

AB 2756 -- Collective Bargaining Requirements and Disclosures

Assembly Bill (AB) 1200 requires local education agencies to publicly disclose the provisions of all collective bargaining agreements before entering into a written agreement. Government Code (G.C.) Section 3547.5 states:

“Before a public 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 . . .”

This provision is applicable to both single year agreements and multi-year agreements where the contract has been reopened to determine compensation adjustments in a subsequent year. It is intended to ensure that the public is aware of the known costs associated with a proposed collective bargaining agreement before it becomes binding on the district.

Attached are the reporting form and instructions necessary to comply with the AB 1200 Public Disclosure Requirements and Government Code Section 3547.5 for proposed or tentative collective bargaining unit agreements:

- Summary of Proposed Agreement: For submission to the governing board and the county superintendent of schools District Advisory Services.
- Form for Public Disclosure of Proposed Collective Bargaining Agreement: For review and inspection by the public. (Generally most of the information on this form *is pulled from the Summary of Proposed Agreement*)
- General Instructions

AB 2756 (Daucher) made minor changes to the AB 1200 Collective Bargaining reporting requirements and we have revised our disclosure form to comply with the new law. The superintendent and chief business official must now sign a certification on the form certifying that the costs incurred by the school district under the proposed agreement can be met during the term of the agreement. These signatures must be on the disclosure sent to our office for review. A final certification including the board president's signature is to be sent after the agreement is adopted at a public board meeting. In addition, board-approved budget revisions required to fulfill the terms of the collective bargaining agreement for the current fiscal year must be submitted to the county office for processing within 45 days of adopting the agreement and prior to the next interim financial reporting deadline. Board minutes should accompany the board-approved budget revisions. 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 agreement, the County Superintendent of Schools must issue a qualified or negative certification for the district on the next interim report.

Both of these forms must be made available for their specific purposes prior to the date the governing board will take action on the proposed collective bargaining unit agreements. Our office requests that the information be provided to your district financial advisor no later than ten (10) days prior to the scheduled board meeting. Instructions for completing the forms are attached for your information. A copy of the district's proposed agreement with the bargaining units must accompany the forms. The forms are available in an Excel format. Also include a copy of your district's most recent financial/budget report to validate the data being used in Column 1, page 4, for the district current operating budget.

The forms include the completion of the impact of the agreement on the district's most recent multi-year financial projections. Districts may complete the multi-year impact on the AB 1200 forms or supply Business Advisory Services with an updated district-generated spreadsheet that shows the before and after impact of the agreement on each subsequent fiscal year. A listing of the ADA, revenue, and expenditure assumptions used in the projections should also be provided.

If you have any questions regarding completion of these forms, please contact Business Advisory Services.

DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT - SUMMARY

GENERAL INSTRUCTIONS:

- Please submit this form to the county superintendent of schools and make available to the public for review at least ten (10) working days prior to the date the governing board will take action on the proposed bargaining agreement.
- Separate documents must be completed for each collective bargaining agreement, but if more than one agreement is discussed at the same time, you may summarize the financial impact of “all” agreements on page 4 (MULTI-YEAR PROJECTIONS).
- Any time a contract is reopened with a financial impact on “any area of compensation,” a disclosure of the proposed agreement must be made.
- The specific manner in which the public is made aware of the proposed agreement and its availability for public inspection and review is at the discretion of the local district.
- The governing board shall adopt revisions to its budget needed in the current fiscal year to fulfill the terms of the collective bargaining agreement within 45 days of adoption (E.C. Section 42142). Provide a copy of the board-approved budget revisions and board minutes to the county office.
- All revisions to the budget needed in the current fiscal year to meet the costs of the collective bargaining agreement shall be adopted no later than the statutory deadline for certification of the next interim report by the county superintendent of schools (G.C. Section 3547.5, E.C. Section 42131) or the county superintendent will have to certify interim report as “Negative” or “Qualified”.

SPECIFIC INSTRUCTIONS FOR COMPLETION – SUMMARY:

In Top Section: Enter district name and name of bargaining unit; also enter date of governing board meeting to review/approve proposed agreement. Districts also need to enter a date 45 calendar days after the board approval date. This is the deadline date for districts to submit budget revisions to the Business Advisory Services to implement the terms of the proposed agreements. Districts must submit revisions within 45 days or prior to any interim report submission deadline dates.

Section 1: Status of Bargaining Unit Agreements

- a. Indicate name of Bargaining Unit Representation and # of FTE members affected.
- b. Use separate form for each distinct bargaining unit representation.

Section 2: Period of Agreement

- a. Indicate the beginning and ending date of the agreement, generally 7/1 – 6/30 but include all years covered.

