State Controlled/Mandated Pensions - STRS & PERS

Cost Increase 2016-17 to 2017-18

$3.1 Million

STRS

PERS

STRS and PERS 2011-12 to 2020-21

Our Children • Learning Today • Leading Tomorrow
Special Education Cost Increases

- Federal and State Mandate Services ....but...Funding is Inadequate

- Federal Funding below Legal Requirement – Congress authorized to contribute up to 40% to date they contribute less than 15%

- State Funding –
  - Based on Total Student Population NOT on Special Education Students or Their Specific Needs

- Costs are Increasing Due to Special Education Enrollment Increases, Severity of Needs, and Expansion of Needed Services

**2016-17 to 2017-18 Costs Increased $6 Million**
FIGURE 2
Inflation-adjusted state special education funding has decreased while number of students with disabilities has increased.

SOURCE: CDE CASEMIS and AB 602 funding, including state property tax used in AB 602 funding distribution calculations and the Out-of-home care program.

Our Children  Learning Today  Leading Tomorrow
Summary of 2017-18 Budget Challenges

Revenue:
- State Revenue
- Impacted by Declining Enrollment

Cost Increases:
- State Mandated/Controlled Pensions Costs - STRS & PERS
- Increased $3.1 Million
- Increased $6 Million
- On-going Revenue (LCFF) increased only $1.8 Million

Additional increases were incurred for salary schedule movement (step & column), health insurance, and general cost increases.
Fiscal Stability Plan Developed and Implemented
- 2017-18 Spending Reduced
- Staffing & Program Reductions in Process for 2018-19

All New Monies Legally Allowed Shifted to General Fund
- E-Rate; City Facility Contribution; State refund
Governor’s 2018-19 Proposed Budget

- LCFF Increase (on-going)  $1.4 Million

- One-Time per Student Grant (Mandated Cost Revenue)  
  $4.7 Million

Concern: $14.1 million of the current and projected revenue is "one-time" monies – This is masking the on-going structural deficit in the budget.
In Summary: Unrestricted General Fund Projected Ending Fund Balance (in millions)

<table>
<thead>
<tr>
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<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
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<td>$8.15</td>
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Upgrade from **Negative** Certification to **Qualified** Certification at 2nd Interim. Great progress has been made...but more work still needs to be done!

Our Children • Learning Today • Leading Tomorrow
Looking Forward... June 2018-19 Budget Adoption

Budget Projections

The 2018-19 Budget will include 2019-20 and 2020-21

The Structural Deficit by 2020-21 will increase at a minimum to $17.6 million due to:

- Contractual movement on Salary Schedule
- Employee Retirement and Health Insurance
- Special Education with minimal increases
- Additional required contribution to Routine Restricted Maintenance $2.2 million
Items that will Impact Current Projections

- Final 2018-19 State Budget and Future State Budget
- Program Cost Adjustments -
  - Special Education Increases
  - Finalized Budget Impact of Staff Reduction and Mid-Year Cuts
  - Adjustments to Fiscal Stabilization Plan

Concern: At June Budget Adoption both 2019-20 and 2020-21 are currently projected to be negative
In Summary

The State funding allocation is not sufficient to support Special Education or the mandated increases to the State retirement programs.

The District is reducing staff and restructuring programs to reduce costs.

However more is needed.....the District is
  • Exploring ways to generate income through property/asset management
Questions & Comments
Tentative Agreement
April 6, 2018
Time: 2:34 pm

Article XIV
Salary and Salary Schedule Rules and Regulations

14.2.5.4 There shall be no salary schedule increase for 2017-2018.

Dated: April 6, 2018

United Teachers of Pasadena

Alvin Nash, President

Dated: April 6, 2018

Pasadena Unified School District

Meg Abrahamson, Executive Director

Bethel Lira, Bargaining Chairperson
April 6, 2018

Dear Colleagues,

United Teachers of Pasadena and the Pasadena Unified School District have reached an agreement regarding the Supplementary Resignation/Retirement Plan (SRRP) for the 2017-2018 school year.

