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## **Negotiations Update – Background, Data, and Analysis of why we're at impasse**

# What has occurred in negotiations between PAUSD and PAEA?

PAEA and PAUSD have spent over 50 hours together working towards an agreement on various items. We have made progress in various areas of the contract but unfortunately, we are far apart on our priority for educator salaries and centering what our students need the most.

## Articles closed (TA'd):

Article IX: Class Sizes  
Article X: Evaluations  
Sub MOU  
Article XIII: Working Conditions

## Articles still open:

Article VI: Compensation & Benefits  
Appendix H

## Compensation (last counter offers) - More on next slide:

- PAEA:
  - 23-24: 5.5% on-schedule, 5.5% on stipends
  - 24-25: 5% on, PAEA's salary restructure with 1% bonus for Step 30, 5% on stipends
- PAUSD:
  - 23-24: 3.5% on-schedule, \$4,000 off-schedule, 0% on stipends
  - 24-25: 2% on, 2% off, District's salary restructure, 0% on stipends

# Why Impasse – Compensation

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PAEA's proposal (Mar)	PAUSD most recent counter (Mar)
<p>23-24:</p> <ul style="list-style-type: none"><li>●5.5% on-schedule increase</li><li>●5.5% increase for stipends</li></ul>	<p>23-24:</p> <ul style="list-style-type: none"><li>●3.5% on-schedule increase</li><li>●2% off-schedule bonus</li><li>●0% increase to stipends</li></ul>
<p>24-24:</p> <ul style="list-style-type: none"><li>●5% on-schedule increase</li><li>●PAEA's restructuring plan (30-25 steps) and a 1% off-schedule bonus for teachers who don't immediate benefit</li><li>●5% increase for stipends</li></ul>	<p>24-24:</p> <ul style="list-style-type: none"><li>●2% on-schedule increase</li><li>●2% off-schedule bonus</li><li>●Restructuring (30-27 steps)</li><li>●0% increase to stipends</li></ul>

# What is impasse and what happens next?

Impasse means that both PAUSD and PAEA have reached a stalemate and need the support of PERB (Public Employee Relations Board) from the state to help us. Once a party declares impasse (which occurred on March 29th by both parties), the Public Employment Relations Board (PERB) will assign a mediator or mediation team to try and help the parties come to an agreement.

If no agreement is reached, the mediator will certify impasse and the issue will move to fact-finding.

At the moment, we are meeting with the mediator on April 29th from 9:00 AM to 4:00 PM for our first session.

Teacher pay in  
PAUSD is falling  
behind other  
districts.



## IMPASSE ESSENTIALS

Understanding  
what's at stake &  
the way forward

PAUSD has over \$100  
million to invest in  
our students.



Broader discussion about how  
\$ is saved & spent in PAUSD.

# Analysis – Falling Behind Neighboring Districts

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- Why invest in teachers?
  - Attract **AND** retain the best, innovative teachers
  - Our students should learn from the best, most qualified educators.
  - Reducing teacher turnover builds stability for students and fosters supportive school cultures.
  - Allows teachers to focus on students instead of making ends meet

# Data – Falling Behind Neighboring Districts

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DISTRICT	Salary % Increase 2021-2024
MVLA	15.8%
LG/Saratoga	15.8%
Santa Clara	19.0%
PAUSD	10.2%+?

# Maximum Salaries

**\$169,424**



**\$192,641**



**\$165,366**



**\$154,336**



**Data –  
Falling Behind  
Neighboring Districts**



# Data – Falling Behind Neighboring Districts

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DISTRICT	'23-'24 Max Salary	% we need to catch up
MVLA	\$192,641	24.8%
FUHSD	\$169,424	9.8%
Santa Clara	\$165,366	7.1%
PAUSD	\$154,366+?	

