



Academic Excellence
in a Caring Community

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May 16, 2019

Dear KSD Community,

During our board meeting Tuesday evening, many KSD teachers came and spoke during public comment about labor negotiations currently happening in our district. It took a lot of courage to stand up in front of a packed board room to talk about very difficult, personal financial challenges with such candor and grace. We tried to ensure that everyone who spoke felt heard and that their perspectives were welcome.

In the spirit of open communication and full transparency, we want to provide our perspectives on labor negotiations currently happening in our district. As School Board Members, there are many factors we have to consider. Some important ones include:

1. We have **two primary School Board responsibilities**: doing what is best for all our students and making prudent financial decisions for the short and long-term health of our district.
2. **We immensely value and respect our teachers and staff.** Among the five of us, we have 11 children currently attending Bacich and Kent. On a day-to-day basis, we are intimately familiar with the dedication and extraordinarily hard work by our teachers and staff. We are empathetic to the financial struggles so many of them face, especially for those living in high cost areas like Marin. We are also keenly aware of how critical they are to KSD students' overall success and achievement.
3. **Teacher compensation is set by contract, which is negotiated between the Kentfield Teacher's Association (KTA) and the School District. Ultimate responsibility for compensation decisions for the District is with the School Board.** As a reference, teacher and staff compensation represents the largest single expenditure in our budget (78.4% of expenditures and 86% of revenues). We also cover 100% of health benefits for an employee + 1 dependent, and these costs increase every year. Over the last ten years, the percentage of the annual salary increase has ranged between 1% - 3%, depending on the district's financial circumstances.

The 3% raise last year was facilitated by the money the district had put aside (\$300,000 in two annual installments to total \$600,000) with KTA's agreement, to offset the potential effects of not passing the last Parcel Tax before it expired. Once the 2018 Parcel Tax passed, we deposited that money - as promised - into the general fund and negotiated the 3% raise on the salary schedule.

4. **This year, after careful consideration and financial analysis, the KSD Board is offering a 1% salary increase to teachers and staff. This decision was not made lightly.** And it actually reflects a 4.35% increase in total compensation (salary + benefits) from the District driven by two key factors: 1) the increases in the District's pension contribution obligation (mandated by the state) and 2) the "step and column" yearly compensation increases.

Here's why: For next year, the mandated teacher pension contribution from the District will increase approximately 1.85%. Furthermore, due to "step and column"

increases, teachers and staff will always receive a higher compensation for each successive year they work in the District. For full time teachers, the built-in annual increase in our compensation structure averages 1.5%. Therefore, the total annual compensation increase for teachers and staff proposed by the KSD Board actually represents an average 4.35% increase.

4.35% = 1% (proposed annual salary increase) + 1.85% (state mandated teacher pension contribution) + 1.5% (“step and column” yearly compensation increase average)

5. With conservative fiscal stewardship of our district funds, we are not in a position of having to cut programs and teaching positions like so many districts in Marin right now. Many neighboring Marin school districts are eliminating teachers and/or reducing programs (the Marin IJ has run a number of articles about this in recent months about [Tam Union](#), [Mill Valley](#), [Larkspur / Corte Madera](#), and [Novato](#)).

6. We would still have to dip into our reserves with the proposed 1% salary increase. Reserves in 2015-16 were 15% of our budget, and they have been steadily declining since then to 8.29% or \$1.6M of our 2018-19 budget. Also, as a reference, monthly payroll in the KSD is approximately \$1M. Dipping any further into our reserves would be fiscally irresponsible.

7. Our KSD Board is fully committed to equity in education and making sure the needs of all our students are met through appropriate programs and services. Our student demographics are changing. Currently, our student body is 60% white; 12% Latino; 4% Asian; and 24% “other” races. Ten percent of our students are low income as defined by the state of California.

Furthermore, the Kentfield School District has a growing number of students with learning differences, English language learners, free and reduced lunch students, and students in special education with Individualized Education Plans (IEPs). We welcome and celebrate our increasingly diverse student body; a diverse community creates benefits for all of our students not only in overall academic achievement but also equips them to participate in a global economy. **The services associated with our increasingly diverse student body have an increased cost (which is not fully covered by State or Federal funds directed at these programs), and these services continue to grow.**

Moreover, there is a correlation between California’s unfunded pension liability and equity in education detailed in this [recent study by Pivot Learning](#). Their research concludes that “California’s chronic underfunding of teacher pensions is pushing school districts into financial distress, forcing them to make painful cuts that will increasingly harm both the state’s teachers and its most vulnerable students.”

8. Until California either gives schools more funds per student, or reduces the District portion of the pension obligation, we will have to make cuts to increase compensation. There is a systemic crisis in public education in our state – we are the fifth largest economy in the world but California per-student funding ranks in the 40s out of 50 states.

The state requires school districts to put a growing amount of our budgets into pensions to cover a California liability. As a reference, the CalSTRS-mandated employer contribution was 8.0% of an employee’s salary in 2014, and will continue

to rise up to 18.1% in 2020; the CalPERSs-mandated employer contribution of an employee's salary was 11.4% in 2014 and will continue to rise up to 20.7% in 2020. The mandated pension contributions crowd-out other spending for school districts like ours. The solution is really a change at the state level, either in increased school funding or decreased pension costs for school districts by California paying down the liability.

9. Bond money cannot be used for compensation for any District employee- it can only be used for capital expenditures (typically building construction or improvements). The parcel tax funds can only be used as specified in the language on the ballot – parcel tax funds are not used for administrator salaries or pensions. The amount of the parcel tax was designed to be revenue-neutral, which means it maintains funding at the level it was under during the previous 10-year model. It did not include any additional funds to cover increased expenses.

10. The KSD is embarking on a new strategic plan in the fall. Key areas of discussion will be to look for ways to increase efficiencies, seek shared services where applicable, and increase our revenue in the long-term, all through a lens of equity for all our students. We look forward to joining with all stakeholders in our community (students, teachers, administrative staff, parents, and community members) in developing our district priorities and goals which will guide our work in the years ahead. We warmly welcome all involvement in this important decision-making process for our district.

If you have any questions or comments, please feel free to contact our Board President, Heather McPhail Sridharan, at hmcphailsridharan@kentfieldschools.org. Feedback is always welcome.

Your KSD Board of Trustees,

Davina Goldwasser
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