The plan will provide a monetary incentive of 85% of Final Pay to UTP bargaining unit members who opt for the plan and meet the following requirements:

- Are at least fifty-five (55) years of age with five (5) or more years of service or at least fifty (50) years of age with thirty (30) or more years of service as of June 30, 2018.
- Enroll in the Supplementary Resignation/Retirement Plan no later than May 4, 2018.

The goals of the Supplementary Resignation/Retirement Plan include:

- honoring senior UTP unit members with financial incentive to retire,
- retaining junior UTP unit members, and
- strengthening the District’s financial health during historic budget reductions.

By offering the Supplementary Resignation/Retirement Plan, the parties hope to reduce the total number of employees who will be laid off. Great progress has been made in addressing the budget shortfall; however, the plan will help to promote fiscal recovery.

Sincerely,

Alvin Nash,  
President  
United Teachers of Pasadena

Meg Abrahamson,  
Human Resources Executive Director  
Pasadena Unified School District
Memorandum of Understanding
Between
Pasadena Unified School District
And
United Teachers of Pasadena

2017-2018 PARS Supplementary Resignation/Retirement Incentive

This Memorandum of Understanding (MOU) is entered into by and between Pasadena Unified School District and United Teachers of Pasadena on April 6, 2018. The MOU shall remain in effect during the 2017-2018 school year and shall expire on July 1, 2022.

1. The parties agree that the District shall implement the PARS (Public Agency Retirement Services) Supplementary Resignation/Retirement Plan with the options as specified in the Benefit Illustration – 85% of Final Pay as attached. Eligible UTP members shall receive 85% of their respective 2017-2018 Final Pay Benefit Level. Final Pay Benefit Level consists of the total compensation in 2017-2018 that contributes up to a 1.0 CalSTRS credit year.

2. Eligible UTP bargaining unit members shall receive health benefits according to 15.10 of the Collective Bargaining Agreement.

3. The primary goal of the Supplementary Resignation/Retirement Plan is to generate a cost savings sufficient to warrant implementation.

4. Eligible UTP members who participate must submit an irrevocable letter of resignation by May 4, 2018. In the event the District withdraws the incentive because the number of participants is deemed insufficient to meet the District’s fiscal and operational objectives, the plan shall be revoked and member resignations shall be rescinded at the discretion of the member.

5. The District shall arrange to have CalSTRS counseling with interested UTP members no later than April 30, 2018.

6. In order to maximize the number of UTP bargaining unit members that participate in the Supplementary Resignation/Retirement Plan, the District and the Association will commit their resources and influence to promote the attainment of the prerequisites necessary for the actual implementation of the Supplementary Resignation/Retirement Plan.
Memorandum of Understanding

Between
Pasadena Unified School District
And
United Teachers of Pasadena
JROTC

This Memorandum of Understanding (MOU) is entered into by and between Pasadena Unified School District ("District") and United Teachers of Pasadena ("Association") on April 6, 2018.

The purpose of this MOU is to outline the mutually agreed upon roles and responsibilities of the JROTC Instructors as it relates specifically to kinds of supplemental work for which the District and the Association have mutually agreed.

1. Supplemental Hourly Work Definitions:
   a. Required Military Activities/Events
      i. The military requires that each of its JROTC instructors perform specifically identified activities for engagement and leadership development with the cadets.
      ii. The military does not require additional compensation be provided for such work as this is a requirement of all JROTC instructors; supplemental payment is at the discretion of the districts for which JROTC is active.
      iii. The JROTC instructors and cadets must perform and attend the following events annually:
         a. 6 - Competitive Events
         b. 4 - Miscellaneous Events
            a. 1 – Parade
            b. 3 – Non-Parade
         c. 1 - Formal Event
         d. 4 – Color Guard
         e. 6 – Community Service School Support
         f. 1 – Community Service Community Support
         g. 1 – Junior Cadet Leadership Camp (1 week)
         h. 1 – Cadet Challenge
         i. 1 – Service Learning
   b. Internal Activities/Events
      i. Any event that is made at the request of or on behalf of a school or other District related event that exceeds the required military events.
   c. External Activities/Events
i. Are defined as any event that is requested by community members and/or an organization that exceeds or is outside the scope of the required military events.

ii. Do not directly support the school sites, school District events and/or events that are sponsored by the District.

