

# FACTFINDING REPORT

HAYWARD UNIFIED SCHOOL DISTRICT	)	Issues: Salary
	)	
and	)	PERB Case # SF-IM-2702-E
	)	
HAYWARD EDUCATION ASSOCIATION	)	
	)	
CTA / NEA	)	

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## Panel Members

Bonnie Prouty Castrey, Chair Factfinding Panel  
Samuel DeHaven, Association Representative  
Ronald Bennett, District Representative

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## **BACKGROUND**

The Hayward Unified School District (HUSD or District) and the Hayward Education Association (HEA or Association) commenced negotiations for the first contract re-opener on August 26, 2006, in a three year agreement, July 1, 2005 to June 30, 2008, over salary. The parties met again on September 21 and November 6, 2006 when they reached impasse and shortly thereafter the parties requested mediation. They met with the mediator on December 12 and 21, 2006. When they failed to reach agreement in mediation, they were certified to factfinding. The parties selected the undersigned to chair the Panel. The parties have not waived time lines.

The District has a student population of about 20,000 students in Kindergarten through 12th grade and provides both preschool and adult school. There are 45 education sites in the District.

There are 1326 members (1189 FTE's) in this bargaining unit. The unit includes teachers, nurses, speech therapists and other certificated staff.

The factfinding hearing was conducted on March 6, 2007 and executive sessions of the Panel were held on March 6 and 14, 2007. Two issues are before this Panel for the findings of fact and recommendations for settlement. They are salary and inability to increase pay by 16.84 percent as proposed by the Union. At the hearing, the District as the moving party on the inability to pay issue, presented first on this issue and the Association responded. Regarding salary, the Association was the moving party and the

District responded.

Both parties were provided the opportunity to ask clarifying questions and the Panel Members asked questions of the parties. The parties were provided full opportunity to present their cases. The Panel met in Executive Session and then with the parties in an attempt to find common ground for settlement.

When it became clear on March 6 that mediation and settlement was not an option, the Panel met jointly with the parties and recessed the hearing. The Panel met again in Executive Session to discuss the Chair's draft findings and recommendations.

## **ISSUE DISCUSSION AND FINDINGS**

### **INABILITY TO PAY**

#### **District Position**

The Association position for a salary increase is 16.84% retroactive to July 1, 2006. The District contends that it cannot pay 16.84% retroactive to July 1, 2006 for the following twelve reasons:

The District is and has been in declining enrollment. In 06-07, HUSD declined 1,191 ADA representing a loss of revenue of \$6,626,946. That was offset by 17 fewer teachers for a total shortfall of \$5,198,946.

HUSD maintains a classroom staffing ratio which benefits students and staff. The average class size is 26.06 and the statewide average for all unified districts is 26.52. And, student enrollment for each classroom teacher in 2004 was 20.56 with a State average for all unified districts of 21.32.

They have attracted, hired and retained a highly qualified staff, of whom 36% (418 teachers) have ten years or more seniority and 20% (235 teachers) at the top step in their column on the salary schedule. They no longer have any teachers on emergency credentials. This is a senior teaching staff with 25% of the teachers who are age 55 or older and therefore at the higher pay end of the salary schedule.

HUSD has a history of negative and qualified certifications from the Alameda County Office of Education (ACOE). Their budget for 2003-04 was disapproved because the budget failed to meet the State adopted criteria and standards which include a minimum reserve of 3 percent. The ACOE also disapproved the District's 2004-05 and 2005-06 budgets as well. Therefore, the District operated under a negative certification from 2003-04 until the current budget in 2006-07.

While they are not currently under a negative certification, a 16.84% increase retroactive to July 1, 2006 would immediately put the District into negative certification as they could not meet the State criteria this year and for the next two years. The District posits that the ACOE would use its powers under the law to stay and rescind the increase.

In 2003-04, 2004-05 and 2005-06, the District operated under the supervision of ACOE appointed fiscal advisor, Sheila Vickers of School Services of California. She assisted the HUSD to develop and implement a fiscal recovery plan. She remained fiscal advisor to the District until it received a positive certification for its 2006-07 budget. Under AB 1200 and AB 2756 requirements, the ACOE

must be convinced that the District can maintain its expenditures for the current year and two subsequent years before they give a positive certification.

