

FACT FINDING DISCUSSION AND RECOMMENDATIONS

In the Matter of the Impasse Between

CABRILLO UNIFIED
SCHOOL DISTRICT

Employer

-and-

CABRILLO UNIFIED TEACHERS
ASSOCIATION
Exclusive Representative

PERB CASE NO: SF-IM-3404-E

Report Issued
May 30, 2024

Hearing Held on May 17, 2024
Cunha Middle School
600 Church St
Half Moon Bay, CA 94019

Members of the Fact Finding Panel

Impartial Chairperson:

Donald Raczka, Fact Finder

Employer Panel Member:

Matt Phillips, Associate Vice President
School Services of California

Union Panel Member:

Lisa Vieler, California Teachers Association

Making Presentations to the Fact Finding Panel:

For the Association:

Kathleen Beebe, California Teachers Association
Cabrillo Unified Teachers Association Bargaining Team: Claudia Lunstroth, Thomas Cox,
Jenny Scorpaci, Julie Ron, Kathleen Wall, Joseph Centoni, Kathleen Beebe

For the Employer:

Sarah Niemann, School Services of California, Inc.
Brianna Forester, Director of Personnel and Pupil Services
Cabrillo Unified School District

DISTRICT AND ASSOCIATION DESCRIPTIONS

Cabrillo Unified School District (CUSD) is located on the California coastside of San Mateo County and encompasses a large area of approximately 135 square miles. The District has a total population of 2748 students and the school district is governed by a five-member school board and a district office administration. The socioeconomic population is diverse with 46% of students qualifying for free and reduced lunch. 56.4% of our students are Hispanic or Latino, 40% White, 4.9% two races, 1.2% Asian, 0.6% Filipino, 0.4% African American. In addition to the ethnic subgroups, the District also measures students based on English learner eligibility and socio-economic status:

English Learners: 495 (18%);

Socio-Economically Disadvantaged: 1146 (41.7%)

CUSD serves students from preschool through adult school. The District operates two preschool programs, four elementary schools, one intermediate school, one comprehensive high school, one alternative high school/continuation school, and one adult education program.

The current Superintendent and the Deputy Superintendent of Business Services are both leaving the District at the end of this school year. The Chair was disappointed not to have the newly selected Superintendent of the District present for the Hearing.

The Cabrillo Unified Teachers Association (CUTA) is the exclusive representative of certificated non-management employees. Approximately 60% of the bargaining unit of approximately 144.8 FTE have advanced degrees, 75% live within the CUSD borders, 20% attended CUSD as students, 32% have children who have or currently attend CUSD.

FACTFINDING CRITERIA

Pursuant to California Government Code Section 3548.2, the panel has considered and been guided by the following statutory 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 schools.
4. Comparison of the wages, hours, and conditions of employment of the employees 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. 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.

HISTORY OF NEGOTIATIONS

The history of negotiations between the parties cannot be described as stellar. In their presentation materials, the Association submitted a history of impasses in 4 of the last 5 bargaining cycles.

For this particular impasse, the District and CUTA each “sunshined” proposals for a successor contract for the 2023-2024 school year on October 12, 2023.

The District’s sunshine provided the public notice of its intent to open the following articles:

- Article 2 : Compensation
- Article 3 : Health and Welfare Benefits
- Article 4 : Leaves of Absence
- Article 12 : Hours of Employment and Working Conditions

CUTA’s sunshine provided the public notice of its intent to open the following articles:

- Article 2 : Compensation
- Article 3 : Health and Welfare Benefits

Article 14 : Safety Conditions of Employment

The parties met several times, reaching tentative agreement on two Articles: Leaves of Absence and Safety Conditions of Employment.

The Public Employment Relations Board (PERB) determined the existence of an impasse on January 11, 2024, after declining an earlier request. There were two mediation days on February 28, 2024 and March 20, 2024. The mediator certified the parties to Factfinding on March 21, 2024.

DATA SUBMITTED BY THE PARTIES FOR PANEL CONSIDERATION

The Chair first wishes to comment on the availability of good data on the date of the Hearing. The District was unable to provide basic HR data that, in his experience, is fundamental and, in most cases, easily retrievable: A “scattergram” of bargaining unit members placement on the Certificated Salary Schedule(s) and a census of unit members on the Health and Welfare options. It is hard to understand how the parties can accurately predict the costs, both present and future, of proposals. In a district of this size, slight variations in position control can greatly affect the affordability of proposals.

