

FACT FINDING DISCUSSION AND RECOMMENDATIONS

)	
Between)	Re: Case No. LA-IM-3551-E
)	
Glendale Unified)	
School District)	
)	
and)	
Glendale Teachers)	
Association, CTA/NEA)	
<hr/>)	

Impartial Chair

Bonnie Prouty Castrey
 Post Office Box 5007
 Huntington Beach, California 92615

District Panel Member

Ron Bennett, President and CEO
 School Services of California
 1121 L Street, Suite 1060
 Sacramento, California 95814-3926

Association Panel Member

Vern Gates, NODD Specialist
 California Teachers Association
 1333 S. Mayflower Avenue, Suite #150
 Monrovia, California 91016

Hearing Held

July 16, 2010

BACKGROUND

Glendale Unified School District (District, GUSD or Employer) and the Glendale Teachers Association (Association or GTA), a local affiliate of the California Teachers Association and the National Education Association (CTA/NEA), are the parties in this fact finding matter. The certificated staff in this bargaining unit are members of GTA/CTA/NEA.

The District notified GTA on August 18, 2009 that they were exercising their right to terminate the parties collective bargaining agreement (CBA) and that date and several subsequent dates requested a proposal from GTA to sunshine. At that time, the District promised to maintain salary and health benefits through June 30, 2010. Following several more contacts with GTA, a meeting was scheduled for October 26, 2009, however, the GTA cancelled that meeting. The parties finally commenced negotiations on November 30, 2009. The parties had four additional direct bargaining sessions through February 3, 2010. On February 3, the parties engaged in a novel approach of what the District in its binder referred to a "mediated/conceptual proposals" and the Association, in its binder refers to as "Draft Conceptual Package Proposal" in which they spoke unofficially and created a proposal to resolve the issues. Following a caucus, GTA states that they asked a series of questions and at "9:00PM, the GUSD said they were disassociating themselves from the Draft Conceptual Package Proposal. They then tore up the proposal and declared they were going to impasse." The

account by GUSD is that a bargaining unit member who had been an observer and left, then returned, at which point, in their opinion, "...GTA's previously professional tone deteriorated rapidly and markedly into verbal abuse, misrepresentation of the District's statements and position...GTA's continued rejection of the essential elements of the District's proposal caused an impasse." (AB tab 3 and DB pg 8).

The District's last, best and final offer is stated at pages 14-17 in the District Fact Finding Binder and incorporated herein by reference. On or about February 6, 2010, the District filed with PERB and was certified on February 16, 2010. Subsequently, State Mediator Don Raczka met with the parties twice and a Tentative Agreement (TA) was reached on April 16, 2010. That TA is included in the GTA Fact Finding Binder at pages 64-68 and the GUSD Fact Finding Binder at Attachment C, pages C1-5. These also are incorporated into this document by reference. On May 26, 2010, the Association rejected the TA. Subsequently, the District offered to meet to resolve the dispute and the parties set a meeting for June 10, 2010. The Association cancelled that meeting and declined to meet prior to the Fact Finding Hearing.

The State Mediator, certified the case to Fact finding on June 3, 2010. Vern Gates was appointed by GTA as their Panel Member and Ron Bennett was appointed by the District to serve as their Panel Member. They selected Bonnie Prouty Castrey to Chair the Panel. A Fact Finding hearing was held on July 16, 2010 in the

District Office Board Room.

The issues before this Panel are Inability to Pay, Association Rights, No Strike Clause, Hours of Employment, Wages (Reopener Agreement) health and Welfare Benefits, Early Retirement and Duration and Termination.

Both parties presented their documentation and facts regarding the issues before the Panel. The Panel Members then attempted to help the parties to reach a mediated settlement in Fact Finding. Following the formal Hearing, the Panel met together and attempted to help the parties resolve their dispute with a suggested "Mediated Proposal". That proposal was rejected. Hence, when that effort was not fruitful, the Members studied both parties' submissions thoroughly and the Chair drafted this Report and Recommendations.

