

**Administration**

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VENTURA COUNTY OFFICE OF EDUCATION

Dr. César Morales, County Superintendent of Schools

December 19, 2022

Dr. Antonio Castro
Superintendent
Ventura Unified School District
255 West Stanley Avenue
Ventura, CA 93001

Dear Dr. Castro:

Ventura County Office of Education (VCOE) has reviewed the Disclosure of Collective Bargaining Agreement for the Ventura Unified Educators Association and Ventura Education Support Professionals Association bargaining units dated December 16, 2022. The County Office assesses and comments on the financial impact of the proposed agreements and whether it will allow the district to meet its financial obligations in the current and subsequent fiscal years (Government Code Section 3547.5).

Based upon the data presented, it appears that the terms of the tentative agreements would allow the district to meet its financial obligations. However, the affordability of these agreements are based on staffing reductions in the future years. The district is experiencing significant loss of enrollment and it is imperative to reduce expenditures to align with the loss of revenue to avoid impacting the fiscal solvency of the district.

It is important to remember that budget assumptions will change over time, and those changes could impact the agreement's effect on the financial condition of the district.

Sincerely,

Dr. César Morales
Ventura County Superintendent of Schools

cc: Anna Campbell, Ventura Unified School District
Misty Key, Ventura County Office of Education
Danni Brook, Ventura County Office of Education

DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

In Accordance with AB 1200, AB 2758 and G.C. 3547.5

School District: Ventura Unified School District

Name of Bargaining Unit: Ventura Unified Educators Association (VUEA)

The proposed agreement covers the period:

Beginning: 7/1/2022

Ending: 6/30/2023

Employee Type:

Certificated: x

Classified: _____

The proposed agreement will be acted upon by the Governing Board at its meeting on: 3-Jan-23

A. Proposed Change in Compensation:

| Compensation | Cost Prior To Proposed Agreement | Fiscal Impact of Proposed Agreement | | |
|--|----------------------------------|-------------------------------------|----------------|----------------|
| | | Current Year 2022-23 | Year 2 2023-24 | Year 3 2024-25 |
| 1. Salary Schedule - Increase/(Decrease) | \$ 65,454,368 | \$ 6,545,437 | | |
| | | 10.00% | % | % |
| 2. Step and Column - Increase/(Decrease) due to movement plus any changes due to settlement. | | \$ | \$ | \$ |
| | | % | % | % |
| 3. Other Compensation - Increase/(Decrease) (Stipends, Bonuses, Etc) | | \$ 1,439,996 | \$ | \$ |
| | | 2.20% | % | % |
| 4. Statutory Benefits - Increase/(Decrease) in STRS, PERS, FICA, WC, UI, Medicare, etc. | \$ 23,223,212 | \$ 1,574,387 | \$ | \$ |
| | | 6.78% | % | % |
| 5. Health/Welfare Benefits - Increase/(Decrease) | \$ 14,904,749 | \$ 0 | \$ | \$ |
| | | 0.00% | % | % |
| 6. Total Compensation - Increase/(Decrease) (Total Lines 1-5) | \$ 103,582,329 | \$ 9,559,820 | \$ | \$ |
| | | 9.23% | % | % |
| 7. Total Number (FTE) of Represented Employees | # 784 | # 784 | # 784 | # 784 |
| 8. Total Compensation Cost for Average Employee Increase/(Decrease) (Line 6/Line 7) | \$ 132,193 | \$ 12,200 | \$ | \$ |
| | | 9.23% | % | % |
| 9a. Certificated Teacher's Salary (Excluding Benefits) | | | | |
| -Minimum Daily Rate | \$ 267 | \$ 294 | \$ | \$ |
| | | 10.00% | % | % |
| -Maximum Daily Rate | \$ 533 | \$ 587 | \$ | \$ |
| | | 10.00% | % | % |
| -Substitute Daily Rate | \$ 200 | \$ 200 | \$ | \$ |
| | | 0.00% | % | % |
| 9b. - Annual Cost Health/Welfare Benefit amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |
| - District Cost Annual H&W Benefit amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |
| - Current Negotiated H&W Cap amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |

Please include comments and explanations as necessary:

The cost of Health and Welfare Benefits for VUSD in the current year increased by \$3,173,264

(14.33%) for all district employees. H&W Benefits in the current year are provided to all District employees by the Gold Coast