The Certified Public Accountant's Audit Reports have consistently expressed concerns regarding the District's continued deficit spending and its failure to meet the State mandated minimum reserve of 3 percent. Based on the excerpts from the auditors report for the year ended June 30, 2000, the District has been deficit spending since at least the 1997-98 school year.

The June 2005 audit, shows the District continuing to deficit spend and failing to meet the 3% State minimum reserves. As a result of the implementation of the fiscal plan and the appointment of the fiscal advisor, the District now meets the minimum reserve, however, granting the 16.84% salary increase would spend all the reserves and "force the district into bankruptcy".

Declining enrollment causes program reductions and a 16.84% increase would cause additional reductions. While fewer teachers are needed and therefore, there is a reduction in overall FTE's based on staffing the classrooms, the cost of salary increases and step and column increases continue, causing an overall negative balance. This means that program reductions are needed to simply keep up with the decline in enrollment.

In order to meet the State financial standards, the District reduced program over the last three years from 2003-2006 by fourteen million dollars (\$14,000,000). The District asserts that having made significant reductions, it is difficult to find additional areas to reduce and further, that cutting the budget

more than 10% to grant a pay raise is unreasonable and would put the District into bankruptcy.

The District prepared the multi-year projections, required by law, for their offer of 3% and the Association position of 16.84% to demonstrate the additional reductions that will be necessary under both proposals. The District calculates the cost of 1% at \$874,000.

While the District projects the requirements, using its assumptions, that it will need to reduce program by the commencement of the 2008-09 school year by \$1,387,630 to fund their 3% offer, it would have to reduce over three million dollars (\$3,207,490) immediately in this fiscal year in order to fund the proposed 16.84% increase.

And, in the subsequent two years it is projected that it would deficit spend in 2007-08 over the 3% State required reserve by nearly eighteen million dollars (\$17,747,102) and in 2008-09 by thirty seven million dollars (\$37,012,886). These projections of deficit spending over the 3% required reserve would require additional program reductions.

AB 2756 requires that the Chief Business Official and the Superintendent must both certify in writing that the District can meet and pay the costs of the negotiated agreement for the life of the agreement. They insist that these officials could not certify a 16.84% pay increase as it is not true that the District could pay the increase.

Finally, the District points out that in order to correct a State audit exception regarding instructional minutes in the

District adopted block schedule at the secondary level, they had to increase staffing by twelve (12) teachers. This occurred as a result of the need to amend the block schedules in order to meet the State required number of minutes and to have the State waive thirteen million dollars in penalties against the District. (District Exhibit, Tab 7, Inability to Pay)

### **Association Position**

The Association believes that the District can increase teachers salaries on schedule by 16.84%. They point out that the top management salaries in the District office have increased from \$3,650,716 in 2004-05 school year to \$5,770,207 in 2006-07. A difference of \$2,119,491. In addition, they point out that as of July 1, 2006, the Board, based on a recommendation from the Superintendent, raised the two (2) Assistant Superintendents' salaries by 16.84% and the Associate Superintendent's salary by 15.8%. The Superintendent is quoted in the June 29, 2006, The Daily Review (Hayward, Ca) as follows:

"...Hayward Superintendent Dale Vigil proposed the raises, he said, in an effort to pay the senior staffers a comparable pay package to those in surrounding districts, including San Leandro and San Lorenzo. Several board members agreed with the philosophy, saying that a failure to compensate those high-level positions at "market value" could lead to turnover...."

The HEA stresses that they too want to be highly compensated to remain competitive and to retain their qualified staff and to avoid turnover.

In looking at the comparable districts which the Association

used, the HUSD Associate Superintendent receives the highest salary, the Assistant Superintendent of Human Resources receives the second highest, and the Assistant Superintendent of Business Services, the third highest salary. Moreover, the Superintendent has the highest base salary in those comparable districts. (Association Exhibits Tabs 1-11)

HEA demonstrates where their members are on the salary schedule today and the impact of a 16.84% increase on the salary schedule of certificated bargaining unit employees at four benchmark steps. The comparison districts, chosen by the Association, are all in Alameda County and all of these districts, over the prior years, have embedded the cost of health and welfare onto the salary schedule.