2. Supplemental Compensation
   a. For work not otherwise defined in 1.a.iii. above, JROTC instructors will be provided compensation up to 50 hours per semester at the supplemental hourly rate of pay in accordance with Appendix A, Salary Schedules of the Collective Bargaining Agreement.
   
   b. For any supplemental compensation, there must be prior approval that includes a time sheet, the Event Approval Document, and signature of a District administrator. The Event Approval Document shall include the following information
      1. the event
      2. sponsor
      3. hours of program
      4. approval
   
   c. The unit member shall receive written notification of approval or denial within ten (10) working days of submission.

3. The District shall update the current job description to include language specific to kinds of supplemental hours and protocol for approval and accountability no later than April 30, 2018.

4. Parties agree that the terms and conditions of the MOU shall be subject to Article V, Grievance Procedure, of the Collective Bargaining Agreement.

5. Parties agree that provisions of this MOU shall be incorporated into the language of a Tentative Agreement subject to ratification by the United Teachers of Pasadena membership and the Pasadena Unified School District Board of Education no later than December 14, 2018.

Dated: April 6, 2018
UNIVERSITY OF PASADENA

Alvin Nash, President

Dated: April 6, 2018
PASADENA UNIFIED SCHOOL DISTRICT

Meg Abrahamson, Executive Director Human Resources

Bethel Lira, Bargaining Chairperson
15.1 **District Contribution to Health Insurance**

15.1.1 **Plan Year 2014/2018-2019 and each Plan Year thereafter:**

15.1.1.1 As of April 1, 2014, the following Health plans are in effect: SISC HMO Blue Shield of California with Navitas Health Solutions Prescription Coverage Group 000HSC2470001, SISC PPO Blue Shield of California with Navitus Health Solutions Prescription Coverage Group 000SC13550001, SISC Kaiser Group 225543-1001, and Delta Dental DPO.

15.1.1.2 As of January 1, 2014, Delta Dental DPO insurance coverage, and life insurance coverage in the amount of $10,000 for each covered employee, shall also be provided.

   15.1.1.2.1 Effective Plan Year 2018-2019 and each Plan Year thereafter, the District shall provide the following provisions to the Delta Dental DPO insurance coverage:

   1. Diagnostic and Preventive
   2. Prosthodontic Services
   3. Orthodontics

15.1.1.3 Effective Plan Year 2014, the amount of out-of-pocket expenses per unit members for the SISC Kaiser health benefit plan (based on a tenthsly contribution) shall be:

   Single $13.00
   2-Party $28.00
   Family $68.00

15.1.1.4 Effective Plan Year 2014, the amount of out-of-pocket expenses per unit members for the SISC Blue Shield health benefit plans with Navitus Health Solutions Prescription Coverage (based on a tenthsly contribution) shall be:

   Blue Shield HMO
   Single $13.00
   2-Party $28.00
   Family $68.00

   Blue Shield PPO
   Single $117.00
   2-Party $160.00
   Family $305.00

15.1.1.5 The District shall pay the cost of any increases to Health and Welfare Benefits premiums for the period October 1, 2016 2018, through September 30, 2018 2021. Negotiations

15.1.1.5.1 United Teachers of Pasadena retains the right to apply some or all of the increased cost of the Health Benefits premiums as a percentage equivalent increase on all UTP bargaining unit Salary Schedules instead. If UTP invokes this right, the proportionate increased cost of the premium would be passed on to bargaining unit members, and the District shall increase all bargaining unit Salary Schedules by that proportionate amount.

15.1.1.5.2 This increase to the salary schedules is separate and apart from a salary schedule increase under Article XIV, Salary and Salary Schedule Rules and Regulations.

15.1.2 Holiday Premium Reduction

Effective Plan Year 2014, and thereafter, the District shall share "Holiday Premium Reductions" with UTP members on a pro-rata basis to offset increased out-of-pocket expenses per unit member.

15.1.3 Health Plan Rebates

Effective Plan Year 2013, and thereafter, the District shall share rebate monies from health plan providers with UTP members on a pro-rata basis. This proration shall be based on the percentage of contribution by bargaining unit and District. The monetary equivalent of the health plan rebate(s) prorated on the percentage of contribution of UTP members shall be applied to UTP members enrolled in the respective plan(s) at the time of the rebate(s). UTP shall determine the dollar distribution.

