FACTFINDING REPORT AND RECOMMENDATION

In a Matter Between, LAS LOMITAS EDUCATION ASSOCIATION, And LAS LOMITAS ELEMENTARY SCHOOL DISTRICT,	Case No.: SF-IM-3427-E DATE: OCTOBER 2, 2024

FACTFINDING PANEL

CHERYL A. STEVENS, IMPARTIAL CHAIRPERSON
Stevens Arbitration
6114 LaSalle Ave., #612
Oakland, CA 94611
cstevensarb@gmail.com

MATT PHILLIPS, Associate Vice President
School Services of California
1121 L Street, Ste. 1060
Sacramento, CA 95814
mattp@sscal.com

LARRY SPOTTS, Regional UniServ Staff
California Teachers Association
14523 Catalina St., Suite A
San Leandro, CA 94577
Lspotts@cta.org

Appearances By:

District:

Sarah Niemann, SSC
Gina Beltramo, Lead Deputy County Attorney for San Mateo County
Alain Camou, Principal
Bjorn Wickstrom, Principal
Gautam Nadella, Board Member
Beth Polito, Superintendent
Valerie Park, Assistant Superintendent
Mei Chan, Chief Business Officer
Mark Jones, Human Resources Coordinator

Association:

Jennifer Montalvo - co-president
Tara Berta - outgoing co-president
Tanya Rianda - co-chair of negotiations committee
Whitney Thwaite - co-chair of negotiations committee
Nicole Lycett - negotiations committee
Rebecca (Becky) Reddy - negotiations committee
Amy Malay - negotiations committee
Valerie Luke, CTA Staff

PROCEDURAL BACKGROUND

The current collective bargaining agreement ("CBA") between Las Lomitas Elementary School District ("the District") and the Las Lomitas Education Association ("LLEA" or "Association") expired on June 30, 2023 and the parties began negotiating for the successor agreement for the 2023-2024 academic and fiscal years.[1] The parties began negotiating in

[1] Although the 2023-2024 CBA is at issue in this Factfinding, the Panel agrees that a multi-year contract is best because the parties frequently find themselves out of contract and, the persistent uncertainty and prolonged negotiation process disrupts the school community, erodes morale, and interferes with a harmonious labor/management relations. Therefore, in addition to the 2023-2024 recommendation, a multi-year contract 2023-2025, recommendation is included.

December 2023 and although they were able to reach agreement on many provisions of the successor agreement, on May 30, 2024, they reached impasse on Article 6-Compesation and Article 7-Health and Welfare Benefits.

There were a total of twelve bargaining sessions before the parties reached impasse and entered mediation on July 8, 2024. Unfortunately, the parties were unable to resolve the dispute after the second day of mediation on July 25, 2024, and the bargaining efforts were moved to Fact Finding. On September 3, 2024, PERB notified the District and the Association that Cheryl A. Stevens had been appointed as the neutral chair for the Fact Finding and the Fact-Finding hearing was held on October 2, 2024.

ISSUE

The parties presented the following issues to the Factfinding Panel:

1. Article 6 Compensation- The Association seeks a 10% salary increase retroactive to July 1, 2023, and the District's last offer was a 5% salary increase retroactive to July 1, 2023, and include the "Tenure Stipend" in the salary schedule.

2. Article 7 Unit Member Benefits- The Association wants an increase in the annual health and welfare benefit cap by $3198 from $11288 to $14498 for 2023-2024 and implement a floating cap of 110% of Kaiser employee only for dental, vision and life insurance. The District proposed an increase of annual health and welfare benefit cap by $1972, from $11288 to $13260 for 2023-2024.

STATUTORY CRITERIA

California Government Code Section 3548.2 sets forth the criteria that factfinders must consider in matters such as this one:

1. State and Federal laws that are applicable to the Employer.

2. Stipulation of the parties.

3. The interests and welfare of the public and the financial ability of the public schools.

4. Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding 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 good 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. Such other facts, not confined to those specified in paragraphs 1 through 6, inclusive, which are normally and traditionally taken into consideration in making such findings and recommendations.

FACTUAL BACKGROUND

There are two schools in the Las Lomitas Elementary School District ("District") that serve 1100 students in grades Transitional Kindergarten ("TK") to 8th grade. Las Lomitas Elementary School serves students in grades TK- 3rd grade and La Entrada Middle School serves students in grades 4th-8th. These two schools serve students from the southwestern area of Atherton, an unincorporated area of San Mateo County, the western section of Menlo Park, a portion of Woodside, and the community of Ladera (unincorporated San Mateo County). Additionally, the District receives five percent of its student population from East Palo Alto and East Menlo Park. The District students represent various cultures, languages, and backgrounds. The diversity of the student population includes 45.25% of students that are white, 23.4% are

Asian, 16.5% are Hispanic, 13.9% are two or more races and 0.4% of the students are African American.

The District schools have been recognized for their high academic standards and exceptional student achievement. Both schools have received awards, such as the California Distinguished School Award and the National Blue Ribbon Award highlighting the schools' excellence in education.

The District is a public school employer within the meaning of Section 3540.1(k) of the Educational Employment Relations Act ("EERA"). The Las Lomitas Education Association ("LLEA" or "Association") is a recognized employee organization within the meaning of Section 3540.1(1) of the EERA and has been the duly recognized representative of the certificated non-management bargaining unit of the District. The Parties to this Fact Finding have complied with the public notice provisions of Government Code section 3547 (EERA) . The current contract is a successor contract and there are two issues remaining for the Fact-Finding panel: Article 6- Compensation and Article 7- Unit Member Benefits.

