

## FACT FINDING DISCUSSION AND RECOMMENDATIONS

### In the Matter of the Impasse Between

FRESNO UNIFIED  
SCHOOL DISTRICT  
Employer

-and-

FRESNO TEACHERS ASSOCIATION  
Exclusive Representative

PERB CASE NO: LA-IM-4144-E

Report Issued  
October 4, 2023

Formal Hearing Held on September 7, 2023  
Fresno Convention Center

### Members of the Fact Finding Panel

#### Impartial Chairperson:

Donald Raczka, Fact Finder

#### Employer Panel Member:

John Gray, School Services of California

#### Union Panel Member:

Mitch Olson, California Teachers Association

### Making Presentations to the Fact Finding Panel:

#### For the Association:

Manuel Bonilla, Fresno Teachers Association

Louis Jamerson, Fresno Teachers Association

Taylor Visthum, Fresno Teachers Association

(Several other members of Fresno Teachers Association  
assisted in the presentation)

#### For the Employer:

Matt Phillips, School Services of California, Inc.

Peter Schaffert, Atkinson Andleson Loya Rudd and Romo

## **DISTRICT AND ASSOCIATION DESCRIPTIONS**

Fresno Unified School District, the third largest unified district in the state, is located in the central San Joaquin Valley of California. It has a K-12 enrollment over 72,000, predominantly minority (90%) and low income (84% eligible for free and reduced lunches). Its population is diverse: 70% Hispanic, 8% White, 11% Asian, 8% African-American and 3% Other Ethnicities. English Learners comprise 19% overall student populations and speak 45 different languages. Foster Youth and Students with Disabilities represent 1% and 12%, respectively, of the total enrollment.

The Fresno Teachers Association is the exclusive representative since 1976. It has approximately 4,168 certificated members.

## **HISTORY OF NEGOTIATIONS**

On strictly a timeline basis, the parties began successor contract negotiations for the master agreement covering the 2023-2026 school years in July 2022. Both sides agreed to use Interest Based Bargaining (IBB). Using the IBB format, the Association exchanged “interests” on November 18, 2022, which seems to be a turning point in the process. A simple review of that material could easily predict the failure of the IBB process. These “interests” were by and large a reporting of positions, or goals, and were much too broad for the process of Interest Based Bargaining, which is much more successful in focused discussion around a single problem statement. An answering “Comprehensive Response” was submitted on May 18, 2023. Again, so broad as to lose focus.

Although the parties met over 30 times in negotiations sessions, no agreement was reached and the parties filed for impasse from the Public Employment Relations Board, PERB, on June 28, 2023. A mediator was assigned and after meeting with the parties, the mediator certified the impasse to Factfinding on July 25, 2023. The parties agreed on the selection of the Chair to head the Factfinding Panel.

The number of open items were astounding to read and far too numerous to recite in this document. Following the suggestion of the entire Factfinding Panel, the parties agreed to meet in a pre-hearing mediation attempt conducted by the Chair and the two respective Panel Members. The parties met on September 5 and 6 in an attempt to reach some closure on the impasse. That mediation was not successful and the Hearing was held on September 7, 2023.

## **FACTFINDING CRITERIA**

Factfinding falls under the Impasse Procedures governed by the Educational Employment Relations Act (Section 3548). Unlike interest arbitration, where a third-party neutral sets the terms of a new contract, a third-party panel chair in an Educational Employment Relations Act (EERA) factfinding does not decide but merely provides recommendations. In essence, this makes factfinding an extension of bargaining. Ultimately, the parties must persuade one another of their positions, and the neutral chairperson goal is to provide an outside perspective to help the parties settle the dispute.

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.

## **ISSUES BEFORE THE PANEL**

The Collective Bargaining Agreement expired June 30, 2022, and thus negotiations began with every section of that Agreement open. With the number of items brought forward in the Summary of Disputed Issues submitted to PERB, it was as if the parties had not bargained in the year that they met over 30 times. In reviewing all the documents and as a result of the two days of pre-hearing mediation, the Chair will focus his recommendations on the following contract issues:

- Term
- Hours
- Compensation: Salary
- Compensation: Health and Welfare
- Class Size

All items of the contract not specifically named remain status quo.