- b. If the agreement includes re-openers in following fiscal years, indicate what years and for what specific items, i.e.: salaries, health benefits, etc.

Section 3: Percentage Increase in Salaries in Proposed Agreement

- a. Current Year Salary Cost before Settlement: Enter the total annual cost of all salaries for the bargaining unit prior to the proposed agreement. Remove any “one-time” bonuses or payments that were paid in prior year, if applicable.
- b. Current Year Proposed Salary Cost After Settlement: Enter the total annual cost of all salaries for the bargaining unit after the proposed agreement. Include the costs associated with step and column increases and any retroactive salaries.
- c. Total Cost Increase/Percentage Increase: These lines will compute based on amounts input in previous lines.
- d. Salary Increase: Indicate the average % increase to the existing salary schedules being provided in the proposed agreement.
- e. Step & Column: Indicate the average % increase over the prior year for step and column advancements per employee.
- f. Total % Increase for Average Represented Employee: Total salary increase % and step/column average increase %, this line will compute based on data input in previous lines.

Section 4: Benefits Percentage Increase in Employee Benefits

Statutory Benefits

- a. Current Cost Prior to Proposed Agreement: Enter the total prior year cost of *Statutory Benefits* of the bargaining unit prior to the proposed agreement. If applicable, exclude any “one-time” benefit costs that would not carry over to current year.
- b. Proposed Costs: Enter the total annual cost of Statutory Benefits of the bargaining unit after the proposed agreement. Include the benefits associated with step and column increases and any retroactive salaries.
- c. Total Cost Increase/Percentage Increase: These lines will compute based on amounts input in previous lines.

Health/Welfare Benefits

- a. Cost Prior to Proposed Agreement: Enter the total annual cost of *Health/Welfare Benefits* of the bargaining unit prior to the proposed agreement. If applicable, exclude any “one-time” costs that would not carry over to current year.
- b. Proposed Costs: Enter the total annual cost of Statutory Benefits of the bargaining unit after the proposed agreement. Include the benefits associated with step and column increases and any retroactive salaries.
- c. Total Cost Increase/Percentage Increase: These lines will compute based on amounts input in previous lines.
- d. Prior Year Cap on Health Benefits/Proposed Agreement Cap on Health Benefits: Enter the prior year cap per employee and the current year cap per employee based on proposed agreement.

Section 5: Total Cost Increase for Salaries and Employee Benefits in Proposed Agreement

- a. Current Year Cost before Settlement: These lines will pull from previous Sections 3 & 4.
- b. Current Year Cost after Settlement: These lines will pull from previous Sections 3 & 4
- c. Total Cost Increase: This line will take the difference between the Current Year Costs Before Settlement and the Current Year Costs After Settlement
- d. Percentage Increase: Will calculate automatically
- e. Cost of 1% Increase: Will calculate automatically based on Current Costs before Settlement indicated in previous sections.

Section 6: Other Provisions (Compensation and Non-Compensation)

- a. Other Compensation: Enter narrative of any other compensation included in proposed agreement such as off-schedule one-time stipends, bonuses, etc. Be specific as to total cost and employees affected.
- b. Non-Compensation: Enter narrative of any other non-compensation adjustments in proposed agreement such as class size adjustments, staff development days, etc. Be specific as to employees affected and affect on instructional or support programs.
- c. Contingency Language: Enter narrative of any specific areas for re-openers in current or subsequent fiscal years if multi-year agreement and any other specific contingency language for additional unrealized state funding, etc.

Section 7: State Minimum Reserve Calculation

- a. Total Expenditures and Other Uses: This line will pick up expenditures listed in following multi-year projections.
- b. Minimum State Reserve Percentage: Enter the state reserve % for your specific sized district, generally 3%.
- c. Minimum State Reserve Requirement: This line will calculate the minimum state reserve amount required to maintain for your size district.

Section 8: Date of Governing Board Approval of Budget Revisions

- a. Enter date of governing board approval of budget revisions. These revisions need to be submitted to the county superintendent within 45 days of approval and prior to next Interim Report submission or district will receive a Qualified or Negative Certification.

Section 9: Impact of Proposed Agreement on General Fund Budget in Current Year and Two Subsequent Years

- a. In Column 1, enter latest board approved operating budget (i.e. from 1st Interim, 2nd Interim or if take budget revisions monthly to board, most recent operating budget). Please provide our office with a budget printout recognizing the current operating budget being utilized for this disclosure.
- b. In Column 2, enter budget adjustments to be made in order to implement the terms of the proposed agreement. If these amounts differ from the amounts listed in Section 5, Total Costs, please identify in the narrative section.