The District agreed to a 5% wage increase in the 2022-2023 academic year and when the 2023-2024 negotiations began the teachers sought almost three times the amount of the last wage increase. Specifically, on February 6, 2024, the Association requested a 12% wage increase and a $448 monthly increase in health benefits. The District responded on March 12, 2024, offering a 3% wage increase and an annual increase of $1882 in health and welfare benefits. The Association's March 19, 2024, counter sought an 11% wage increase, while the District maintained its position regarding the wage increase but increased the health and welfare benefits to $1972 covering 100% of an employee only Kaiser coverage for vision, dental and life. The Association requested a 10.5% wage increase and made no move regarding health and welfare benefits. On May 16, 2024, the District offered a 4.5% wage increase and stood firm on the annual increase in health and welfare benefits in the amount of an additional $1972. On the same day the Association requested a 10% wage increase and made no change to their position on health and welfare benefits. A week later, the District increased its offer to a 5% wage increase but stood firm on the offer regarding health and welfare benefits. When the Association responded on the same day, May 24, 2024, the only new aspect of their demand was a request for a 110% floating cap coverage at the employee only Kaiser rate for dental, vision and life. As of May 30, 2024, the parties were at impasse, and they were unable to make any movement after two mediation sessions. Thereafter, the matter was referred to Fact finding.

The parties have complied with the EERA regarding the selection of the Fact-Finding Panel and on September 3, 2024, PERB appointed Cheryl Stevens as the third party neutral.

A. <u>Financial Data</u>

The evidence presented by the parties is in dispute as to whether the District has the financial means to pay the Association's proposed wage increase of 10% and $3198 annual increase for health and welfare benefits. The Association contends the District has consistently received property tax increases equating more than 73% and in the past four (4) years, the District's total revenues have increased by more than $9,000,000. As a result, the District has one of the highest per student revenues of all the districts in the Bay Area and by the end of the 2023-2024 academic year the District had more than $20,000,000 in unrestricted reserves. The Association therefore concludes the District has the financial capability of increasing their wages by 10% especially if the District reprioritizes the budget and eliminates some of the wasteful and unnecessary expenses and focus on supporting the teachers through their requested wage increase. Contrary to the District's claims, it is highly unlikely that the District's revenue from property taxes will decrease in the future. In fact, the unaudited actuals reveal higher revenues and lower expenditures than expected with a 2023-2024 surplus of approximately $600,000. Since the District is community funded, the District must establish a safety net which is the difference between the property tax revenue and the amount allotted by the Local Control Funding Formula ("LCCF"). The difference for Las Lomitas is more than $15 million. The unrestricted reserves are intended to cover the recurring costs associated with employee wages and benefits and the day-to-day operational expenses. The 2023-2024 unrestricted revenue was approximately $34 million, and the unrestricted expenses were approximately $27 million. The District prefers to maintain 55% of reserves to cover any unexpected circumstance. The District's reserves percentage would have been reduced to 47% (**a 6% decline)** had the District paid the 5% wage increase by June 30, 2024. As a result, the District contends the Association's demand for a 10% wage increase is excessive and would significantly deplete the reserves. The cost to the District for a 10 % wage increase and the 110% floating cap would trigger a deficit in the amount of approximately $271,000 for a total cost of $1,938,000. This amount does not include the impact this wage increase would have on the other District employees who have a "Me Too" provision in their contracts. If the Association's proposal is adopted the total additional cost would result in a $3.400,000 drain on the District's reserves.

Although the District is a basic aid district and therefore, not dependent on revenue from the State, it is prudent for the District to assume a conservative approach and maintain a reserve percentage of 50% or more in the event there is a significant shift in the amount the District is able to collect from property taxes. The District therefore believes the 5% wage increase that it offered is more fiscally sound and will allow the District to maintain its commitment to a high level of academic excellence through support of ongoing professional development and various academic programs.

Furthermore, the District maintains that the wages and guaranteed stipends available to all employees across the board, place the District at the top of the compensation ladder.[2]

B. Wage and Benefit Comparison

Another statutory criteria to consider is a comparison of the wages, hours and condition of employment of the employees involved in this Fact Finding compared to the wages, hours, and conditions of employment of employees working in comparable positions and comparable communities. The Association identified ten (10) school districts they believed share a similar funding structure and demographics. Specifically, the ten districts the Association analyzed all receive their primary funding from local property taxes. Based on the Association's comparison, for a starting salary at Step 1[3] and a teacher with maximum units and years without a master's degree LEEA members were at the bottom of the salary chart and second from the bottom for a mid-level teacher at Step 10.[4] (Association Exhibit 9(5)) Keep in mind the wages reflected on the chart, report wage increases for the 2023-2024 (6 districts) and 2024-2025 (4 districts) compared to the 2022-2023 District wages. Additionally, three of the comparison districts are high school districts and do not reflect the best apples to apples comparison. However, notwithstanding these two distinctions in the comparison chart provided by the Association, the District teachers are definitely paid significantly less than those teachers working in neighboring

---

[2] The Association has requested the supporting data regarding the stipends but to date the District has not provided the information identifying the number of unit members who receive the advance education and national board stipends.

[3] A teacher with a BA and 30 units.

[4] A teacher with a BA and 60 units.

communities even though the District is in one of the wealthiest school districts in the country. There is no reasonable explanation for this significant wage disparity.

By comparison, the District relies on twenty (20) school districts within a 25 mile radius and with a student population between 1000 and 6000. These twenty districts are all elementary and unified school districts and only three (3) overlap with the Association's comparison chart (Hillsborough, Menlo Park, and Los Gatos Union). (District Exh. 17) According to the District's analysis, the compensation package received by an entry level teacher with a BA and 30 units places Las Lomitas teachers right in the middle of this group of 20 schools; while teachers with a BA and 60 units at Step 10 are the sixth highest paid, and when comparing those at the top of the salary chart, District teachers are the fourth highest paid. (*Id.*)[5] Finally, the District contends they have the highest retention rate at 85%, evidence that the teaching staff is happy and enjoys working in the District. (District Exh. 18) The Association disputes this claim citing the number of teachers that left last year and the fact that 98% of the Association members have voted to strike. These two facts, according to the Association, illustrate teachers' dissatisfaction with the uncertainty of annual contract negotiations and the ongoing impact it has on morale and retention.