Joint Benefits Trust. Under the terms of the Tentative Agreement (TA), effective July 1, 2023

the parties have agreed to move to the California Schools Employee Benefits Organization

(CSEBO) with employees remaining in the same, or equitable plans. The move will save the

District a minimum of \$2 million in recurring costs in 2023-24 for all covered employees. H&W Benefit costs are projected

to increase by 10% in 2024-25. The TA does not contain a H&W Benefits Cap per FTE. Rather,

the TA contains Medical Cost Trigger language which obligates the parties to bargain District

contributions to H&W Benefits within the context of total compensation once annual District

contributions are projected to exceed the trigger in the subsequent year. The District currently

fully funds H&W Benefits for all eligible employees. Total District annual costs for H&W

Benefits for all District employees are estimated at \$25,773,000. The move to CSEBO is

projected to save a minimum of \$2,000,000 annually, and savings could reach as much as

\$4,000,000, reducing total annual costs to \$21,773,000 in 2023-24. Once total costs are

projected to exceed \$23,196,000 (90% of the current year total) in the subsequent year, the

parties shall meet to negotiate District contributions in the subsequent year within the context

of total compensation. The District will continue to fully fund H&W Benefit costs in the

subsequent year until such time that a total compensation agreement has been reached.

DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT
In Accordance with AB 1200, AB 2756 and G.C. 3547.5

School District: Ventura Unified School District

Name of Bargaining Unit: Ventura Education Support Professionals Association (VESPA)

The proposed agreement covers the period:
Beginning: 7/1/2022
Ending: 6/30/2023

Employee Type:
Certificated: _____
Classified: x

The proposed agreement will be acted upon by the Governing Board
at its meeting on: 3-Jan-23

A. Proposed Change In Compensation:

| Compensation | | Cost Prior To Proposed Agreement | Fiscal Impact of Proposed Agreement | | |
|--------------|---|----------------------------------|-------------------------------------|---------------------------|----------------|
| | | | Current Year 2022-23 | For Multi-year Agreements | |
| | | | | Year 2 2023-24 | Year 3 2024-25 |
| 1. | Salary Schedule - Increase/(Decrease) | \$ 31,158,316 | \$ 3,115,832 10.00% | \$ % | \$ % |
| 2. | Step and Column - Increase/(Decrease) due to movement plus any changes due to settlement. | | \$ % | \$ % | \$ % |
| 3. | Other Compensation - Increase/(Decrease) (Stipends, Bonuses, Etc) | | \$ 685,483 2.20% | \$ % | \$ % |
| 4. | Statutory Benefits - Increase/(Decrease) in STRS, PERS, FICA, WC, UI, Medicare, etc. | \$ 10,532,747 | \$ 749,457 7.12% | \$ % | \$ % |
| 5. | Health/Welfare Benefits - Increase/(Decrease) | \$ 7,945,022 | \$ 0 0.00% | \$ % | \$ % |
| 6. | Total Compensation - Increase/(Decrease) (Total Lines 1-5) | \$ 49,636,085 | \$ 4,550,772 9.17% | \$ % | \$ % |
| 7. | Total Number (FTE) of Represented Employees | # 552 | # 552 | # 552 | # 552 |
| 8. | Total Compensation Cost for Average Employee Increase/(Decrease) (Line 6/Line 7) | \$ 89,843 | \$ 8,237 9.17% | \$ % | \$ % |
| 9a. | Certificated Teacher's Salary (Excluding Benefits) | | | | |
| | -Minimum Daily Rate | \$ | \$ | \$ | \$ |
| | | | % | % | % |
| | -Maximum Daily Rate | \$ | \$ | \$ | \$ |
| | | | % | % | % |
| | -Substitute Daily Rate | \$ | \$ | \$ | \$ |
| | | | % | % | % |
| 9b. | - Annual Cost Health/Welfare Benefit amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |
| | - District Cost Annual H&W Benefit amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |
| | - Current Negotiated H&W Cap amount per FTE | \$ 19,548 | \$ 19,548 | \$ | \$ |

Please include comments and explanations as necessary:

