

GUSD Budget and Employee Compensation Report

Information Report #1

February 15, 2022

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Chief Business and Financial Officer



Excelling Together with Endless Pathways for Success!



Agenda

- GUSD key indicators
- School district budget basics
- Enrollment
- Employee compensation costs



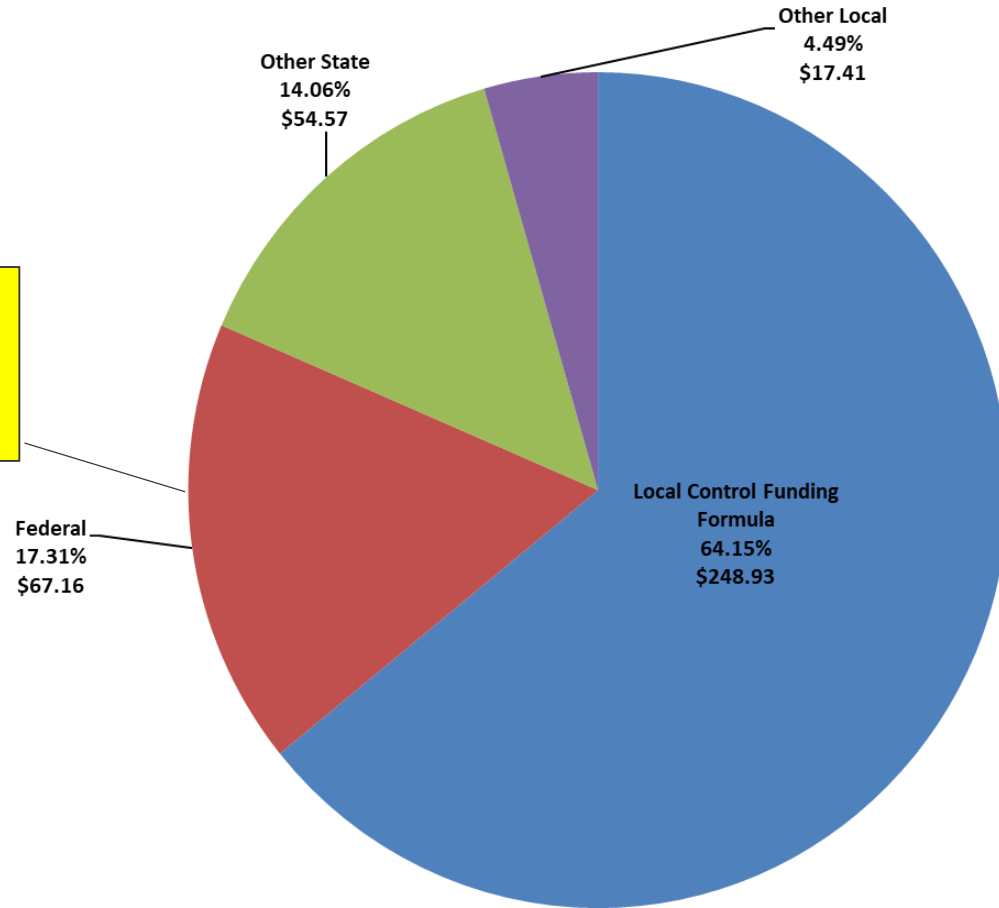
GUSD Key Indicators

GUSD is a great school district for many reasons:

- Outstanding students
- Outstanding teachers and support staff
- Outstanding parent involvement
- Informed, responsible and proactive Board of Education
- Excellent class offerings, programs, curriculum and technology
- Robust independent study options
- Very good and competitive wages and excellent health insurance benefits
- Stable fiscal reserves



2021-22 First Interim TOTAL REVENUES – GENERAL FUND



Includes \$50 million in one-time COVID funds

LCFF Base = \$225.58 million
Supplemental = \$23.35 million
Total = \$248.93 million
Based on 2019-20 enrollment/ADA
(Hold harmless year 2) = 24,691