The Association provided testimonials from numerous teachers describing how they cannot afford to live in the District and have been forced to take on second and third jobs to feed, clothe, house, and provide insurance for their families because of rising inflation and their low wages. (Association Exh. 10)

---

[5] Of particular note, the District has included the longevity stipend Las Lomitas teachers receive once they have been employed for three years. This stipend may be unique to Las Lomitas therefore, the wage comparison does not include a similar stipend.

The District believes that the proposed 5% wage increase keeps the District employees competitive and allows the District to function in a fiscally responsible manner. The District acknowledges that while some of the other districts have provided a higher percentage (6-7.5%) wage increase, the District's proposal is reasonable and is in the median or average range of the twenty comparison districts. (District Exh. 16)

C. Non-Wage Related Issues

One non-wage related issue looming over this Fact Finding was the Association's announcement that 98% of their membership has voted to strike in the event a settlement is not reached. A strike would definitely have a severe impact on the students in the District. Although a strike would bring attention to this labor dispute and demonstrate to the District how much the teachers are willing to sacrifice for better wages, the students will surely suffer even if only in the short term as their school year will be interrupted by a work stoppage of any kind or duration. It is beyond cavil that the parties are unable to settle this labor dispute considering the revenue generated by the well-healed Atherton community. The revenue generated by the property taxes is not only consistent but also a reliable resource for this basic aid district such that its teachers should be paid a more competitive wage.

DISCUSSION AND RECOMMENDATION

It is the role of the Panel to apply the relevant factors set forth in EERA, to the facts underlying the impasse presented, and render its best recommendation considering those factors. The factors that apply are discussed herein.

///

///

A. The Interests and Welfare of the Public and the Financial Ability of the Public School

The parties disagree on whether the Association's proposed wage increase of 10% and $3198 annual increase for health and welfare benefits is fiscally responsible. From the Association's perspective the District has consistently received property tax increases of more than 73% including a total increase in revenues of approximately $9,000,000 since 2019-2020. (Association Exh. 9(18)) As a result, the District prefers to hold on to more than 50% of its reserves. The Association's request for a 10% wage increase and additional $3198 for health and welfare benefits would cost the District $2.8 million dollars. While this cost includes the amount the District would pay pursuant to the 'Me Too" clauses in the contracts of the unclassified employees, a 10% wage increase would reduce the reserves balance by approximately $3 million. (District Exhs. 1 and 21)

Although the District maintains more reserves than the amount mandated by the State a 10% wage increase would significantly impact the District's reserves and limit the level of available funding for educational programing and events as well as limit the funds available for the 2024-2025 negotiations. While it is unlikely there will be a decrease in property taxes in the coming years, it will take some time to replenish the reserves if depleted by a 10% wage increase that would have to be paid retroactively to July 1, 2023.

Contrary to the District's claims, a wage increase more than the 5% the District has offered will not severely restrict the District's ability to pay for the operating expenses, especially in light of the $600,000 surplus the District received last year. Furthermore, since the District is a basic aid district and is not dependent on revenue from the State, there is little doubt that there will be a reduction in the revenue the District receives from property taxes. Therefore, while there is certainly merit to each side's claims, the proposed 10% wage increase would have a significant impact on the reserves while the District works on reprioritizing its expenses so that it can free up funds for wages and benefits while maintaining the desired level of reserves. Alternatively, the 5% wage increase ignores the financial hardship the teachers are experiencing and does not demonstrate a sincere commitment to improving the financial welfare of District employees.

A 7% wage increase for the 2023-2024 year is reasonable and appropriate notwithstanding the Association's position that the cost-of-living increases mandates a 10% wage increase. The recommendation of 7% recognizes the parties are now a year behind settling the 2023-2024 contract and will soon have to begin negotiations for the 2024-2025 academic year and is an attempt to encourage compromise among the parties. The recommendation recognizes the need for the District to make adjustments to its spending practices while compensating the teachers at a greater rate than what was offered and by accepting a 7% increase instead of 10% the teachers are able to resolve the dispute now while preparing to negotiate for an additional increase for the 2024-2025 school year. There is no dispute that the recommendation is less than the Association's 10% demand and more than the District's 5% offer; but is intended to encourage settlement without further delay while the parties analyze each other's respective positions.

According to the District, each percent increase cost the District $275,000 for salaries and statutory benefits for all District employees. Accordingly, the total cost to the District for a 7% wage increase for all District employees would be approximately $2 million, a difference of approximately $800,000 compared to a 10% wage increase. This proposed wage increase would make the District more competitive with neighboring districts and aid in efforts to recruit and retain committed and qualified teaching personnel.

B. Comparison of the Wages, Hours, and Conditions of Employment of the Employees with other Employees in Public School Employment in Comparable Communities.

Depending on which set of comparisons are used the Association members are either at the bottom of the salary chart or in the middle. An agreement to a wage increase of 7% demonstrates a commitment by the District to improve the conditions of employment for all of their employees. Additionally, agreeing to a multi-year contract at this time also shows that each party values each other's time and recognize the emotional and physical cost associated with annual negotiations and the ways that process can erode the labor/management relationship. Therefore, an additional 5% increase for 2024-2025 will also show that the District is committed to supporting its employees through this period of inflation and that it recognizes the hardship its employees endure with the annual wage negotiations that can take an entire year or longer to resolve.