## **RECOMMENDATIONS**

The Chair will make his recommendations from the perspective of having the least impact on the Collective Bargaining Agreement during the term of the Agreement. Changes in the master contract should be made by the parties themselves. During the pre-hearing mediation, both sides indicated a desire to return to Interest Based Bargaining, which the Chair believes gives the parties to best address the transformational student and teacher support systems the Association believes essential. This method of problem solving, if done correctly--and with fidelity--is the best vehicle for the broad transformative proposals by the Association under the title of "Student Supports". Transformative change is a systemwide effort and needs a political solution from all stakeholders. The Chair noted reference to a group he holds in high regard, the Consortium of Educational Change, that could be of help to the District and the Association.

However, in his short time with the parties, the Chair witnessed behaviors that were antithetical to establishing trust, the needed foundation of an Interest Based System. During the pre-hearing mediation days, an informal suggested settlement from the Chair was given to both sides with the caution of confidentiality. However, the District was unable to keep elements of that suggested settlement from being publicly reported on by an outside party. On the other side, the President and the Executive Director of the Association chose to leave the hearing after their presentation, even though they were an essential part of the Association bargaining team. Both these behaviors, confidentiality and respect for the other side's right to their viewpoints, are overt trustworthy behaviors.

It is no surprise that Interest Based Bargaining was unsuccessful with disrespectful behaviors such as these two examples. Clearly the parties, though expressing a desire to return to an Interest Based approach, have much to learn. Acting in a trustworthy manner is paramount to the success of this style of bargaining.

## **Recommendation 1: The Parties should shift to Interest Based Problem Solving with the following elements:**

- Problem Solving means the process focuses on a specific topic or problem statement and not the entire contract all at once. Once the Interest Based Problem Solving Team reaches consensus on an item, there needs to be a mechanism to fold that decision into the master agreement.
- The parties need to be retrained in Interest Based and the Superintendent and Association President should attend that training. It is also recommended the Board of Education should also receive the training. Training should be completed by February 1, 2024.
- The main team of Interest Based Problem Solving should have at most 8 Labor and 8 Management representatives. Smaller size is more efficient.
- The system needs to be ongoing, not episodic. Regularly scheduled meetings, monthly or bi-monthly is best.
- A second Interest Based Problem Solving team should be formed to focus on Professional Time and Staff Development. This team should be representative of the system's school levels (2 K-6 representatives, 2 7-8 representatives, 2 9-12 representatives and 2 Special Ed) from Labor and the same number of Management representatives.
- A third Interest Based Problem Solving team should be formed to focus on seeking solutions to problems identified in Special Education, composed of 6 Labor and 6 Management representatives.
- All Interest Based Problem Solving meetings must have facilitation.
- The system needs to have an element of accountability. A joint communique after every session and a periodic public reporting to a joint session of the Association Representative Council and the School Board, for example. This public accountability is important.

## **Recommendation 2, Term: The agreement covers 2023-2026.**

With the adoption of the Interest Based Problem Solving system, the master agreement would become a "Living Contract", changing by mutual consent.

## Hours

District Position	Association Position
Status Quo with current Language	<ul style="list-style-type: none"> <li>• Buyback Day time limits: 1 hour administrator time and the rest of the day at teacher discretion.</li> <li>• 20 meeting hours (10 per semester)</li> </ul>

The support material submitted by the Association reported results of surveys of their membership. Clearly, the data that was submitted indicates dissatisfaction with the current system. However, the Chair is not convinced the dissatisfaction is because of the quantity or quality of the current usage. Both parties indicated a support of the Professional Learning Communities, however, the Association believes this time should be teacher-led. The Chair does agree with that sentiment but is reluctant to recommend changes in the system for this year. That is best left to the parties. Similarly, the parties seemed to agree that time should be set aside in the three student-free days prior to the start of school for classroom preparation. Since these days have come and gone for the current school year, the Chair believes this topic is an ideal topic for problem solving and should be the first one addressed by the second Interest Based Problem Solving team.

