



# Capistrano Unified School District

*Excellence in Education*

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March 29, 2010

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BOBBI MAHLER, Ed. D.

Dear Parents,

The Capistrano Unified School District (CUEA) and Capistrano Unified Education Association (CUEA) which represents certificated employees including teachers, have been involved in contract negotiations since June, 2009. The Board of Trustees and negotiating teams have worked continuously, up to this point, through this process. Specific information regarding the negotiations process can be found on the district's website at [www.capousd.org](http://www.capousd.org).

We now find ourselves at a time of year when some of our most important work with students lies before us. Trustees have reflected on where we are, what lies before us, and feel it is in the best interest of our district to move forward with finalizing the negotiations process.

At its meeting on Wednesday, March 31, the Board of Education will consider the adoption of a resolution to unilaterally implement limited provisions from its pre-impasse proposal which:

- ✓ Maintain class size
- ✓ Preserve teachers' jobs
- ✓ Provide a balance of temporary and ongoing financial savings
- ✓ Recognize concerns of the CUEA bargaining team

The advisory recommendations included within the fact-finding report were utilized to modify the provisions of the pre-impasse proposal as outlined below.

**Provisions of the resolution include:**

**2009-10 (current school year)**

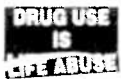
- ▶ Reduce CUEA unit members' paid work year by four days including:
  - The last day of the unit member's contract (non-instructional day)
  - The Friday before Memorial Day
  - Two additional student instructional days to be determined collaboratively with CUEA
- ▶ There is no mention of a retroactive 10% pay cut

**2010-2011 School Year**

- ▶ Reduce the CUEA unit members' paid work year by five days (three non-instructional/two student days)
- ▶ Maintain district contributions to Health Benefits at the 2010 (HMO Plan) or 2009 (POS Plan) levels as follows:

<b>HMO</b>	Employee	\$4,901.90
	Employee +1	\$10,132.40
	Employee +family	\$14,412.20
<b>POS/PPO</b>	Employee	\$5,840.70
	Employee +1	\$12,111.10
	Employee +family	\$17,241.80

- ▶ There is a desire to maintain a high quality affordable health plan for certificated employees and their families



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- ▶ Suspend salary increases due to Step & Column movement for one half of the 2010-2011 school year (a temporary provision)
- ▶ Reduce CUEA members' salaries by 3.7% beginning July 1, 2010

As closely as possible, the resolution implements the recommendations of the neutral fact-finding report released to the public on March 17<sup>th</sup>. With a spirit of compromise, the district has worked diligently to balance its fiduciary responsibility to the community with the educational needs of our students and the high value we all place on our certificated employees. The same fact-finding report indicated that CUSD has the "inability to pay" at current levels and recommended a 10.32% concession in total compensation. The breakdown of savings over the 2009-2010 and 2010-2011 school years is as follows:

✓ 4 Furlough Days (2009-2010)	2.16%
✓ 5 Furlough Days (2010-2011)	2.70%
✓ 3.7% Salary Reduction	3.70%
✓ Health & Welfare	0.81%
✓ Step & Column Suspension	<u>0.74%</u>
	10.1%

We expect these unprecedented financial difficulties to negatively affect our budget for the next three years. The above delineated compensation concessions required of teachers and other non-management certificated personnel represent the necessary CUEA share to balance the 2010-2011 budget which has a projected deficit of \$34 million. Negotiations are still in process with other employee groups.

Sixty percent of California's actual budget cuts came from public education. We have to make difficult decisions which require valued employees to make personal sacrifices. This is in no way reflective of the high respect and regard we hold for the certificated employees of our district, but rather an outcome of the unprecedented turmoil in our global, national and state economies.

We hope for better times and working together to continue to provide and take pride in the award winning, high profile programs and services CUSD teachers and support personnel ensure for our students and their families.

Sincerely,



Bobbi Mahler  
Interim Superintendent



Anna Bryson  
President, Board of Trustees

CAPISTRANO UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 0910-60

RESOLUTION TO IMPLEMENT CHANGES IN THE TERMS AND CONDITIONS OF  
EMPLOYMENT OF THE CERTIFICATED BARGAINING UNIT

WHEREAS, the Fact Finding Report (“Report”) in Public Employment Relations Board Case No. LA-IM-3523 between the Capistrano Unified School District (“District”) and the Capistrano Unified Education Association (“Association”) was issued on March 12, 2010; and

WHEREAS, the Report was received on March 15, 2010 and the findings and recommendations contained therein were made public on March 17, 2010 pursuant to Government Code section 3546.3(a); and

WHEREAS, the Governing Board (“Board”) has considered the Report in detail, has concluded that the recommendations contained therein do not provide a basis for agreement and has determined that the impasse between the District and Association still exists, all of which was communicated to the Association on March 17 and 18, 2010; and

WHEREAS, the Board has determined that it is in the best interest of the students, employees and public to implement provisions from its pre-impasse offers (attached hereto as Exhibit A) that parallel, to the extent practicable, the findings and conclusions of the Fact Finding Report; and

WHEREAS, in considering implementation, the Board’s goals are as follows: (1) maintain fiscal viability (2) minimize any negative impact upon the students of the District; (3) preserve teaching jobs; (4) insure that a high quality affordable health plan remains available to certificated employees and their families; (5) address concerns about the restoration of compensation reductions; (6) maintain instructional programs; and (7) avoid class size increases.

NOW THEREFORE, the Board hereby implements limited provisions from its pre-impasse proposals that change the terms and conditions of employment of the certificated bargaining unit as set forth below.