Likewise, the Association's agreement to accept less than the 10% wage increase will go a long way to solidifying strong labor/management relations in the small community focused school district. This sacrifice by the teachers will also establish their understanding of the value and importance of reasonable compromise to foster a positive and amicable labor/management relationship. Agreement on this proposal will further demonstrate each party recognizes they have to sacrifice a little for the good of the whole and this is just one of those circumstances when each parties' sacrifice will greatly collectively benefit the children.

C. The Consumer Price Index.

The data submitted by the District shows a steady increase of CPI for the State for the past several years, especially immediately following the pandemic. The chart the District provided also shows that over the course of the eleven (11) years reported on the chart, wages have not kept up with the CPI or the COLA for four of those years . A (District Exh. 2) Even though the proposed 5% wage increase for 2024-202$ is more than the State CPI of 3.46% for the same year, it is significantly less than the, 8.22% COLA and for this reason the recommendation is intended to encourage the parties to move closer to a wage increase that provides sufficient financial support for the teaching staff. Accordingly, a 7% increase for 2023-2024 will be a step closer to bringing the wages up to meet the high cost of living.

D. The Overall Compensation Received by the Classified Employees.

The District insists it must act conservatively to be fiscally responsible especially since the "Me Too" agreements are triggered by any wage increase the certificated employees receive, thereby imposing a greater burden on the District's reserves. However, the 5% increase proposed by the District is simply not enough of an increase in light of the ongoing increases in the cost of living for all and especially anyone trying to live in this expensive District. While the District is committed to its history of pay parity with all of its employees, the Association's sacrifice, and willingness to accept less than 10% reflects a sacrifice from both parties towards a common goal. This recommendation in no way is intended to discredit the evidence presented at the Fact Finding but rather an attempt to bring the parties closer together sooner and with the goal of balancing the District's interest in maintaining reserve percentage in excess of 50% and the Association's goal of securing a living wage for its unit members.

E. Any Other Factors Relevant to Fact Finding.

This catchall category considered in Fact Finding, includes factors which go to the equities of each party's respective position. Here, the equities reside in part with the Association because the District is situated in a wealthy district and is not dependent on student enrollment and funding from the State but rather on the increasing contributions from property taxes. The District is not at risk of losing the support of the revenue from property taxes nor is there an honest threat to a decrease in the revenue from these taxes. Although the security of the tax revenue is not guaranteed but is definitely reliable. The District should enjoy some comfort in knowing that the depleted reserves will be replaced such that it can afford to increase the compensation level.

The Association has reported the membership has voted to strike should their demands not be met. A strike will surely cost much more in terms of the effect it will have on the labor/management relationship, and the students. Moreover, a strike will impose a significant and harmful toll on this small closely knit community. Therefore, it would be prudent to take whatever steps necessary to avoid a strike allowing both parties to see the benefit of moving from their positions towards one that is economically feasible for the District and beneficial for the employees.

CONCLUSION

Given the record as a whole, and the factors considered in making this evaluation and recommendation, the Panel adopts the recommendations set forth herein . Specifically, the recommendation is a 7% increase retroactive to July 1, 2023, plus a one-time annual increase of $1972 and thereafter, implementation of a floating cap of 110% of the employee only Kaiser rate for dental, vision and life for employee only.

Alternatively, should the parties be interested in a multi-year contract, the Panel recommends a wage increase in the amount of 6% retroactive to July 1, 2023, and a 5% wage increase effective July 1, 2024. The health and welfare benefit for the multi-year contract would include a sufficient increase for 2024-2025 to cover the full annual premium for employee only at the Kaiser rate for vision dental and life to be implemented when new rates take effect on January 1, 2025. We conclude this recommendation is fair and equitable and consistent with the EERA guidelines.

Date: October 14, 2024

CHERYL A. STEVENS, Neutral Chairperson

CONCUR AND DISSENT

_______SEE EXHIBIT A___________________
MATT PHILLIPS, Associate Vice President
School Services of California

CONCUR AND DISSENT

______SEE EXHIBIT B_________________
LARRY L. SPOTTS, Reginal UniServ Staff
California Teachers Association

EXHIBIT A

DISTRICT'S CONCURRENCE AND DISSENT

EXHIBIT B

ASSOCIATION'S CONCURRENCE AND DISSENT

PROOF OF SERVICE

I am over the age of eighteen years and not a party to the within action. My business address is 6114 LaSalle Ave. #612, Oakland, California 94611.

On October 15, 2024, I served the documents named below on the parties in this action as follows:

FACTFINDING REPORT AND RECOMMENDATION

	BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses noted below and placed the envelope for collection and mailing, following our ordinary business practices. practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
	BY OVERNIGHT DELIVERY: I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses noted below. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.
X	**BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s) to be sent from e-mail address bfuller@lkclaw.com to the persons at the e-mail addresses noted below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
	BY PERSONAL SERVICE: I caused to be personally served a copy of the document(s) listed above on the parties at the addresses noted below.

MATT PHILLIPS, Associate Vice President
School Services of California
1121 L Street, Ste. 1060
Sacramento, CA 95814
mattp@sscal.com

LARRY L. SPOTTS
California Teachers Association
Regional UniServ Staff
14523 Catalina Street
Suite A
San Leandro, CA 94577
lspotts@cta.org

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 15, 2024 at Oakland, California.

Cheryl A. Stevens

CHERYL A. STEVENS

Las Lomitas Elementary School District-Las Lomitas Educators' Association Fact Finding
Opinion of the District-Appointed Panel Member–Concurrence in Part, Dissent in Part

This opinion is submitted under the provisions of Government Code 3548.3 and shall be permanently attached to the report of the factfinding hearing dated October 9, 2024.

