

LOS RIOS COMMUNITY COLLEGE DISTRICT
Memorandum of Understanding
LRCFT

Background

The Governor's budget proposal for the 2009-10 fiscal year requires prudence in the implementation of the compensation formula. There is no Cost of Living Adjustment (COLA) and no Growth funding. In addition, community colleges' base funding is decreased as apportionment revenues are not sufficient to cover total base funding after accounting for projected property tax revenues and enrollment fees.

COLA is the primary source for funding step and class changes, increases in health and welfare premiums, and payroll related cost increases. Residual growth funds can also support these costs if COLA is not sufficient. Given the lack of new revenues combined with a base reduction, the District anticipates employee units may end 2009-10 with insufficient continuing resources to cover continuing costs. This projection excludes the increase in medical premiums. Under current language, this could result in implementation of the "trombone" clause. However, the District is committed to preserving current salary schedules and avoiding salary schedule reductions. To that end however, a continuing salary improvement, generally implemented when the compensation calculation is completed for the fiscal year, is not reasonable.

The determination of net continuing funds for the 2008-09 year is not finalized. New funds will come from two sources: growth for 2008-09 and base adjustments from 2007-08 offset by a projected apportionment and property tax shortfall in 2008-09. Final amounts for 2008-09 will not be known until February 2010 but the District projects all units will have some continuing funds remaining after funding 2008-09 costs.

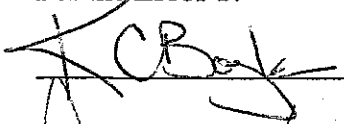
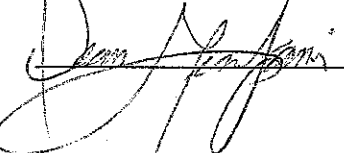
Given the likelihood of continuing costs exceeding resources in 2009-10, the recommendation is to retain net continuing resources from 2008-09 for 2009-10 continuing costs. This is similar to the 2007-08 compensation calculation except that all continuing funds will be reserved. For 2007-08, a maximum of 2.25% was reserved.

The following is agreed to:

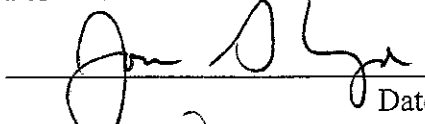
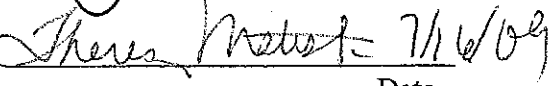
For 2008-09, any residual continuing funds will not be used to fund an on-going salary schedule improvement effective 7/1/09. All residual continuing and one-time-only funds will be paid as a one-time-only salary improvement for the 2008-09 year.

In 2009-10, the residual continuing funds from 2008-09 will be combined with any other resources per the collective bargaining agreement as part of the 2009-10 compensation calculation.

For the LRCFT:


Date 7-16-09

Date 7-16-09

For the District:


Date 7/16/09

Date 7/16/09