Every 1% LCFF = \$2.48 million

Per student funding = \$10,082

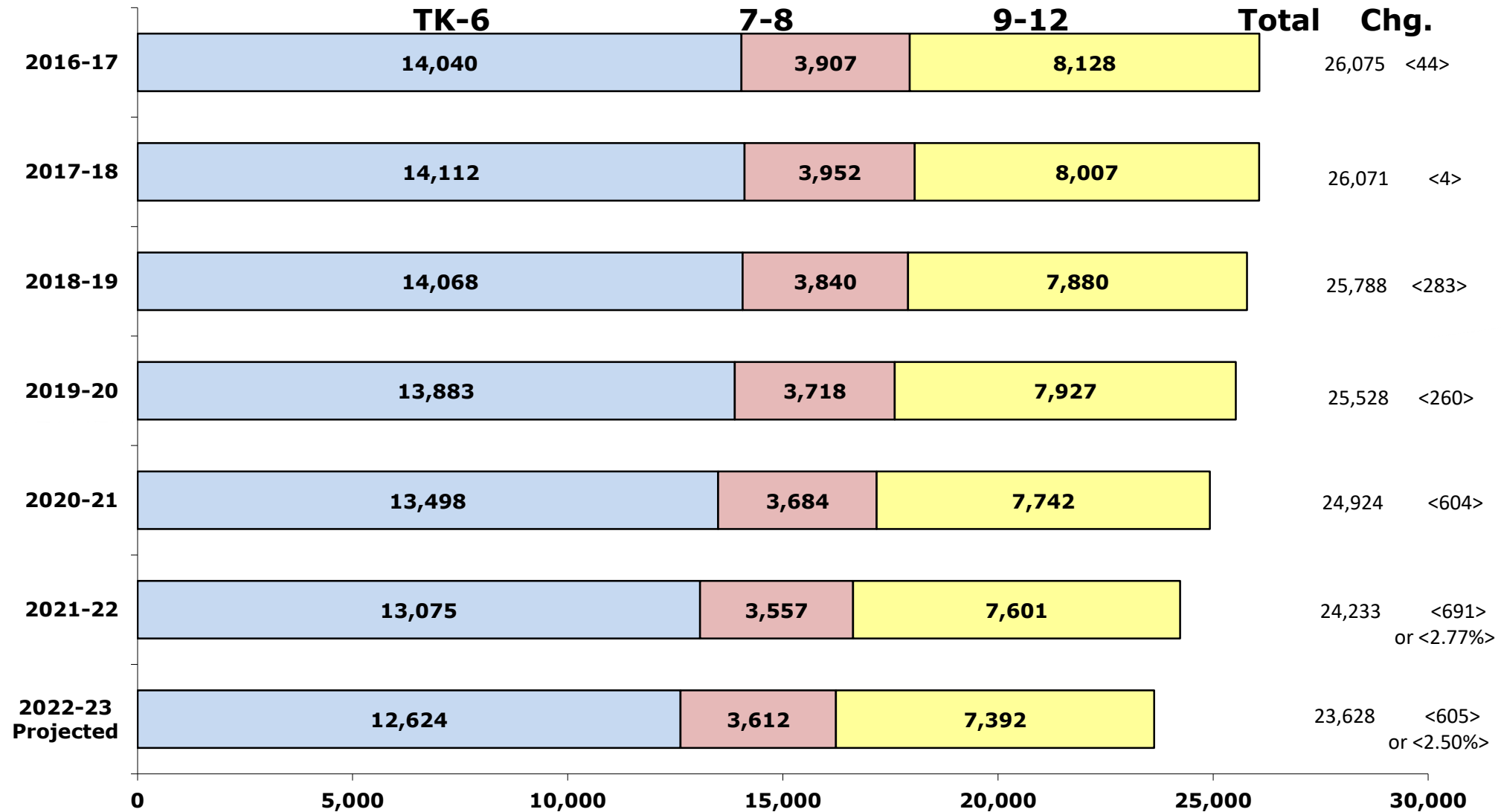
The Gov's proposal for 2022-23 is a COLA of +5.33%. If enrollment were flat = +\$13.2 million

However, 2022-23 has an enrollment "cliff" and even using the proposed 3-yr average, total LCFF may be the same or less.

