

OFFICE OF THE SUPERINTENDENT

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Sent via email to dfisher@saccityta.com

David Fisher, President Sacramento City Teachers Association 5300 Elvas Avenue Sacramento, CA 95819

RE: Initial Negotiations Proposal

Dear Mr. Fisher:

With less than a month left before the start of the 2019-2020 school year, the District remains committed to working with the leaders of the Sacramento City Teachers Association ("SCTA") to negotiate a successor contract that is fair to our hard-working educators, keeps the District fiscally solvent, and most important, provides students with greater opportunities to reach their potential. The District has requested to commence negotiations with SCTA leadership since November of 2018, and through June of 2019 with eleven (11) letters offering thirty-seven (37) dates to meet. As you know, the last round of negotiations between the District and SCTA took nearly fourteen (14) months, with over thirty (30) negotiations, mediation, and pre-fact-finding meetings between the parties. The District's desire to commence negotiations early was two-fold: to start the negotiations process as soon as possible and complete it before the term of the current agreement ended on June 30, 2019 and to move forward collaboratively to avoid another school year consumed by contract negotiations and labor unrest rather than focusing on student achievement.

Despite the District's efforts to begin negotiations, <u>SCTA leaders have repeatedly stated</u> that negotiations will not be productive until a number of outstanding items related to the <u>Collective Bargaining Agreement (CBA)</u> are resolved. To the extent that there were or are lingering issues with the 2017 Tentative Agreement, the salary restructure issue was resolved through arbitration. The interpretation of section 13.1.1 will also be resolved through arbitration of your grievance filed on June 4, 2019. Neither of these issues, nor any other outstanding issue, stands in the way of the parties beginning successor contract negotiations.

Letter to David Fisher RE Healthcare Proposal Page 2 of 3 August 2, 2019

In our June 20, 2019 letter, the District notified SCTA leaders that we would submit proposals to SCTA electronically if we did not receive a response on our request to begin negotiations. Given that SCTA leaders have not accepted the District's request to begin negotiations, and because we must move the negotiation process forward in order to bring fiscal stability to the District and provide the programs and services that our students desperately require to succeed, we are submitting the District's proposals on Article 13 that was *sunshined* in November 2018 by the District for negotiations. The District's initial proposals are attached and background for each is described below:

Article 13- Health Benefits

Sacramento City Unified School District is the only large urban district in the region that pays the full premium (100%) for the HealthNet family plan at an annual cost of approximately \$31,492 for the current year. This structure, where the District bears the full cost of the benefit plan and any increased cost year over year, is not sustainable and has resulted in a structural deficit that the Sacramento County Office of Education, FCMAT, and other experts have denounced over the years.

The District's proposal on Article 13 proposes a benefits package for employees that is comparable to similarly situated school districts. The proposal provides a District contribution of 100% of the premium cost for employee only coverage of the low cost plan offered by the District plan (currently Kaiser). The proposal would provide for the District to contribute 75% of the premium of the low cost healthcare plan for employee plus one and family plans. The proposed premium contribution structure is essentially the same as the structure used in San Juan Unified School District and is comparable to or even more generous than what is provided by Elk Grove Unified and the State of California to their employees. In addition to bringing the District in line with the vast majority of comparable school districts and public agencies in California, this proposal will also ensure that there is equity in the amount contributed by the District to all of our employees, whether certificated or classified.

The proposed revision to Article 13 also includes the District's effort to reign in the District's unfunded liability for retiree healthcare costs. This liability is currently \$726 million. This amount is significantly higher than the 1999 liability amount of \$148 million. To ensure that this liability does not continue to grow, we propose an increase to the monthly contribution by SCTA members to help fund their healthcare in retirement. Given the critical importance of fulfilling this important commitment to our valued employees we must finally act on this critical issue. Thus, the District is proposing that SCTA members increase their contribution to limit the growth of the District's current unfunded liability.

2020-2021 and 2021-2022 School Calendars

Next, the District proposes revisions to the School Calendars for the 2020-2021 and 2021-2022 school years. On November 5, 2017, the District and SCTA signed the "Framework Agreement" to resolve negotiations. A material term of that agreement includes the following:

Within 15 days the parties agree to meet and confer about the school calendar for the next three years. The meet and confer shall include the start and end dates as well as the semester

end dates. One major underlying goal is to offer opportunities and enrichment for students to attend local institutions of higher education.

On March 1, 2018, the District and SCTA agreed to a 2018-2019 calendar which maintained the status quo by starting the work year on August 30, 2018. The District and SCTA leaders also agreed to continue negotiations for the two remaining school years (2019-2020 and 2020-2021) consistent with the 2017 Tentative Agreement for a possible mid-August start date. As we explained in numerous letters, including those of December 14, 2018 and December 21, the District's proposed changes to the school calendar are critical to address the needs of the students and families we serve. The proposal aligns the District's calendar with neighboring school districts and increases academic, enrichment, and workforce opportunities for students. Unfortunately, SCTA leadership did not agree to these changes for the 2019-20 school year.

The District is again proposing to change the school calendars for the 2020-21 and 2021-2022 school years to provide for a mid-August start date. The proposed calendar will allow students to enroll in summer courses and/or apply for summer jobs and internships beginning in early to the middle of June, opportunities that have previously been unavailable to students due to the District's traditional end of school dates. The earlier start date will, among other things, also provide students with additional instructional days prior to Advanced Placement (AP) and International Baccalaureate (IB) testing, the SAT, and other assessments, better positioning them for success in applying to institutions of higher education.

Ground Rules for Negotiations

Attached are the District's proposed ground rules for this round of negotiation. These ground rules are rooted in best practices and similar to the ones that have already been established with other labor partners.

The District intends to pass additional proposals on other articles that we *sunshined*, therefore, passing these proposals does not preclude the District from sharing proposals with SCTA on other articles.

Please review the District's proposals on these articles and let us know if you are available to begin negotiations on these and any other articles that the District and SCTA intend to bring forward. The District's negotiations team is available round the clock on August 6, 7, 12, 13, 19, 20, 22, and 27, 2019 to meet to begin contract negotiations for the 2019-22 successor contract. Again, we remain eager to begin the negotiations process with SCTA so please let me know which of these dates will work for SCTA's team by Monday, August 5th close of business and I will ensure that the District's bargaining team members are available.

Sincerely,

Jorge A. Aguilar Superintendent