Good evening. I am speaking on behalf of my fellow DEA members at Huntington Beach High School. President Dishno, Superintendent Harwick, distinguished members of the Board, and HBUHSD Administration, I address you this evening to call for a timely conclusion to our current contract negotiations that reflects the current state of the budget in our financially sound district.

Lion, Baron, Triton, Seahawk, Viking Charger and District concerns are also Oiler concerns. I have a few math questions tonight, and I am hopeful that these questions will be addressed in tomorrow’s negotiations session.

**Question #1: What is the state of the District budget?**

According to the District’s 2nd interim budget report 2018-19 LCFF funding is 158 million, 228 thousand dollars. That is a 10 million 720 thousand dollar increase this year. This is a 7.27% increase in ongoing funding. This is a part of an ongoing trend. Since 2015, the district budget has grown on average over 8 million dollars each year. We are now receiving over 34 million dollars more every year in ongoing funding than we did in 2015. This gives me hope!

**Question #2: How much are costs increasing?**

We all know that, over time, costs increase as well. According to that same second interim budget report, the cost of step & column pay increases, retirement costs for STRS and PERS, and health care is increasing by 2.65%.

So ongoing funding increased by 7.27% and costs increased by only 2.65%. The inflation rate for 2018 is 1.9%, so it’s logical to conclude that the items the district purchases will cost a bit more as well.

There is a gap between 2 and 7. If more money is coming in at rates higher than costs are increasing, that stands to reason that there is money available to increase pay. This also gives me hope.

**Question #3: What about health care costs?**

You heard other members talk about how healthcare benefits have been maintained. We often hear that the cost of medical benefits is increasing. Indeed, our district costs rose 1.3 million dollars this year. That seems like a frighteningly large increase.

Upon closer look, though, it’s not. In fact, last year, the District spent 12.29% of the budget on healthcare. This year, with that 1.3 million dollar increase factored into our increased funding, health care costs actually went DOWN to 12.27%. Funding jumped enough to make that seemingly-startling 1.3 million dollar increase ACTUALLY DECREASE (slightly) the total percentage of the budget spent on healthcare. This gives me a lot of hope!

Two more sets of numbers and then I will ask my big question. Sorry this is a long word problem.
**Question #4: How much of the total district budget is spent on salary and benefits? And how has that changed over time?**

Five years ago, the district spent 39.75% of its budget on DEA salaries. Seven years ago, the District spent 87.4% of it budget on salaries and benefits for all employees, administrative, certificated, and classified. What are those percentages now? 34.9% and 83%. Spending on DEA salaries have dropped by nearly 5% and spending on total salary and benefits has dropped by over 4%. This shakes my hope a little bit.

**Here's my big question, Question #5: if the district has 34 million MORE dollars to spend every year, why is less being spent on salaries and benefits?**

I am hopeful that the clearly positive financial facts that led to this question will be respectfully addressed by the District’s salary offer tomorrow.

Thank you.