Total Revenues \$388,062,825

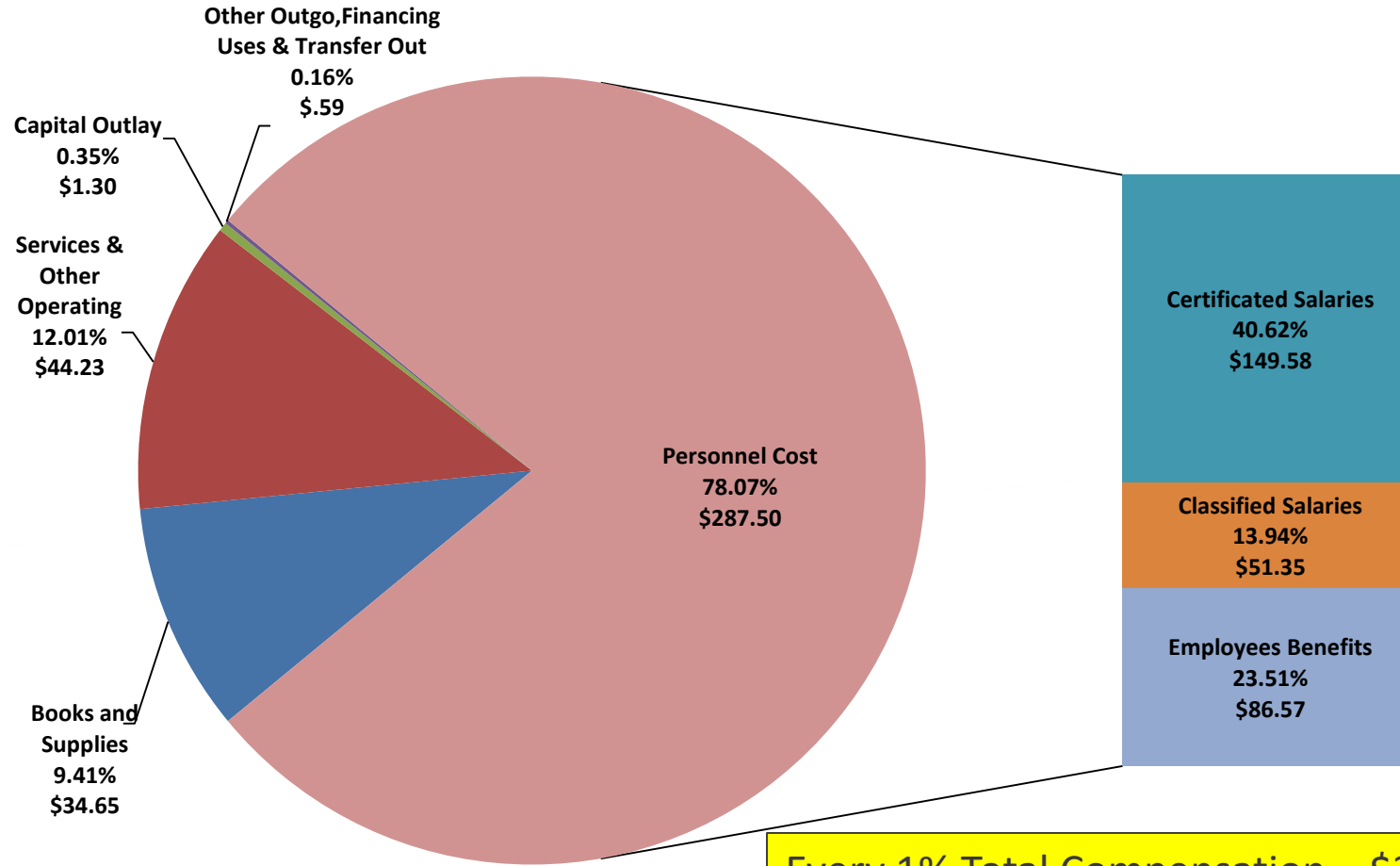


Historical Enrollment (CALPADS Data)





