

Appendix A

Salary and Benefits 2008-2009

A.1 Funding Sources

The bargaining unit shall receive its proportionate share of eighty percent (80%) of certain new or increased unrestricted revenue which is above an established base amount. The bargaining unit's proportionate share of such revenues is based upon:

- 1) the unit's total salary and benefit cost, including the cost of District contribution towards health coverage for all authorized/filled positions, including Summer term positions, associated with the LRCFT unit;
- 2) which is compared to the total District salary benefit and contribution costs for authorized/filled positions of all District employee groups.
- 3) Authorized/filled positions which are funded from special programs/categorical funds are excluded from both LRCFT unit's cost and other employee group costs.
- 4) The related salary and benefit costs associated with District contract managers are also excluded.

The determination as to whether such defined revenues are "continuing" or "one-time-only" is defined below but may be modified during the term of this contract due to new State regulations. Such revenues and related base amounts are defined as follows:

A.1.1 Program Based Funding (PBF) Revenue

The base amount for 2008-09 is the revenue level recognized in the 2007-08 fiscal year that was used for retroactive salary improvement calculations for that year which includes any 2007-08 Growth Funds and any Program Improvement Funds, and is reduced by any State deficit, which may be applied retroactively. Typically, the amount received in the preceding year per Program Based Funding (PBF) provisions is the revenue level recognized for that year if no statewide deficit is projected.

Program Based Funding revenues are generally considered "continuous" funds and shall be used to fund continuing salary and benefit costs applicable to LRCFT unit members. New or increased Program Based Funding revenues above the base amount are generally derived from two primary sources: 1) Cost of Living Adjustments (COLA); and 2) Growth Funds. In addition, the District may receive Equalization funds under Program Based Funding provisions. The determination, availability, and distribution of the bargaining units proportionate share of new or increased Program Based Funding revenues due to the COLA factor is dependent upon the final adoption of the State Budget and the reliability of receiving such entitlements. Typically, an initial salary schedule improvement is implemented for the fiscal year based upon COLA funds authorized in the

State budget for community colleges provided that such COLA revenues are reliable (no projected State funding deficit).

After providing for specified District costs associated with student growth, available Growth Funds as described in Attachment 1 which are attributed to Program Based Funding provisions are considered “continuous” funds and are proportionally allocated to unit members.

Equalization Funds are intended to “equalize” the funding for credit full-time equivalent students (FTES) funding across the State. Districts below the state-wide average for credit FTES funding are designated as “low revenue.” Equalization funds are provided infrequently and may or may not be distributed based upon the PBF determination of a “low revenue” district. However, when Equalization Funds are provided, they are considered “continuous” and are included under the Program Based Funding provisions as set forth in Appendices A and B.

A.1.2 State Program Improvement Funds (PIF)

Any unrestricted Program Improvement Funds received shall be proportionately allocated to the bargaining unit. Such revenues are generally considered “continuous” funds and shall be used to fund the costs described in Section A.2. Typically, PIF funds require the hiring of additional faculty members in order to improve the District’s full-time/part-time staffing ratio (Title V). Such requirements and the related funding for additional faculty are restrictive as to use of PIF funds. The base amount of PIF revenue used in the determination of new or increased revenue is zero.

A.1.3 Basic Skills Growth Revenue

In 2007-08, the State discontinued funding Basic Skills over cap FTES. Basic Skills funds previously allocated as general purpose were funded under a categorical program titled the “Basic Skills Initiative” and are no longer a revenue source for compensation.

A.1.4 Lottery Revenue

The base amount for Lottery revenue is established at \$3.3M. Lottery revenue is considered one-time-only revenue and the proportionate amount of eighty percent (80%) of such funds distributed to LRCFT unit members is provided on a one-time-only basis. Effective July 1, 2000, fifty percent (50%) of Lottery revenues above 1997-98 revenues are restricted per the conditions set forth in Proposition 20. Such restricted amounts may not be used for salaries and benefits and, therefore, are excluded from the provisions of this article.

A.1.5 State Adjunct Medical Premium Reimbursements

In 1996, the State established requirements and funding for a Part-time Faculty Medical Program for districts participating in this program. This program provides up to fifty percent (50%) reimbursement to districts that are joint employers of an adjunct faculty member who maintains a combined workload at both districts of sixty percent (.60 FTE) or more of a full-time faculty member. Additional requirements are stated in Section 3.3.5. A Memorandum of Understanding dated April 15, 1998, between Los

Rios Community College District and the Sierra Joint Community College District further specifies the terms of participation in the program and follows the guidelines and requirements prescribed by the State Chancellor's Office (EC 87860 through 87869 - AB 3099).

A.1.5.1 Each fiscal year the Los Rios district shall file the appropriate claim for reimbursement with the State for medical premium costs incurred by both districts.