In this matter, the Panel is guided by the California Government Code Section 3548.2 of the EERA which states in pertinent part:

In arriving at their findings and recommendation, the Fact Finders shall consider, weigh, and be guided by all the following criteria:

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 employers involved in the fact finding 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."

ADDITIONAL PERTINENT STATE LAWS

Government Code Section 3547.5

- (a) Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.
- (b) The superintendent of the school district and the chief business official shall certify in writing that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education Code and shall itemize any budget revision necessary to meet the costs of the agreement each year of its term.
- (c) If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of the collective bargaining agreement, the county superintendent of schools shall issue a qualified or negative certification for the district on the next interim report pursuant to Section 42131 of the Education Code.

STIPULATIONS OF GUSD AND GTA

1. The Glendale Unified School District is a public school employer within the meaning of Section 3540.1(j) of the Educational Employment Relations Act.
2. The Glendale Teachers Association is a recognized employee organization within the meaning of Section 3540.1(I) of the Educational Employment Relations Act and has been duly recognized as the representative of the classified non-management bargaining unit of the Glendale Unified School District.
3. The parties to this factfinding have complied with the

public notice provisions of the Government Code section 3547 (EERA, "Sunshining" requirement)

4. The parties have complied with the Educational Employment Relations Act with regard to the selection of the Factfinding Panel and are properly and timely before the Panel.
5. The parties have complied with all the requirements for selection of the factfinding panel and have met or waived the statutory time limitations applicable to this proceeding.
6. The contract issues which are appropriately before the Factfinding Panel are as follows, all other matters were agreed upon by the parties during the course of the negotiations:

Article 3: Association Rights
Article 7: No Strike Clause
Article 8: Hours of Employment
Article 14: Wages (Reopener Agreement)
Article 15: Health and Welfare Benefits
Article 16: Early Retirement
Article 24: Duration and Termination

7. Glendale Unified School District filed a Declaration of Impasse with PERB in this matter on February 6, 2010, Case Number LA-IM-3551-E. PERB subsequently determined the existence of an impasse in negotiations.
8. The parties reached a tentative agreement with the assistance of mediator Raczka on or about April 16, 2010.
9. On or about May 2010, GTA notified the district that the GTA membership failed to ratify the tentative agreement.
10. On June 3, 2010, mediator Don Raczka certified the dispute for factfinding. PERB acknowledged the certification and directed the parties regarding factfinding in June 7, 2010.

The parties notified PERB that the panel member for GUSD would be Ron Bennett and panel member for GTA would be Vern Gates.

The parties have mutually agreed to have Ms. Bonnie Castrey serve as panel chairperson and will be jointly responsible for her fees.

No timelines are waived, except for the date for commencement of the hearing on July 16.

COMPARISON DISTRICTS

The District used the comparison districts of unified districts serving K-12 students within a 50 mile radius of GUSD, a likely geographic commuting area for teachers employed in the District. They listed a second set of districts of similar size.

The Association compared their extensive data with districts in the geographic area, LA County Unified districts and state wide by similarly sized districts.

The Chair studied all of the comparisons provided by both parties very carefully, however, considering the recommendations she is making, she will not engage in an extensive analysis of the various comparisons.

The following is a discussion of the pivotal issue of the District's claim of Inability to Pay and finding.

ISSUES

INABILITY TO PAY

DISCUSSION AND FINDING

The first issue is the question of inability to pay.

When a district asserts inability to pay, they have the heavy burden of proving that they cannot afford to continue paying salary and benefits at the level they currently are obligated to pay and/or that they cannot afford to negotiate increases in compensation.

State law requires that school districts must maintain a positive ending balance in the current year and two successive school years. In other words, the budget for fiscal year/school year (FY) 2009-2010, which commenced July 1, 2009 and ends June 30, 2010, must have a positive ending balance and a minimum three percent reserve (3%). In addition, FY 2010-2011 and FY 2011-2012 must also be able to show a positive ending balance. In this matter, since the FY 2009-2010 is already history, the Panel will also have to consider impact of recommendations on the ending balance of school year 2012-2013.