Summary of the Concurrence in Part

The Chair incorporates a number of factual statements in both the Comparison Districts and the Findings sections of the report upon which this opinion concurs. The Chair acknowledged that the comparative districts submitted by the Association did not provide an "apples-to-apples" comparison because the Association's list incorporated three high school districts (out of 10 districts total) and was not consistent with a singular fiscal year. Alternatively, the District provided a comparative list that included all elementary and unified school districts within 25 miles, serving between 1,000 and 6,000 students. Using the most recently available state-certified data teachers in the District earn up to $160,000 annually which allows the District to maintain a highly compensated teaching staff that is balanced with outstanding program offerings and working conditions. This figure will increase once negotiations are settled for 23-24.

Maximum Scheduled Salary Plus Average District Contribution for Medical Benefits			
District	**Total Compensation**	**Maximum Scheduled Salary**	**Medical Benefit Premiums[2]**
Hillsborough City Elementary School District (ESD)	$169,517	$159,530	$9,987
Saratoga Union ESD	$162,417	$134,213	$28,204
Menlo Park City ESD	$157,903	$147,501	$10,402
Las Lomitas ESD	***$157,660***	***$146,634[1]***	***$11,026***
Sunnyvale ESD	$157,634	$139,457	$18,177
Ravenswood City ESD	$156,249	$141,451	$14,798
Los Gatos Union ESD	$155,786	$143,182	$12,604
Mountain View Whisman ESD	$152,816	$134,177	$18,639
Mt. Pleasant ESD	$144,371	$130,870	$13,501
Comparative Group Average	**$140,918**	**$126,759**	**$14,159**
Los Altos ESD	$140,598	$124,635	$15,963
San Carlos ESD	$134,317	$122,029	$12,288
Belmont-Redwood Shores ESD	$133,365	$122,029	$11,336
Statewide Elementary Average	**$133,079**	**$118,059**	**$15,020**
Jefferson ESD	$131,515	$119,106	$12,409
Moreland ESD	$129,540	$113,655	$15,885
Cabrillo USD	$129,528	$111,090	$18,438
Millbrae ESD	$129,054	$117,241	$11,813
Union ESD	$127,569	$125,868	$1,701
San Lorenzo Valley USD	$117,904	$105,904	$12,000
Pacifica School District	$117,668	$95,543	$22,125
San Bruno Park ESD	$114,408	$101,739	$12,669

Source: 2022-23 state-certified reports J-90
[1] Includes tenure stipend of $3,138, but excludes stipends for Master's Degree and National Board
[2] Amount represents average annual medical benefit premiums paid by the District on behalf of the employee

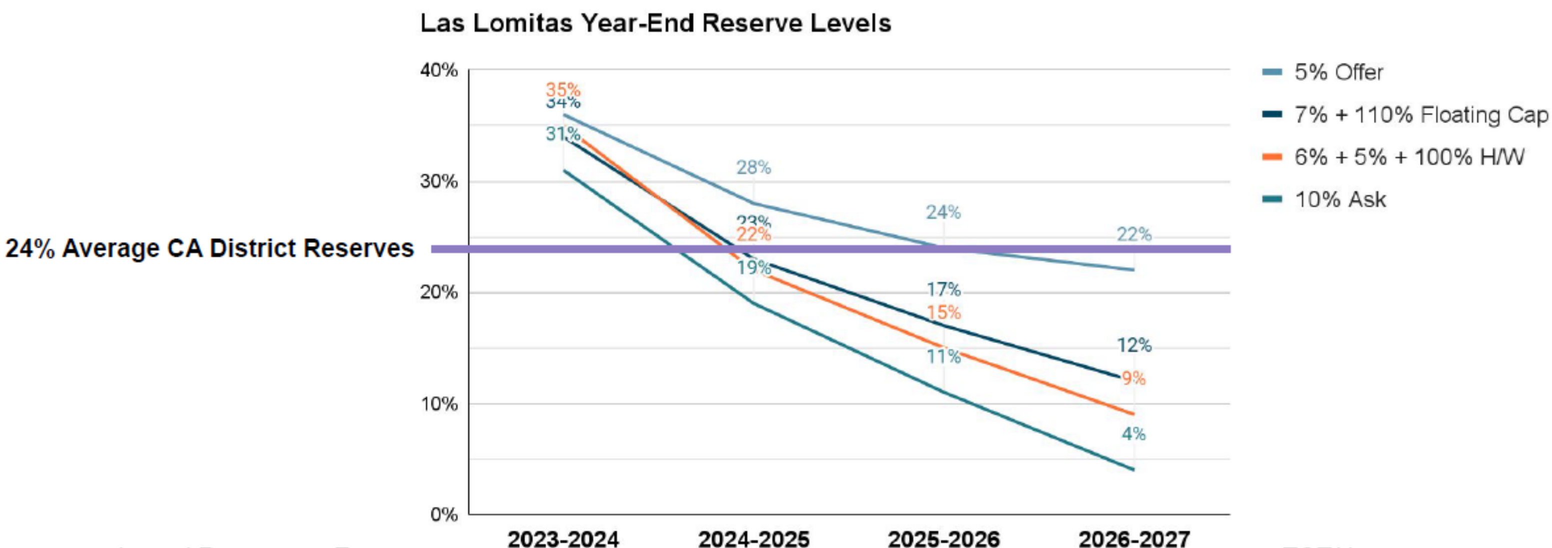
The concurrence is limited to those accurate, factual statements, as well as the recommended increase in the District's contribution for medical benefit premiums so that effective January 1, 2025, the District's contribution will be equivalent to the Kaiser employee only offering.

Summary of the Dissent in Part

In spite of findings above, the Chair relied on several erroneous data points in arriving at the recommendations in the report. Although the following errors in the report were identified prior to the finalization of the report the recommendations in the report were not amended accordingly.