At the current BA+30, Step 1, HUSD is currently seventh out of eight and with the 16.84% increase would move to second place. At the BA+45, Step 5, HUSD is currently eighth of eight and with the 16.84% increase would be sixth and about \$1000.00 above the average. The BA+60, Step 10, HUSD is currently eighth of eight and would move to second of eight. At the Maximum Attainable cell, HUSD is eighth of eight and would move to fifth of eight and just about \$1100.00 above the average. (Association Exhibit, tab 14)

The Association has calculated that each one percent salary increase based on how many certificated bargaining unit members are in each cell of the current salary schedule and no proposed increase for the MA and stipends is \$790,000. Hence, the proposed 16.84% increase will cost \$13,303,600. (Association Exhibit Tab 19 and Chair's notes)



Next, the Association shows the significant growth in interdistrict transfers at a time when the District is experiencing declining enrollment and asserts that much of the decline is of the District's own making. From 1999-2003, the decline from transfers out, approved by the Board, was steady at about 1375 each year. In 2003-04 those Board approved transfers rose to 1521, and in 2004-05 to 1701 and a high of 1799 in 2005-06. To date, in 2006-07, 1378 have been approved. They point out, however, that had the District maintained control of the number of transfers out of the District, they'd have nearly 1000 more students currently enrolled. (Association Exhibit, Tab 20)

The HEA calculates that since the 2001-02 school year, the District has received a total of 22.44% in Base Revenue Limit increases, including deficit reduction and equalization, whereas the HEA bargaining unit has received salary increases totalling 7.69%. For two years there was a zero percent increase, last year the 0.83% increase was applied midway through the year and was not retroactive, and no increase has been negotiated for this current year. (Association Exhibit, Tab 22)

As a percent of total general fund spent on the HEA bargaining unit, at Tab 23, they show a decline from 52.31% in 2003-04 to 48.95% last year and without a negotiated increase for 2006-07, a decline to 46.99 percent. Moreover, in the comparison districts, comparing all at the 2004-05 level of spending for certificated bargaining unit salaries, HUSD is fourth of eight and 3.49% lower than the top one at 54.35%. (Association Exhibit, Tab 23 and 24 and Chair's notes)

HEA argues that they did not "pull 16.84% out of the air". There is real meaning in that figure as the Board authorized between 15.8% and 27% for the top management of the District, two of whom received 16.84 percent. They acknowledge that there is a decline in enrollment and urge the District to continue tightening up on the interdistrict transfers and point out that the State provides a year for the District to adjust to each years decline. The State pays the District for the current year based on the prior years ADA.

The District's 2005-06 unaudited ending balance in the general fund was \$25,386,913 so HEA insists that the District has the ability to pay 16.84% retroactive to July 1, 2006. (Association Exhibit, Tab 26)

### **FINDINGS**

It is undisputed that the District is declining in student enrollment, so while the Association is correct that the District is funded at the prior years' enrollment overall, the enrollment number declines and leaves the District in a tighter budgetary situation than a district which is increasing in enrollment. And, the Chair agrees with the Association and the District that as the number of students decline, fewer FTE's for teachers are needed, therefore the teachers numbers decline. For districts in decline, however, the reduction in numbers of teachers does not produce savings equivalent to the total amount of reduced dollars as teachers are only a portion of the expenditure for each student. Districts in decline must make other reductions in expenditures in order to operate with the appropriate reserve as required by the

State, which in this case is 3 percent. The HUSD did not make the proportional reductions in other areas.

AB 1200 and AB 2756 have placed severe restrictions on districts. Among them, the District must be able to certify that they can pay any negotiated increases. When the cash is not available, the District has to guarantee programmatic reductions in order to balance the budget.

By the time this report is completed, mailed and made public as required by law, nine (9) months of the school year will be completed and the money already allocated is spent on programs and personnel to operate the programs and schools. Therefore, it would not be possible to make the necessary reductions to fund a 16.84% increase retroactive to July 1, 2006.

Using the District's exhibit for HUSD, multi-year projections, it is clear that for this year alone, the District would deficit spend by about three million dollars. Projecting out, as required by law, that amount is nearly eighteen million in year two and thirty seven million in year three. Even considering that the parties do not agree on what 1% costs for this bargaining unit and the Association numbers would be about 10% lower, by the third year the District would have to make program cuts of at least thirty million dollars to fund the 16.84% increase.

Simply stated, the District does not have the ability to pay a 16.84% increase retroactive to July 1, 2006 and maintain and sustain an educational program for students.