The cost of Health and Welfare Benefits for VUSD in the current year increased by \$3,173,264 (14.33%) for all district employees. H&W Benefits in the current year are provided to all District employees by the Gold Coast Joint Benefits Trust. Under the terms of the Tentative Agreement (TA), effective July 1, 2023 the parties have agreed to move to the California Schools Employee Benefits Organization (CSEBO) with employees remaining in the same, or equitable plans. The move will save the District a minimum of \$2 million in recurring costs in 2023-24 for all covered employees. H&W Benefit costs are projected to increase by 10% in 2024-25. The TA does not contain a H&W Benefits Cap per FTE. Rather, the TA contains Medical Cost Trigger language which obligates the parties to bargain District contributions to H&W Benefits within the context of total compensation once annual District contributions are projected to exceed the trigger in the subsequent year. The District currently fully funds H&W Benefits for all eligible employees. Total District annual costs for H&W Benefits for all District employees are estimated at \$25,773,000. The move to CSEBO is projected to save a minimum of \$2,000,000 annually, and savings could reach as much as \$4,000,000, reducing total annual costs to \$21,773,000 in 2023-24. Once total costs are projected to exceed \$23,196,000 (90% of the current year total) in the subsequent year, the parties shall meet to negotiate District contributions in the subsequent year within the context of total compensation. The District will continue to fully fund H&W Benefit costs in the subsequent year until such time that a total compensation agreement has been reached.

B. Proposed Negotiated Changes in Non-Compensation Items (class size adjustments, staff development, teacher prep time, etc.):

VUEA/Certificated: Minor changes to the work year of a few, individual positions. Changes to evaluation procedures and forms to reflect current Education Code provisions. Extra pay assignment added for designated CTE student organization advisors. Additional release prep time for full inclusion and grade 4/5 teachers.

VESPA/Classified: Revised alcohol/drug testing consequences and penalties for bus drivers. Significant rev to the provisions and incentives in the Professional Growth and Education Incentives program. One vacation day added in recognition of Juneteenth.

C. What are the specific impacts on instructional and support programs to accommodate the settlement? (Include the impact of non-negotiated changes such as staff reductions and program reductions/eliminations.):

There are no, identifiable negative impacts on instructional and support programs as a result of this settlement. The District budget currently contains an estimated \$4.5 million in vacant unfilled positions. Due to post-Covid conditions, the market for new employees is very tight, and many of these positions will remain unfilled. This could generate current year savings exceeding \$2.0 million. Independent of the proposed settlement, in January 2023, the District will begin a staffing analysis, and proposed staffing changes based upon projected 2023-24 enrollment, and available 2023-24 Supplemental/Concentration Grants and other categorical funds. The staffing changes are projected to reduce current annual costs by a minimum of \$2.0 million, and up to \$3.0 million in recurring costs in 2023-24.

D. What contingency language is included in the proposed agreement? (reopeners, etc.):
Medical Cost Trigger language as described on page 1. Reopeners for both Associations for Salary and H&W Benefits, and two additional non-compensation articles in 2023-24

E. Will this agreement create, increase, or decrease deficit financing in the current or future years?

The TA includes a 10.0% salary schedule increase retroactive to July 1, 2022, a new recurring cost of \$15 million for all employees. It also contains a 2.0% off-schedule bonus, a one-time cost in the current year of \$3 million. The salary settlements in the TA will create an estimated \$4 million recurring deficit in the current year District budget. The District will realize a minimum of \$2 million in expenditure reductions in the current year by placing some staffing vacancies on hold, reducing the current year \$2 million recurring deficit in half on a one-time basis. The \$4 million recurring deficit carried forward into 2023-24 will be reduced by a minimum of \$2 million in 2023-24 by the move to CSEBO for H&W Benefits. Additional deficit reduction will be forthcoming from implementation of the staffing plan referenced in C. Any residual deficit associated with the agreement will be eliminated using new recurring LCFF income from a 2023-24 COLA projected to exceed 8.0%.

F. Source of Funding for the Proposed Agreement:

1. Current Year:

The TA compensation agreement will be funded in the current year using 2022-23 Unrestricted Fund beginning balance reserves, and new recurring LCFF income. Current year step/column, H&W Benefits, and STRS/PERS costs are fully funded on a recurring basis in the District Unrestricted Fund budget at First Interim. The TA includes a 10.0% salary schedule increase retroactive to July 1, 2022, a new recurring cost of \$15 million. The 2022-23 District budget at First Interim has two ending balances reserves totaling \$15 million to support the agreement. A one-time, 2.0% off schedule bonus is included at a cost of \$3 million. It is funded by an additional ending balance reserve designated for that purpose.

