

May 12, 2021

Wendy Sullivan, Board President
Morgan Hill Unified School District
15600 Concord Circle
Morgan Hill, CA 95037

Subject: Public Disclosure of Collective Bargaining Agreement between Morgan Hill Unified School District and the Morgan Hill Educational Leaders Association (MHELA)

Dear Wendy Sullivan,

We have reviewed the public disclosure of the collective bargaining agreement between the Morgan Hill Unified School District and the Morgan Hill Educational Leaders Association (MHELA) bargaining unit. We appreciate the district submitting the disclosure to our office for review prior to the board meeting scheduled on May 18, 2021. The purpose of our review is to determine whether this agreement will materially impact the financial condition of the district in the current and two subsequent fiscal years.

The agreement represents an on-going increase of 7.5% to the salary schedules of the MHELA bargaining unit members, effective July 1, 2021.

Based on the multiyear projection submitted with the 2020-21 second interim report, and adjusted for the expenditures outlined in this agreement, it appears the district will be able to maintain its state-required minimum reserves of 3% for the current and two subsequent fiscal years.

We appreciate and recognize the diligent work of the district staff during our review of the public disclosure. Please submit a copy of the certified final agreement, complete with the signatures of the Superintendent and Board as soon as the district finalizes the disclosure agreement. If I can be of further assistance, please feel free to contact Yen Lam at (408) 453-6510.

Sincerely,



Yen Lam, Advisor
District Business and Advisory Services

cc: Members of the Board, Morgan Hill Unified School District
Steve Betando, Superintendent, Morgan Hill Unified School District
Kirsten Perez, Assistant Superintendent, Morgan Hill Unified School District
David Wu, Interim Chief Business Officer, Santa Clara County Office of Education
Shanny Yam, Director - District Business Services, Santa Clara County Office of Education

DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENTS

School District: Morgan Hill Unified School District
 Bargaining Unit: Morgan Hill Educational Leaders Association FTE: 63.35
 Period of Agreement: July 1, 2021 to June 30, 2024 Date of Public Meeting: 5/18/21

Please submit copies of the **tentative agreement(s) and updated multi-year projection** with the disclosure.

Government Code Section 3547.5: Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.

SUMMARY OF AGREEMENT			
	2021-22	2022-23	2023-24
Salary Schedule Increases	7.50%	0%	0%
Off-Schedule Payments	None	None	None
Health & Welfare (capped?)	yes	yes	yes
FTE Participating in Health & Welfare	30	30	30
Required to Complete: <i>Details (cap limit; plan coverage, etc. is the cap changing with this settlement?):</i> The District has approved an ongoing 7.50% increase in the salary schedule for the Morgan Hill Educational Leaders Association. The District contribution for Health & Welfare benefits has no change since the the 2020/21 year. Those benefits will be capped at \$15,000 for Employee+family, \$12,000 for Employee+1, and \$9,000 for employee only when working a 1.0 FTE. No other changes were made to any other compensation.			
Other Provisions:			

TOTAL CUMULATIVE COST INCREASE OF PROPOSED AGREEMENT IN PRESENT & FUTURE YEARS

Indicate the **cumulative costs** of salary and benefit increases that would be incurred under the agreement.

	2021-22	2022-23	2023-24
Salary including statutory costs*	\$ 716,054	\$ 726,032	\$ 727,695
Benefits			
Other Compensation Costs			
Other Non-Compensation Costs			
Total Cost of Settlement	716,054	726,032	727,695
Total % Increase	7.50%	0.00%	0.00%
Projected STRS Rates	16.92%	18.00%	18.00%
Projected PERS Rates	22.91%	26.30%	27.30%

**please include statutory costs tied to salary such as employer-paid taxes and PERS/STRS*

STATUS OF BARGAINING UNIT/EMPLOYEE AGREEMENTS

Indicate the current status (whether settled or not settled) of the remaining units.


Bargaining Unit	FTE	Status
Morgan Hill Federation of Teachers (MHFT)	393.40	Not settled
Morgan Hill Classified Employees Association (MHCEA)	251.05	Settled

	Year: 2020-21	Year: 2021-22	Year: 2021-22
GENERAL FUND	Board Approved Budget Before Settlement	Adjustments as a result of the Agreement	Revised Budget
	(Column 1)	(Column 2)	(Column 1 + 2)
Total Revenues	\$ 99,174,320		99,174,320
Expenditures			
1000 Certificated Salaries	40,853,517	401,833	41,255,350
2000 Classified Salaries	14,150,792	\$ 166,303	14,317,095
3000 Benefits	22,010,554	\$ 147,918	22,158,472
4000 Instructional Supplies	2,949,518		2,949,518
5000 Contracted Services	11,491,038		11,491,038
6000 Capital Outlay	181,337		181,337
7000 Other	4,269,592		4,269,592
Total Expenditures	\$ 95,906,348	\$ 716,054	96,622,402
Interfund Transfer In	2,901,640		2,901,640
Interfund Transfer Out (enter as negative)	(4,026,433)		(4,026,433)
Other Financing Sources			-
Other Financing Uses (enter as negative)			-
Total Other	(1,124,793)	-	(1,124,793)
Operating Surplus (Deficit)	2,143,179		1,427,125
Beginning Fund Balance	33,877,073		33,877,073
Projected Ending Balance	36,020,252		35,304,198
Available Reserves			
Available Reserves (Optional: Include Fund 17 Special Reserve)	34,173,510		33,435,974
Reserve For Economic Uncertainties	2,997,983		3,019,465
Total Available Reserves	37,171,493		36,455,439
State Required Reserve %	3%	<-- Change to district's state requirement	
State Required Reserve \$	2,997,983		3,019,465

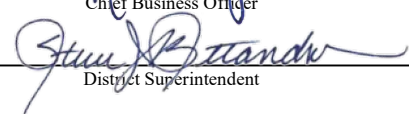
CERTIFICATION NO. 1

The disclosure document must be signed by the district superintendent and chief business officer at the time of public disclosure.

In accordance with the requirements of Government Code section 3547.5, the superintendent and chief business officer of the school district hereby certify that the district can meet the costs incurred under the Collective Bargaining Agreement between the District and the Bargaining Unit during the term of the agreement.



 Chief Business Officer



 District Superintendent

5/10/21
Date

5/10/21
Date

CERTIFICATION NO. 2

The disclosure document must be signed by the president or clerk of the governing board at the time of formal board action on the proposed agreement.

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 of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code section 3547.5.

President or Clerk of Governing Board

Date