A.1.5.2 Amounts received by the District shall: 1) reimburse Sierra for their share of costs incurred for adjunct premiums (up to 50%) and as specified in the Memorandum of Understanding with Sierra; and 2) remaining amounts shall be used to support the cost of this Adjunct Medical Premium program.

A.1.5.3 Such reimbursements are considered a funding source available to LRCFT for related medical premium costs (Section A.2.3) in the year such monies are paid by the State and received by the District.

A.1.6 *State Adjunct Faculty Office Hours Program*

In 1997, the State established requirements and funding for participating districts for the cost of office hours held by adjunct faculty. This program provides up to fifty percent (50%) reimbursement to districts to offset the office hour costs incurred for participating faculty members who maintain a workload of forty percent (.40 FTE) or more. The Adjunct Faculty Office Hours Program is further described in Section 2.12 and follows the guidelines and requirements prescribed by the State Chancellor's Office.

A.1.6.1 Each fiscal year the District shall file the appropriate claim for reimbursement with the State for adjunct office hour costs incurred which meet the State requirements.

A.1.6.2 Amounts received by the District from the State shall be used to reduce the cost of this program.

A.1.6.3 Such reimbursements are considered a funding source available to LRCFT for adjunct office hour costs (Section A.2.10) in the year such monies are paid by the State and received by the District.

A.1.7 *Part-Time Faculty Compensation Funds*

These funds are designated by the State to be used toward salary schedule parity for part-time faculty. Once parity was achieved, residual funds were used for other part-time faculty compensation items that are now part of the base funding and compensation for the unit. The 2007-08 level of Part-Time Faculty Compensation funds is \$1,997,475. Should Part-Time Faculty Compensation funds receive COLA, the COLA will be identified as a continuing resource for the unit to support salary and benefit costs. Should the State restore the funding reduction of \$242,551 for Part-Time Faculty Compensation reflecting the 2002-03 level of \$2,240,026, such increase to the 2002-03 level will be included with other resources for the

unit to support salary and benefits costs. If revenues above the 2002-03 level, excluding COLA, are received, the District and LRCFT will meet to negotiate the use of such funds. If the State further reduces the funding, other continuing sources will be used to offset such continuing costs.

A.1.8 Partnership for Excellence Funds (PFE)

In 2005-06, the Partnership for Excellence Program, previously funded separately by the State, was consolidated into the District's base funding.

A.1.9 District Contribution Reduction

Should District contribution for medical and dental coverage be reduced in 2008-09 below the preceding years established level, the related reduction in District contribution costs for unit members shall be returned to the unit as a source of funds which are available for redistribution.

A.1.9.1 The amount of funds attributed to premium reductions in 2008-09 shall be distributed to unit members in combination with any District growth funds.

A.1.10 Cost Reduction/Salary Savings

The proportionate share of any cost savings which were previously funded from student growth funds as further described in Attachment 1 and salary savings described in Section A.6 shall be available to the unit as another source of revenue.

A.1.11 State Revenue Recalculations and Other Funding Sources

Should revenues for Program Based Funding, Basic Skills Growth Revenue or other State revenues be increased or reduced as a result of retroactive calculations performed by the State Chancellor's Office (February 2009 Recalculation for 2007-08 revenues or other State computations), such revenue adjustments for 2007-08 shall be applied to 2008-09 revenue computations as per Sections A.1, A.1.2, or A.1.3 provisions.

A.1.12 Carry Forward of Continuing Funds for 2007-08

Per the memorandum of understanding for the distribution of 2007-08 continuing resources, remaining continuing funds from 2007-08 that were not used for continuing salary schedule improvements are an additional source for 2008-09.

A.2 Distribution or Allocation of Funds

Unit members proportionate share of such additional funds shall be applied in the following priority order:

A.2.1 The cost of step increments and class changes for 2008-09 for unit members and any prior year step increment costs which were not adequately funded from previous year's continuing funds; then

A.2.2 The increased District cost in 2008-09 of providing Medicare coverage to members and other increased payroll related benefits such as disability insurance coverage, Social Security or unemployment coverage.

