

# PRESS RELEASE

## **Manhattan Beach Unified School District**

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### **FOR IMMEDIATE RELEASE**

## **Disagreement Over Compensation Stalls Certificated Contract Negotiations in the Manhattan Beach Unified School District**

**Manhattan Beach, CA, July 9, 2012**

After seven sessions and more than thirty hours of negotiations with representatives of the teachers union, the Board of Trustees of the Manhattan Beach Unified School District has authorized a declaration of impasse in the negotiations process. This followed a session last Friday, where the district presented its last, best and final offer totaling a three percent salary increase for 2012-2013 which was countered by the union's demand for ongoing salary increases of nine percent starting in 2012-2013 or, alternately, 10 percent over three years.

"I am proud of the fact that we are one of a select group of districts offering a raise to our employees. While almost all other California districts are negotiating about the number of furlough days and increases in class size, we find ourselves in the enviable position of actually being able to enhance employee compensation. I am confident the district can afford the salary increase we have offered, and I am equally confident that the district reserve would be quickly depleted if we accepted the teachers' proposal," said Dr. Michael Matthews, Superintendent of Schools.

In a district where there have been no layoffs for the last two years, student-to-teacher ratios remain low, combination classes in the elementary grades are avoided, and furlough days with proportional loss of salary, common in many school districts, are non-existent, union negotiators say the district can do more, despite five years of flat funding from the state and the threat of massive mid-year cuts if Governor Jerry Brown's and related tax initiatives fail in November.

"We recognize that our teachers work hard, and that their contributions to student successes and achievement are tremendous," said Rick Bagley, MBUSD Deputy Superintendent and Chief Negotiator. "However, I am certain that anyone following the news of our state's dire fiscal situation would understand that offering an ongoing nine to 10 percent salary increase prior to the November election is simply irresponsible. Our Board will not move down a path of financial uncertainty."

At issue is the union's interpretation of how much the district holds in reserve and how these reserves should be used. The union claims its requested increase of nine or 10 percent can, and should, be covered by the district's reserve.

The district began the 2011-2012 year with a general fund reserve of \$16 million, and will begin the 2012-2013 school year with less. This reserve would be used to offset mid-year cuts that may come following the November election.

"We cannot get past this disagreement, and therefore negotiations are at a stand still, which brought us to impasse. At this time, we welcome the inclusion of an informed and neutral third party into our negotiations process," Bagley said, "Our financial information is public and will speak for itself."

### Impasse: Next Steps

In filing for impasse, the district is officially requesting mediation assistance from the Public Employment Relations Board (PERB). Sometime in the next several weeks, a PERB mediator will begin working with district and union negotiators in an attempt to reach common ground and settlement. If mediation is unsuccessful, a "fact finding" panel of experts will be appointed to conduct a process in which the district's budget is thoroughly analyzed and recommendations for next steps are made to the Board of Trustees. The Board may accept or reject the findings of the panel.

### Focus on Facts

The district has offered a one-time compensation package that would increase teacher pay by 3% in the 2012-2013 school year, with the promise to consider making the increase permanent if funding for public education sustains no further damage in November. This increase is above and beyond the Board's annual commitment to pay raises associated with the teacher salary schedule (known as "step and column") as well as annual premium increases to employee health and welfare benefits. Step and column increases, which are automatic salary adjustments that are built into teachers' compensation package, can increase MBUSD teacher pay by 3 to 9 percent annually, depending upon a teacher's placement on the schedule and whether he or she earns graduate-level credit for continuing education. In terms of health and welfare benefits, MBUSD's premium costs have increased over 64% since 2007-2008, and the district has worked to absorb these increases.

Union leadership has expressed criticism of the district's acquisition of technology at a time when the teachers' representatives feel that the funds should be allocated to compensation. This is a fair question, but the technology program is largely funded through the district's federal Title II allocation, Chevron grants and school site PTA support all of which cannot be applied to ongoing salaries.

"This is not an either-or situation," said Dr. Michael Matthews, MBUSD Superintendent of Schools, "Despite the grim fiscal picture throughout the state, this Board and our community are committed to making forward progress in all areas, especially employee compensation, but also including improving instruction for students and maintaining our facilities for students."

### Three-Year Budget Projections Are Mandatory

The California Department of Education and Los Angeles County Office of Education require school districts to use their budgeting and economic assumptions to project revenues and expenditures three years into the future, with the expectation that districts will show an ability to maintain a positive balance at the end of that period.

## **About the Manhattan Beach Unified School District**

Manhattan Beach Unified School District ranks as the third highest performing unified school district in the State of California with a 2011 Growth Academic Performance Index (API) of 932. MBUSD serves nearly 7,000 students from preschool to twelfth grade at eight school campuses—one preschool, five elementary schools, one middle school, and one high school. Mira Costa High School's API of 911 places it in the top 1.3% of public high schools in California, and it was named number fifteen in ESPN's "Fab 50" High Schools in the Unified States in 2010 for its superior athletic programs. In addition to outstanding students and excellent teachers, MBUSD is extremely fortunate to have a high level of parental involvement in the schools and very strong partnerships with the Manhattan Beach Education and Athletic Foundations, the City of Manhattan Beach, Chevron, Northrop Grumman, Continental Development, the Manhattan Beach Chamber of Commerce and other local organizations and businesses. More information about MBUSD is available at [www.mbusd.org](http://www.mbusd.org).