1) The District’s pre-impasse proposal reserved the Board’s right to implement a 10% reduction in all certificated salary schedules retroactive to July 1, 2009. The Board, however, hereby elects to implement a 3.70% reduction in all certificated bargaining unit salary schedules effective July 1 of the 2010-2011 school year.

The Board elects to defer implementation in order to eliminate any retroactive effect and to provide time for employees to adjust their personal finances.

2) The District's pre-impasse proposal reserved the Board's right to implement an on-going five day reduction in the certificated work year with a corresponding reduction in the annual base pay of unit members commencing with the 2009-2010 school year. For the 2009-2010 school year, the Board hereby elects to implement a four day reduction in the certificated work year with a corresponding reduction in the annual base pay of unit members. The four day reduction in 2009-2010 shall consist of a three day reduction in the student instructional year and a one day reduction in non-student work days. The work year reduction in the 2009-2010 school year shall occur on May 28, 2010 (a student instructional day) and June 24, 2010 (a non-student work day) and two additional student instructional days to be determined. The Superintendent or designee is hereby directed to meet with the Association to identify by April 30th which two additional student instructional days shall be reduced. Should the parties fail to agree on such days, the Board reserves the right to determine which days shall be reduced.

In order to prevent undue disruption to the student instructional program and to minimize the impact on salaries in what remains of the 2009-2010 school year, only four of the five day reduction will be implemented.

Commencing with the 2010-2011 school year, the Board hereby implements the full five day reduction in the certificated work year with a corresponding reduction in the annual base pay of unit members. The full five day reduction in the certificated work year shall consist of a two day reduction in the student instructional year and a three day reduction in non-student work days for a total of five days. The Superintendent or designee is directed to meet with the Association to identify which five days will be reduced in 2010-2011. Should the parties fail to reach agreement, the Board reserves the right to determine which five days will be eliminated in any particular year.

The reduction in the student instructional year will be automatically restored with a corresponding increase in the annual base pay when the legislation authorizing the reduction of the student instructional year expires.

3) The District's pre-impasse proposal reserved the Board's right to implement a certificated salary schedule "step and column" movement freeze effective July 1, 2009. The Board, however, hereby defers such freeze until the 2010-11 school year at which time a suspension of step and column pay increases will be initiated. Such suspension of step and column pay increases will terminate on February 1, 2011 at which time eligible certificated employees will advance on the salary schedule, thus receiving approximately one-half of the salary increase associated with salary schedule movement during the 2010-11 school year.

4) The District's pre-impasse proposal reserved the Board's right to freeze District contributions for health benefits at the 2009 contribution levels and implement payroll deductions for excess costs effective January 1, 2010. The Board hereby elects to defer implementation to January 1, 2011 to allow for a new open enrollment period during which employees customarily make changes to their plans which prevents disruption of insurance coverage and employee finances.

Effective January 1, 2011, the District will implement a maximum contribution for all HMO health insurance plans (currently Kaiser and Anthem Blue Cross) based upon 2010 Anthem Blue Cross HMO contribution rates at each tier of coverage as follows: (a) for employees electing Employee only coverage the District will pay for the actual cost of insurance up to a maximum of \$4,901.90 per year; (b) for employees electing employee plus one coverage the District will pay for the actual cost of insurance up to a maximum of \$10,132.40 per year; and (c) for employees electing Employee plus two or more coverage (family coverage) the District will pay for the actual cost of insurance up to a maximum of \$14,412.20 per year. Insurance premium costs that exceed the tier of coverage elected by an employee shall be paid by the employee through equal monthly payroll deductions.

Effective January 1, 2011, the District will implement a maximum contribution for any POS or PPO health insurance plan based upon the 2009 District contribution rates for the Anthem Blue Cross POS plan at each tier of coverage as follows: (a) for employees electing Employee only coverage the District will pay for the actual cost of insurance up to a maximum of \$5,840.70 per year; (b) for employees electing Employee plus one coverage the District will pay for the actual cost of insurance up to a maximum of \$12,111.10 per year; and (c) for employees electing Employee plus two or more coverage (family coverage) the District will pay for the actual cost of insurance up to a maximum of \$17,241.80 per year. Insurance premium costs that exceed the tier of coverage elected by an employee shall be paid by the employee through equal monthly payroll deductions.

The District contributions for the life, dental and vision plans shall be frozen at the 2009 benefit year levels effective January 1, 2011. Any premium costs that exceed the 2009 contribution levels for a particular life, vision or dental plan and tier of coverage (i.e. employee only, employee plus one dependent or family coverage) shall be paid by the employees electing such tier and plan through equal monthly payroll deductions.

The \$6 dollar per participant per month MEBA fee has been included in the maximum contribution amounts set forth above. Any provisions of Article 13 of the certificated Collective Bargaining Agreement to the contrary are hereby rescinded. All of the other terms and conditions regarding Article 13 including, but not limited to, any and all eligibility criteria shall remain in full force and effect.

It is anticipated that the District and Association will work together on health plan designs in order to meet the goal of having affordable high quality health plans available for all employees and their families.

5) The District's pre-impasse proposal reserved the Board's right to seek additional reductions should the District's fiscal context continue to deteriorate. Further, the District has not implemented the full extent of the reductions as set forth in the District's pre-impasse offers. Therefore, the District hereby reserves the right to implement further reductions, consistent with its pre-impasse offers, should the District's fiscal outlook deteriorate beyond current budget projections.

NOW, THEREFORE, BE IT RESOLVED that the Superintendent is directed to implement the above-referenced changes in the certificated bargaining unit's terms and conditions of employment.

Adopted by the Governing Board of the Capistrano Unified School District this 31<sup>st</sup> day of March, 2010.

AYES:

NOES:

ABSENT:

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President, Governing Board

CAPISTRANO UNIFIED SCHOOL DISTRICT