First, the Chair provided no analysis on the impact of a salary settlement that increases salaries by 6% in 2023-24 and another 5% in 2024-25, nor did the Chair provide any support for how the 5% figure was reached for 2024-25. The fiscal impact of such a settlement would result in reductions of direct services for students and is not in the best interest of the constituents who financially support the school district.

The draft recommendations would cause Las Lomitas cash reserves to plummet to 9% or 12% by 2027.



Annual Revenues - Expenses	2023-2024	2024-2025	2025-2026	2026-2027	TOTAL
LLESD 5% Offer	**-$0.8M**	**-$2.8M**	**-$1.3M**	**-$0.7M**	**-$5.6M**
7% + 110% H/W float cap	**-$1.5M**	**-$3.7M**	**-$2.6M**	**-$2.2M**	**-$10M**
6% + 5% + 100% H/W	**-$1.1M**	**-$4.5M**	**-$3.1M**	**-$2.5M**	**-$11.2M**
LLEA 10% Ask	**-$2.3M**	**-$4.5M**	**-$3.4M**	**-$3.0M**	**-$13.2M**

Second, the Chair erroneously reported that implementation of the District's current offer for salary and benefits would only reduce the ending reserves by 2%. Implementation of the District's current offer would have reduced the reserves by more than 6% in 2023-24.

	Prior to Settlement	District's Proposed Offer of 5%	Inclusive of Settlement
2023-24 Unrestricted Reserves	$20,019,191	($1,600,000)	$18,419,191
2023-24 Expenses	$37,573,546	$1,600,000	$39,173,546
2023-24 Reserve Percentage	53.28%		47.02%

Third, the Chair incorrectly stated that property tax revenues for the District increased by more than $8 million over the previous four years. Rather, much of the revenue growth over the previous four years was from one-time, restricted funding provided by the Federal and State Government to prepare for and respond to the impact of the COVID-19 pandemic. To suggest that these dollars were available and should have been used for salary increases is not only wrong, but goes against the allowable uses established by the Federal and State Government which would result in fiscal penalties for the district.

Federal Government One-Time Funding	
ESSER[1] I	$26,907
ESSER II	$113,522
ESSER III	$255,137
Total	**$395,566**

[1]Elementary and Secondary School Emergency Relief (ESSER)

State Government One-Time Funding	
Expanded Learning Opportunity Grant	$680,306
In-Person Instruction Grant	$376,074
Learning Recovery Emergency Block Grant	$245,018
Arts, Music and Instructional Materials Block Grant	$665,512
Total	**$1,966,910**

Fourth, the Chair stated that the District has not maintained the purchasing power of employees, when in fact, the District provided evidence to the contrary. Over the previous 11 years, inclusive of the District's current offer of 5% effective July 1, 2023 and an additional $1,972 on the annual medical benefit contributions, the salary schedule has been increased by 37% while the District's contribution for medical benefit premiums has increased by the equivalent of a 2% salary increase. The total increase of 39% exceeds the consumer price index of 34.95%.

2013-24 through 2023-24	State Consumer Price Index		Salary Increases Ongoing	Medical Benefit Increases	Total Compensation Increases
Total	**34.95%**		**37.00%**	**2.00%**	**39.00%**

Closing Summary

In closing, my dissent in part is based upon the principle that the recommendations in the report were developed based on inaccurate information, and the recommendations were not adjusted even though the neutral was made aware of the inaccuracies. Further, the recommendations do not give adequate acknowledgement to the District's current commitment to teachers as illustrated in the total compensation table above, nor to the financial peril that would result from implementation of said recommendations.

As a reminder, this report is advisory and in no way binds the parties. I recommend that the District immediately reject the recommendations in the report, other than the recommendation for the increase in medical premiums to cover the cost for the Kaiser employee only effective January 1, 2025 and continue to negotiate locally to achieve a settlement that balances the needs of the Las Lomitas Educators' Association with the interest and welfare of local constituents, and programs offered to students.

Sincerely,

Matt Phillips, CPA
District Panel Member

To: Ms. Cheryl Stevens, Fact-Finding Panel Chair

From: Larry L. Spotts, Fact-Finding Panel

Re: Concurrence in part and Dissent in part regarding PERB Fact Finding Case SF-IM-3427-E

This communication constitutes my concurrence in part and dissent in part, on behalf of the Los Lomitas Education Association regarding your fact-finding report as Chair in this case.

I concur with the Chair's recommendations concerning all the issues at impasse. But, the fact that Las Lomitas Elementary School District (LLESD) management has forced its teaching force to work under a 2022-23 salary while having to pay 2024-25 prices is unconscionable. District management has failed students and the (Las Lomitas Education Association) LLEA educators that serve them deserve better.

3 facts from all fact-finding panelists' report and concurrences/dissents are clear:

1. All panelists, including the chair, agree that LLESD management's compensation proposal is inadequate.
2. The panel chair at no time implies that LLESD management can't afford or shouldn't provide a compensation proposal that aligns with LLEA's proposal. Her focus is on providing differential recommendations for management so that they will not continue what apparently is their insistence on forcing a strike.
3. All panelists agree that LLESD management is funneling 1 in 2 dollars it receives from its taxpayers into reserves at a time of record cost of living challenges for its teaching force.

As to the Chair's recommendation concerning salary, I dissent. If implemented, the Chair's recommendations are most likely to force a strike as LLESD is more focused on feathering their personal nests than promoting great schools for their students. School district budgets are moral documents that express a district's values. Through its refusal to fairly compensate LLEA educators, despite admitting having some $20 million of reserve dollars to do so, management shows it does not value educators, or the students they serve. LLESD management funnels 1 out of every 2 dollars it receives away from students and into reserves. University of California Professor of Public Policy, Rucker Johnson, explained at the Learning Policy Institute, that certain factors consistently boosted student achievement. Two of those factors were investing in teacher salaries and reducing teacher turnover. LLEA's proposals do both. Ms. Stevens suggestions do not go far enough, and management's proposals will continue to do harm to district students. Chair Steven's is too differential to management's excuses and outright refusal to reprioritize is bloated administrative budget to ensure every LLESD student has the best educator every day.