(EXAMPLE: Based on the Blue Shield December 2011 " Rebates," the proration is based on the percentage of contribution by bargaining unit. The District paid 89.4% of Blue Shield costs, and the employees paid 10.6%. Based on UTP representing 62.2% of the employee share of expenses, the total UTP amount of the rebate is $26,911.90. On an annual Premium Credit per Employee, this represents $47.30.)

15.1.4 Future Restoration and Enhancement of Total Compensation Levels

The District is fully committed to restoring the total compensation levels of 2009-2010 as immediately as possible. The District is fully committed to enhancing the total compensation levels of 2009-2010 as immediately as possible.

15.1.5 Health Plan Wellness Program Funds

The District and the Association agree to determine the distribution of Health Plan Wellness Program funds no later than March 31 of each year. The language of the agreement shall be contained in a Memorandum of Understanding between the two parties no later than March 31 of each year.

15.2 Each unit member is required to enroll in one of the following Health plans:

15.2.1 SISC Kaiser Group 225543-1001
15.2.2 SISC Blue Shield of California HMO Group 000HSC2470001, with Navitus Health Solutions Prescription Coverage

15.2.3 SISC Blue Shield of California PPO Group 000SC13550001, with Navitus Health Solutions Prescription Coverage

15.2.4 UTP unit members, whose spouse or domestic partner is also a UTP unit member, shall not be required to enroll in one of the Health plans above in Sections 15.2.1, 15.2.2, and 15.2.3, provided that he/she is covered in the Health plan of his/her spouse or domestic partner. Once Open Enrollment is concluded, the District shall apply the cost savings to the amount of out-of-pocket per unit members.

15.3 Each member is required to enroll in the Delta Dental Plan (0710-1010).

15.3.1 UTP unit members, whose spouse or domestic partner is also a UTP unit member, shall not be required to enroll in the Delta Dental Plan above in Section 15.3, provided that he/she is covered in the Delta Dental Plan of his/her spouse or domestic partner. Once Open Enrollment is concluded, the District shall apply the cost savings to the amount of out-of-pocket per unit members.

15.4 Each member may by payroll deduction, enroll in one or more of the following programs as offered by the District:

15.4.1 Vision Care

15.4.2 Additional Life Insurance Coverage

15.4.3 Income Protection Plan

15.4.4 Tax-Shelter Annuity program per various plans approved by the District.

15.4.5 An IRC 125 premium contribution plan is available for all unit members. Those who do not choose to participate in said plan, permitting employee pre-tax contributions for medical/dental benefits, as described herein, shall submit the annual notice form to the district declining participation.

15.5 Pasadena Unified School District and United Teachers of Pasadena agree that both parties must, not later than August 1 (unless this is not possible due to the action or inaction of an outside third party), approve of the complete text of the Evidence of Coverage (E.O.C.) and the Summary of Health Benefits Plans for each of the mutually agreed to health care providers (e.g. Blue Shield and Kaiser) prior to their implementation. Approval shall require the signatures of both the UTP President and Bargaining Chairperson and that of the District Superintendent and/or designee.

Once the two parties have committed to the signatures of approval as referenced above, then, the provisions of the health benefits plan coverage are established as approved. It is the express intent of the District and the Association that the referenced Agreement be executed prior to Open Enrollment (See Appendix F). Open Enrollment Period shall occur not later than August 31 for a period of not fewer than ten (10) days.
In the absence of the complete text of the Evidence of Coverage, Kaiser, Blue Shield, and/or the current insurance broker (e.g. Alliant Insurance Services) must provide the District and the Association with a letter of assurance that attests to the continuity of the provisions from those of 2006-2007 into 2007-2008 and beyond; unless such provisions are changed by legislative mandate or through contract negotiations. It is the expressed intent of the District and the Association to hold Blue Shield and Kaiser accountable for providing the exact coverage that the parties have negotiated.

15.6 Unit members who work seventy-five percent (75%) or more of a daily or weekly full-time assignment shall be entitled to full health and welfare coverage as described in Section 15.1-15.4, above. Unit members who work less than seventy-five (75%) of a daily or weekly full-time assignment shall be excluded from receiving any health or welfare benefits.

