



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.  
County Superintendent of Schools

June 10, 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 Federation of Teachers (MHFT)

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 Federation of Teachers (MHFT) bargaining unit. We appreciate the district submitting the disclosure to our office for review prior to the board meeting scheduled on June 15, 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 MHFT bargaining unit members, effective July 1, 2021. Other provisions include increase to certain stipends and expend stipends eligibility.

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,

A handwritten signature in blue ink, appearing to read "Yen Lam".

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 of Business Services, Morgan Hill Unified School District  
Stephanie Gomez, 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: <u>Morgan Hill Unified School District</u>			
Bargaining Unit: <u>MHFT Morgan Hill Federation of Teachers</u>		FTE: <u>393.40</u>	
Period of Agreement: <u>July 1, 2021 - June 30, 2024</u>		Date of Public Meeting: <u>6/15/21</u>	

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%	-	-
Off-Schedule Payments	0	-	-
Health & Welfare (capped?)	yes	yes	yes
FTE Participating in Health & Welfare	290	290	290
Required to Complete: <i>Details (cap limit; plan coverage, etc. is the cap changing with this settlement?):</i> The District's contribution for Health & Welfare benefits will remain the same \$9000 annually for single, \$12,000 annually for 2-party and \$15,000 for family coverage.			
<b>Other Provisions:</b> Additional 12 week of leave for married couples who both work in the district. Estimate 2 couple per year. Assume 50% of potential cost as additional individual may not take full 12 weeks or leave may be partially during intersession or breaks. Extra duty and coaching stipends increase by 7.5%. FFA Advisors at Live Oak and Sobrato High School increase by .05%. K-8 Athletic and Band Director increased by .02%. Grade 6-8 Track and Field Coaches (2) increase by .01%.			

**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*	3,039,162		
Benefits			
Other Compensation Costs	167,290		
Other Non-Compensation Costs			
Total Cost of Settlement	3,206,452	-	-
Total % Increase	7.50%	0.00%	0.00%
Projected STRS/PERS Rates	16.92%	19.10%	19.10%

\*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 Classified Employees Association (MHCEA)	251.05	Settled
Morgan Hill Educational Leaders Association (MHELA)	63.35	Settled

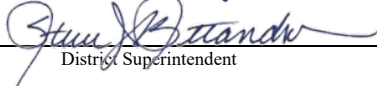
	Year: 2021-22	Year: 2021-22	Year: 2021-22
GENERAL FUND	Board Approved Budget Before Settlement	Adjustments as a result of the Agreement	Revised Budget
	(Column 1)	(Column 2)	(Column 1 + 2)
<b>Total Revenues</b>	99,174,320		<b>99,174,320</b>
<b>Expenditures</b>			
1000 Certificated Salaries	40,853,517	2,637,590	<b>43,491,107</b>
2000 Classified Salaries	14,150,792	-	<b>14,150,792</b>
3000 Benefits	22,010,554	568,862	<b>22,579,417</b>
4000 Instructional Supplies	2,949,518	-	<b>2,949,518</b>
5000 Contracted Services	11,491,038	-	<b>11,491,038</b>
6000 Capital Outlay	181,337	-	<b>181,337</b>
7000 Other	4,269,592	-	<b>4,269,592</b>
<b>Total Expenditures</b>	<b>\$ 95,906,349</b>	<b>\$ 3,206,452</b>	<b>99,112,801</b>
<b>Interfund Transfer In</b>	2,901,640		<b>2,901,640</b>
<b>Interfund Transfer Out (enter as negative)</b>	(4,026,432)		<b>(4,026,432)</b>
<b>Other Financing Sources</b>			-
<b>Other Financing Uses (enter as negative)</b>			-
<b>Total Other</b>	(1,124,792)	-	<b>(1,124,792)</b>
<b>Operating Surplus (Deficit)</b>	2,143,179		<b>(1,063,273)</b>
Beginning Fund Balance	33,877,073		<b>33,877,073</b>
Projected Ending Balance	36,020,252		<b>32,813,800</b>
<b>Available Reserves</b>			
Available Reserves (Optional: Include Fund 17 Special Reserve)	34,173,510		30,870,865
Reserve For Economic Uncertainties	2,997,983		3,094,177
Total Available Reserves	37,171,493		33,965,042
State Required Reserve %	3%	<-- Change to district's state requirement	
State Required Reserve \$	2,997,983		3,094,177

#### 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

6/10/21

Date

6/10/21

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