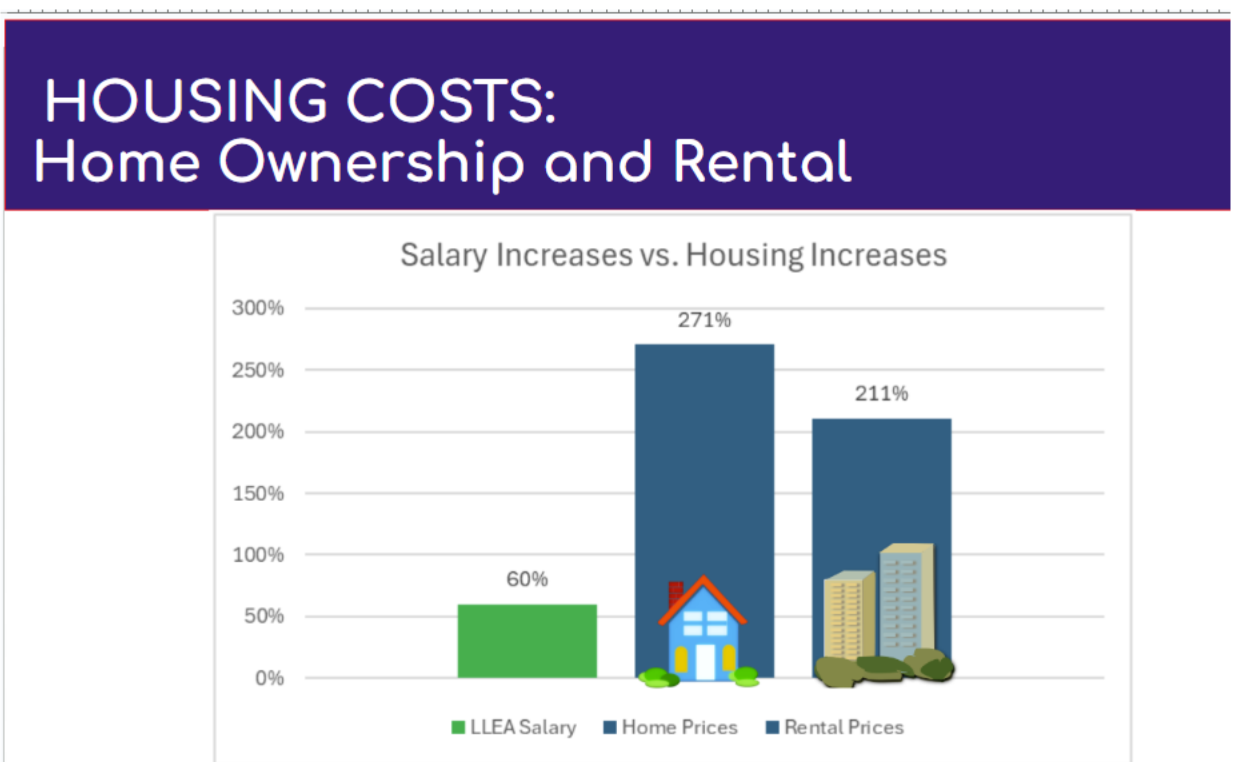
As stated on page 8, footnote 2, in the fact-finding hearing LLEA was promised supporting data for many of management's dubious claims (i.e. cost of step and column movement, number of LLEA members receiving certain stipends, etc.). Chair Steven's failed to include all of the requested and promised data that LLEA has requested and as of yet denied by management in her footnote. Even though LLEA and their panelist have requested this data several times, LLEA has yet received this data which prevents a full dissent based on all relevant and necessary data.

Concurrence and Dissent with Chair Steven's report:

1. P. 7 (Financial Data): I concur with Ms. Steven's conclusion that "Contrary to the District's claims it is highly unlikely that the District's revenue from property taxes will decrease in the next few years in fact, the unaudited actuals reveal higher revenues and lower expenditures than expected with a surplus of approximately $600,000."

2. P. 9 (Wage and Benefit Comparison): I concur with Ms. Steven's conclusion that " the District teachers are definitely paid significantly less than those teachers working in neighboring communities even though the District is located in the wealthiest school district in the country. There is no reasonable explanation for this significant wage disparity."