Schools in California are dependent on The State of California for their revenue. The State is and has been in fiscal crises for several years since at least 2007 with billions of dollars in deficit budgets. Some economists have described California's budget as being in "free fall". As a result of the State budget shortfall, due to decreased sales tax, income tax, and other revenues, the State has unceremoniously cut school districts' unrestricted and categorical (restricted) funding by literally billions of dollars. For this District this amounts to more than a twenty percent (20%) decrease in unrestricted funding and about twenty percent (20%) in restricted funding. Had the State not cut its unrestricted funding, also referred to as Base Revenue Limit (BRL), GUSD would have received in the 2009-2010 FY, \$6,369.00 for each student attending class each day (Average Daily Attendance or ADA). With the State decreasing its funding of the BRL, the

District received only \$4,947.00, a difference of \$1,422.00 equal to 22.33%. In FY 2010-2011, the GUSD should receive \$6,344.00, however, according to current State budget projections, the State will only fund the BRL at \$4,935.00 per ADA, which represents a \$1,409.00 deficit, equal to 22.21%. So, for every one dollar this District should receive for each student, it is only receiving about 78 cents! (District Fact Binder [DB] Inability to Pay, tabs 16-17).

There is no question that these are huge losses in unrestricted revenues. The District has spent down its reserves and is deficit spending. Absent major budget modifications, they project such deficit spending over the next four years, ending in June 30, 2014 to be nearly 34 million dollars. In FY 2010-2011, they will deficit spend \$14,519,161; \$13,203,838 in FY 2011-2012; \$22,687,402 in FY 2012-2013 and \$33,871,296 in FY 2013-2014 (DB Tab 19, page 99). Without significant reductions in the 2010-2011 school year and going forward, these projections lead the District to insolvency and takeover by the County and State in FY 2012-2013 (DB Tab 20, pgs 100-101).

The Association points out that the District ended 2009-2010 with a positive ending balance reserve for economic uncertainties and likely will in 2011-2012 (AB Tabs 8), it must be emphasized that the Association calculated their information using both restricted and unrestricted funds. It is crucial to note that restricted funds can be used only for the purpose for which they are received.

So unless the legislature and Governor provide all unrestricted funds, the District continues to only have discretion over unrestricted funds.

Education is a labor intensive business and therefore it is not surprising that 90.57% of the District's funding is spent on personnel (DB Tab 23, pg 112) Further, GUSD spends 52.18% of its budget on members of GTA which equates to \$560,000 per day, which then is the cost of one furlough day.

Settlements have been reached with other District employees and have included major concessions. In 2010-2011, the Superintendent and Assistant Superintendents will take 10 furlough days; certificated management who work a 225 day year will take 8 furlough days and those who work fewer than 225, will take 7 furlough days; classified managers will take 7 furlough days and those who work 9 1/4 to 10 months will take 4 furlough days; and classified employees agreed in a tentative agreement, which was subsequently rejected, to take 7 furlough days in order to cut the total salary expenditures (DB Tab 25, pg 116).

Moreover, GTA has a very senior certificated membership. Of the 1,213.40 Full Time Equivalentents (FTE's), 705.5 are at or above BA+60, step 10 on the salary schedule. That represents 58.13% or nearly 60% of the bargaining unit. Therefore, GUSD has a higher than average cost for funding salaries for this unit (DB Tab 26 pg 118).

Finally, it is significant that the County Office of Education

agreed with the District when it self qualified at the second interim report, because it was spending down reserves and also declining in enrollment. So in addition to the loss of State revenue based on the State's shortfall, this District also loses funding because of the loss of students.

As stated above, the District, by law, must show a positive ending balance and a district this size should have at least a 3% reserve for fiscal uncertainty in the ending balance. Hence, going forward three years through 2012-2013, the District must show that the ending balances in 2010-2011, 2011-2012 and 2012-2013 meet that 3% reserve for economic uncertainty.