## **SALARY**

### **STATUTORY CRITERIA**

Pursuant to the Educational Employment Relations Act ("EERA"), it is proper for a factfinding panel to consider the following factors in making its findings and recommendations:

1. State and federal laws that are applicable to the employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the public school employee-employer.
4. Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.
5. The consumer price index for goods and services, commonly known as the cost of living.
6. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment; and all other benefits received.
7. Such other facts, not confined to those specified in paragraphs (1)-(6) inclusive, which are normally or traditionally taken into consideration in making such findings and recommendations. (District Exhibit 4)

### **Position of the Association**

As stated above, the Association's position is 16.84% on the salary schedule retroactive to July 1, 2006. For comparable districts, the HEA uses data from districts who have all negotiated to have the health and welfare dollars placed onto the salary schedule at some time in the last several years. They are all unified districts in Alameda County. The eight are: Dublin Unified (note that dental is not part of the salary schedule), Fremont Unified, Hayward Unified, New Haven Unified, Newark Unified, Pleasanton Unified and San Leandro Unified.

In 2005-06, in recognition of the District's financial

problems, HEA agreed to a 0.83% salary adjustment mid-year which was not retroactive. It was the lowest increase among the comparison districts. The comparison district increases ranged from 3.85% to 6.05% with an average including HUSD of 4.21%. This year all those districts have settled except HUSD. The settlements range from 5.73% to 6.93% with an average of 6.13%.

The Association points out that with just these two years of settlements HUSD is falling further behind.

As stated above, two (2) top managers salaries were raised by 16.84% and one (1) by 15.8%. HEA asserts that the same rationale, used by the Superintendent and Board of Trustees for the top managers' increases in salary, applies to the need to pay their bargaining unit members in order to attract and retain qualified teachers and other certificated unit members. Since July 2004, HEA calculates a turnover within their bargaining unit of 551. (Association Exhibit, Tab 14)

They also cite the fact that substitute teacher salaries were increased from \$110 and \$135 per day to \$150 per day. These represent 11.11% to 36.36% increases.

As stated above, over the last two years District office expenditures have increased from \$3,650,716 to \$5,770,207, a 58.06% increase. HEA suggests that this represents spending priorities away from the classroom both in new positions and salary increases for top management staff. These increases have placed HUSD top management among the highest paid in the comparison districts.

In the HEA comparison districts, as discussed above at page 8, Hayward teachers are at or near the bottom in benchmark

comparisons.

Health benefit costs over the years without significant salary adjustments have substantially eroded HEA members' salaries while other comparison districts have made larger salary adjustments and therefore, their members have more income to use for the rising health care benefits. When the dollars were added to the salary schedule in 1996, they were \$4,175. The current value of those initial dollars, with increases on the salary schedule compounded are now worth \$5,805. And, the annual costs for health care plans above the \$5,805 are between \$8,814 and \$19,370, depending on the plan the employee chooses. (Association Exhibit, Tabs 16,17)

**Position of the District**

The District argues that their total compensation package is comparable with other districts in the area. The District uses 15 unified districts in the area for comparison as well as the Region 4 unified districts average and the statewide unified districts average. These fifteen (15) districts are in several counties and ten (10) of the fifteen (15) have not negotiated the health care plan dollars onto the salary schedule. Hence, when comparing total dollars, the District added the salary and health care dollars paid by the district.

The District compared the following unified districts: San Jose USD, Fremont USD, Newark USD, Hayward USD, San Ramon Valley USD, Oakland USD, Santa Clara USD, West Contra Costa USD, San Leandro USD, New Haven USD, Mt. Diablo USD, Livermore Valley Joint USD, Alameda City USD, Antioch USD and San Lorenzo USD. At the BA+30, HUSD was ninth of fifteen and below both the State wide

average and the Region 4 average. At BA+60 HUSD was also ninth of fifteen and below the statewide average but just above the Region 4 average. At the maximum HUSD is eleventh of fifteen and below both the statewide unified average and the Region 4 unified average.

HUSD has high seniority and a high average salary. When computing average salary and benefits and comparing with the fifteen districts, HUSD is eighth of fifteen and below the statewide unified average and the Region 4 unified average. Career earnings at twenty five years put HUSD at fifth out of fifteen. The District asserts that this is because it takes longer in other districts to reach the maximum.

In 2004-05, HUSD's revenues ranked them seventh of the fifteen districts and below the average of both the statewide and Region 4 unified districts. They argue that even though their revenues are lower, they commit higher than average to teacher compensation and are fifth of fifteen in amount of certificated salaries per ADA and above both the statewide and Region 4 unified averages. In non-management certificated, HUSD is fourth of fifteen and above both the statewide and Region 4 unified averages.