**Recommendation 3, Hours: The Chair recommends status quo with the meeting hours for 2023-24 and recommends the issue be addressed by the second Interest Based Problem Solving team.**

## Class Size

District Position	Association Position
<ul style="list-style-type: none"> <li>• Lower the annual average compensation (\$2000) threshold for elementary teachers with 32 or more students for 50% or more of the school year.</li> <li>• Status Quo for rest of the article</li> </ul>	<ul style="list-style-type: none"> <li>• PreK 1:8 Cap</li> <li>• TK-K 1:12 Cap</li> <li>• 1-3 1:22 Cap</li> <li>• 4-6 1:25 Cap</li> <li>• 7-8 1:25 Cap</li> <li>• 9-12 1:27 Cap</li> <li>• Class cap at 1:18 for lowest performing elementary sites</li> <li>• Class cap at 1:8 for Phoenix Secondary</li> </ul>

The supporting documents presented by the District were pages of class size reports from within Fresno Unified and the Association presented survey results and provided studies and papers supporting lower class sizes. Since any changes in class size language won't be in effect until

the 2024-25 school year, this item should be taken up by the Interest Based Problem Solving Team as its first issue.

**Recommendation 4, Class Size: The Chair recommends status quo with the topic to be taken up as topic for 2024-25 by the Interest Based Problem Solving Team.**

**Health and Welfare Compensation**

District Position	Association Position
<ul style="list-style-type: none"> <li>• Lifetime Benefits status quo</li> <li>• Proposed a 50% employee paid premium reduction through June, 2026.</li> <li>• Lower the contribution from \$24,370 to \$21,000 savings and shift that savings to salary.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinstate lifetime health and welfare benefit prior to July 1, 2005. Unit members hired before 2020 vest at 20 years of district service. Those hired after 2020 vest at 25 years.</li> <li>• Long term care cost reduced by 10% each year for the next 4 years.</li> <li>• 100% paid Dental, vision and hearing coverage.</li> <li>• District paid disability</li> <li>• Reimburse cost for fitness facility up to \$1000 per year for completion of 100 days of exercise</li> </ul>

A return of lifetime health and welfare benefits would clearly be a costly proposition. How much of a cost and what is the long-term impact to the district? The Chair is not an accountant and cannot answer that question. The parties should further investigate using a forensic accountant using GASB (Government Accounting Standards Board) criteria. A decision such as this will have long term impact and must be reasoned through by all stakeholders. The District did present the fact that out of over 1000 school districts in the state, only 63 have such a provision. Clearly the comps favor the District’s position on Lifetime Benefits, despite some interesting data arguments presented by the Association.

However, the current contract language does offer what is called “Medi-Gap” (paid District coverage for employee and spouse for those who retire before becoming Medicare eligible at age 65). Currently, the unit member is vested at 25 years of district service and must be 60 years of age.

**Recommendation 5, Retiree Benefits: The Chair recommends status quo on lifetime benefits and to re-bench the vesting age of Medi-Gap benefit at 20 years of district service with no age or term cap.**

The Joint Health Management Board (JHMB) appears to be operating efficiently. Funding for Health and Welfare is provided within the contract. Over the past several years, the continued funding of Health and Welfare with sound decisions by the JHMB has produced a surplus over the target encumbered reserve.

Total compensation (the cost of salary and health and welfare) is a standard understood to be used by most factfinders, including the Chair. The District proposes to use a portion of that surplus to reduce the out of pocket costs for employees in health care, but only for the term of this agreement. The cost of doing that is the equivalent of 2.5% salary cost over each of the two remaining years. Compensation is money spent on the employee. The Chair believes those dollars are better used for one-time salary increases.