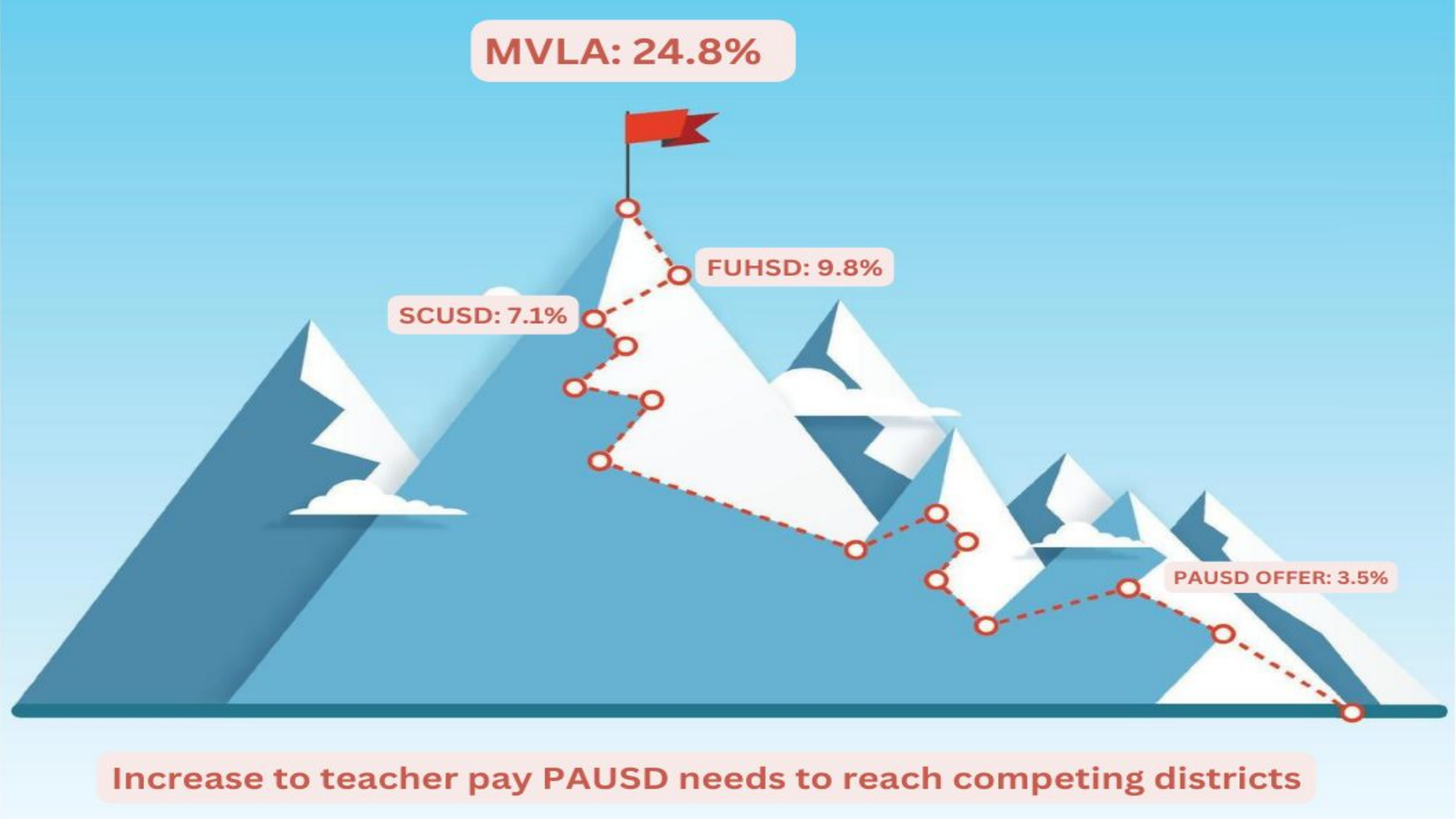
MVLA: 24.8%

SCUSD: 7.1%

FUHSD: 9.8%

PAUSD OFFER: 3.5%

Increase to teacher pay PAUSD needs to reach competing districts



# Data – District Finances

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- The district is fully capable of investing in teachers
- District Reserves: When *will* they spend it?
  - 2023-24: \$135 million – \$100 million above required by the state
  - 2022-23: \$88 million
  - 2020-21: \$47 million
  - 2018-19: \$50 million
- A 1% increase for teachers costs \$1.3 million

CONSIDERING

# PAUSD's Reserves

WHEN WILL THEY SPEND?