- c. In Column 3, enter any other budget adjustments pending that may impact the ability of the district to meet the minimum reserve requirements with the implementation of this agreement. If the district is approving multiple agreements, the costs of any other settlement pending can also be included in this column. The district must indicate whether the funding for the agreement is coming out of designated reserves, the unappropriated reserves, or additional revenues (i.e. increase in ADA, increasing state aid revenues, etc.)
- d. In Column 4, these are calculated amounts taking the salary budget adjustments from the current board approved operating budget to get the new operating budget and reserve components.
- e. The form will calculate whether or not the district is meeting the minimum reserve requirements by indicating OK. If not meeting minimum reserves, please explain rationale for why district is not meeting reserves and the plan to remedy. Districts not meeting reserves and contemplating approving additional salary agreements will trigger additional county intervention.
- f. For the two subsequent fiscal years, the district should be utilizing the most current board approved multi-year projections for Column 1 and the ongoing affect of any increases in Column 2. The form will pick up the previous year's ending fund balance as the beginning fund balance for this subsequent period in Column 1.
- g. The first line of each fiscal year is to enter the Revenue Limit ADA being utilized for funding purposes.
- h. Districts should use the lines at the bottom of each projection year to indicate any assumptions used for reduction or increases in staffing, revenue adjustments for COLAs, etc.
- i. Districts may use an alternative MYP format, if approved by the Business Advisory Services prior to submission; however the alternative form must reflect the budgets before and after the proposed agreement.

Section 10: Multi-Year Contract

- a. Input narrative of any provisions in the proposed agreements for COLAs or other compensation in the subsequent fiscal years.

Section 11: Impact of Proposed Agreement in Future Fiscal Years

- a. Input narrative listing assumptions used to determine that resources would be available to fund these obligations in the future fiscal years. (i.e. Revenue Limit COLA, staffing reductions due to declining ADA, etc.)

Section 12: Narrative of Agreement

- a. Input narrative of all proposed changes in compensation or health premiums; include effective dates of changes and any other comments or explanations. This information will copy over to the public disclosure forms.

Section 13: Current Year Funding for Proposed Agreement

- a. Input narrative listing the sources of funding available to cover the costs of the proposed agreement in the current fiscal year. (i.e. Revenue Limit COLA, staffing reductions, staffing ratio changes, Categorical COLAs, etc.)

Section 14: Comparison of Proposed Agreement to Change in District Base Revenue Limit

- a. Input current year base revenue limit rate per ADA after any inflation increases.
- b. Input prior year base revenue limit rate per ADA.
- c. This line will calculate automatically providing revenue limit increase per ADA.
- d. This line will calculate automatically providing the % increase or decrease in revenue limit per ADA.
- e. This line will pull the % increase for the total increase in salaries or benefits. The district must provide an explanation of any proposed increases in excess of the % change in revenue limit per ADA funding.

CERTIFICATION

The certification must be signed by BOTH the district superintendent and chief business official certifying that the costs incurred by the district under the proposed agreement can be met by the district during the term of the agreement. These signatures must be present when submitting this document to Business Advisory Services prior to the board taking action to approve.

After the board takes approval action, the board president must sign indicating the governing board approval date and the signed certification along with all budget revisions must be submitted to Business Advisory Services within 45 days of the board approval date or by the next Interim Report submission date, whichever is earlier.

_____ County Office of Education
School Business Advisory Services

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

Name of School District: _____
Name of Bargaining Unit: _____
Certificated, Classified, Other: _____

The proposed agreement covers the period beginning: _____ and ending: _____
(date) (date)

The governing board will act upon this agreement on: _____
(date)

Note: This form, along with a copy of the proposed agreement, must be submitted to the county office at least ten (10) working days prior to the date the governing board will take action.

A. Proposed Change in Compensation

Compensation	Annual Cost Prior to Proposed Agreement FY -	Fiscal Impact of Proposed Agreement		
		Year 1 Increase/(Decrease) FY -	Year 2 Increase/(Decrease) FY -	Year 3 Increase/(Decrease) FY -
1 Salary Schedule (This is to include Step and Column, which is also reported separately in Item 6.)	\$	\$	\$	\$
2 Other Compensation Stipends, Bonuses, Longevity, Overtime, Differential, Callback or Standby Pay, etc.	\$	\$	\$	\$
Description of other compensation				
3 Statutory Benefits – STRS, PERS, FICA, WC, UI, Medicare, etc.	\$	\$	\$	\$
4 Health/Welfare Plans	\$	\$	\$	\$
5 Total Compensation – Add items 1 through 4 to equal 5	\$	\$	\$	\$
6 Step and Column – Due to movement plus any changes due to settlement. This is a subset of Item No. 1.	\$	\$	\$	\$
7 Total Number of Represented Employees (Use FTEs if appropriate)	0.00			
8 Total Compensation Average Cost per Employee				