- A.2.3 The District contribution cost increases for medical premiums for eligible adjunct faculty who are jointly employed by Los Rios and Sierra Community College Districts as described in Section 3.3.5.
- A.2.4 The increased cost over the 2007-08 level of providing the District contribution level up to the lowest premium level established by the District health carriers in 2008-09.
 - A.2.4.1 The District carriers currently providing coverage to LRCFT members are:
 - Kaiser Health Plan
 - Health Net Plan
 - PacifiCare
 - A.2.4.2 The 2007-08 District contribution for PacifiCare and Health Net is established at the Kaiser Health Plan premium level of \$721.23 per month on a twelve-month basis and shall remain at this level until the District contribution established for the lowest premium level is equal to or exceeds \$721.23/month. However, the District contribution level will be reduced to the actual premium level established by these carriers if the 2008-09 monthly premium is less than \$721.23.
- A.2.5 The cost in 2008-09 for increasing the District contribution for the monthly dental premium.
 - A.2.5.1 For 2007-08; the District contribution level for dental coverage is established at \$107.00 per month (twelve month basis);
- A.2.6 One-half the cost of the initial premium of \$7.00 per month per participant {guaranteed for three (3) years} for \$50,000 in term life insurance and accidental death and dismemberment coverage.
- A.2.7 Non-credit revenues identified in accordance with Section 4.6.1, which are set aside for non-credit unit members workload adjustments; then
- A.2.8 The cost to improve stipend amounts at the rate of the continuing salary schedule improvements and increased for Department Chair stipends and reassigned time assignments; then
- A.2.9 The incremental cost increase of parking fees reimbursed to unit members in the preceding academic/contract year as defined per Section 3.9; then
- A.2.10 The increased cost for compensating adjunct faculty for office hours; then
- A.2.11 The cost to fund additional Type B Leaves as defined in Section 11.6.8.1.
- A.2.12 The costs defined in this article require “continuing” funds in order to permanently support such costs in succeeding fiscal years and are a funding priority for any continuous sources of revenue such as Program Based Funding. After funding the above costs, any remaining continuing funds

shall be used to improve Salary Schedules A and B and payroll related fringe benefit improvements by two percent (2%). Continuing funds earmarked as described in Sections A.2.13 and A.2.14 will be paid to all unit members as one-time only until sufficient funds are accumulated for implementation of those items.

A.2.12.1 The cost of any salary schedule improvements provided in advance of the final determination of revenues available to LRCFT shall be considered in the retroactive salary calculations.

A.2.12.2 Any of the above costs funded in 2008-09 from one-time-only revenues (as defined in Section A.1) shall be considered one-time-only distributions/improvements for 2008-09. One-time only revenues are typically included with any distribution of retroactive compensation and other improvements.

A.2.13 Then, remaining continuing funds shall be earmarked for the multi-year funding plan (described in Sections A.2.13 and A.2.14) for funding an increase in the stipends for Department Chairs and the increased cost for compensating adjunct office hours on the basis of Schedule B-1 placement.

A.2.13.1 Sixty percent (60%) of the earmarked continuing funds shall be used to improve the Department Chair Level I and Level II stipends to an amount equivalent to \$3,532 and \$7,065 respectively. These rates do not include any intervening salary schedule improvement that may occur prior to implementing the improvement. If such improvements are made, the stipend amount would be improved accordingly.

A.2.13.2 Forty percent (40%) of the earmarked continuing funds shall be used to fund the cost of compensating adjunct office hours at an hourly rate based upon the actual placement on Schedule B-1. The determination of the rate is the annual Schedule A class and step placement divided by 1,430 hours. Additional provisions for this change will be determined prior to implementation to avoid a reduction in pay for any participating member.

A.2.14 Should the District expand its Cafeteria plan offerings increased costs associated with changes in the plan shall be charged to the bargaining unit's proportionate share.

A.3 **Distribution of Lottery Revenues**

The increase in funds attributable to lottery revenues above the base amount stated in Section A.1.4 shall be considered one-time-only payments and will be distributed to LRCFT unit members on an annual basis in conjunction with other retroactive salary compensation for the fiscal year.

A.3.1 Lottery revenues for the fiscal year will be reasonably estimated at the time of processing any retroactive salary payments; such funds shall be included in the scheduled retroactive compensation improvement. Any revenue

differences between actual lottery revenues received for this fiscal year compared to the lottery revenue estimates used in the improvements to salary and benefits shall be included in the succeeding fiscal year's revenue distribution to LRCFT.

A.3.2 Lottery revenues below the base amount stated in Section A.1.4 shall reduce available continuous funds.

A.3.3 Prior to distribution of lottery revenues to unit members, \$50,000 will be charged to the unit for the 2009-10 Paid Catastrophic Sick Leave program. In addition, lottery funds will be charged for one-half (1/2) the amount of costs incurred by the leave bank between \$50,000 and \$150,000. If costs for the 2008-09 year exceed \$150,000, the unit will bear the full cost above \$150,000 as a charge against lottery revenues. In the event the costs for the program are less than \$50,000 in 2008-09, the balance of the \$50,000 set aside from 2007-08 will be carried forward to 2009-10 and will be factored as part of the unit's contribution for costs incurred above \$50,000 in any year going forward until exhausted.