Under State law, the Education Code at section 3547.5 provides that the superintendent of the district and the chief business official must sign that a collective bargaining agreement can be implemented and is affordable for the term of that agreement. The District asserts that they cannot continue to afford to pay the total compensation at the level in the most recent Collective Bargaining Agreement (CBA) and therefore they cannot certify the continuation of the terms of this CBA and meet the requirements of the law.

The Association pointed out that there is very likely to be more federal stimulus money provided to the District in the coming months. As the Chair drafts this document, she noted that the House of Representatives Resolution (HR 1586) has passed both Houses of Congress and been signed into law by the President as of

August 11, 2010. Following the application process and after meeting the criteria established in the law to receive these stimulus funds, California and school districts throughout the State will receive one time monies. They must be distributed within 45 days and only 2% of the total allocation may be kept by the State. Considering that timeline and that several days have passed, the monies are expected to flow to the District in about 40 days. When the Panel met in conference call to discuss the Chair's initial thoughts regarding this Report and Recommendations, the District Panel Member informed the Panel that the Board of Education has already taken action to reinstate all of the layoff notices for teachers for the 2010-2012 school year.

GTA does not argue that no concessions are necessary, but rather argues that the District is asking for substantially more concessions than are necessary. They also argue that the District's calculations of the ending balance have not been accurate. The Chair points out that accuracy is nigh unto impossible when the State projects funding per ADA at about \$6400.00 per student and in fact funds substantially below that figure at \$4950.00 per ADA. Obviously a projected ending balance can be way off t=with that kind of fluctuation.

From the Chair's study of the budget documents, it is a fact that the District is spending down its reserves and is in deficit spending, which is not sustainable, as it will lead to insolvency. And as stated above, to make the District's budgetary woes even

worse, they are experiencing a decline in enrollment and ADA, which definitely exacerbates their funding issues. Since the 2004-2005 school year the decline in ADA has been from 27,656 to 25,761, a total of 1895 ADA which equates to 6.85% (DB Tab 6, pg 27). Since districts are funded based on the number of students actually attending school, the loss of ADA combined with the lack of a fully funded BRL severely hampers the District's ability to pay.

Based on the foregoing and taking into consideration both parties facts and arguments, the Chair finds that the District has met its heavy burden of proof and that it has shown that it does have an inability to pay this bargaining unit at the current total compensation in the CBA. Moreover, it has shown that substantial concessions spread over this year and next year are crucial in order to remain solvent based on the laws cited above.

The next question is how to address this critical matter without totally devastating the bargaining unit members ability to live and the parties ability to effectively maintain the delivery of the educational programs of the District to students.

While all factfinding proceedings are challenging in these horrific budgetary times, this matter presents the additional challenge of the parties having reached a tentative agreement which was rejected by the GTA membership. In determining whether the District is asking for too deep of concessions and the Association is willing to accept too few, the Chair finds that the parties actually reached that compromise position when on April 16, 2010,

they hammered out a tentative agreement. The compromise tentative agreement was not as much as the District sought and more than the Association wanted to concede, but it provides the economic relief to the District, in these times of State budgetary problems, so the District can balance its budget.

Three events have changed since that rejection:

1. The 2009-2010 school year has been completed and therefore the terms which were tentatively agreed to, for implementation in 2009-2010, cannot be implemented in that year.

2. The Health Benefits Committee met and crafted a Memorandum of Understanding on June 21, 2010 which was signed on June 28, 2010 and specifically modifies the benefit plans, if agreed to by the bargaining units and which MOU is incorporated here by reference (AB Tab 5, pg 58-59 and DB Appendices, Attachment D1-2). (also attached to this report)

3. The passage of HR 1586 by Congress and signing by the President, has provided the District with the ability to rescind all of the lay off notices, which it has done in the last week. The layoff notices allegedly had caused an obstacle to the ratification of the tentative agreement of April 16, 2010.