2. How will the ongoing cost of the proposed agreement be funded in future years?

An estimated \$4 million recurring deficit carried forward to 2023-24 as a result of the agreement will be funded with expenditure reductions associated with the move to SCEBO for H&W Benefits and the implementation of a staffing plan, combined with new recurring income from a 2023-24 LCFF COLA estimated to exceed 8.0%. There will be no deficits associated with this agreement carried forward into 2024-25.

3. If multi-year agreement, what is the source of funding, including assumptions used, to fund these obligations in future years? (Remember to include compounding effects in meeting obligations):

See Above.

Disclosure of Collective Bargaining Agreement
School District: Ventura Unified School District

| | (Col. 1) Latest Board Approved Budget Before Settlement As of Dec 13, 2022 | (Col. 2) Adjustment as a Result of Settlement * | (Col. 3) Other Revisions Classified Barg Unit | (Col. 4) Total Impact on Budget (Col. 1+2+3) |
|---|--|--|--|---|
| REVENUES | | | | |
| LCFF Revenues (8010-8099) | 178,351,971 | 0 | 0 | 178,351,971 |
| Remaining Revenues (8100-8799) | 87,139,277 | 0 | 0 | 87,139,277 |
| TOTAL REVENUES | 265,491,248 | 0 | 0 | 265,491,248 |
| EXPENDITURES | 44,564 | | | |
| 1000 Certificated Salaries | 77,632,359 | 7,985,433 | 0 | 85,617,792 |
| 2000 Classified Salaries | 33,726,487 | 3,801,315 | 0 | 37,527,802 |
| 3000 Employees' Benefits | 63,361,486 | 2,323,844 | 0 | 65,685,330 |
| 4000 Books and Supplies | 13,084,777 | 0 | 0 | 13,084,777 |
| 5000 Services and Operating Expenses | 31,069,256 | 0 | 0 | 31,069,256 |
| 6000 Capital Outlay | 1,901,240 | 0 | 0 | 1,901,240 |
| 7100-7499 Other | 5,946,452 | 0 | 0 | 5,946,452 |
| TOTAL EXPENDITURES | 226,722,057 | 14,110,592 | 0 | 240,832,649 |
| OPERATING SURPLUS (DEFICIT) | 38,769,191 | (14,110,592) | 0 | 24,658,599 |
| OTHER SOURCES AND TRANSFERS IN | 0 | 0 | 0 | 0 |
| OTHER USES AND TRANSFERS OUT | 0 | 0 | 0 | 0 |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | 38,769,191 | (14,110,592) | 0 | 24,658,599 |
| BEGINNING BALANCE | 31,589,359 | 0 | 0 | 31,589,359 |
| CURRENT YEAR ENDING BALANCE | 70,358,550 | (14,110,592) | 0 | 56,247,958 |
| COMPONENTS OF ENDING BALANCE | | | | |
| Non-spendable (9711-9719) | 1,642,000 | 0 | 0 | 1,642,000 |
| Restricted (9740) | 35,206,310 | 0 | 0 | 35,206,310 |
| Committed (9750 / 9760) | 0 | 0 | 0 | 0 |
| Assigned (9780) | 26,087,500 | (14,533,909) | 0 | 11,553,591 |
| Reserve for Economic Uncertainties (9789) | 7,100,000 | 423,318 | 0 | 7,523,318 |
| Unappropriated Amounts (9790) | 322,740 | 0 | 0 | 322,740 |

* If the total amount of the Adjustment in Column 2 does not agree with the amount of the Total Compensation Increase on Page 1, Section A, Line 6, please explain the variance below.

Please include comments and explanations as necessary:

Certificated Staff Reflected in Column 2, Classified in Column 3 - see VESPA disclosure