Within its presentation, the Association described the 2022-23 bargaining cycle: “the district offered 0% in the form of compensation (District stated because of 5.29% 21-22 settlement)” Though the Chair may accept that as true in itself, it should be recognized no unilateral action

occurred and that the Parties mutually agreed to close that year instead of declaring impasse. The Chair believes the parties would have been well served by completing a major budget analysis during that bargaining cycle. Also, the Chair knows the parties would benefit from a mutual understanding of salary costs and Health and Welfare costs with updated accurate data.

All that being said, the Chair must use the facts in front of the Panel for 2023-24 in making his recommendations.

Since the issues at impasse merge to total compensation, the salary and related salary costs and health and welfare costs, the Chair will draw mainly on two factors from the data presented by both parties: comparability and affordability

Comparability

The District based Comparability on data from 2022-2023 J-90 reports, giving a broader, overall comparison of total comp with surrounding districts. The Association used specific salary schedules in comparing Cabrillo Unified with other county districts.

The Chair had difficulty finding particular comparative “cells” on the presented salary schedules where Cabrillo Unified teachers were ranked high. There is no question in the Chair’s mind that the Association data clearly illustrates the low comparability of salary and benefits in Cabrillo Unified. Of particular interest is a comparison of salary settlements in the county over the last few years. (To be fair, the Chair used available data for just the comparable districts named by the District in their presentation data, which were a subset of all county districts named by the Association.)

SALARY SETTLEMENTS

District		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Belmont-Redwood Shores	El	2.50%		2.00%		5.00%	3.00%
Burlingame	El	2.00%		3.00%	2.5%	7.00%	
Cabrillo	Un	3.00%	3.00%	5.29%	0%		
Las Lomitas	EL	3.00%	3.00%	5.00%	5.00%		
Menlo Park	EL	5.00%	2.50%	5.00%	5.00%	5.00%	3.00%
Milbrae	EL	2.00%	3.50%	2.00%	5.50%	4.00%	2.00%
Ravenswood City	EL	5.50%	10.00%		5.60%	7.81%	
Redwood City	EL	3.50%		4.00%	6.00%	4.00%	3.00%
San Bruno Park	EL	2.00%		4.00%	5.50%	5.00%	
San Carlos	EL	2.00%	2.00%	2.50%	5.00%		

The mutually agreed 0% settlement in 2022-23 has obvious affect for Cabrillo Unified when comparing these county settlements.

The costs for Health and Welfare are also difficult to compare. There is a two-tier system within the bargaining unit for health and welfare benefits. Those hired prior to 2011 have fully paid family benefits and those unit members hired after 2011 have employee paid benefits and must pay out of pocket for dependent care. That differing cost-per-employee make it difficult to compare with other districts when analyzing a “Total Compensation” comparison. Without an accurate census of Health and Welfare for each unit member, the Chair is reluctant to use the District provided cost per employee.

After reviewing all the data presented, the Chair believes the Association presented a solid case of low comparability with surrounding districts, albeit not as severe as they concluded.

Affordability

The Association’s solution to this low comparison is a proposal to try and fix it by an immediate but unrealistic 8.22% salary increase and an even more dramatic cost for their Health and Welfare proposal.

The Chair believes the District presented a compelling case on affordability. Much of the Association’s presentation on the District’s budget focused on what they believe are dramatic mistakes in priorities and out-and-out mismanagement. The assessment of these claims is clearly beyond the charge of the Panel as described earlier in this report. However, the Chair believes that the District cannot afford the Association’s proposal this year.

Just as the Association’s proposal seems to ignore the affordability argument of the District, the 1% salary proposal of the District ignores the comparability argument clearly presented by the Association.

FINDINGS AND RECOMMENDATIONS OF THE CHAIR

The Panel spent much time on May 17, 2024, working with the parties to attempt to achieve an agreement. It is the Chair’s opinion that, considering the time of year and with a new Superintendent and Chief Financial Officer starting in just a few weeks, a two year agreement would give the District time to plan for the financial impact of any settlement and would give both sides a “breather” from contentious negotiations and the time to form a different relationship. Also, recommending schedule increases that “roll on” at strategic times helps the District with affordability while maximizing long-term schedule increases.

Therefore, the Chair makes the following recommendations for the 2023-24 and the 2024-25 school years.

Recommendation 1, Article 23:

- The term of this Agreement would extend to June 30, 2025

Recommendation 2, Article 2:

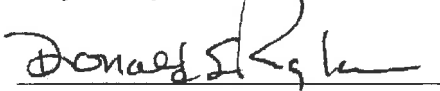
- A 2% salary schedule increase, proportional to assignment, retroactive to 7/1/2023
- A 2% salary schedule increase, proportional to assignment, retroactive midyear, 2/1/2024 (this date is illustrative of what "midyear" might be.)
- A one-time \$1500 per "cell" payment, proportional to assignment, on 7/1/2024
- A midyear 2% salary schedule increase, 2/2/2025 (this date is illustrative of what "midyear" might be.), dependent on the renewal of the existing parcel tax.