2021-22 First Interim TOTAL EXPENDITURES – GENERAL FUND



Includes one-time COVID expenses

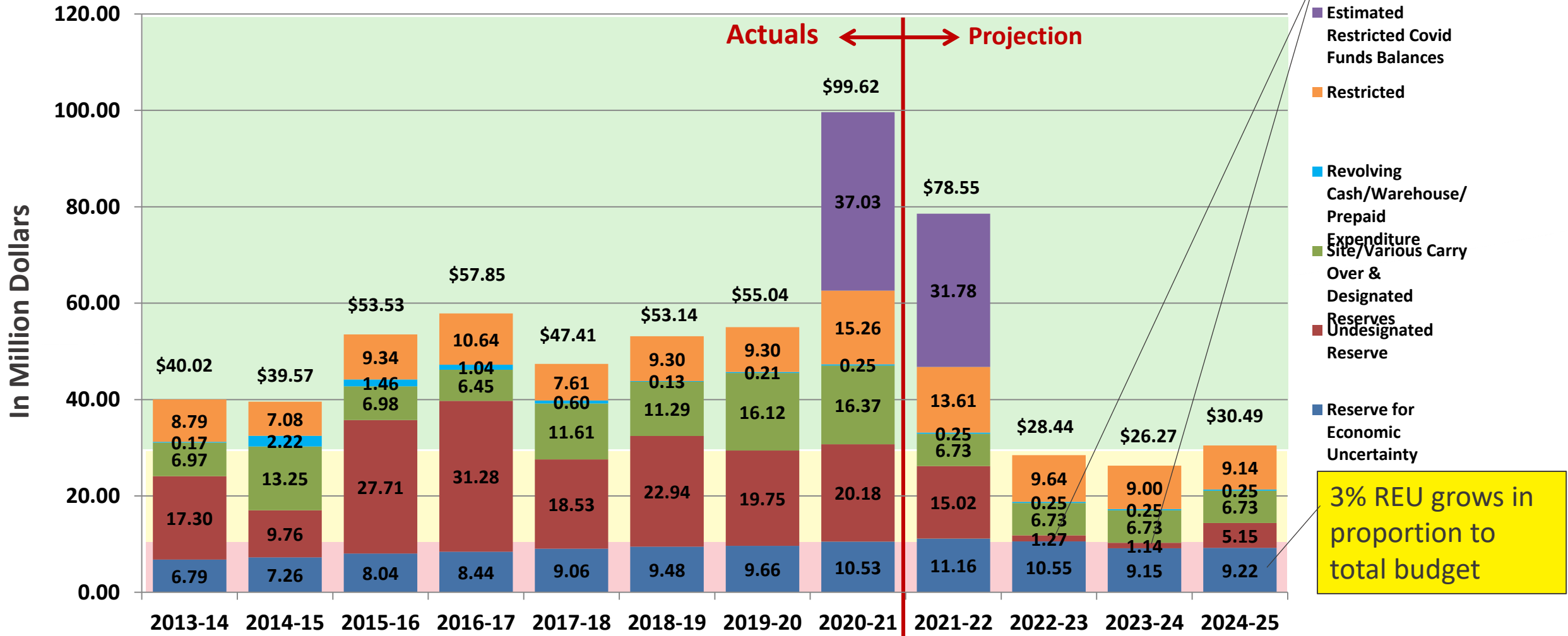
Every 1% Total Compensation = \$2.87 million

Total Expenditures \$ 368,269,238



2021-22 First Interim Summary of General Fund Ending Fund Balances

Assumes \$6m ongoing expense reduction for 2022-23 and another \$23.5m for 2023-24



3% REU grows in proportion to total budget

AS of 12/08/2021

Note: The Estimated Restricted COVID Fund Balances for 2020-21 and 2021-22 is based on the First Interim Projections



Budget Challenges

- Enrollment, ADA and Unduplicated Pupil Percent (UPP)
- Personnel costs pending
- Health care contribution – +8% (+\$3.2m) potential cost increase every year
- Ongoing Impact of COVID-19 on 2021-22, future budgets, and depletion of the COVID-19 one-time funding
- Ending of ADA “Hold Harmless” Provision in 2021-22
- Special Education – Program Needs Increasing
- Fiscal Stabilization Plan for 2022-23 of \$6 million and another \$23.5m for 2023-24 to prevent Unrestricted General Fund Balances going negative
- Potential territory transfer – est. negative impact of \$2.7m ongoing



Future Opportunities to Increase Enrollment and/or Revenue

- Quality programs and services for parents and families
 - Transitional Kindergarten
 - Full-day Kindergarten
- Advertising and promotion
- Parcel and bond tax
- Grants and fund raising
- Review of district assets



Personnel Costs

- Board Priorities – Maximize Student Achievement, Positive Culture of Learning, Health & Safety of our Students and Employees, and Maintain Financial Responsibility
- Regarding employee compensation:
 - What are the facts?
 - Who does GUSD compete with for quality employees?
- Basic budgeting concepts:
 - “Living within our means”
 - Increases to ongoing costs must be funded with increases to ongoing revenue
 - Ongoing cost and revenue increases must be matched to the correct fiscal year
- Connecting the dots:
 - Public education funding per student in California is not even at the national average
 - LCFF Cost of Living Adjustment (COLA) – only intended to maintain purchasing power
 - Automatic increases to ongoing costs
 - Negotiated increases to ongoing costs
 - Metrics: 1% COLA vs 1% Compensation



Personnel Costs

Glendale Teachers Association (GTA) – Certificated teachers

California School Employees Association (CSEA) – Classified support staff

Glendale Schools Management Association (GSMA) – Certificated and Classified administrators

All GTA, CSEA and GSMA Wages (including statutory benefits) = \$231,300,000

Every 1% = \$2.31 million



Employee Compensation and Benefits



Investing in talent. Roughly 80% of the District's general fund budget is invested in our personnel with 54.6% (\$200.9M) spent on employee salaries and 23.5% (\$86.6M) spent on employee benefits. Nearly 70% of Glendale Unified teachers earn more than \$70K/year in salary. One in four of our teachers earns more than \$100K/year.