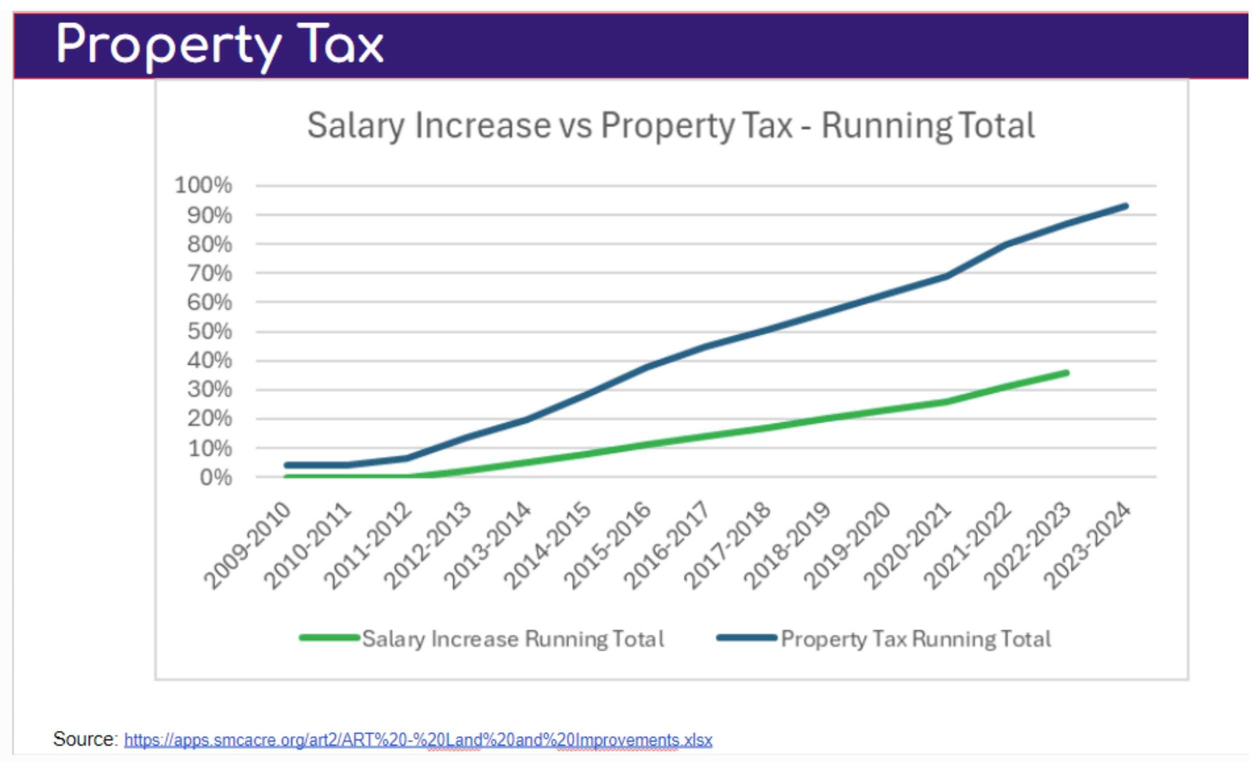
   I dissent with Ms. Steven's contention that her suggested increase in salary schedule would adequately invest district resources in educator retention and recruitment in light of the exorbitant cost of living in the school district, especially the cost of housing (see graph below for illustration.)



3. I concur with Ms. Steven's conclusion that the LLESD management is financially able to and should increase salaries and benefits more than they are offering.

   I dissent that the amount of the chair's recommended increase for salaries would adequately promote the educator retention and recruitment necessary to continue the outstanding educational reputation of this district as demonstrated on the above housing costs chart. The LLEA team successfully demonstrated how difficult it is for its members to afford to live within a respectable or manageable distance from their work. Being financially forced to waste a large portion of members' days commuting does not benefit students. All while management squirrels away 55% of its revenue in unrestricted reserves.

4. P. 7 (Financial Data) I concur with Ms. Steven's conclusion that "Contrary to the District's claims, a wage increase in excess of the 5% the District has offered will not severely restrict the District's ability to pay for the operating expenses, especially in light of the $600,000 surplus the District received last year. Furthermore, since the District is a basic aid district and is not dependent on revenue from the State, there is little doubt that there will be a reduction in the revenue the District receives from property taxes." The LLEA team presented several "reprioritizations of the district budget" if management is at all reasonably concerned with maintaining the highest percentage of unrestricted reserves of its comparable group. The graph below demonstrates how salary increases have not kept up with the increases in property tax revenues LLESD has received.



There are numerous wasteful expenses that can be reviewed to free up funds to reprioritize educators in the LLESD budget:

- Management has hired additional administrators for what is now a smaller district and has increased their salaries, some by an additional 8-51% over the standard increase that all other employees received.
- Management has increased spending on books and supplies, professional development, consultants and other operating expenses that are unnecessary.

It bears noting that LLESD is a district of only 1,100 students, the size of a middle school, yet has a full contingent of district office personnel, highly-compensated superintendent and other department senior management in Student Services and Special Education, Educational Services, Finance and Business Services, Human Resources and Technology Services. This array of senior management personnel can only be described as wasteful and educational fraud as it takes away needed resources for direct student services in the schools. Teachers and other educators with daily contact with students are the most effective student services in any school district. The district budget needs to reflect that fact.

Again, the Chair's low recommendation seems even more unjustified when we consider that the LLESD administrators have squirreled away over $20 million in unrestricted reserves from its well-deserving LLEA educators and their students. The report sadly seems not to be neutral and gives great deference to management's unsupported claims. A district of 1,100 students can't honestly claim it can't afford to pay its educators the best salaries when it insists on maintaining a bloated District Office administration

Educators greatly appreciate and recognize the Chair's service in this proceeding, but her remedy is misguided and out of line with facts regarding what the Las Lomitas public would expect from its schools. LLESD has the financial resources from ongoing property tax revenue and 55% unrestricted reserves to easily afford the LLEA proposals for salary and benefits.

I dissent as to the Chair's meager recommendation on salary, and I recommend that the LLESD School Board respect and recognize the extraordinary efforts and contributions of LLEA educators by immediately implementing the LLEA proposal of a 10% salary schedule increase, effective July 1, 2023 and 110% floating cap for all negotiated benefits (Kaiser single level healthcare, dental, vision and life) with the same July 1, 2023 effective date. My recommendation is reasonable when considering the "1st in class" unrestricted reserves" and the numerous areas in which the district budget can be reprioritized. Since the chair's recommendation for a multi-year agreement requires a reduction of an already inadequate compensation recommendation. I recommend a 1-year agreement only.

Please attach this concurrence in part and dissent in part to the final decision to be filed with the parties and with PERB (Public Em.

Thank you for your service to the parties.

Sincerely,

Larry L. Spotts

Regional UniServ Staff
California Teachers Association