These salary recommendations would increase the salary schedule by 6% over the two years.

Recommendation 3, Article 3:

- Status Quo on Health and Welfare Benefits through the term of the Agreement for those unit members hired prior to 2011.
- No out-of-pocket Health and Welfare costs for any unit member hired after 2011 choosing employee only coverage through the term of the Agreement.

Respectfully submitted,



Donald S. Raczka, Chair

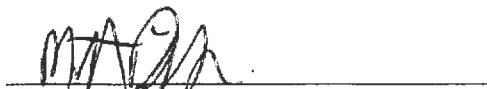
For the District:

☒ Concur

☐ Concur in part

☐ Dissent

☐ Dissent in part


Matt Phillips, District Panel Member

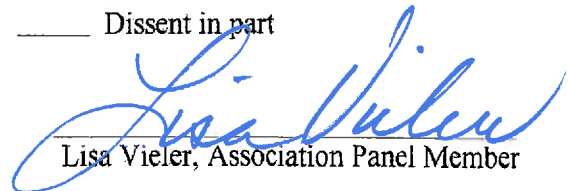
For the Association:

☐ Concur

☐ Concur in part

☒ Dissent

☐ Dissent in part


Lisa Vieler, Association Panel Member

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PERB CASE NO: SF-IM-3404-E

Report Issued
May 28, 2024

DISSENT OPINION TO FACT FINDING DISCUSSION AND RECOMMENDATIONS

**Submitted by Lisa Vieler, CTA
Union Panel Member**

This minority report considers the Fact Finder's report. Only areas of dissent are addressed.

DATA SUBMITTED BY THE PARTIES FOR PANEL CONSIDERATION

Bargaining in 2022-23: The Association did, in fact, engage the District in a, "...complete budget analysis..." during the 2022-23 bargaining cycle. Mediation during the late spring, summer and fall of 2023 resulted in multiple in-depth discussions with the District CBO; the attorney for the District, Greg Dannis; and School Services representative, John Gray. Mediator Sandra Poole asked the parties to reconvene, September 2023, after the adoption of the Unaudited Actuals of the previous school year, 2022-23, in a final mediation session. Both John Gray and I believed that the close of books would show available unspent general fund dollars to support a reasonable settlement. Unfortunately, the unaudited actuals showed the district had no funds. In fact, the district ended the school year unable to meet its 3% statutory requirement for economic uncertainty. The Association recognized the district's financial distress, and because of the district's inability to pay, the Association withdrew its proposal for salary and informed the district it would be addressing our concerns with the Board of Trustees to make certain that employee salaries were a priority in the new school year budget. Clearly, the Association's efforts were unsuccessful, as the Board continued to justify district spending, challenge the Association's opinions regarding financial management and budget priorities and refuse to address issues arising from the fiscal challenges.

Comparability

As noted by the Fact Finder, the District's Comparability presentation was based upon the J-90 report, with data from 2022-23. The J-90 is a document created and submitted by the district without oversight or audit. Cabrillo Unified School District has a long and damning reputation for having budgetary processes that are inconsistent with proper position control and collection of data. The inability of the district to manage their

record-keeping and position control data are the same deficiencies identified in both FCMAT reports (Fiscal Crisis and Management Assistance Team, CA Department of Education), the first from 2020, the second from 2023. Both reports were “requested” by the district, but neither the Board of Trustees nor the district administration has complied with the adoption of the proposed protocols, processes, procedures and calendars needed to change their budgeting practices. Instead, leadership, both elected and hired, has continued to sanction ineffective procedures, and the result is the fiscal crisis that exists in the District. The J-90 report is the product of these deeply flawed budgeting processes.

Affordability

The Fact Finder identifies that the Association’s proposal of 8.22% is “unrealistic.” It may be, but how can the Association know this? The district proved at fact finding that it cannot say with any certainty how many employees it has, much less where those employees are on their relative salary schedules. The entire discussion regarding the cost of benefits each employee takes left the parties, after many hours of work by the district and its advocate, with vague numbers, guesses and “given the assumptions” statements. How then can the Association, in good faith, agree to any salary construction or modification to benefits until the district implements the appropriate business procedures and processes and makes that information available?

These are facts:

- Cabrillo’s starting salary is \$9,050 less than the average of the 24 districts in San Mateo County.
- A fifth-year teacher earns \$15,586 less than the average.
- A ten-year teacher earns \$19,918 less.
- At year 12, that gap to *the average* is \$21,242.