Multi-Year Projections

| | (Col. 1) 2022-23 Budget after impact of Settlement (From page 3) | (Col. 2) Budget Year 1 2023-24 | (Col. 3) Budget Year 2 2024-25 |
|---|--|---|---|
| REVENUES | | | |
| LCFF Revenues (8010-8099) | 178,351,971 | 186,262,979 | 185,391,300 |
| Remaining Revenues (8100-8799) | 87,139,277 | 68,489,665 | 54,293,478 |
| TOTAL REVENUES | 265,491,248 | 254,752,644 | 239,684,778 |
| EXPENDITURES | 44,564 | | |
| 1000 Certificated Salaries | 85,617,792 | 88,481,601 | 89,382,084 |
| 2000 Classified Salaries | 37,527,802 | 37,973,846 | 38,372,777 |
| 3000 Employees' Benefits | 65,685,330 | 65,450,219 | 67,070,440 |
| 4000 Books and Supplies | 13,084,777 | 21,610,833 | 21,787,833 |
| 5000 Services and Operating Expenses | 31,069,256 | 34,696,105 | 36,849,605 |
| 6000 Capital Outlay | 1,901,240 | 1,996,300 | 2,096,100 |
| 7100-7499 Other | 5,946,452 | 6,647,689 | 6,992,605 |
| TOTAL EXPENDITURES | 240,832,649 | 256,856,593 | 262,551,444 |
| OPERATING SURPLUS (DEFICIT) | 24,658,599 | (2,103,949) | (22,866,666) |
| OTHER SOURCES AND TRANSFERS IN | 0 | 0 | 0 |
| OTHER USES AND TRANSFERS OUT | 0 | 0 | 0 |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | 24,658,599 | (2,103,949) | (22,866,666) |
| BEGINNING BALANCE | 31,589,359 | 56,247,958 | 54,144,009 |
| CURRENT YEAR ENDING BALANCE | 56,247,958 | 54,144,009 | 31,277,343 |
| COMPONENTS OF ENDING BALANCE | | | |
| Non-spendable (9711-9719) | 1,642,000 | 1,642,000 | 1,642,000 |
| Restricted (9740) | 35,206,310 | 31,548,066 | 16,308,911 |
| Committed (9750 / 9760) | 0 | 0 | 0 |
| Assigned (9780) | 11,553,591 | 3,400,000 | 3,400,000 |
| Reserve for Economic Uncertainties (9789) | 7,523,318 | 7,705,698 | 7,876,543 |
| Unappropriated Amounts (9790) | 322,740 | 9,848,246 | 2,049,889 |

Multi-Year Projections Assumptions:

Assume 23/24 COLA at 8.23% and the 4.02% for 24/25 per LAO estimates.

Continued declining enrollment based on current enrollment projections

Historical increases to step and column.

Health and Welfare Benefit reductions in 23/24 as described, followed by 10% increase in 24/25 and projected statutory benefit increases per SSC dashboard.

Projected increases in 23/24 and 24/25 utilities and special education excess costs.

G. Impact of Proposed Agreement on Current Year Unrestricted Reserves

(amounts from page 4)

1. State Reserve Standard

| | 2022-23 | 2023-24 | 2024-25 |
|---|----------------|----------------|----------------|
| a. Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement) | \$ 240,832,649 | \$ 256,856,593 | \$ 262,551,444 |
| b. State Standard Minimum Reserve Percentage for this District | 3% | 3% | 3% |
| c. State Standard Minimum Reserve Amount for this District (Line 1 times Line 2 or \$67,000 for a district with less than 1,001 ADA) | \$ 7,224,979 | \$ 7,705,698 | \$ 7,876,543 |

2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)

| | 2022-23 | 2023-24 | 2024-25 |
|---|--------------|---------------|--------------|
| a. General Fund Budgeted <u>Unrestricted</u> Reserve for Economic Uncertainties | \$ 7,523,318 | \$ 7,705,698 | \$ 7,876,543 |
| b. General Fund Budgeted <u>Unrestricted</u> Unappropriated Amount | \$ 322,740 | \$ 9,848,246 | \$ 2,049,889 |
| c. Special Reserve Fund (17) Budgeted Reserve for Economic Uncertainties | \$ 0 | \$ 0 | \$ 0 |
| d. Special Reserve Fund (17) Budgeted Unappropriated Amount | \$ 0 | \$ 0 | \$ 0 |
| e. Total District Budgeted Unrestricted Reserves | \$ 7,846,058 | \$ 17,553,943 | \$ 9,926,432 |

3. Do Unrestricted reserves meet the state standard minimum reserve amount?

☒ Yes

☐ No

H. Certification

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions in the agreement in accordance with the requirements of AB1200 and G.C. 3547.5.

We hereby certify that the costs incurred by the school district under this agreement can be met by the district during the term of the agreement.


District Superintendent
(Signature)

Dr. Antonio Castro
Printed Name

12/9/2022
Date


District Chief Business Official
(Signature)

Anna Campbell
Printed Name
Director, Fiscal Services, CBO- Vacant

12/16/2022
12/9/2022
Date