Based on the Chair's study and analysis, she strongly recommends that the resolution of this impasse be the tentative agreement of April 16, 2010, which was previously incorporated by reference into this document and is also attached to this document, with the following modest modifications to update the TA:

1. Add one (1) additional furlough day to school year 2010-2011, to make a total of six (6) furlough days, three (3) instructional days and three (3) non instructional days. The Association shall choose the three (3) instructional days and the

District shall choose the three (3) non-instructional days. (Note: This change accounts for the fact that no furlough days were taken in the 2009-2010 school year as the tentative agreement was not ratified.)

2. Incorporate the Health and Welfare Benefit Design Plan MOU of June 28, 2010 into the tentative agreement of April 16, 2010. (Note: This MOU was agreed to and signed, by the GTA President, in the Health Benefits Committee, but needs to be timely ratified in order for members to participate in the open enrollment process).

3. Delete the first sentence of section 9.1 of the TA, which created a short term agreement through, June 30, 2010. (Note: That is not relevant any longer as June 30, 2010 has passed and the ability to take the one (1) furlough day in the 2009-2010 school year is also not possible as stated above and that one (1) day is accommodated with the additional furlough day in 2010-2011.)

The TA of April 16, 2010, represented the parties joint efforts in mediation to find a reasoned resolution and a place of discomfort for both of them in resolving this very challenging budgetary set of issues facing them, one not of their making, but necessitated because of the State's failure to fully fund the Base Revenue Limit. With the restoration language in the TA, in case the funded BRL improves, in the Chair's opinion, after studying all the voluminous facts presented by both parties, with the modest changes enunciated, this remains a resolution which meets both parties' interests in so far as difficult concessionary bargaining

can ever meet interests.

The Panel Members representing the District and Association have met in Executive Session by conference calls on August 13 and 16, 2010. Based on the above Recommendations of the Chair they concur or dissent as follows:

For the District:

Concur
 Dissent
 Concur in part
 Dissent in part

For the Association:

Concur
 Dissent
 Concur in part
 Dissent in part

Report attached _____



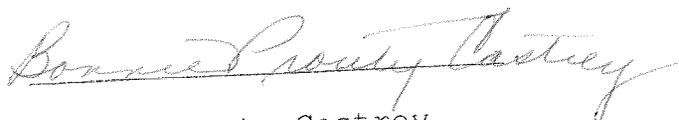
Ron Bennett
District Panel Member

Report attached



Vern Gates
Association Panel Member

Issued with attachment on August 16, 2010 by



Bonnie Prouty Castrey,
Panel Chair

Tentative Agreement Between the
Glendale Unified School District
and
Glendale Teachers Association

April 16, 2010
4:45 pm

The parties agree to continue the terms of the previous Agreement terminated on August 18, 2009, effective August 28, 2009 for the period from August 29, 2009, through June 30, 2010, and for a new Agreement, effective July 1, 2010 through June 30, 2013, status quo with the following modifications:

1. Modify Article 3, "Association Rights", section 13, "Other Released Time", to read as follows:

"Section 13. Other Released Time

(a) Any employee who is designated by the Association to attend meetings, during working hours, of the affiliate organizations directly related to the Association must receive prior approval from the District. Employees attending such meetings shall do so without loss of salary and with no payment by the District of the employee's expenses. No single employee shall be released more than 7 instructional days in a school year, exclusive of summer school, under this section. A total of fifty (50) released days per year shall be allotted to the Association for such use. The District may in its discretion permit additional released days, in which event the Association shall pay the District for each such day an amount equal to the daily substitute rate (when a substitute is employed).

(b) Should an employee be elected as an officer of the National Education Association, (NEA), additional released days may be utilized for the purpose of said employee's attendance at required meetings of said organization, in which event the Association shall pay the District for each such day an amount equal to the daily substitute rate (whether or not a substitute is employed).

(c) The President of the Association shall have available 20% of each semester of released time, non-accumulative at the District's expense, for the purpose of community relations and Association/District communications.

(d) When an employee is released from duty pursuant to Education Code section 44987, in lieu of the reimbursement to the District provided by that section, the Association shall reimburse the District at the current daily pay rate for an employee placed at Appendix B, Class IV, Step 5."

