)	\$ -	\$ -	\$ -	\$ -
Other Commitments (9760)	\$ -	\$ -	\$ -	\$ -
Other Assignments (9780)	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties (9789)	\$ -	\$ -	\$ -	\$ -
Unassigned/Unappropriated (9790)	\$ -	\$ -	\$ -	\$ -

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Combined General Fund

Enter Bargaining Unit: Association of Cypress Teachers (ACT)

	Column 1	Column 2	Column 3	Column 4
	Latest Board- Approved Budget Before Settlement (As of 3/08/17)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
REVENUES				
Local Control Funding Formula Sources (8010-8099)	\$ 30,620,452	\$ -	\$ -	\$ 30,620,452
Remaining Revenues (8100-8799)	\$ 10,037,345	\$ -	\$ -	\$ 10,037,345
TOTAL REVENUES	\$ 40,657,797	\$ -	\$ -	\$ 40,657,797
EXPENDITURES				
Certificated Salaries (1000-1999)	\$ 18,361,575	\$ 315,162	\$ -	\$ 18,676,737
Classified Salaries (2000-2999)	\$ 6,004,822	\$ -	\$ -	\$ 6,004,822
Employee Benefits (3000-3999)	\$ 8,482,702	\$ 48,030	\$ -	\$ 8,530,732
Books and Supplies (4000-4999)	\$ 2,107,152	\$ -	\$ -	\$ 2,107,152
Services, Other Operating Expenses (5000-5999)	\$ 4,338,020	\$ -	\$ -	\$ 4,338,020
Capital Outlay (6000-6599)	\$ 796,441	\$ -	\$ -	\$ 796,441
Other Outgo (7100-7299) (7400-7499)	\$ 736,647	\$ -	\$ -	\$ 736,647
Direct Support/Indirect Cost (7300-7399)	\$ -	\$ -	\$ -	\$ -
Other Adjustments				
TOTAL EXPENDITURES	\$ 40,827,359	\$ 363,192	\$ -	\$ 41,190,551
OPERATING SURPLUS (DEFICIT)	\$ (169,562)	\$ (363,192)	\$ -	\$ (532,754)
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ -	\$ -	\$ -	\$ -
TRANSFERS OUT & OTHER USES (7610-7699)	\$ 1,292,601	\$ -	\$ -	\$ 1,292,601
CONTRIBUTIONS (8980-8999)	\$ -	\$ -	\$ -	\$ -
CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE	\$ (1,462,163)	\$ (363,192)	\$ -	\$ (1,825,355)
BEGINNING BALANCE	\$ 10,464,079			\$ 9,601,572
Prior-Year Adjustments/Restatements (9793/9795)	\$ -			\$ -
CURRENT-YEAR ENDING BALANCE	\$ 9,001,916	\$ 8,638,724	\$ 8,638,724	\$ 7,776,217
COMPONENTS OF ENDING BALANCE:				
Nonspendable Reserves (9711-9719)	\$ 15,000	\$ -	\$ -	\$ 15,000
Restricted Reserves (9740)	\$ -	\$ -	\$ -	\$ -
Stabilization Arrangements (9750)	\$ -	\$ -	\$ -	\$ -
Other Commitments (9760)	\$ -	\$ -	\$ -	\$ -
Other Assignments (9780)	\$ 5,588,360	\$ -	\$ -	\$ 5,588,360
Reserve for Economic Uncertainties (9789)	\$ 1,289,099	\$ -	\$ -	\$ 1,289,099
Unassigned/Unappropriated (9790)	\$ 749,386	\$ -	\$ -	\$ 749,386

* Please see question on page 7.

I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS

Combined General Fund
Enter Bargaining Unit: **Association of Cypress Teachers (ACT)**