CONSIDER...

PAUSD's Reserves\*

**135**  
million

\*PAUSD's Projections



of total budget

4th highest reserves in  
Santa Clara & San  
Mateo Counties

Historically



**3**

Reserve %  
required by state

**10**

Reserve % cap on  
Title I districts. No  
cap placed on  
PAUSD.

**5.68**

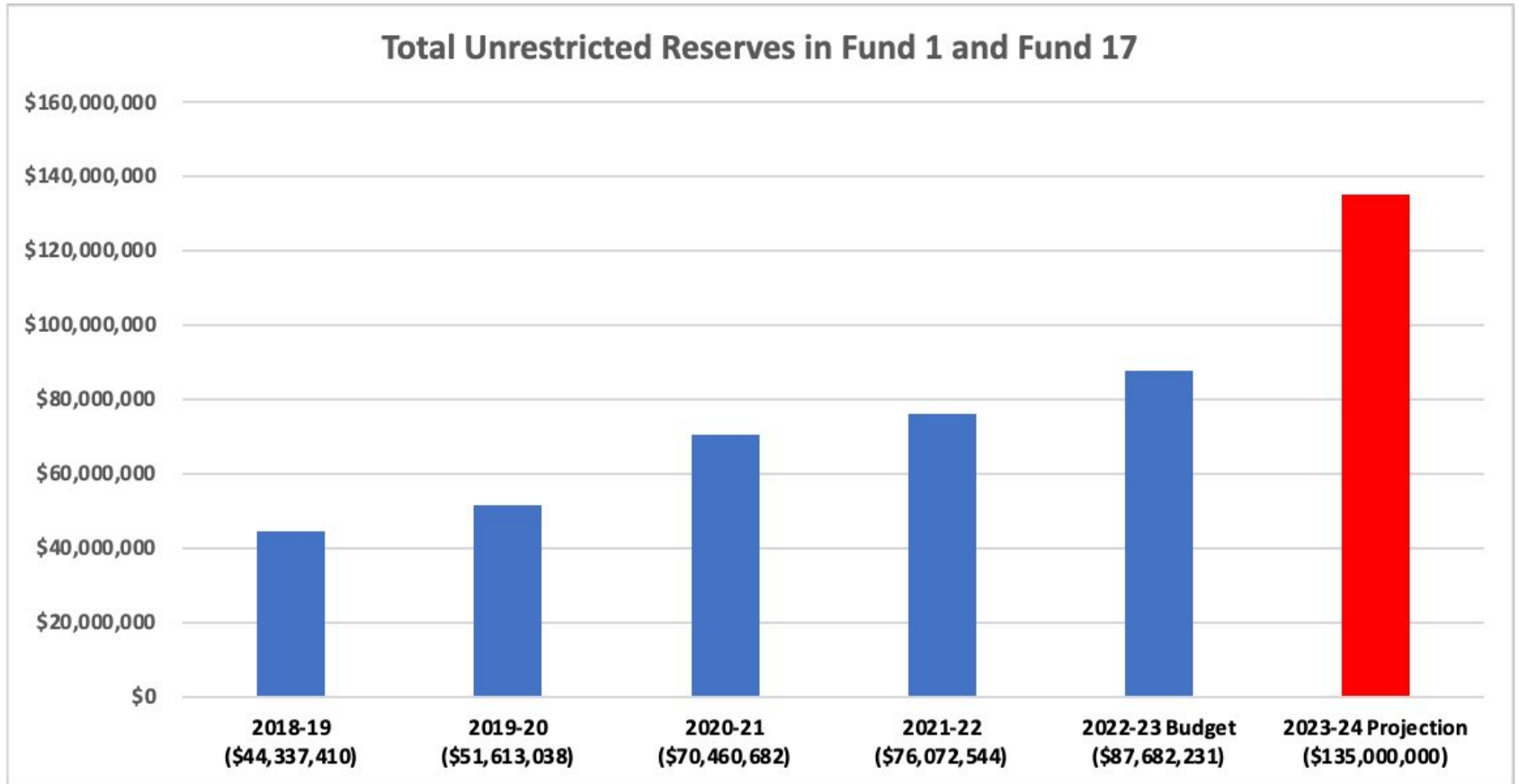
Palo Alto  
Property  
Tax %

**3000**

PiE ask per  
student

**When will they spend?**

# Another View of District Reserves Over Time

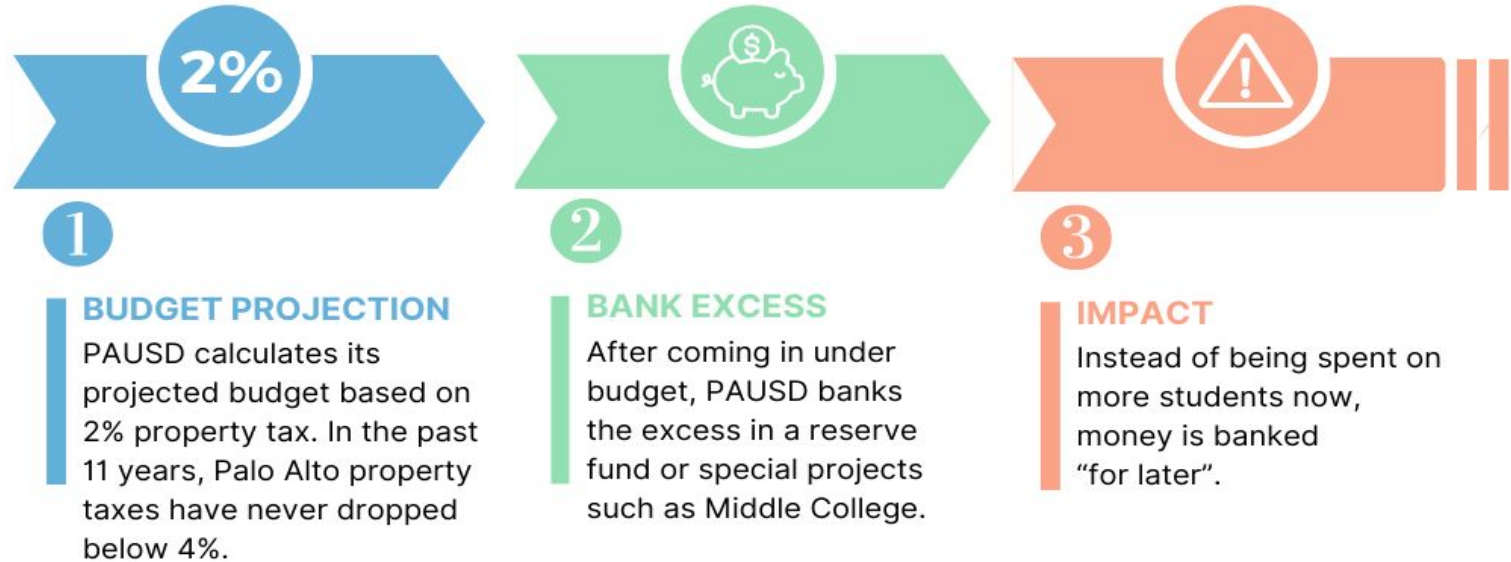


# Analysis – District Finances

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- The district has grown its reserves 187% over the past four years.
- This is \$100 million more than required by state law **and** board policy.
- PAUSD is not a bank, we are a public institution. Money should not be saved in this matter, we need to invest it in our kids and staff.
- Taxpayers' funds are not being invested in **their** children.
- Where is the transparency of how those funds will be spent and how many students will actually benefit?