2. Delete Article 7, "No Strike Clause".
3. School Calendars

The 2010-2011 traditional school year calendar provided to GTA on 2-3-10, and the certificated employee work years based thereon, shall become Appendix "O" to the agreement and shall be implemented for school year 2010-2011, (Attachment B), as modified by Section 4, "Furlough Days", below.

4. Memorandum of Understanding for Furlough Days Modifying Article 8, Hours of Employment Sections 11 and 13 and Appendix O

The current number of unit member work days for all unit members shall be reduced by 1 day in school year 2009-2010, and by 5 days in school year 2010-2011, 5 days in school year 2011-2012, and 5 days in school year 2012-2013. In 2010-2011, 2011-2012, and 2012-2013, three of the reduced days shall be Instructional Days and two days shall be Non-Student Days. Concurrently, the annual compensation for unit members shall be reduced by 1 day at the per diem rate in school year 2009-2010, and by 5 days at the per diem rate of each member in each of the school years, 2010-2011, 2011-2012, and 2012-2013, as compared to the 2009-2010 compensation. Such reductions are one-time only reductions as to each school year, and are not ongoing as to the next school year. The parties will determine the placement of the 5 reduced work days in each year no later than April 15th of the previous year, except that the date for 2009-2010 shall be June 21, 2010 and the dates for the 2010-2011 school year will be determined by May 15th, 2010. In addition the parties will agree on a 2011-2012 teacher work calendar by May 15th, 2010. The mediator shall retain jurisdiction over the calendar negotiations for purposes of this section.

Effective July 1, 2013, the 2009-2010 annual compensation and work year shall be reinstated, unless otherwise negotiated by the parties.

5. At Article 8, "Hours of Employment", change section 8a(2) to read "When a secondary site administrator deems it advisable and

practicable and by two-thirds majority agreement of all members of a department. . . ."

6. At Article 14, Wages (Reopener Agreement), delete the language at page 23 under 2008-09 Compensation through the end of page 23. Maintain current salary schedules at Appendices A-N for school years 2009-2010, 2010-2011, 2011-2012, and 2012-2013, except as modified by the Memorandum of Understanding at Item 4 for furlough days, and the corresponding salary reductions for each year detailed therein.

7. At Article 15, Health and Welfare Benefits (Reopener Agreement), section 1.a. shall be modified to add: "Effective July 1, 2010, the following tenthly employee contributions to health and welfare benefits shall take effect:

PPO Family	\$150.00
PPO Two Party	\$75.00
PPO Single	\$30.00
HMO Family	\$75.00
HMO Two Party	\$37.50
HMO Single	\$15.00

If the final rates for 2010-2011 increase more than 10% above the 2009-2010 rates, the payroll deductions shall be increased to \$225, \$112.50, \$45, \$112.50, \$56.25, \$22.50, respectively.

If the final rates in any subsequent year increase by more than 10% over the previous school year, the member contributions shall be increased by 50% over the member contributions for the previous year.

Change "Blue Cross" to "Blue Shield".

At section 3 on page 28, change "shall be eligible for District paid health and welfare benefits. . ." to "shall be eligible for health and welfare benefits as provided in section 1.a. for the period of the contracted assignment."

Add new section 5: "A District Employee Benefits Committee comprised of an equal number of members appointed, respectively, by GTA, CSEA, and GSMA, shall meet at least quarterly to investigate plan benefits and features in the interest of exploring options and reducing and containing the costs of health and welfare benefits. The advisory findings and recommendations of the committee shall be provided to all negotiating teams for consideration."

Delete sections 5 and 10. Renumber remaining sections.

GTA will designate representatives to begin CECHCR training prior to April 30, 2010. The parties acknowledge the need to work together to immediately contain benefit costs and to investigate plan design modifications. The parties will commence plan design negotiations for 2010-2011 immediately following CECHCR training.

