

# LOS RIOS COMMUNITY COLLEGE DISTRICT

## Memorandum of Understanding

### LRCFT

#### Background

*The District and its employee groups have been proactive in managing new resources, both on-going and one-time to fund projected increases for PERS and STRS contributions as well as to safeguard against enrollment declines.*

*For 2016-17, the District will meet its base FTES plus a very small amount of growth. This was achieved by shifting all eligible summer 2017 FTES to the 2016-17 fiscal year reporting. There is a caveat in that the external auditors are just beginning to test our attendance reporting and if there are any findings, some FTES may be disallowed.*

*For 2017-18, the District will receive two on-going funding increases: the base augmentation, and COLA.*

*The District had a plan for funding the projected PERS/STRS increases. However, the PERS projected rates significantly increased following a revision to the actuarial assumptions used by CalPERS. CalSTRS is expected to follow suit. The District has revised its projections and funding plan. The Base augmentation in the 2017-18 budget is intended to support funding those increases and the plan reflects using a portion of the base augmentation for 2017-18. The revised plan proposes that 55% of the Base augmentation for 2017-18 be directed toward PERS/STRS projected increases. The 55% applies both to the compensation and the PDF portions of these funds.*

*In addition, there is the need to set-aside an additional \$2.25M toward the reserve of one-time funds to support the PERS/STRS cost increase which is being funded over 15 years (the rates will increase in a seven year period). The units agreed at the end of 2015-16 to fund \$2.5M from 2016-17 and the request is now \$5.225M (\$2.725M more) bringing the cumulative total to \$12.5M. Separately, the District has reviewed a program sponsored by the California Community College League for transferring set-asides for PER/STRS to an irrevocable trust that will ensure a) that the funds cannot be used for any other purpose and b) will provide the ability to earn more on the investment of those funds than can be achieved through County Treasury.*

*The District recovered some FTEF from its fall spring program this year. However, in trying to maintain enrollment, the authorized level for 2016-17 is 5.84 FTEF higher than the utilized. The District is proposing that the cost of the 5.84 be set-aside from net growth funds to support this expenditure in 2017-18.*

*Lastly, given the uncertainty regarding enrollment as well as the revised forecasts for PERS/STRS increases, the District is asking all employee units to designate a portion of their 2016-17 residual funds to be carried forward to 2017-18. Those funds will then be available to*

the units to support compensation increases in 2017-18 or, if not needed, be paid as a salary schedule improvement in August of 2018.

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The following is agreed to:

#### 2017-18 Base Augmentation

A portion of this allocation (55%) will be used to support on-going PERS/STRS costs. The base allocation is an augmentation to the base revenues defined in A.1.1. As such, the funds will be split per the 80%/20% formula. The base augmentation is \$183.6M statewide in 2016-17. Los Rios estimates it will receive around \$8.2M. From those resources the units will fund \$3,608,000 and the District will fund \$902,000.

While not stated in the legislation, this funding was provided to support pension cost increases imposed upon districts as a result of the PERS and STRS employer contribution rate increases. This additional set-aside will bring the total designated from on-going resources to approximately 70% of the projected need.

#### One-time Reserves for PERS/STRS increases

The units agreed previously to designate \$2.5M from one-time resources in 2016-17 toward a reserve for the PERS/STRS increase. Based upon the projected increases, an additional \$2,725,000 will be designated from 2016-17 resources for the PERS/STRS reserve bringing the total to \$12,500,000.

Additionally, prior to taking any action to move the PERS/STRS reserves to an irrevocable trust, the District will inform all employee groups and secure agreement from all groups before proceeding.

#### Reserve of Net Growth Funds

The District will likely receive growth funds for the 2016-17 year which will then also be funded in 2017-18. Because of uncertainty regarding enrollment, the net growth funds from the 2016-17 calculation will not be used to support on-going expenditures. The funds will be treated as one-time only for the 2016-17 calculation. For 2017-18, the determination of whether to treat as on-going or one-time will be made at the time of the compensation calculation (July 2018).