78%

\$287.5M

\$31,587

Providing exceptional health benefits. Glendale Unified offers the highest medical insurance contribution of all school districts in Los Angeles County at \$31,586.70 per year.



Staffing for success. Glendale Unified has 1,352 certificated employees and 1,069 classified employees. Since July 2020, the District has increased certificated staff by 13% (156 new employees), and increased classified staff by 8.6% (85 new employees) to directly support student learning by eliminating split classes, creating a 7-period day, providing free child care, and supporting classroom teachers.

Building community. 61% of Glendale Unified employees live in Glendale and surrounding communities, with 40% living within school district boundaries. All Glendale Unified employees are welcome and encouraged to enroll their children in Glendale Unified schools.



Protecting our essential workers. Over the past two years, Glendale Unified has invested \$50 million in COVID-19 health and safety upgrades to protect students and employees. Additionally, the District provided \$6.4M in added compensation and training for teachers (the equivalent of a 4.5% one-time pay increase), and \$2.6M in added compensation for classified employees (\$2,200 for every employee who worked on-site and \$1,750 for every employee who worked remotely) during the pandemic.



Total Compensation – Ten Neighboring Unified School Districts

A District Name	B Teacher FTE	C Lowest Salary	D Highest Salary	E Ave Salary Paid	F H&W Contribution	G Total Comp (E+F)	H Total Comp Rank
GLENDALE UNIFIED	1186	\$49,917	\$106,430	\$86,125	\$31,472	\$117,597	1
*SOUTH PASADENA	216	\$46,136	\$105,162	\$98,717	\$17,217	\$115,934	2
ARCADIA	396	\$63,258	\$125,428	\$105,082	\$8,805	\$113,887	3
ALHAMBRA	684	\$45,357	\$124,525	\$89,568	\$21,686	\$111,254	4
SAN GABRIEL	229	\$44,174	\$97,900	\$85,216	\$23,228	\$108,444	5
LA CANADA	178	\$53,130	\$107,705	\$92,210	\$15,930	\$108,140	6
SAN MARINO	145	\$52,583	\$104,475	\$85,645	\$16,975	\$102,620	7
LAS VIRGENES	475	\$49,493	\$106,546	\$88,958	\$12,525	\$101,483	8
PASADENA	772	\$45,221	\$93,302	\$75,843	\$24,095	\$99,938	9
LOS ANGELES	22280	\$46,587	\$92,389	\$78,635	\$20,189	\$98,824	10
BURBANK	664	\$46,831	\$97,841	\$82,724	\$12,886	\$95,610	11

*This district had "NA" for some information on the CDE report; information was used from the LA County report

Over 61% of our employees live within the surrounding five communities
Over 40% live within the GUSD boundaries

Sources:

2020-21 LA County District Salary Survey - August 2021 -
Contact ortega_jay@lacoed.edu

2020-21 CA Dept of Education Certificated Salaries and Related Statistics - December 2021 -
<https://www.cde.ca.gov/ds/fd/cs/>



Total Compensation – Ten Comparable Unified School Districts

A District Name	B Teacher FTE	C Lowest Salary	D Highest Salary	E Ave Salary Paid	F H&W Contribution	G Total Comp (E+F)	H Total Comp Rank
DOWNEY	1096	\$58,678	\$120,115	\$99,814	\$30,247	\$130,061	1
*MONTEBELLO	1127	\$50,037	\$109,194	\$104,634	\$17,622	\$122,256	2
GLENDALE UNIFIED	1186	\$49,917	\$106,430	\$86,125	\$31,472	\$117,597	3
HACIENDA LA PUENTE	792	\$60,651	\$116,326	\$101,905	\$11,900	\$113,805	4
ALHAMBRA	684	\$45,357	\$124,525	\$89,568	\$21,686	\$111,254	5
A B C UNIFIED	890	\$56,007	\$108,926	\$87,669	\$21,980	\$109,649	6
COMPTON	858	\$44,308	\$99,847	\$87,459	\$13,901	\$101,360	7
PASADENA	772	\$45,221	\$93,302	\$75,843	\$24,095	\$99,938	8
POMONA	1298	\$47,444	\$104,940	\$83,891	\$12,715	\$96,606	9
BURBANK	664	\$46,831	\$97,841	\$82,724	\$12,886	\$95,610	10
TORRANCE	929	\$49,934	\$99,283	\$84,234	\$10,500	\$94,734	11