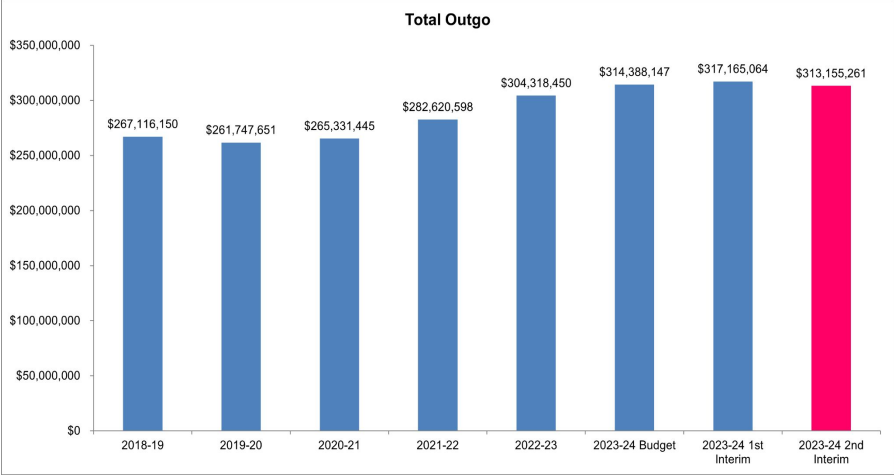
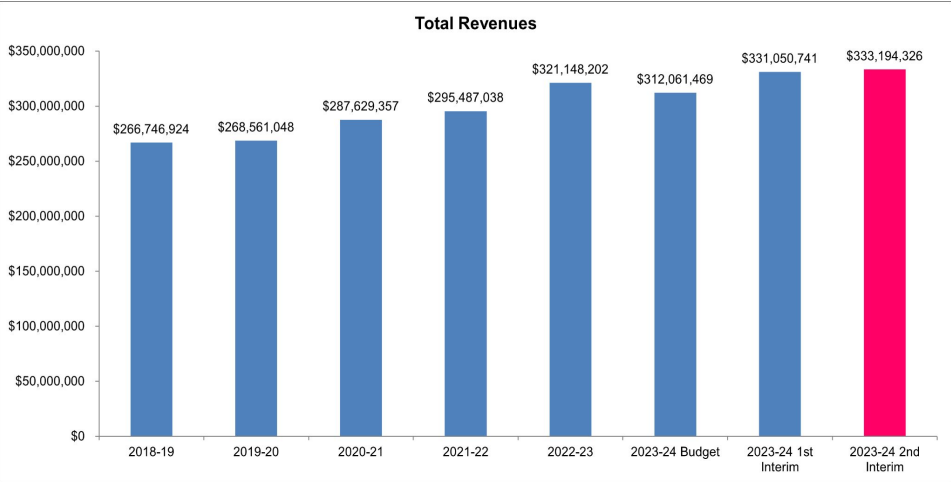
# Q: Aren't reserves 1-time use funds? YES...but why are reserves so high?



Spend down the reserves. Invest in students **now**

# District Revenue vs Expenditures

PAUSD has seen a very healthy increase in revenue over time. Since the 2018-19 school year, they have seen an increase of over 66 million dollars.