#### Instructional Staffing

The authorized level for instructional staffing for 2017-18 is 5.84 FTEF higher than the utilized level for 2016-17. The cost of the 5.84 will be charged as one-time against 2016-17 growth funds.

2016-17 Salary Schedule Improvement

A six percent (6%) retroactive salary schedule improvement will be paid to eligible members as specified in the LRCFT collective bargaining agreement for the 2016-17 year. The payment will be a one-time only improvement to the 2016-17 salary schedules. The District will carryforward to 2017-18 any amount above the 6% for inclusion in the 2017-18 compensation calculation.

2017-18 Salary Schedule Improvement

The LRCFT salary schedules will be improved effective 7/1/17 by two percent (2%). This improvement will be recommended to the Board of Trustees and paid retroactive to 7/1/17 in August.

Adjunct Office Hours

The expansion of the adjunct office hour program as specified in Appendix A.2.13.1 will be implemented effective for the fall 2017 term. The District and the LRCFT, referencing A.2.13.4, agree to implement this program with the 2% on going improvement.

For the LRCFT

For the District

KC Boyle

Jesus Melista

Robert Perrone

J. M.

## LOS RIOS COMMUNITY COLLEGE DISTRICT

### Memorandum of Understanding

#### LRCEA

##### Background

*The District and its employee groups have been proactive in managing new resources, both on-going and one-time to fund projected increases for PERS and STRS contributions as well as to safeguard against enrollment declines.*

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*The District had a plan for funding the projected PERS/STRS increases. However, the PERS projected rates significantly increased following a revision to the actuarial assumptions used by CalPERS. CalSTRS is expected to follow suit. The District has revised its projections and funding plan. The Base augmentation in the 2017-18 budget is intended to support funding those increases and the plan reflects using a portion of the base augmentation for 2017-18. The revised plan proposes that 55% of the Base augmentation for 2017-18 be directed toward PERS/STRS projected increases. The 55% applies both to the compensation and the PDF portion of these funds.*

*In addition, there is the need to set-aside an additional \$2.25M toward the reserve of one-time funds to support the PERS/STRS cost increase which is being funded over 15 years (the rates will increase in a seven year period). The units agreed at the end of 2015-16 to fund \$2.5M and the request is now \$5.225M bringing the cumulative total to \$12.5M. Separately, the District has reviewed a program sponsored by the California Community College League for transferring set-asides for PERS/STRS to an irrevocable trust that will ensure a) that the funds cannot be used for any other purpose and b) will provide the ability to earn more on the investment of those funds then can be achieved through County Treasury.*

*The District recovered some FTEF from its fall spring program this year. However, in trying to maintain enrollment, the authorized level for 2017-18 is 5.84 FTEF higher than the utilized. The District is proposing that the cost of the 5.84 be set-aside from net growth funds to support this expenditure in 2017-18.*

*Lastly, given the uncertainty regarding enrollment as well as the revised forecasts for PERS/STRS increases, the District is asking all employee units to designate a portion of their 2016-17 residual funds to be carried forward to 2017-18. Those funds will then be available to*

the units to support compensation increases in 2017-18 or, if not needed, be paid as a salary schedule improvement in August of 2018.

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The following is agreed to:

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While not stated in the legislation, this funding was provided to support pension cost increases imposed upon districts as a result of the PERS and STRS employer contribution rate increases. This additional set-aside will bring the total designated from on-going resources to approximately 70% of the projected need.

#### One-time Reserves for PERS/STRS increases

The units agreed previously to designate \$2.5M from one-time resources in 2016-17 toward a reserve for the PERS/STRS increase. Based upon the projected increases, an additional \$2,725,000 will be designated from 2016-17 resources for the PERS/STRS reserve bringing the total to \$12,500,000.

