

TENTATIVE AGREEMENT FOR MEMBERSHIP APPROVAL
August 22, 2012

Salary and Benefits Effective with the 2012-2013 Academic Year

- A. In response to major ongoing cuts to community colleges and simultaneous increases in the cost of health benefits, the District and CCFT agree to the below changes effective with the 2012-13 academic year with the following shared expectations and agreements:
1. As increased revenues (as defined in section (A)(1) below), become available to the District, CCFT and the District will begin negotiations. The intent is that CCFT receive a fair share of increased revenues to be allocated toward the faculty total compensation package of salary and benefits, with the goal of returning to and improving the salary schedules of 2011-12 as quickly as possible.
 2. The following will be considered in determining the availability of new revenue for total compensation and to inform a "fair share" approach as set forth in section (A)(1) above: CCFS-311 reports; the Cabrillo base budget; the faculty obligation number (FON); allocation of teaching units; the 50% law; workload; and total faculty expenses, including salary, health and welfare benefits and professional growth & development for the current year and over time, with a goal of increasing the percentage of the college budget spent on faculty salaries as a percentage of the budget.
- B. Health and Welfare Insurance Coverage (Article 14). The parties agree to make the following changes to Article 14:
1. The District and CCFT acknowledge that increases to the District-paid insurance stipend set forth in Article 14 are part of the total compensation paid to unit members that would normally be funded by increases in the type of ongoing unrestricted revenue from the state that is appropriate to support ongoing expenditures, such as a cost of living adjustment (COLA). Therefore, when such increased funding is received, or conversely, if the District revenues are flat or declining, it is appropriate for either party to propose, as part of total compensation negotiations, changes in District and/or employee contributions toward the cost of health and welfare benefits.
 2. The District and CCFT agree that, effective with the 2012-13 academic year, unit members and the District equally share responsibility for increases in the health and welfare insurance premiums as set forth below.
 3. Cost sharing model
The District pays a stipend for contract/ regular unit members that includes medical, dental, life and disability insurance coverage.
 - a. Full time regular or contract unit members will share 50% of the increase in insurance benefits costs for the 2012-13 academic year as follows:
 - i. Medical Coverage for Employee Only (14.2.1):
For 2012-13 the stipend shall increase from \$9,018.84 to \$9,236.34. An employee on the Low HMO will contribute \$217.50 annually.

- ii. Medical Coverage for Employee Plus One Dependent (14.2.2):
For 2012-13 the stipend shall increase from \$17,516.16 to \$17,801.64.
An employee on the Low HMO will contribute \$285.48 annually.
 - iii. Medical Coverage for Employee Plus Two Dependents (14.2.3):
For 2012-13, the stipend shall increase from \$24,136.44 to \$24,771.78.
An employee on the Low HMO will contribute \$635.34 annually.
- b. Regular or contract unit members working partial assignments shall receive a pro rata stipend based on the percentage of their assignment.
- c. The benefits stipend for adjunct unit members will continue to increase by the same percentage as the employee-only benefits stipend for contract regular faculty (Section 14.4.6). For 2012-13, the adjunct benefit stipend shall increase from \$6,276.40 to \$6,579. Side Letter of Agreement 2012-13.4 will be effective throughout the duration of this cost-sharing agreement.
- 4. Beginning in 2012-13, the stipend will increase by fifty percent (50%) of the annual increase in the cost of the following insurance programs: the Low HMO medical plan as of the 2011-12 academic year (the 25-500 plan), dental, life, and disability. This methodology will be in place until an alternative is negotiated as part of the total compensation package.
- 5. Contributions towards benefits premiums in excess of the District-paid stipend shall be made through automatic payroll deductions on a pre-tax basis under an IRS 125 plan to the extent allowed by law (see section 14.3.5).
- 6. If administrators and managers do not pick up the same 50% share of benefits, this agreement shall be null and void and the parties will re-open negotiations on this subject.
- 7. See Attachment A for specific calculations (this Attachment is incorporated into this Side Letter by reference).

C. Salary changes in 2012-13 (Article 13)

- 1. In addition to the changes set forth in section (B) above, the following contingency language will be triggered based on the outcome of Proposition 30, the Schools and Local Public Safety Protection Act of 2012.
 - a. If Proposition 30 passes, there will be no change to the faculty salary schedules.
 - b. If Proposition 30 fails, effective November 7, 2012 through June 30, 2013, the parties agree to a total one-year, annualized salary reduction which, when added to the changes in section (B) above equals a total compensation reduction of 2.5% for all CCFT unit members.
 - i. Adjusting for the changes set forth in section (B) above the parties agree to decrease the Contract/Regular Salary Schedule (Appendix F) and the Adjunct & Overload Academic Specialist Salary Schedule (Appendix G.2) by up to 2.19% of the annual salary (see section (D) below), retroactive to August 1, 2012. Implementation will commence effective with the November 30, 2012 paycheck.
 - ii. The Adjunct Faculty Salary Schedule (Appendix G.1) shall be calculated by increasing the pro rata to 64% prior to applying a 2.19% reduction resulting in an annualized salary reduction of approximately

- .6381%. The annualized reduction of .6381% will also apply to the Children's Center Salary Schedule (Appendix H). See Attachment B for specific calculations (this Attachment is incorporated into this Side Letter by reference). Implementation will commence effective with the January 31, 2013 paycheck.
- iii. Absent further negotiations, this one-time pro rata increase to 64% for adjunct faculty will expire and revert to 63% effective July 1, 2013.
 - iv. If administrators and managers do not agree to the total compensation reduction set forth in section (C)(1)(b) above, this agreement shall be null and void and the parties will re-open negotiations on this subject.
- d. CCFT and the District will meet after the November elections; if there are any major and unexpected changes the parties agree to reopen negotiations over the matters set forth in section (C) above.
- 2. The parties further agree to offer a Retirement Incentive Program in accordance with the terms and conditions set forth in Side Letter of Agreement 2012-13.5 (which is incorporated into this Side Letter 2012-13.8 by reference), with defined deadlines for providing a letter specifying a retirement date of no later than August 1, 2013. This incentive will be offered regardless of the outcome of Proposition 30 in the November election.
- D. Use of one-time funds:
- 1. CCFT agrees to apply the following one-time savings to the aforementioned agreements.
 - a. Sabbatical Leaves funds (Article 9.1) for the 2012-13 year (\$100,935).
 - b. Agree to suspend annual Professional Growth and Development funds for faculty (Article 9.3) during 2012-13 (\$28,950).
 - c. Agree to allow faculty to maintain accumulated Professional Growth and Development funds (Article 9.3) on reserve through division accounts if they have been accumulated for a specific purpose and are claimed by a specified deadline, after which all such funds will be "swept" and used as one-time funds for the above-mentioned purpose (estimated \$120,000).
 - 2. These funds will be used to:
 - a. Offset the first two months (end of September and end of October) of the cost sharing of benefits (i.e., the employer will pay the employee contribution for the Low HMO or equivalent).
 - b. Offset the difference in the annualized reduction to the Adjunct & Overload Salary Schedule (Appendix G.1) and the Children's Center Salary Schedule (Appendix H) as described above.
 - c. Offset the annualized 2.19% salary reduction for the Contract/Regular Salary Schedule (Appendix F) and Adjunct & Overload Academic Specialist Salary Schedule (Appendix G.2). Note that the final calculation will be based on the final savings in (D)(1)(c) above.
 - 3. If Prop 30 passes, these one-time funds will revert back to their intended purpose.