The District points out that their classroom expenditures in 2004-2005, were higher than average at 66.07%, which placed them sixth of fifteen. The State Education Code requires a commitment of 55% or more for classroom expenditures including salaries and instructional materials.

They also point out that the negotiated step and column increases were paid and represent "significant commitment to

maintenance of effort". While the District usually has an average cost for step and column of 1.6%, in 2006-07, the cost of step and column were fully offset by the 56 teachers who retired.

Since 1999-00 school year to 2005-06, the California consumer price index has increased a total of 23.10% and the certificated bargaining unit salaries have been increased 23.83 percent.

In that same time frame, the HUSD funded COLA totaled 26.92% and the salaries rose 23.83 percent.

The District has 418 teachers who have been with HUSD ten (10) years or longer for a total of 36 percent. And, 20% or 210 teachers are at the top step of their column.

Based on the above facts including, its comparison districts, the California CPI, the salary increases since 1999, the overall dollars dedicated to the classroom and the districts maintenance of effort, the HUSD has offered 3% even though that will mean additional program reduction in year three of the projected budgets.

### **FINDINGS AND RECOMMENDATION**

In their presentations the Association and the District used different comparison groups and in many cases different years. Therefore, in addition to the comparisons above, the Chair compared the five districts which they both used in their comparisons and the statewide unified average. Those districts are Fremont USD, Newark USD, Hayward USD, San Leandro USD and New Haven USD.

Based on the District's data, at the lowest salary schedule chart, HUSD is right in the middle at third. It is about \$2000.00 less than the top and about \$3000 more than the fifth rank. The



range is \$44,250 to \$47,522 and the statewide average is \$46,128. At the BA+30, HUSD is fourth and the range is \$44,820 to \$53,106. HUSD is about \$3000 above the fifth district and about \$5000 below the top rated district. HUSD is \$47,939 and the statewide average is \$49,325.25. At the BA+60, Step 10, HUSD is fourth of five at \$66,379. They are about \$4000 above the fifth placed district and \$4000 below the first placed district and \$2000 below the statewide average. At Maximum Salary Schedule, HUSD is fifth of the five at \$79,163 and about \$9000 below the statewide average and \$13,000 below the first ranked district.

Based on the Association's data, the following increases were negotiated in those five districts:

District	2005-2006	2006-2007
Fremont USD	4.29%	6.50%
Hayward USD	0.83%	in negotiations
New Haven USD	4.23%	5.92%
Newark USD	4.92%	5.92%
San Leandro USD	3.85	6.93%

In the two successive years since the statewide data became available, these four surrounding Alameda County districts have negotiated about 10% to 11% onto their respective salary schedules.

To remain competitive, HUSD must begin closing the gap. The Association has shown that the HEA members have fallen behind in buying power regarding their health plans and overall salary increases. As the District has had several years of State fiscal oversight and has just this year received a positive certification, they must be careful, but they also cannot ignore the needs of this

certificated bargaining unit, which has stepped up in the very lean years accepting minimal or no increases. Both parties have agreed that the teachers and other bargaining unit members deserve higher salaries; the issue is affordability.

Based on careful consideration of all the facts as presented by both parties and carefully evaluated, the Chair recommends a higher increase at midyear in order to decrease the cost for the District for this 2005-06 budget year and to give the District time to make the appropriate program adjustments and to provide the members of the bargaining unit a higher percentage rate onto the salary schedule going forward.

The Chair recommends the following salary increase:

5% on the salary schedule retroactive to the midyear, approximately January 1, 2007.

Chair

✓ Bonnie Prouty Castrey  
Huntington Beach, California

By Association Panelist

\_\_\_\_\_ Concur \_\_\_\_\_ Dissent  
\_\_\_\_\_ Concur \_\_\_\_\_ Dissent  
in Part" \_\_\_\_\_ in Part

\_\_\_\_\_ Samuel DeHaven  
Association Appointed Member

By District Panelist.