	2016-17	2017-18	2018-19
	Total Current Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
REVENUES			
Local Control Funding Formula Sources (8010-8099)	\$ 30,620,452	\$ 31,010,254	\$ 32,104,421
Remaining Revenues (8100-8799)	\$ 10,037,345	\$ 9,427,009	\$ 9,242,757
TOTAL REVENUES	\$ 40,657,797	\$ 40,437,263	\$ 41,347,178
EXPENDITURES			
Certificated Salaries (1000-1999)	\$ 18,676,737	\$ 19,143,655	\$ 19,622,246
Classified Salaries (2000-2999)	\$ 6,004,822	\$ 6,124,918	\$ 6,247,416
Employee Benefits (3000-3999)	\$ 8,530,732	\$ 8,601,890	\$ 10,229,763
Books and Supplies (4000-4999)	\$ 2,107,152	\$ 1,387,081	\$ 1,664,898
Services, Other Operating Expenses (5000-5999)	\$ 4,338,020	\$ 4,338,020	\$ 4,338,020
Capital Outlay (6000-6999)	\$ 796,441	\$ 796,441	\$ 796,441
Other Outgo (7100-7299) (7400-7499)	\$ 736,647	\$ 736,647	\$ 736,647
Direct Support/Indirect Cost (7300-7399)	\$ -	\$ -	\$ -
Other Adjustments		\$ -	\$ -
TOTAL EXPENDITURES	\$ 41,190,551	\$ 41,128,652	\$ 43,635,431
OPERATING SURPLUS (DEFICIT)	\$ (532,754)	\$ (691,389)	\$ (2,288,253)
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ -	\$ -	\$ -
TRANSFERS OUT & OTHER USES (7610-7699)	\$ 1,292,601	\$ 1,192,601	\$ 1,192,601
CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE	\$ (1,825,355)	\$ (1,883,990)	\$ (3,480,854)
BEGINNING BALANCE	\$ 9,601,572	\$ 7,776,217	\$ 5,892,227
CURRENT-YEAR ENDING BALANCE	\$ 7,776,217	\$ 5,892,227	\$ 2,411,373
COMPONENTS OF ENDING BALANCE:			
Nonspendable Reserves (9711-9719)	\$ 15,000	\$ 15,000	\$ 15,000
Restricted Reserves (9740)	\$ 510,071	\$ 667,706	\$ 597,524
Stabilization Arrangements (9750)	\$ -	\$ -	\$ -
Other Commitments (9760)	\$ -	\$ -	\$ -
Other Assignments (9780)	\$ 5,588,360	\$ 3,939,883	\$ 454,008
Reserve for Economic Uncertainties (9789)	\$ 1,289,099	\$ 1,269,638	\$ 1,344,841
Unassigned/Unappropriated (9790)	\$ 749,386	\$ -	\$ -

J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES

1. State Reserve Standard

		2016-17	2017-18	2018-19
a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$ 42,483,152	\$ 42,321,253	\$ 44,828,032
b.	State Standard Minimum Reserve Percentage for this District enter percentage:	3.00%	3.00%	3.00%
c.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b. OR \$50,000	\$ 1,274,495	\$ 1,269,638	\$ 1,344,841

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

a.	General Fund Budgeted Unrestricted Reserve for Economic Uncertainties (9789)	\$ 1,289,099	\$ 1,269,638	\$ 1,344,841
b.	General Fund Budgeted Unrestricted Unassigned/Unappropriated Amount (9790)	\$ 749,386	\$ -	\$ -
c.	Special Reserve Fund (Fund 17) Budgeted Reserve for Economic Uncertainties (9789)	\$	\$	\$
d.	Special Reserve Fund (Fund 17) Budgeted Unassigned/Unappropriated Amount (9790)	\$	\$	\$
g.	Total Available Reserves	\$ 2,038,485	\$ 1,269,638	\$ 1,344,841
h.	Reserve for Economic Uncertainties Percentage	3.03%	3.00%	3.00%

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

2016-17

Yes

☒

No

☐

2017-18

Yes

☒

No

☐

2018-19

Yes

☒

No

☐

4. If no, how do you plan to restore your reserves?

5. If the total amount of the adjustment in Column 2 on Page 4 does not agree with the amount of the Total Compensation Increase in Section A, Line 6, Page 1 (i.e., increase was partially budgeted), explain the variance below:

n/a

6. Please include any additional comments and explanations of Page 4 as necessary:

none

K. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT

The disclosure document must be signed by the District Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of the **Cypress School District**, hereby certify that the District can meet the costs incurred under the Collective Bargaining Agreement between the District and the Association of Cypress Teachers (ACT) Bargaining Unit, during the term of the agreement from July 1, 2016 to June 30, 2018.

The budget revisions necessary to meet the costs of the agreement in each year of its term are as follows:

Budget Adjustment Categories:	Budget Adjustment Increase (Decrease)
Revenues/Other Financing Sources	
Expenditures/Other Financing Uses	455,805.00
Ending Balance Increase (Decrease)	-

N/A ____ (No budget revisions necessary)

District Superintendent
(Signature)

Date

Chief Business Officer
(Signature)

Date

L. CERTIFICATION NO. 2

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

District Superintendent (or Designee)
(Signature)

Date

President or Clerk of Governing Board
(Signature)

Date

Contact Person

Phone