

ARTICLE 24--COMPENSATION EXPLANATION

This agreement contains several seemingly complex formulas. These are designed to accomplish three main goals:

- 1) Move OEA members towards the median in Alameda County in Salary.
- 2) Commit OUSD to funding employee compensation first.
- 3) Increasing the relative amount OUSD spends on employee compensation.

There are 3 basic components:

- 1) Guaranteed salary schedule increases: 2% retroactive to July 1, 2014
1% retroactive to February 1, 2015
2.5% effective the last day of the school year.
2.5% effective January 1, 2016*
**8.0% guaranteed increase in salary
schedule by January 1, 2016**

* This increase is tied to a ½ hour increase in one minimum day per week, which goes into effect during the 2016-17 school year.

- 2) Additional on-going salary increases and/or one-time payments that depend on the amount and manner of additional state funding.

State revenues are coming in well above the Governor's January budget projections. Through April, an additional \$3.4 billion dollars has come in, and the legislative analyst projects still more money before the end of the budget year. Due to Proposition 98, almost all of these additional funds will go to K-14 education for the 2014-15 budget year. In addition, this will increase the base funding for the 2015-16 school year. All of this is very good news for children and educators in California!

However, until a state budget is passed and signed into law, there is no way to be certain of how this additional funding will come down from Sacramento. Some of it may be allocated for specific purposes (i.e. Common Core implementation) or carved out for some other pet project. Therefore, we crafted language that attempts to capture **all** of the money that comes in that is not legally set aside for other purposes. If that money is on going, we capture it in the form of a salary schedule increase. If this money is one-time, we capture it as a one-time payment.

- 3) In addition, we have established a "base-line" percentage for OEA of new monies received from 2015-16 on. Currently, OEA salaries account for about 36% of expenditures. We have targeted 39% of additional revenues as the baseline to achieve during this contract period. This increases the amount going to our members in the form of salary by a significant amount as demonstrated in the examples in actual language.