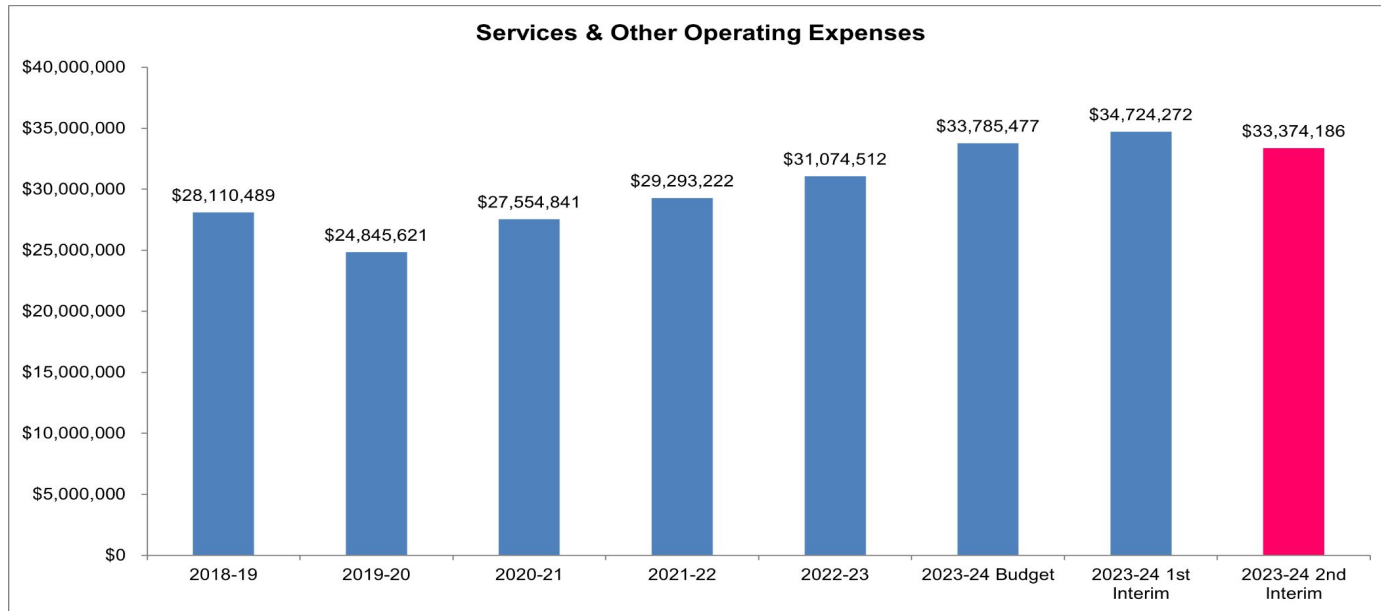


This year alone, they are bringing in 333 million in total revenue but are projecting to spend 313 million. That's a savings of over 20 million dollars.



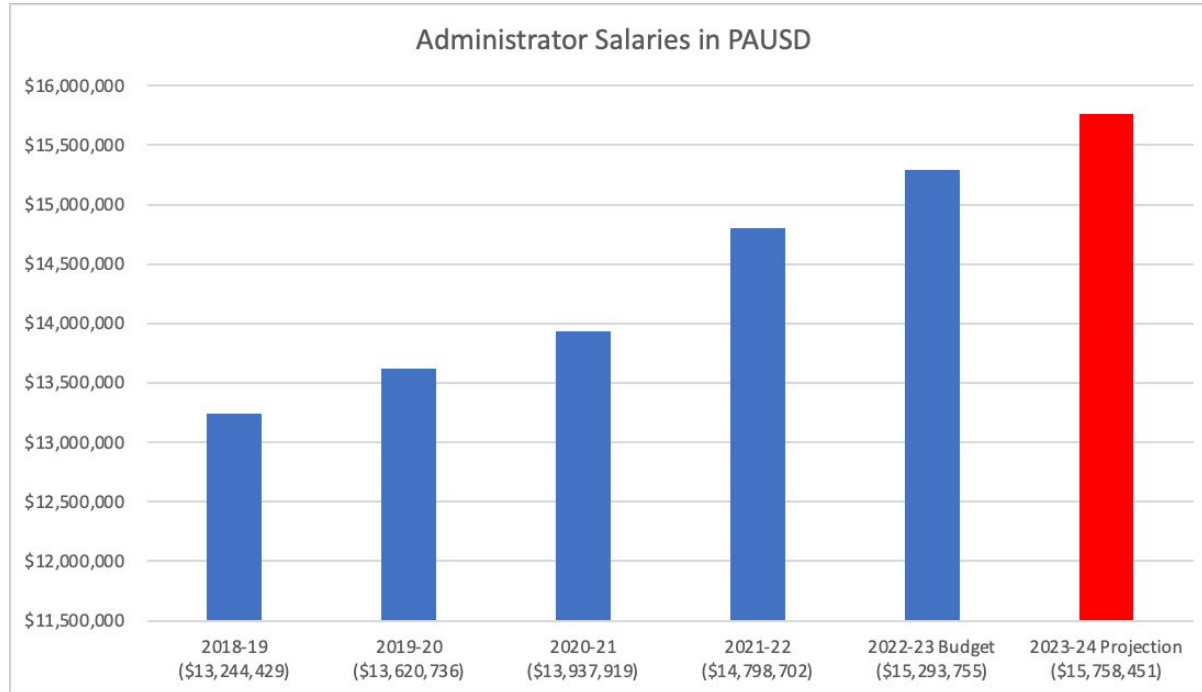
# Services and other Operating Expenditures