✓<sup>X</sup> \_\_\_\_\_ Concur \_\_\_\_\_ Dissent  
\_\_\_\_\_ Concur \_\_\_\_\_ Dissent  
in Part \_\_\_\_\_ in Part

\_\_\_\_\_ Ronald Bennett  
District Appointed Member

FACTFINDING PROCEEDINGS UNDER CALIFORNIA  
GOVERNMENT CODE SECTIONS 3548.1 TO 3548.3

In the Matter of a Dispute

between

**Dissenting Opinion of  
Association Appointed  
Panel Member**

HAYWARD UNIFIED SCHOOL DISTRICT

PERB NO. SF-IM-2702-E

and

March 16, 2007

HAYWARD EDUCATION ASSOCIATION  
/CTA/NEA

**DISSENTING OPINION**

I respectfully dissent from the Panel Chair's salary recommendation because the Chair ignores the following facts presented by the Association at the factfinding hearing.

**ABILITY TO PAY**

1. The Chair ignores the fact that for 2006-07, the District has a projected overall 15% General Fund reserve, far above the 3% standard state recommendation. (Association Exhibit 25)
2. The Chair ignores the fact that the District has a projected unrestricted ending balance of \$17.6 million, far above the \$5.6 million needed for its reserve for economic uncertainties. (Association Exhibit 27)
3. The Chair ignores the fact that within this \$17.6 million, \$8.4 million is currently unallocated, and can be used for any purpose including salary increases.
4. The Chair ignores the fact that within this \$17.6 million, the District has set aside \$1.1 million to pay its instructional minutes shortfall penalty to the state. However, the District does not have to make any penalty payments until 2008-09, and even then at a rate of only \$185,063 per year over the

next six years beyond 2008-09. The District's set-aside is excessive, and this year unnecessary. (District Exhibit: Education Audit Appeals Panel State of California Decision)

5. The Chair ignores the fact that within this \$17.4 million, the District has yet to allocate \$1.2 million in state mandated cost refunds. Such refunds are unrestricted dollars available for any purpose.
6. The Chair ignores the fact that \$1,608,707 of existing monies for the 2006-07 school year is budgeted to increase the ending balance. These funds are unrestricted and available for any purpose. (District Exhibit: Inability to Pay Reason 10 HUSD General Fund Multiyear Projections)

The total of the above represents \$12.3 million of unrestricted cash that could be made available for any purpose including salary increases. Further, we established that the District already has the 3% built into the budget so this \$12.3 million is excess.

Given that a 1.0% increase to HEA unit salaries costs, using the District's calculation, \$874,134 (the Association argues that this figure is high, and represents both restricted and unrestricted salary costs and fails to include the revenue stream), the District has ample dollars available to sustain a salary increase much higher than the Chair's recommendation.

The Chair's recommended 5% mid-year salary increase (2.5% cost to the District this year) falls far short of the available dollars. I strongly dissent from the Chair's low recommendation. The District can do much more.

### **Comparable Salaries**

The Chair does her own analysis of comparable salaries by comparing Hayward Unified to the four districts found in common in both the Association's and District's comparable groups: Hayward Unified, Fremont Unified, Newark Unified, San Leandro Unified and New Haven Unified.

In her analysis, the Chair fails to look carefully at the Association's 2006-07 comparability data (Association Exhibit 11). Comparing just these five districts in the Association's data, the Chair should have found the following:

1. At BA+30, Step 1, Hayward Unified is second to last (4<sup>th</sup> out of 5).
2. At BA+45, Step 5, Hayward Unified is last (5<sup>th</sup> out of 5).
3. At BA+60, Step 10, Hayward Unified is last (5<sup>th</sup> out of 5).
4. At the maximum attainable salary, including MA degree stipend, Hayward Unified is last (5<sup>th</sup> out of 5).

The Chair fails to fully extend her analysis to assess the impact of her low salary increase recommendation to show that it will do nothing to improve Hayward Unified's last place position. Further, the Chair does acknowledge that the other four districts have improved salaries by an average of 6.13% in 2006-07, and when this average increase is combined with the 2005-06 average increase of 3.85%, these districts have improved salaries by 10.16%. During the same two-year period, Hayward salaries have so far increased by only 0.83%, which was not fully retroactive. The Chair's recommendation will only bring Hayward's two-year increase to 5.83% (not even fully retroactive), only one-half of what these other districts achieved.

Therefore, given her own comparability analysis, the Chair's recommendation is inconsistent and sub par.

For all of the forgoing reasons, I cannot support the Chair's recommendation. Unfortunately, the Chair's low salary recommendation will do nothing to assist the parties to reach a settlement. Therefore, I respectfully dissent.

Respectfully Submitted,

Samuel DeHaven  
Association Appointed Panel Member