

NVEA
FREQUENTLY ASKED QUESTIONS
March 1, 2011

Tentative Agreement

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- 2. Why does the District budget have to be approved before we know the outcome of these tax extensions?**
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1. What is the current State budget with regards to education?

The state is currently projecting a deficit of \$28 Billion. The impact on Napa Valley is anticipated to be in the neighborhood of \$6.2Million. If the Governor, the legislature and the voters approve an extension of temporary tax initiatives, the impact on the District would be lessened.

The Governor's proposed budget holds education funding at the same level at current levels, but is dependent on the passage of a series of tax extensions. The current District budget must be based on what would happen in Napa if those tax extensions are not approved.

2. Why does the District budget have to be approved before we know the outcome of these tax extensions?

We have a requirement to submit a balanced second interim budget that reflects the District is solvent in the current and two subsequent years as of January 30. We then must submit a balanced budget by June 30, again with a three-year look-ahead.

3. What is a qualified budget?

Budgets are positive, qualified, or negative. Prior to this year, Napa has only had positive budget certifications. A qualified budget means that the District may not be able to meet its financial obligations in the current year and/or two subsequent years.

4. What are the ramifications of a qualified budget?

Districts that are in qualified status are seen as being at risk of becoming negative (insolvent) and are therefore at risk of being placed in State receivership (e.g. Vallejo, Oakland, Richmond). In simple terms, a qualified budget impacts the District's credit (the money we borrow to meet payroll costs us more money, which further impacts our program offerings), as well as requiring some oversight of the District's finances by the County Office of Education.

5. What was the process of the Budget Advisory Committee (BAC)? Who participated?

The BAC was composed of teachers, administrators, classified employees, a Board member and community representatives. The committee was tasked with developing recommendations for bringing the budget into balance. The committee's recommendations were approved by the Board in February. Those recommendations are attached.

6. Why did we opt not to freeze step and column? Why not an across-the-board percentage cut in salary?

The BAC reviewed both of these alternatives. Both were seen as items that would have a much more long-term negative impact on all of our employees. The committee returned to the recommendations that were supported last year that furlough days provide a more equitable way of sharing the pain of these cuts.

7. What is a furlough day?

A furlough day is an unpaid, non-work day. In Napa, our furlough days have been taken by all District employees equally.

8. How much money will be saved for each furlough day?

We estimate that the value of one furlough day taken by all District employees is approximately \$475,000. The seven proposed furlough days reduce the total budget deficit by \$3.325M.

9. Will furlough days save jobs?

Every furlough day saves approximately ten jobs.

10. Why are two non-student days being furloughed?

The state requires Districts to have at least 175 instructional days. This meant that we could only have furlough days on five of the 180 instructional days. Because of the feeling that the furlough days provided an equitable way of sharing the cost of these cuts amongst all employees, the BAC recommended the addition of 2 non-student days.

11. How does furlough affect retirement?

STRS identifies a full school year as 175 days. If we do end up taking furlough days, NVUSD will be well within STRS standards all three years. What the system will need to do is adjust school calendars and salary schedules to match. That keeps everyone who is contracted 75% of the school year at a full year's service credit in relation to moving on Step and Column and STRS retirement.
www.strs.org

12. Who decides which days are furloughed?

Initially, a subcommittee of Council developed a recommendation on the placement of furlough days on the calendar. After all of the employee associations have had an opportunity for input, the calendar goes to the Board for approval. The Board makes the final decision regarding calendars.

13. Will there be layoffs related to the recommendations of the Budget Advisory Committee?

The BAC recommendations adopted by the Board include a number of items that result in the loss of jobs. When you reduce programs and increase staffing ratios, the effect is a loss of jobs.

14. What happens if the tentative agreement doesn't pass?

The Board has a responsibility to submit a balanced budget to the County. They have made it clear how seriously they take that responsibility. If the tentative agreement with NVEA does not pass, the parties are obligated to return to negotiations and other reductions will need to be identified. The Board will be taking action that provides the flexibility to allow the parties to return to negotiations by adopting a second set of layoff recommendations. This deeper level of layoffs includes much more significant increases in class size at all levels and deeper cuts to library services.

15. How many layoffs will there be?

Too many! On March 3rd, the Board will act to notice 85.25 Full Time Equivalent (FTE) employees. If the tentative agreement is ratified, 51.5 of those layoffs will be rescinded. These layoffs will also be rescinded as a result of District retirements and resignations. We, also, anticipate that if the Governor's proposal passes the majority of these layoffs will be rescinded.

16. What has happened with cuts in Administration?

A number of Administrative reductions have taken place in recent years due to budget issues. Each of the items below has resulted in cost savings to the district.

These include:

- Middle School Assistant Principals, all have extra assignments: -1.2 FTE
- Special Education Coordinators: -4 FTE
- Director of Elementary Education: not filled, currently supported by POSA
- Closure of Wooden Valley/Capell: -.2 FTE
- 'Downsize' Behaviorist position from Administrator to Supervisory level
- Yountville/Salvador: Shared principal position: -.2 FTE
- Small School Principals/teaching principals: .2 FTE
- Director of Curriculum & Instruction: Not filled
- Administrator of Professional Development: Eliminated
- Cut Coordinator of Categorical Programs- added duties into Asst. Superintendent
- Administrators reduced also by furloughs days
- Cell phone & mileage reductions/eliminations
- Principals have added categorical funding and duties to assignments (i.e. EC now shared duties/ELD support to BA by EC principal, BA/MTG now shared principal, homeless support added to WP principal)
- No AP's at largest elementary sites, now categorical \$\$ except .40 @ CO Charters pay own AP/coach. Categorical \$ is used for this support
- These reductions have added to a higher administrator: student ratio

Note: Administrative ratio in NVUSD of Admin: Student is higher than average of districts near our size.

17. Will PARS save jobs?

Yes, but the exact number and exactly where they will be is still as uncertain as the State budget.

18. In what order will cuts come back?

Everyone has agreed that the first priority for restoration will be up to three of the furlough days. The number of days and the order of their return will be dependent of the final state budget. Other restorations will require input from all the stakeholders. The final order of restoration will rest with the Board.