Where else is the money going?! We spoke about our ever growing reserves, but another area in the budget of concern is Services and Other Expenditures is where the district pays for contracts, PD, sped lawsuits, and other “projects” that the Superintendent and cabinet cares about. The numbers are really large and have seen an increase over time.

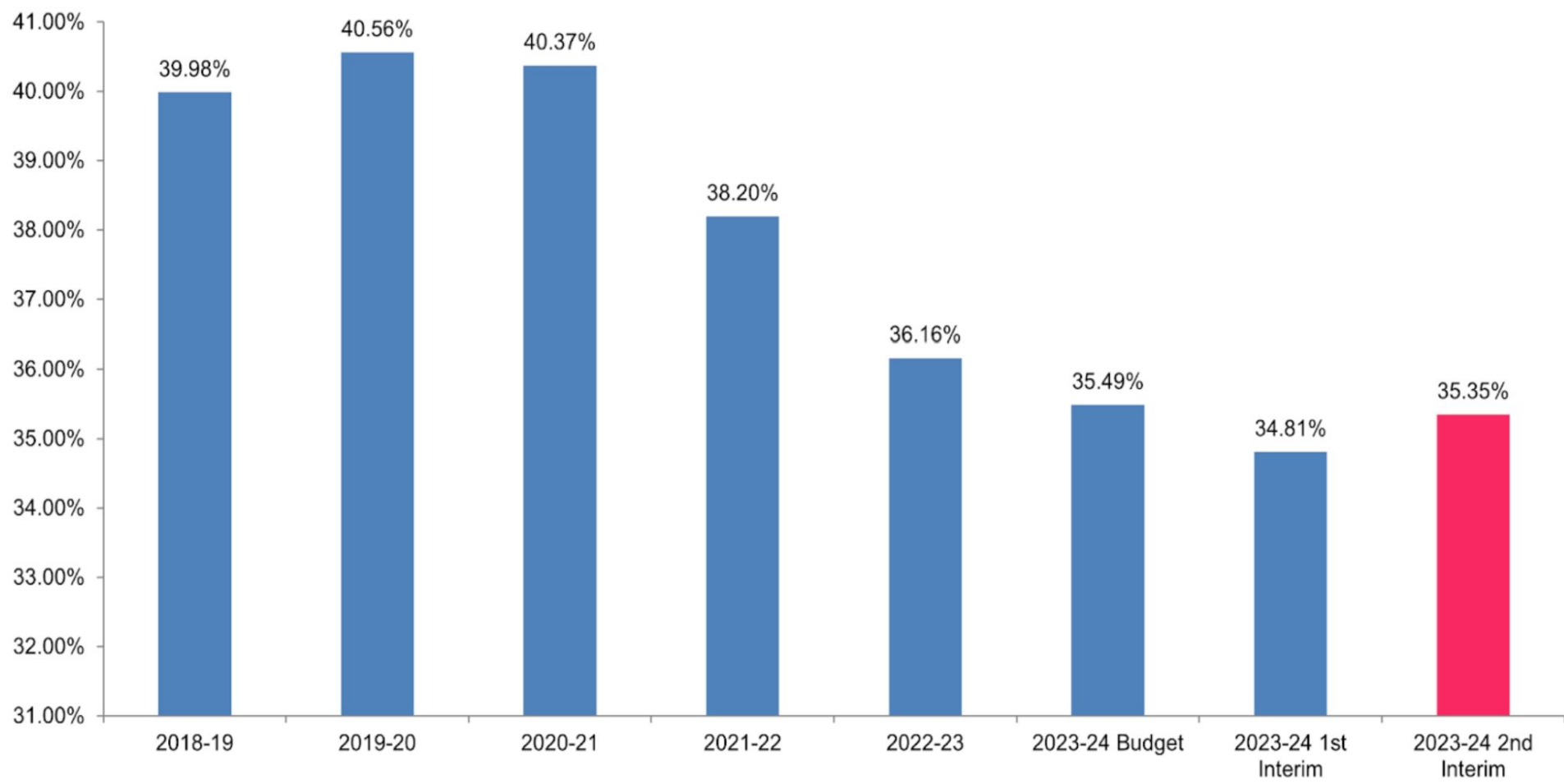


# Administrator Salaries in PAUSD over time

Administrator salaries have continued to be invested on over time. Our District Superintendent is the highest paid superintendent in both Santa Clara AND San Mateo Counties, while educators are 11th in starting pay and 5th in ending pay.

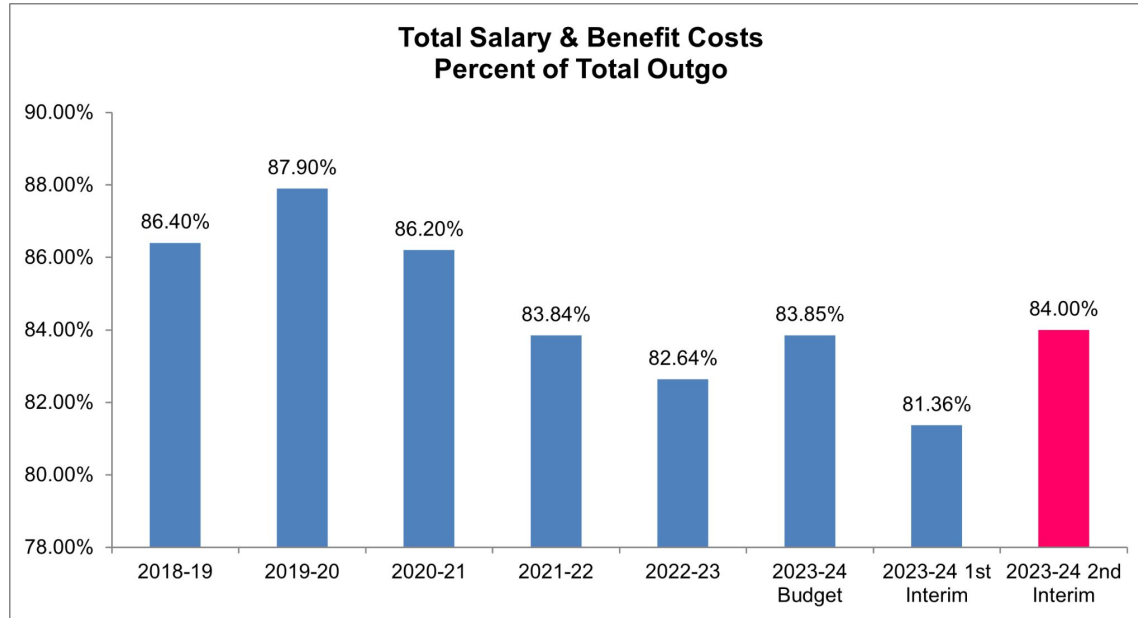


# Investment in Teachers as Percent of Budget



# Salary and Benefits for *all* employees

As shown below, even though the district has seen a large increase in revenue, the total spent on salary and benefits on all employees in PAUSD has been reduced over time. The district has reduced their investment in its people and they should be spending closer to 90% of their budget in this area. Menlo Park, Mt. View Los Altos, and other districts that pay higher, invest their budget in that way.



# It is about our values and priorities

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- Budgets are statements of priorities; the district is saying they don't care about hiring *and* keeping the best teachers for our students.
- Teachers are the most important factor in determining positive student outcomes.
- An investment in our educators is an investment in the future of PAUSD students and community!



# PAEA

PALO ALTO EDUCATORS ASSOCIATION