**Recommendation 6: The Chair recommends redirecting the amount equivalent to 2.5% salary increase for 2 years from the surplus in Health and Welfare to one-time salary bonuses.**

The District has proposed rebenchmarking the Health and Welfare contribution from \$24,370 to \$21,000 and redirect that amount to salary. This would not be a “cut” in Health and Welfare but would be a redirection of that compensation from Health and Welfare (where it is adding to an annual surplus) to compensation in salary, approximately 4% on-going. Doing so would not increase the out of pocket costs in Health and Welfare and slow the growth of the surplus. It is an affordable, low risk option. It is important to note that this recommendation does not propose a “cap” at \$21,000. The contract language remains the same and future years escalates using the same funding mechanism as before.

**Recommendation 7: The Chair recommends rebenchmarking the District Health and Welfare from \$24,370 to \$21,000 and redirect that compensation, the equivalent of 4% on-going salary) to the salary schedules.**



## Salary Compensation

<b>District Position</b>	<b>Association Position</b>
<ul style="list-style-type: none"> <li>• 2022-23 (closed year) a one-time payment of \$5,000</li> <li>• 2023-24 8% (with redirection of equivalent of 4% compensation from Health and Welfare.</li> <li>• 2024-25 1.5%</li> <li>• 2025-26 3%</li> </ul>	<ul style="list-style-type: none"> <li>• 2022-23 (closed year) 7.26% effective 7/1/22 and \$10,000 one-time payment</li> <li>• 2023-24 8.22% based on current projections of funding plus a \$7,500 one-time payment</li> <li>• 2024-5 5.94% based on current projections of funding plus a \$5,000 one-time payment</li> <li>• 2025-26 5.29% based on current projections of funding plus a \$5,000 one-time payment</li> </ul>
<ul style="list-style-type: none"> <li>• Status Quo with rest of Article</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce work year from 185-182 work days with no loss of compensation</li> <li>• Revise unit requirements of each column on the salary schedule (at least 5% equivalent cost)</li> <li>• Increases to the Additions to placement on the Basic Salary Schedule by \$500 initially, then \$100 each year thereafter.</li> </ul>

The Chair is confused over the inclusion of 2022-23 in both proposals. The parties agreed to compensation for that year with a provision was signed and ratified. The contract expired on June 30, 2023. 2022-23 is done and over.

**Recommendation 7: The Chair recommends the following for salary:**

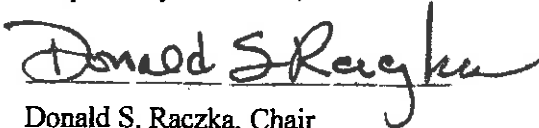
- **2023-24 8.5% on schedule raise, effective 7/1/2023 plus \$5,000 one-time payment (equivalent to 5.5% cost)**
- **2024-25 3.0% on schedule raise, effective 7/1/2024 plus 2.5% one-time payment (redirection of compensation dollars from Health and Welfare)**
- **2025-26 2.5% on schedule raise, effective 7/1/2025 plus 2.5% one-time payment (redirection of compensation dollars from Health and Welfare)**

This represents an increase 14% on-going over the term of the Agreement and also includes the equivalent of a 10.5% cost increase in one-time payments.

An example of this recommendation without using step and column movement, is to use the maximum salary at 185 days, or \$100,310 would increase from \$100,310 to \$114,904 and unit members on that step would receive an additional \$10,675 in one-time payments over the term of this agreement. That is equivalent to a 14.5% on-going increase and another 10.6% in one-time payments.

The Chair hopes these recommendations will help the parties resolve this impasse.