8. At Article 16, Early Retirement, modify section a. "Eligibility" to read: "For employees who retire on or after July 1, 2010, and who meet the age, service and other requirements set forth below, and retire from regular District service prior to age 65, the District shall provide health benefit coverage and benefits set forth below. . . ."

Modify section b, "Benefits", first sentence to read, "The medical benefits currently provided under this plan shall be paid by the District on behalf of the retiree and his or her dependent(s), subject to the retiree contribution requirements per the selected plans, which shall be the same as the contribution requirements for active employees in Article 15, section 1.a."

9. Replace Article 24, "Duration and Termination" with the following language:

"1. This Agreement shall remain in effect from the date of ratification by both parties through June 30, 2010. In addition, this Agreement shall be the successor Agreement of the parties for the period July 1, 2010 through June 30, 2013.

"2. The parties shall exchange initial proposals for reopener negotiations on health and welfare benefits for school year 2011-2012 no later than February 15, 2011, and shall commence reopener negotiations on this item no later than April 1, 2011, with the intent of making recommendations for plan design changes to the negotiations teams to reduce benefit costs. The parties agree to hold three negotiations sessions on health and welfare benefits in April, 2011.

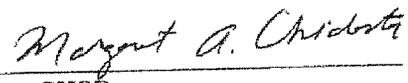
"3. The parties shall exchange initial proposals for 2012-2013 reopener negotiations on salary, benefits, calendar, and work year and one other article proposed by each party by October 1, 2011, and shall commence negotiations for 2012-2013 by November 1, 2011.

"4. If the 2011-2012 state budget increases or decreases the District's unrestricted base revenue limit per unit of ADA as compared to the prior year by more than \$50, as calculated from the data contained on the SACS Revenue Limit Worksheet, or other equivalent State document, then Article 14, Wages, Article 15, Health and Welfare Benefits and the Work Calendar, shall be reopened, and the parties shall exchange initial proposals for 2011-2012 within 10 days of the adoption of such state budget, and shall commence negotiations within 30 days of the adoption of such budget. The "increase or decrease" is intended to address the actual change in District revenues, as determined above, notwithstanding modification of funding formulas by legislation.

"5. Initial proposals for a successor Agreement commencing July 1, 2013 shall be exchanged by the parties no later than October 1, 2012. The parties shall commence negotiations for a successor Agreement no later than November 1, 2012."



for GTA



for GUSD

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE GLENDALE UNIFIED SCHOOL DISTRICT AND
THE GLENDALE TEACHERS ASSOCIATION
REGARDING HEALTH BENEFITS PLAN DESIGN CHANGES**

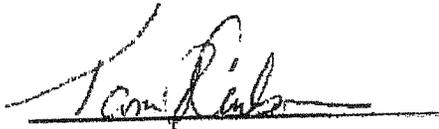
On June 21, 2010 the Health Benefits Committee met to review potential plan design changes to the health benefits offered in the Glendale Unified School District. At that meeting, the Glendale Teachers Association (GTA) representatives agreed to forward the recommendations to their negotiations team for consideration. The 2009-2010 annual premium for (HMO and PPO) is \$25,373,865 and is projected to increase by 17.9% (\$4,538,365) in 2010-2011. The recommended changes will reduce the increase by approximately 6.8% (\$1.7 million) to a projected 11.1% (\$2,815,687) increase. These plan design changes are articulated in Appendix A of this MOU and upon execution of this document will become effective October 1, 2010.

By signing this document both parties acknowledge that these changes are mutually agreeable and members will be notified prior to October 1, 2010. Additionally, both parties agree to encourage members to participate in the open enrollment process that will take place prior to October 1, 2010.