Additionally, prior to taking any action to move the PERS/STRS reserves to an irrevocable trust, the District will inform all employee groups and secure agreement from all groups before proceeding.

#### Reserve of Net Growth Funds

The District will likely receive growth funds for the 2016-17 year which will then also be funded in 2017-18. Because of uncertainty regarding enrollment, the net growth funds from the 2016-17 calculation will not be used to support on-going expenditures. The funds will be treated as one-time only for the 2016-17 calculation. For 2017-18, the determination of whether to treat as on-going or one-time will be made at the time of the compensation calculation (July 2018).

#### Instructional Staffing

The authorized level for instructional staffing for 2017-18 is 5.84 FTEF higher than the utilized level for 2016-17. The cost of the 5.84 will be charged as one-time against 2016-17 growth funds.

2016-17 Salary Schedule Improvement

A six percent (6%) retroactive salary schedule improvement will be paid to eligible members as specified in the LRCEA collective bargaining agreement for the 2016-17 year. The payment will be a one-time only improvement to the 2016-17 salary schedule. The District will carryforward to 2017-18 any amount above the 6% for inclusion in the 2017-18 compensation calculation.

2017-18 Salary Schedule Improvement

The LRCEA salary schedule will be improved effective 7/1/17 by five percent (5%). This improvement will be recommended to the Board of Trustees and paid retroactive to 7/1/17 in August.

For the LRCEA

For the District

  
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## LOS RIOS COMMUNITY COLLEGE DISTRICT

### Memorandum of Understanding

#### LRSA

#### Background

The District and its employee groups have been proactive in managing new resources, both on-going and one-time to fund projected increases for PERS and STRS contributions as well as to safeguard against enrollment declines.

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In addition, there is the need to set-aside an additional \$2.25M toward the reserve of one-time funds to support the PERS/STRS cost increase which is being funded over 15 years (the rates will increase in a seven year period). The units agreed at the end of 2015-16 to fund \$2.5M from 2016-17 and the request is now \$5.225M (\$2.725M more) bringing the cumulative total to \$12.5M. Separately, the District has reviewed a program sponsored by the California Community College League for transferring set-asides for PER/STRS to an irrevocable trust that will ensure a) that the funds cannot be used for any other purpose and b) will provide the ability to earn more on the investment of those funds than can be achieved through County Treasury.

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#### Instructional Staffing

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#### 2016-17 Salary Schedule Improvement

A six percent (6%) retroactive salary schedule improvement will be paid to eligible members as specified in the LRSA collective bargaining agreement for the 2016-17 year. The payment will be a one-time only improvement to the 2016-17 salary schedule. The District will carryforward to 2017-18 any amount above the 6% for inclusion in the 2017-18 compensation calculation.

#### 2017-18 Salary Schedule Improvement

The LRSA salary schedule will be improved effective 7/1/17 by two percent (2%). This improvement will be recommended to the Board of Trustees and paid retroactive to 7/1/17 in August.

For the LRSA

For the District

  
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LOS RIOS COMMUNITY COLLEGE DISTRICT

Memorandum of Understanding

SEIU

Background

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#### Instructional Staffing

The authorized level for instructional staffing for 2017-18 is 5.84 FTEF higher than the utilized level for 2016-17. The cost of the 5.84 will be charged as one-time against 2016-17 growth funds.

2016-17 Salary Schedule Improvement

A six percent (6%) retroactive salary schedule improvement will be paid to eligible members as specified in the SEIU collective bargaining agreement for the 2016-17 year. The payment will be a one-time only improvement to the 2016-17 salary schedule. The District will carryforward to 2017-18 any amount above the 6% for inclusion in the 2017-18 compensation calculation.

2017-18 Salary Schedule Improvement

The SEIU salary schedule will be improved effective 7/1/17 by two percent (2%) and the twenty and twenty-five longevity increments will be increased from 2% to 4%. This improvement will be recommended to the Board of Trustees and paid retroactive to 7/1/17 in August.

For the SEIU

For the District