Respectfully submitted,



Donald S. Raczka, Chair


**For the District:**

Concur

Concur in part

Dissent

Dissent in part



John Gray, District Panel Member


**For the Association:**

Concur

Concur in part

Dissent

Dissent in part



Mitch Olson, Association Panel Member

## **Concurring and Dissenting Report of Panel Member Olson**

**PERB CASE NO: LA-IM-4144-E**

### **Fresno Unified School District and Fresno Teachers Association**

Olson, Panel Member, concurring in part and dissenting in part:

I appreciate the Chairperson's willingness to attempt to work with the Parties to focus on a narrower set of issues to consider for recommended settlement and to attempt to provide a framework addressing those items. As the Chairperson notes, the Panel was tasked with an enormous number of issues to address in the process, far more than the fact-finding is designed to tackle.

I also wanted to commend the Parties for their thorough presentations, especially the hard-working educators who took time away from their students to provide compelling narratives in support of the Association's positions. As noted above by the Chairperson, the Association repeatedly stressed that they were attempting to reach a transformative agreement in this round of negotiations. Because of this ambitious and noble goal, some of their proposals lacked strong comparability, a statutory consideration of the Panel. With their personal and professional presentations, these educators explained with passion how these proposals would address "the interests and welfare of the public" by creating a better school system. For that they are to be commended.

#### *A Barrier to the Parties Settling Their Differences: Trust*

As to the issue of trust, I agree with the Chairperson that it is essential to have meaningful participation in the collective bargaining process, whether in traditional bargaining or IBB. In addition to the issues cited above by the Chairperson, it was clear in testimony and in supporting documentation that the Association did not believe claims the District made about their budget throughout the negotiation process and for good reason.

In his testimony, for example, the Chapter President relayed that throughout bargaining the District would make claims about their inability to pay for various proposals made by the Association. The Association would challenge those claims by pointing out areas of spending in the budget that were unnecessary or wasteful and/or significant increases from the prior year. One area, for example, was in Sub Agreements for Services (object code 5100).

As the Parties bargained and new budget numbers were revised and available, the Chapter President noted that the numbers quoted originally by the District would end up changing significantly. The District provided the Panel with its Unaudited Actual budget document, and it showed evidence of the Association's claim. For example, the District reported in its 2023-24 Budget an estimate that it would spend \$90 million dollars on Sub Agreements for Services in the 2022-23 year in June, only to end up spending \$74 million as reported in their Unaudited Actuals just a few months later.

### *Training May Be Helpful to Improving Relations Between the Parties*

The Chairperson is correct that the Parties expressed disappointment in the breakdown of the IBB process. There was less consensus, however, on whether engaging in the process in the future would be beneficial. The Chair may be right that training for the Parties could be helpful to future negotiations, but it's unclear to me that IBB will work given the state of the parties' relationship. I recommend, however, that the Parties consider exploring mutually agreed upon training to help with future negotiations, whether it be IBB or some other method. The reality is that the Parties have a duty to negotiate in good faith and meeting, negotiating, and communicating is unavoidable and required. Outside help may make the process better.

### *A Three-Year Agreement is Appropriate*

I concur with the Chairperson's recommendation regarding the term of the agreement given that both parties have discussed a three-year contract. I also agree with his characterization that the document become a "Living Contract" to the extent needed to incorporate agreements reached through the team problem-solving process recommended by the Chair.

### *Further Negotiations Appropriate on Hours of Employment and a Reduction in the Amount of Meeting Time for the 2023-24, 24-25, and 25-26 Years Recommended*

I concur with the Chairperson that the Parties should continue to discuss meetings and hours of employment, whether by a Problem Solving Team that makes recommendations to bargaining teams to be implemented through an MOU or through continued negotiations. The District has adopted Professional Learning Communities (PLC) as a model for staff development. The success of this kind of program is contingent on a shared vision between teachers and school administrators, and that shared vision has broken down. The Association provided convincing evidence that these meetings are widely thought of as lacking focus and that some of the original understandings regarding how this time would be utilized is being manipulated by some site administrators to the detriment of the process.