*This district had "NA" for some information on the CDE report; information was used from the LA County report

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2020-21 LA County District Salary Survey - August 2021 -

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Personnel Costs

Statutory Benefits/Legally Mandated – Non-Negotiated Items

Every \$1 of Certificated payroll costs \$1.22 due to statutory benefits

State Teachers' Retirement System (CalSTRS) pension	16.92% (going up to 19.10% in 2022-23)
Medicare	1.45%
Work Comp	1.675%
Unemployment	0.5%
*Retiree Benefits	<u>1.357%</u>
Total	21.902%

Every \$1 of Classified payroll costs \$1.34 due to statutory benefits

Public Employees' Retirement System (CalPERS) pension	22.91% (going up to 26.10% in 2022-23)
Social Security	6.20%
Medicare	1.45%
Work Comp	1.675%
Unemployment	0.5%
*Retiree Benefits	<u>1.357%</u>
Total	34.092%

In addition, GUSD provides the highest medical insurance contribution of all unified school districts in LA County at \$31,586.70 per year for each eligible employee (this is negotiable and in the current contract to increase by 8% each year). The district pays a total of \$40,000,000 in medical insurance/Rx premiums per year (2021-22)

*GUSD retiree benefits are a negotiable item



Certificated – COLA vs Built-In Costs

COLAs

2020-21 = 0%

2021-22 = 5.07%

2022-23 = 5.33% (Governor’s January 2022 Proposal)

Three-year total increase = 10.4%

Every 1% LCFF = \$2.48 million

Every 1% Total Compensation = \$2.87 million

STRS pension employer contribution increases (Note: Employee rate = 10.2%)

2020-21 = 16.15%

2021-22 = 16.92% . . Increase of .77%

2022-23 = 19.10% . . Increase of 2.18%

Three-year total increase = 2.95% (Not negotiated - set by state action)

Medical/Rx benefits employer contribution increases (Currently all medical plans are fully paid for except full Family PPO, which costs the employee \$233 for the year)

2020-21 = \$37,500,000

2021-22 = \$40,000,000

2022-23 = Expecting an increase of at least 8% = \$3.2 million

Total increase based on a districtwide wage equivalent = 1.38% (Negotiated) (\$3.2m / \$2.31m)

Net COLA available for wage increase (not full analysis – doesn’t include other factors such as step/column movement = net +1%, enrollment decline, class size, requests for added vision and dental benefits)

Three-year COLA increases = 10.4%

Less three-year built-in compensation increases of STRS (2.95%) and Medical cap (1.38%) = 4.33%

= Net available for wage increases over these three years = 6.07% (Negotiated)



Classified – COLA vs Built-In Costs

COLAs

2020-21 = 0%

2021-22 = 5.07%

2022-23 = 5.33% (Governor’s January 2022 Proposal)

Three-year total increase = 10.4%

Every 1% LCFF = \$2.48 million

Every 1% Total Compensation = \$2.87 million

PERS pension employer contribution increases (Note: Employee rate = 7%)

2020-21 = 20.70%

2021-22 = 22.91% . . Increase of 2.21%

2022-23 = 26.10% . . Increase of 3.19%

Three-year total increase = 5.4% (Not negotiated - set by state action)

Medical/Rx benefits employer contribution increases (Currently all medical plans are fully paid for except full Family PPO, which costs the employee \$233 for the year)

2020-21 = \$37,500,000

2021-22 = \$40,000,000

2022-23 = Expecting an increase of at least 8% = \$3.2 million

Total increase based on a districtwide wage equivalent = 1.38% (Negotiated) (\$3.2m / \$2.31m)

Net COLA available for wage increase (not full analysis – doesn’t include other factors such as step/column movement = net +1%, enrollment decline, class size, requests for added vision and dental benefits)

Three-year COLA increases = 10.4%

Less three-year built-in compensation increases of PERS (5.4%) and Medical cap (1.38%) = 6.78%