15.7 Unit members who work a complete school year shall receive health and welfare benefits effective through the last day of August. Unit members who are employed subsequent to the first day of the school year shall have health and welfare benefits.

15.8 Unit members who terminate their employment prior to the close of the school year shall be covered by their health and welfare benefits through the last day of the month for which the health and welfare benefits have been paid.

15.9 Unit members shall have health and welfare benefits effective through the last day of August during the year in which this Agreement expires.

15.10 Early Retirement Incentive

15.10.1 The following Early Retirement Incentive Program (ERI) shall be in effect for qualifying employees retiring on or after October 31, 1985, and only for qualifying employees who submit a non-revocable letter of retirement to the District prior to June 6, of any year.

15.10.1.1 Eligibility/Qualification Requirements

To be eligible for the ERI described herein, an employee shall meet all of the following conditions:

15.10.1.1.1 have attained age 55, or older, as of September 1, of the year of retirement;
15.10.1.1.2 have rendered fifteen (15) years of service in the District; and
15.10.1.1.3 be at the maximum step of his/her salary column placement at retirement.

15.10.1.2 Benefits

15.10.1.2.1 for a qualifying employee who has attained age fifty-eight (58) or older, the District shall pay eighty percent (80%) of the District contribution for employee medical benefit coverage, for the current school year as provided for in Section 15.1. The contribution amount shall be increased annually during the period ERI to whatever the District contribution in existence for the 1986-87 school year.

15.10.1.2.2 for qualifying employee who has attained age fifty-seven (57), the District shall pay seventy percent (70%) of the District contribution for employee medical benefit coverage for the
current school year as provided for in Section 15.1. The contribution amount shall be increased annually during the period of the ERI to whatever the District contribution level becomes for the medical program in existence for the 1986-87 school year.

15.10.1.2.3 for a qualifying employee who has attained age fifty-six (56), the District shall pay sixty (60%) of the District contribution for employee medical benefit coverage for the current school year, as provided for in Section 15.1. The contribution amount shall be increased annually during the period of the ERI to whatever the District contribution level becomes for the medical program in existence for the 1986-87 school year.

15.10.1.2.4 for a qualifying employee who has attained age fifty-five (55), the District shall pay fifty percent (50%) of the District contribution for employee medical benefit coverage for the current school year, as provided for in Section 15.1. The contribution amount shall be increased annually during the period of the ERI to whatever the District contribution level becomes for the medical program in existence for the 1986-87 school year.

15.10.1.3 **Duration of Benefits**

The ERI benefits for qualifying employees, as described herein, shall continue for the retiring employee until whatever of the following conditions occurs first: attains age sixty-five (65); or becomes eligible for Medicare; or becomes eligible for a national health insurance program that may be enacted. Pursuant to the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993), upon entitlement to Medicare due to disability, Medicare coverage becomes primary and District coverage becomes secondary. In the event, the combination of Government and District provided coverage will not be less than current District coverage provided to retirees. This provision may be subject to change based upon the changes to inapplicable federal law.

15.10.1.4 The District contribution levels provided for early retirees in Section 15.10.1.2, above, shall also be extended to one dependent of the retiree who leaves the District service on or after June 30, 1985, provided the dependent was covered by the District health coverage at the time the retiree left service with the District. The dependent contribution shall continue until the retiree coverage expires pursuant to Section 15.10.1.3 and 15.10.1.5 herein.

15.10.1.5 The retiree dependent coverage shall be in effect for the period provided for in Section 15.10.1.3, above; however, should the retiree become deceased prior to age sixty-five (65), or the eligibilities provided for in Section 15.10.1.3, the dependent coverage shall cease at the end of the first full month following the death of the retiree. No dependent coverage of a retiree shall extend beyond the period of child coverage for an active employee.

15.10.1.6 The medical benefits described in Section 15.10.1.2, above, shall include the retiring unit member’s dependent, if any, who was covered by a District medical plan at the time of the unit member’s retirement.

15.11 **Domestic Partners**

The rights and responsibilities under this Article include Domestic Partners as defined by California law.

15.12 The Prescription Plan of active members will be made available to current and ongoing retirees over sixty-five (65), including one dependent, at the unit member prescription rate.