Given that the school year has already started, it is no longer possible to implement a full set of changes for this year. **I recommend that until some of the concerns with these meetings can be resolved that the number be reduced for the 2023-24 school year to no more than 20 meetings (roughly two per month). I also recommend that in the 2024-25 and 2025-26 school years that at least one staff development day be repurposed to provide teachers time to prepare their classrooms for students.**

Additionally, as the Parties continue to discuss changes going forward, I recommend they consider:

- Bringing in a professional consultant to revisit the purpose of PLCs, as well as best practices.
- Establishing a professional development implementation steering committee comprised of equal numbers of Association and District representatives. This committee will be charged with implementing a shared strategy and vision and addressing school sites where problems are identified.

Further Negotiations Appropriate on Class Size

**I concur with the Chairperson that the Parties continue to discuss class size reduction and/or caps either through a Problem Solving Team that makes recommendations to bargaining teams to be implemented through an MOU or further negotiations.** Both parties brought up several issues that make implementation of any proposal around this item a significant logistical problem now that the 2023-24 school year has begun.

The Association expressed frustration that many of their information requests were not honored, making it very difficult to determine the cost and impact of their proposals. Additionally, the Association believes that the District has been adding excessive numbers of certificated management and non-management positions not directly serving students but rather in support positions like Teachers on Special Assignments (TOSA) or District level administrators.

The District presented evidence and testimony that reducing class sizes in the amount proposed by the Association would necessitate the hiring of hundreds of new employees costing millions of dollars and the acquiring of millions of dollars' worth of portable classrooms. The District's presentation seemed to assume, however, that the current staffing of non-classroom-based employees would remain the same. It was also unclear how much unutilized space the District could potentially use to accommodate class size reduction.

Lastly, the District still had 70 vacancies unfilled at the time of the hearing constituting more than 10% of the 2023-24 total vacancies. These vacancies were most pronounced in especially hard to staff subjects like Science, Technology, Engineering, and Mathematics (STEM) and Special Education.

It is axiomatic that major class size reduction is an extremely costly effort in its staffing and facilities impacts. However, reducing class sizes is of great benefit to students and teachers. The Parties would be well served to explore responsible improvements here.

Lifetime Medical Benefits could be an Important Tool in Attracting and Retaining High-Quality Educators

I dissent with the Chairperson's recommendation to redirect surplus healthcare dollars into an on-going raise and one-time bonuses. As the Chairperson mentions, the extension of lifetime health benefits clearly has a cost, but it's a cost that the Parties may have a way to responsibly address. Fresno Unified School District is the third largest school district in the state and the largest in the Central Valley which presents unique challenges relative to its competitor districts in fully staffing its schools. As mentioned before, at the time of the hearing, the District still had 70 unfilled positions several weeks into the school year.

Though the District presented comparability data showing, as the Chairperson notes, that only 63 of 1,000 districts in the state have lifetime health benefit provisions, included in those districts are very large urban school districts like Los Angeles Unified and Sacramento City Unified. The

existence of lifetime health benefits in such large and complicated institutions is evidence that it is possible to maintain lifetime healthcare benefits if well managed.

The one compelling area of productive negotiations expressed by both parties in the hearing is that the Joint Health Management Board (JHMB) is well managed by the District and its employee groups, including recent decisions saving millions annually by switching to Medicare Advantage plans for current and retired members already eligible for lifetime medical benefits. As the Chairperson notes, the Parties agree that there is a substantial reserve above the required amount due to these kinds of responsible decisions and that reserve is projected to grow significantly if no changes are made to the benefit structure due to an on-going fund surplus.

The District would like to repurpose excess dollars going to the Joint Health Management Fund into an across-the-board salary increase because lifetime healthcare would add additional long-term liability. The Association would like to use those excess dollars to extend lifetime healthcare to all employees. **I recommend that the Parties consider the Association's proposal to reinstate lifetime healthcare benefits in order to give the District a significant advantage in attracting and retaining high quality staff. I recommend the Parties explore the following to address any concerns about the cost of adding this benefit:**