The district claimed at fact-finding that these numbers are inaccurate because the district offers a robust benefit package that “averages” \$18,438*. This, too, is inaccurate. None of the teachers hired after 2011 can receive more than \$11,167 toward benefits, which is \$97 less than the cost of single coverage. This is the case for all four groups identified above. At best, our salaries for anyone hired in the last 13 years can be added to by \$11,167 for a total compensation picture. However, every district in the county provides a benefit package that pays for at least single coverage for employees, and most pay for benefits greater than the single employee (* denotes a district number which may not be accurate).

Additionally, classified staff in the district hired after 2011 receive single coverage without a cap, a benefit this district has not offered the teachers. Instead, 70 newer teachers pay \$8.11 out-of-pocket each month for the privilege of receiving single coverage from the district—a benefit for which the classified have no “out-of-pocket” expense).

The Fact Finder further identifies that the Association presentation on the District’s budget focuses on the District’s “dramatic mistakes” and “out-and-out mismanagement.” Upon what else are we to focus? To assume that the district’s assumptions of financial

capacity for a raise are correct when we know the data underpinning the District's assumptions is flawed is nonsensical.

And while, as the Fact Finder states, "The Assessment of these claims is beyond the charge of the Panel," it is exactly the Association's deeply held belief that the district makes dramatic mistakes and is thoroughly mismanaged that makes it impossible for us to agree to the Fact Finder's proposed settlement.

FINDINGS AND RECOMMENATIONS OF THE CHAIR

Two-year agreement

The Fact Finder's recommendation for a two-year agreement is that this time will allow the parties, with a new superintendent and CBO, to take a break from 5 years of constant conflict—long enough to form a different relationship and allow the district to implement different business practices. He may be right, but at the time of this fact finding, the Association was dealing with the current CBO and superintendent, as well as the current Board of Trustees—all of whom are complicit in the failure to manage the district budget competently.

Phased in settlement of 6% during that 2-year agreement

The Fact Finder's proposal specifies a 2% raise, retroactive to July 1, 2023; 2%, retroactive to approximately January 1, 2024; and 2% beginning February 2, 2025, contingent upon the passing of the extension of a parcel tax. He additionally recommends a one-time payment of \$1500, also paid on July 1, 2024. The net effect of this proposal is a 3% increase for 2023-24, for an on-going cost as of July 1, 2024 of 4%, and an uncertain 2% increase, with a one-time bonus of \$1500, for 2024-25. The Association received "0%" in 2022-23 because of mismanagement. Surrounding districts, both Basic Aid and LCFF funded, received an average of 4.6% in 2022-23 and an average of 5.02 % in 2023-24. The cumulative *average* increase during that 2-year period is 9.62%. Under the Fact Finder's recommendation, Cabrillo Teacher will receive 6%, plus a one-time bonus of \$1500, over a 3-year period, compared to an average of 9.62 % over a 2 year period for our comparable districts. We are in the lowest quartile of all comparable districts. This settlement recommendation does little to change our comparability.

Final Statement

Among the many poor fiscal decisions the District has made, it took \$500,000 to pay for an exploratory plan for building employee housing on district property. This money was recaptured by the district in a lawsuit filed against a contractor for faulty construction, paid for by a previously funded school bond. The Association believes this money should have been returned to the bond fund for the purposes of repairing current facilities. The district is placing a misguided bond proposal on the November ballot to secure additional community funding to build employee housing. The district has a current parcel tax which is not up for extension until 2026, but the district is placing it on the ballot early. The district has stated it hopes that the presidential election will result in a higher turn-out that will help pass both the bond and the parcel tax. The Association and many in the Cabrillo community have taken positions of "Opposition" to the two measures. The Association opposes the bond to pay for employee housing because the District has not shown it can be trusted to manage its current funding, much less additional community

funds. Additionally, while it was originally identified by the district as “teacher housing,” teachers will not be eligible for the housing, even with our significantly low salaries. The Association supports the renewal of the parcel tax but believes it should not be brought to the voters until it expires, in two years. That is standard school district procedure for the renewal of a parcel tax, and the district and Board’s insistence that it be placed on the ballot early is another issue we hope to get the new superintendent to reconsider.

As the election relates to the contingency of a 2% salary increase, to be paid on February 2, 2025, the Association believes this is faulty thinking: whether the measure passes or fails, the parcel tax will still have 2 years before expiring. No new money will result in the early renewal of this parcel tax. Therefore, there is no need for a contingency. It appears the district believes it must link these two events—passing the early renewal of the parcel to the meager 2% increase for 2024-25—in order to manipulate the Association into supporting the passage of the renewal.

The Association looks forward to working with the new superintendent and CBO. But as of today, we have no confidence in the District or the Board of Trustees.