A.4 Distribution of Available Growth Revenues

The distribution of available Growth Funds as defined in Attachment 1 and any State remaining COLA revenues shall be distributed no later than sixty (60) days after the final status of such funds is determined by the State Budget Act, or the California Community Colleges Chancellor's Office, or the close of the District's fiscal year, whichever is later.

A.5 Retroactive Salary Adjustment

Per the provisions defined in Sections A.2 through A.4, unit members may receive retroactive salary improvements both continuing and one-time in nature. Non-regular (adjunct and overload) services provided for Summer terms will not be included in the retroactive payment. Summer assignments will continue to be paid from the interim salary schedule in effect for the Spring term preceding the Summer term. However, Summer term salary improvements due to a continuing improvement of Schedule B are provided for in the determination of the use of continuing resources for the fiscal year preceding the Summer term.

A.6 Salary Savings

Any net salary savings after replacement costs are considered which are realized from unit member retirements or resignations which occurred in 2007-08 may be used to:

A.6.1 Address the unit's proportionate share of any reductions in Program Based Funding revenues below the defined base, and

A.6.2 Fund the increased cost of conversions of part-time instructional FTE to regular full-time instructional positions if growth funds per Program Based Funding provisions (Attachment 1) are not available or are insufficient to fund such increased costs; then

A.6.3 Remaining salary savings amounts shall be included in the distribution or allocation of funds to unit members as described in Section A.2.

A.6.4 Salary savings resulting from unclaimed Dependent Care Assistance Program or Flexible Spending Plan elections by LRCFT unit members will revert to the unit net of any costs associated with the plan administration.

A.6.5 Salary savings from unused Type A and B Leaves over the carryover limit will be used for one-time-only compensation improvements.

A.7 Other Unrestricted Funds

Should other new State unrestricted revenues become available in 2008-09 as a result of changes in funding legislation or excess unrestricted funds above the State's appropriation limit become available, such new revenue source(s) shall be subject to further negotiations.

A.7.1 The District shall notify the LRCFT unit of such new unrestricted revenues which are subject to further negotiations.

A.8 Excluded Revenue/Funding Sources

Other state revenues not defined herein, and other categorical apportionment funds, state apprenticeship, and other restricted or designated revenue sources shall be excluded from any computations of the bargaining unit's proportionate share of funds.

A.9 Ten Percent (10%) Limitation

Should the 2008-09 revenues as defined above provide sufficient funding for salary, fringe, and health benefit improvements, including step and class changes and other mutually agreed upon allocations which result in a distribution in excess of ten percent (10%), such excess funds above ten percent (10%) shall be subject to further negotiations for 2008-09.

A.9.1 The District shall notify the LRCFT unit of such excess funds above the ten percent (10%) level as it relates to the revenues defined herein.

A.10 Review of District Records

Records maintained by the District Office Business Services Department related to the implementation and calculation of LRCFT's proportionate share of the defined funds shall be available for review by designated representatives of the LRCFT Executive Board. LRCFT and business services representatives shall meet at a mutually agreeable time.

Annual reports summarizing the calculation of LRCFT's proportionate share of defined funds and the allocation/distribution of such funds shall be prepared by Business Services representatives. All such summary reports relating to the implementation of this Appendix shall be provided to designated representatives of LRCFT.

A.11 Changes in Funding Formulas for Community Colleges

Should funding formula for community colleges change substantially for 2008-09 which affect the application of the contract provisions, the above Sections A.1 to A.5 shall not apply. Such new unrestricted funding provisions shall be subject to further negotiation for 2008-09.

A.12 Reduction or Insufficient Defined Revenues in 2008-09

Should the total of all defined revenue/resources for 2008-09 be less than or equal to the various specified base amounts stated in Section A.1 above, LRCFT unit members shall bear their proportionate share of such reduced or insufficient funding levels. Such reduced revenues shall be calculated as specified in Appendix A. LRCFT's proportionate share of computed revenue reductions shall be applied, but not limited to: a) salary schedule adjustments; b) workload adjustments; c) suspension of salary schedule step advancements; or d) other adjustments as mutually agreed to by LRCFT and the District.

A.13 Cost Reductions/Savings

A.13.1 If the total of 2008-09 defined revenues per Section A.1 are calculated at a lower level than received or recognized in 2007-08, the total cost reductions described in Attachment 1 shall offset such decreased revenues. The bargaining unit's proportionate share shall be based upon eighty percent (80%) of such net PBF revenues and other revenue.

A.14 Cost Advances

The cost of 2008-09 step increments, class changes and other additional payroll related benefit costs for 2008-09 which are insufficiently funded shall be considered advanced by the District. Any cost advanced shall have first priority in the utilization/distribution of LRCFT's proportionate share of defined revenues in 2009-10 or subsequent year.