Agreed to this 28TH day of June, 2010

For Glendale Teachers Association

For Glendale Unified School District


7/4/10



Appendix A

Plan Provisions	Current Benefit Level	Change Effective October 1, 2010
<p>HMO</p> <ul style="list-style-type: none"> • Office visit co-pay • Chiropractic/acupuncture co-pay • Prescription drugs <ul style="list-style-type: none"> Retail prescriptions <ul style="list-style-type: none"> Generic drugs Brand drug deductible per year Formulary brand drugs Non-formulary brand drugs Self-injectables Mail prescriptions (up to a 90-day supply) <ul style="list-style-type: none"> Generic drugs Brand drug deductible per year Formulary brand drugs Non-formulary brand drugs 	<p>\$15 \$10</p> <p>\$5 None \$15 \$30 \$30</p> <p>\$5 None</p> <p>\$15 \$30</p>	<p>\$20 \$15</p> <p>\$5* \$150 per person per year \$20* \$35* \$35</p> <p>*Drugs are covered at retail pharmacies for the first 3 scripts for that drug; after that the drug is only available through mail (will reject at retail)</p> <p>\$10 \$150 per person per year (combined mail and retail) \$40 \$70</p>
<p>PPO</p> <ul style="list-style-type: none"> • PPO network out of pocket maximum • Non-network out of pocket maximum • Prescription drugs <ul style="list-style-type: none"> Retail prescriptions <ul style="list-style-type: none"> Generic drugs Brand drug deductible per year Formulary brand drugs Non-formulary brand drugs Self-injectables Mail prescriptions (up to a 90-day supply) <ul style="list-style-type: none"> Generic drugs Brand drug deductible per year Formulary brand drugs Non-formulary brand drugs 	<p>\$1000 single (\$2000 family) \$3000 single (\$6000 family)</p> <p>\$5 None \$15 \$30 \$30</p> <p>\$5 None</p> <p>\$15 \$30</p>	<p>\$1500 single (\$3000 family) \$4500 single (\$9000 family)</p> <p>\$5* \$150 per person per year \$20* \$35* \$35</p> <p>*Drugs are covered at retail pharmacies for the first 3 scripts for that drug; after that the drug is only available through mail.</p> <p>\$10 \$150 per person per year (combined mail and retail) \$40 \$70</p>


 7/9/10

 7/9/10

I concur in part and dissent in part.

I concur that the parties should revoke the tentative agreement of April 16, 2010 but dissent as to the permanent nature of the health and welfare contributions portion of that tentative agreement.

The ultimate purpose of a fact finding panel is to recommend a proposed settlement for the parties that the panel believes, after a factual hearing, is a reasonable settlement. In this matter, the parties reached a tentative agreement which unfortunately was rejected by the GTA membership, purportedly due to the GUSD not rescinding the Reduction-In-Force of teachers and the permanent nature of the health and welfare contribution.

Circumstances have changed since the tentative agreement was rejected. The GTA President signed a memorandum of understanding agreeing to plan design changes which reduce the level of health and welfare benefits thus reducing the cost of those benefits. In addition, with the passage of the Federal Education Jobs Bill which will bring significant additional federal revenue, GUSD has rescinded all of the RIF notices.

For these reasons, I concur in part with the recommendation of the panel that the parties revoke the tentative agreement, however, I dissent in part with the recommended changes to the tentative agreement. Specifically, I dissent because although the panel recommends that the parties change the tentative agreement to include the proposed health and welfare benefits changes agreed to by the GTA President, the panel does not recommend changing the health and welfare out of paycheck contributions from permanent to temporary.

If the District truly needs the health and welfare contributions for the period of the economic recession, those changes should coincide with the temporary nature of the recession. The District does not need the health and welfare contributions as an incentive for the GTA to help contain costs in the future since the GTA has already agreed to cost containment plan design changes. Therefore I cannot agree to the permanent nature of the health and welfare contributions.

Since panel agrees that the parties should revoke their tentative agreement regardless of the temporary or permanent nature of the health and welfare contribution, there is no need to address specifically the rationale for the Chair's conclusion and District Panel Member concurrence that the District has an inability to pay. Both the GTA and the GUSD agreed that some concessions were necessary. Thus I neither concur nor dissent with regard to the rationale as to the District's inability to pay. That issue is not necessary for the panel to conclude that the parties should revoke the previously rejected tentative agreement.



Vern Gates
Association Panel Member