



October 18, 2006

RECEIVED
S.A.U.S.D.
BUSINESS SERVICES

2006 OCT 27 AM 10: 37

**ORANGE COUNTY
DEPARTMENT
OF EDUCATION**

200 KALMUS DRIVE
P.O. BOX 9050
COSTA MESA, CA
92628-9050

(714) 966-4000

FAX (714) 662-3570

www.ocde.us

WILLIAM M. HABERMEHL
County Superintendent
of Schools

LYNN APRIL HARTLINE
Deputy Superintendent

JOHN L. NELSON
Associate Superintendent

**ORANGE COUNTY
BOARD OF EDUCATION**

DR. JOHN W. BEDELL

DR. ALEXANDRIA CORONADO

ELIZABETH PARKER

FELIX ROCHA, JR.

DR. KEN L. WILLIAMS

Audrey Yamagata-Noji, Ph.D., Board President
Santa Ana Unified School District
1601 East Chestnut Ave.,
Santa Ana, CA 92701-6322

Jane Russo, Interim District Superintendent
Santa Ana Unified School District
1601 East Chestnut Ave.,
Santa Ana, CA 92701-6322

Subject: Disclosure of Collective Bargaining Agreement

Dear Dr. Yamagata-Noji and Ms. Russo:

Thank you for the timely submission of the disclosure of collective bargaining agreement for the Santa Ana Educators' Association (SAEA) certificated bargaining unit. The Orange County Superintendent of Schools has reviewed the District's Disclosure of Collective Bargaining Agreement for the SAEA certificated bargaining group in accordance with Assembly Bill (AB) 1200 (Statute of 1991, Chapter 1213) and Government Code 3547.5 as amended by AB 2756.

The proposed agreement covers the period from July 1, 2005, remains in effect until June 30, 2006, and will be acted upon by the District's Governing Board at the October 24, 2006 board meeting. The agreement proposes to increase the salary restoration previously in effect from 11.19% to 13.44% with ongoing increases to the salary schedule effective July 1, 2006. The District has previously budgeted for the 11.19% salary restoration, therefore the disclosure of collective bargaining agreement is for the incremental increase in cost of approximately 2%. In addition, the agreement reopens negotiations immediately on Articles VII (Wages and Wage Revisions) and Article XV (Employee Benefits).

The impact of the proposed agreement on the Multiyear Projections forecasts that under current assumptions, the District will now need to make budget reductions of approximately \$16 million in 2007-08, which is an increase of approximately \$5 million from those approved with the District's 2006-07 budget. In addition, budget reductions of \$9 million are forecast for 2008-09. These estimates are in addition to staffing reductions associated with the continuing decline in student enrollment and are necessary to maintain healthy reserves. The Governing Board is aware of this potential shortage and the need to make budget reductions if current budget assumptions are realized. The District will convene a Budget Reduction Committee (BRC) composed of department heads, cabinet members, association, and parent representatives in November to identify specific budget reductions.

As mentioned in previous correspondence, based on the proactive actions taken by the District's Governing Board and Administration in the past, our office

Dr. Yamagata-Noji
Ms. Russo
October 18, 2006
Page 2 of 2

believes the District is committed to making the necessary budget reductions in future years to maintain fiscal solvency and our office will continue to follow future budget submissions to verify that necessary, planned adjustments are being implemented.

We recommend that the District continue to maintain unrestricted reserves above the State recommended minimum. Additionally, we encourage the District to continue to closely monitor future enrollment trends and prepare for appropriate budget adjustments should enrollment projections fluctuate adversely.

We would like to extend our thanks to your staff for the thorough and timely preparation of the disclosure of collective bargaining agreement. If you have any questions, please call me at (714) 966-4229 or John Fogarty at (714) 966-4175.

Sincerely,



Wendy Benkert, Ed. D.
Assistant Superintendent
Business Services

WB:jf

cc: Don Trigg, Associate Superintendent ✓