= Net available for wage increases over these three years = 3.62% (Negotiated)



The total cost of the four GTA MOUs = \$6,443,000 or 4.54% one-time equivalent (Baseline: Every 1% GTA wage = \$1.417 m)

- 1) "Reopening MOU" - Negotiated and signed April 9, 2021 = \$5 million or 3.53% one-time equivalent
 - For PD, room preparation and planning: Teachers paid up to 30 hours at contractual rate = \$3.3 million (could still grow to max of \$3.6m)
 - For additional supervision: Preschool and TK-2 teachers one-time payment of \$2,000; Grade 3-6 teachers one-time payment of \$1,800; Secondary teachers \$50 per occurrence = \$1.7 million

- 2) "Professional Development MOU" - Negotiated and signed August 2, 2021 = \$150,000 or 0.10% one-time equivalent
 - For August thru December 2021 any professional development was paid at the teachers actual contractual hourly rate, instead of the lower PD rates in the contract

- 3) "Summer School 20% MOU" - Negotiated and signed August 2, 2021 = \$820,000 or 0.58% one-time equivalent
 - All work done in the summer of 2021 (regular summer school, Camp Excel, CampPalooza, extended year programs, counselors, CDCC, etc) was paid at 20% above regular rates

- 4) "Campus Safety MOU" - Negotiated and signed September 20, 2021 = \$473,000 or .33% one-time equivalent
 - GTA members that are on a site COVID-19 Compliance Task Force are receiving \$60 per month to compensate for work performed outside of their contractual hours. Estimate = \$18,000
 - Up to seven (7) days of supplemental paid sick leave through June 14, 2022. The cost would be sub costs. The maximum possible would be \$1.82 million. Estimated on half of teachers taking half of the allowed days = \$455,000



There were several MOUs negotiated with CSEA. The MOU with substantial compensation cost was finalized in April 2020 with a total cost = \$2.6 million or 4.3% one-time equivalent (Baseline: Every 1% CSEA wage = \$600,000)

"CSEA Recognition MOU" - Negotiated and signed April 16, 2021 = \$2.6 million or 4.3% one-time equivalent

- Employees working in-person between 7/1/20 and 3/31/21 received \$1,800
- Employees working remotely between 7/1/20 and 3/31/21 received \$1,350
- All employees working between 4/1/21 and 7/30/21 received \$400



GLENDALE UNIFIED SCHOOL DISTRICT 2022-23 Fiscal Stabilization Plan – as of 12/14/21 (Required by LACOE to meet Positive Budget Certification)

Dept	Program	Est. Savings/Rev
1. LCFF Funding	2022-23 LCFF above current COLA projection of 2.48% already included; every 1% = \$2.2m	\$ 0
2. State/Federal*	Additional State/Federal one-time and/or ongoing funding that can be used to offset reductions	\$ 0
3. Other Sources	One-time and/or ongoing funding that can be used to offset reductions	\$ 0
4. Non-personnel	Non-site department budgets – supplies, consulting services, conferences, etc.	\$ 0
5. Benefits budget	Reduce annual increase in projected H&W rates from +8% (May 2022); 1% = \$350,000	\$ 0
6. Elementary	Adjust Teaching FTE due to declining enrollment from 2021-22 (-2.7%) and est. for 2022-23 (-2.5%)	\$ 4,000,000
7. Middle School	Adjust Teaching FTE due to declining enrollment from 2021-22 (-2.7%) and est. for 2022-23 (-2.5%)	\$ 1,200,000
8. High School	Adjust Teaching FTE due to declining enrollment from 2021-22 (-2.7%) and est. for 2022-23 (-2.5%)	\$ 800,000
9. Classified	Adjust Classified staffing due to declining enrollment	\$ 0
10. Management	Adjust Management staffing due to declining enrollment	\$ 0
11. Districtwide	TBD – Additional budget reductions needed	\$ 0
	*ESSER III Plan includes two years (2021-22 and 2022-23) of funding for additional 70 FTE to eliminate split classes and add block scheduling; \$7.05 million per year. This cost will come back to the unrestricted General Fund in 2023-24.	
	Total Impact Needed (new revenue + expense reductions) = \$6,000,000+	Current Total = \$ 6,000,000