- Consider keeping the current 25-year vesting requirement but include lifetime healthcare benefits for all current employees hired after 2005. The Parties presented the panel with an actuarial study showing the present value of future benefits of \$173 million for this change.
- Bargain a one-time transfer into irrevocable trust Fund 71 of excess reserves in the Healthcare Fund as a downpayment on prefunding the new lifetime healthcare benefit. The healthcare reserve is overfunded by more than \$60 million dollars.
- Agree that an amount equal to the District's calculation of the 4% on-going salary increase instead be redirected into irrevocable trust fund 71 each year going forward to prefund the benefit until such time as the benefit is fully funded.
- Once prefunding of the new benefit has been actuarially determined, the payment into fund 71 shall stop and the Parties will negotiate how those resources will be used thereafter.

#### *The District should Prioritize Educators' Wages*

**I concur with the Chairperson's recommendations for on-going wage increases in the 2023-24, 24-25, and 25-26 school years but without the redirection and rebenching of healthcare spending. I concur with the Chairperson's recommendation on stipends as well.**

In the 2022-23 school year, Fresno Unified School District provided a negotiated wage increase that was significantly less than their two major competitor districts in the area, Clovis and Central Unified. Additionally, the District received a 12.7% increase in its LCFF funding in 22-23, and due to a pre-existing agreement with Fresno Teachers Association, the District provided its educators a 6% raise, far short of the District's increase in LCFF funding and other important competitor districts' increases to their employees. The District can use the 2022-23 increase along with the increase in 2023-24 to fund the first year's enhancements without rebenching

healthcare spending. If there need be budgetary corrections to sustain the increase in future years, the District has ample reserves to allow time for such corrections.

**Instead of the Chair's recommendation to provide one-time salary increases, I recommend the Parties discuss further enhancements to compensation that address specific competitive issues brought to light in the hearing that make it difficult to attract and retain quality educators.** I specifically recommend the Parties consider the following proposals:

- Address low starting salaries by eliminating the first step of the schedule and making Step 2 the new Step 1 and so on and so forth.
- Addressing low top salaries by adding a new step at the top of the schedule. Since the first step is eliminated, to keep the same number of steps, the parties should create a new top step consistent with the current schedule thereby increasing the top salaries.
- Address difficult to staff positions by considering structuring stipends for certain job classifications so that stipends can be part of educators' defined benefit. If structured correctly, this process could help boost the pay of special education teachers and educators working with second language learners.

#### *Many More Important Matters to Consider*

The Association presented the Panel with dozens of items not addressed in this report. These proposals came from dedicated educators that understand the challenges faced in the classroom every day which makes them uniquely equipped to find solutions to the challenges they face. Many of their ideas would make a positive difference for students and the greater Fresno community. **I recommend that the Parties continue to discuss these proposals going forward.**

#### *Avoid Overreliance on Different Measures of Cost of Living*

Though the law requires the Panel to consider the Consumer Price Index (CPI) in our deliberations, the Parties would be well served to avoid overreliance on different measures of inflation. The Parties' expired Collective Bargaining Agreement relied too much on the State's definition of the statutory Cost of Living Increase (COLA) based on a measurement of inflation for government agencies.

The Local Control Funding Formula has several other important variables that determine year over year funding for school districts. For example, last year the statutory COLA was 6.65% but also contained a significant augmentation of 6.7% (not described in law as a COLA) due to excess funding at the State level. Fresno Unified School District didn't receive a full 13.26% increase in its funding, however, largely because of a declining student population. Similarly, this year the statutory COLA is 8.22%, but Fresno Unified's increase in funding is projected to be a bit less than 6%.

To add further confusion, most educators and members of the public mistake the statutory COLA in the LCFF with CPI, the index designed to capture inflation for normal consumers. If members of the public were to try to find CPI online, they would be further confused because of the

multiple kinds of CPI measured and tracked by the federal government. It is this Panelist's strong recommendation to the Parties that they focus in the future on year over year on-going increases in District funding for making on-going commitments to employee compensation whether it is salary or health and welfare benefits.



---

Mitch Olson, Association Panel Member  
October 5, 2023