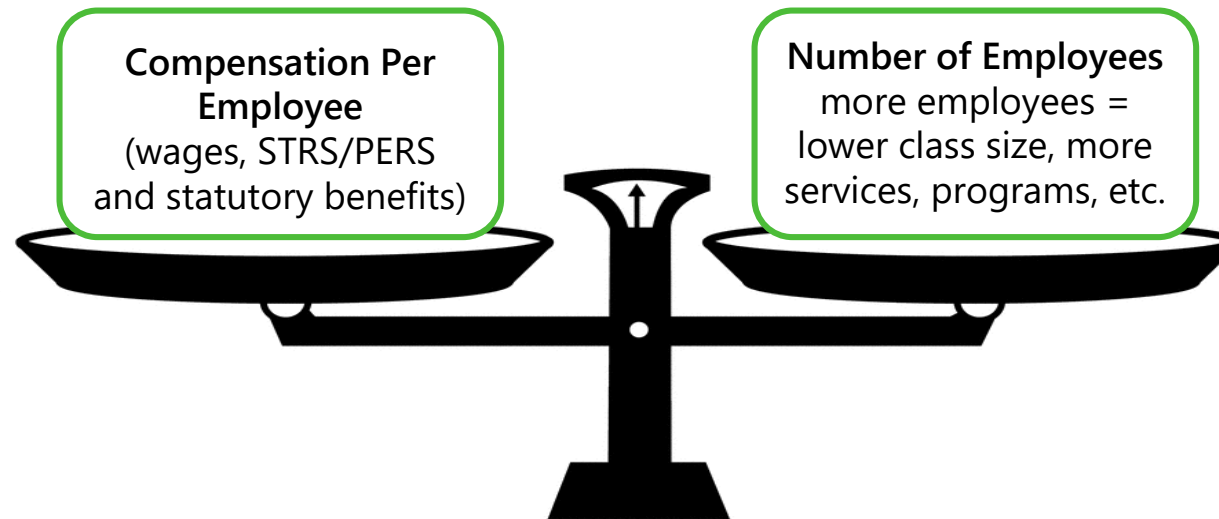


GLENDALE UNIFIED SCHOOL DISTRICT 2023-24 Fiscal Stabilization Plan – Draft #1 (12/14/21) (Required by LACOE to meet Positive Budget Certification)

Dept	Program	Est. Savings/Rev
1. LCFF Funding	2023-24 LCFF above current COLA projection of 3.11% already included; every 1% = \$2.2m	\$ 0
2. State/Federal	Additional State/Federal one-time and/or ongoing funding that can be used to offset reductions	\$ 0
3. Other Sources	One-time and/or ongoing funding that can be used to offset reductions	\$ 0
4. Non-personnel	Non-site department budgets – supplies, consulting services, conferences, etc.	\$ 1,000,000
5. Benefits budget	Reduce annual increase in projected H&W rates from +8% (May 2022); 1% = \$350,000	\$ 0
6. Elementary	Adjust Teaching FTE due to declining enrollment est. for 2023-24 (-2.5%?)	\$ 2,000,000
7. Middle School	Adjust Teaching FTE due to declining enrollment est. for 2023-24 (-2.5%?)	\$ 600,000
8. High School	Adjust Teaching FTE due to declining enrollment est. for 2023-24 (-2.5%?)	\$ 400,000
9. Classified	Adjust Classified staffing due to declining enrollment	\$ 500,000
10. Management	Adjust Management staffing due to declining enrollment	\$ 250,000
11. Districtwide	TBD – Additional budget reductions needed	\$ 18,750,000
	Total Impact Needed (new revenue + expense reductions) = \$21,000,000+	Current Total = \$ 23,500,000

School Budgets: Finding the Right Balance

The majority of a school district's budget is spent on personnel costs, which have two competing components:



School districts must find the right balance of compensating employees fairly while also providing the best possible services to our students and families.



GUSD Key Indicators

GUSD is a great school district for many reasons:

- Outstanding students
- Outstanding teachers and support staff
- Outstanding parent involvement
- Informed, responsible and proactive Board of Education
- Excellent class offerings, programs, curriculum and technology
- Robust independent study options
- Very good and competitive wages and excellent health insurance benefits
- Stable fiscal reserves

QUESTIONS?

FOR MORE BUDGET INFO . . .

WWW.GUSD.NET/BUDGET

WWW.ED100.ORG

CALL OR EMAIL STEPHEN DICKINSON, CFO
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 SDICKINSON@GUSD.NET



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 President, California State PTA

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- (*At least two participants required. Invite a friend!)

Win \$1,000 for our PTA? Let's DO this!