SAN DIEGO COMMUNITY COLLEGE DISTRICT

RESOURCE ALLOCATION FORMULA (RAF)

FOR

COLLECTIVE BARGAINING

Effective July 1, 2008 through June 30, 2011

Offered to the following units:

AFT College Faculty
AFT Office Technical (AFT-OT)
AFT Food Services
AFT Continuing Education Faculty (AFT-CE)
AFT Maintenance and Operations (AFT-M&O)
Association of Confidential Employees (ACE)
Chancellor
Management
Police Officers Association (POA)
Supervisory and Professional Administrators Association (SPAA)

PURPOSE

The purpose of this Resource Allocation Formula (RAF) is to provide a clearly defined method for the allocation of resources to employee units, to cover the operating costs of the District, and to fund priorities established by the District. In developing the RAF, the District took into consideration priorities such as, but not limited to, the following:

- Provide for salary and benefit improvements for its employees.
- Base economic improvements on actual revenue received from COLA, Growth, and State apportionment, and be responsive to reductions in continuous revenue.
- Provide resources to maintain a competitive position in the market and support the recruitment and retention of employees.
- Promote FTES growth to maximize continuous revenue.
- Provide resources to cover the inflationary costs related to services and operating expenses.
- The reduction of reliance on one-time funds (ending balances) to balance the annual budget.
- Provide funding to cover the increased costs related to new and expanded facilities provided through the use of Proposition S and Proposition N funds.

The RAF has also been designed to allocate resources responsibly, and in such a manner as to hopefully avoid future budget reductions, hiring freezes, and/or reductions in programs and services to be able to balance the annual budget.

From the increase in qualified RAF apportionment funds made available to the employee units each year, which typically is provided through a COLA adjustment, each unit will have general discretion over how its portion of these funds are distributed following past practices, provided they are used for improving the compensation or benefit levels of existing programs and services. If a bargaining unit wants to implement a new program or service, modify workload, or make changes that negatively impact the percent of instructional and non-instructional expenses (as defined in the State 50% calculation) within the unit, the terms and conditions of such changes will have to be negotiated with the District.

T.D.
JM 3/27/09
K 4/1/09

GENERAL TERMS AND CONDITIONS

Use of Funds

From the increase in qualified RAF apportionment funds allocated each fiscal year, each participating bargaining unit included in the formula shall have general discretion over how its portion of these funds are distributed. The intended use of the funds are to improve the compensation and/or benefit levels of those members represented by each bargaining unit, but may also be used to pay for reassigned time for the purpose of union business, at the discretion of the union following past practice. The cost of such reassigned time for union business shall be based on the replacement cost for the position(s) based on the level of FTE or FTEF reassigned time. As in past practice, faculty reassigned time will be paid for at the contract rate where a contract replacement is made, and at the adjunct or hourly rate when the release time is filled with one or more adjunct or hourly staff. It is the district's discretion as to how a reassigned time replacement is filled. If a bargaining unit wants to implement a new program or service, modify workload, make changes that negatively impact the 50% calculation, or make any other changes not directly related to existing salary or compensation schedules or benefit programs, the terms and conditions of such changes will have to be negotiated with the District.

Following past practices, employee unit salary or benefit increases in restricted programs are to be absorbed by the program's funding.

Funding Sources

For the 3-year term of this agreement, the source of funds subject to this agreement are annual revenue increases from funded COLA, or other continuous general apportionment increases, excluding Growth, Stability funding, and Restoration funding. The total funds available to the units participating in this RAF shall not exceed the equivalent level of funding to increase the affected salary schedules by 100% of the State COLA percent, with the exception of the cost to extend the fully paid health (at the Kaiser rate), dental, and vision premiums through December 31, 2011 (Value for all units estimated at $2.1 million, depending on health benefit inflation rates).

COLA and Apportionment Increases

The annual COLA and apportionment increases are reflected in Sections I & II, and the "Workload Measures" section of "Exhibit C" of the Apportionment document distributed by the California Community Colleges System Office (e.g. 2006-07 COLA = 5.92%; 2007-08 COLA = 4.53%). Continuous increases due to COLA and/or continuous apportionment increases are typically reflected in Section II-Inflation Adjustment, or clearly identified in Section V-Other Revenue Adjustments. The Exhibit C, or its equivalent, in the State Apportionment document will be used to identify all increases to continuous revenue from COLA or apportionment revenue.

RAF Economic Improvements Implementation Dates and Off-Schedule Payments

During normal budget years, when the State budget is finalized with certainty during or prior to the fall semester, on-schedule increases will take affect on January 1st and off-schedule payments will be made on January 31st for contract employees, and February 10th for adjunct and overload employees.

T.P.- 3/27/09 3M
K. Myers 4/1/09

In years with budget uncertainty, such as during the 2008-09 fiscal year, RAF funds will be withheld until the P-1 is received, and/or until there is reasonable certainty that the RAF funds will be received, but no later than April 1st of each year. Once the determination related to RAF funds is made, the on-schedule changes will go into effect the first of the following month, and the off-schedule payments will be for the number of preceding months since July 1st. For example, if the final RAF allocation determination is made during March, the on-schedule changes would be effective April 1st, and the off-schedule payments would be for nine (9) months (July – March) at the RAF maximum on-schedule rate.

To qualify for off-schedule payments, employees must have been in a paid status after July 1st of the current RAF year. Employees who qualify for off-schedule payments will receive off-schedule payments based on their total salary related earnings from July 1 through the months covered by the off-schedule payments, except for summer adjunct faculty assignments which begin with earnings in the August 10th paycheck. For example:

Contract Faculty and Staff

Off-schedule payment will be equivalent to each employee's salary related earnings during the months in the off-schedule period, times the RAF COLA for each year. Faculty and Staff not employed for the full off-schedule period will have their off-schedule payment prorated.

Adjunct Faculty (Includes Overload)

Off-schedule payment for adjunct and overload assignments will be equivalent to each employee's salary related earnings during the off-schedule period, times the calculated RAF COLA for each year. Off-schedule payment for adjuncts teaching during summer session will be based on earnings beginning with the August 10th paycheck. (Contract faculty who teach summer or intersession assignments are considered adjunct faculty for purposes of this provision.)

Adjustments to RAF Unit Allocations

The full allocation of RAF COLA funds is contingent upon the District receiving full funding for COLA, Growth, and Apportionment Revenue as committed by the State and included in the District's Adopted Budget, approved on or before September 15th of each year. If any of these revenue sources, approved in the original State budget is reduced by the State after the RAF funds have been determined, but before they have been distributed, the RAF funds will be reduced by the loss in revenue, proportionally by unit, provided the reduction in funding is solely due to reductions caused by the State, outside of the control of the District.

If reductions to apportionment funding levels are modified by the State after RAF funds have been distributed, the loss of RAF revenue will be deducted from the following year's RAF before distributions are made to the units, provided the reduction in funding is solely due to reductions caused by the State, outside of the control of the District.

T. P.-
JM
3/27/09

4/1/09
12.

Term of Agreement and Annual Reopeners

The term of this agreement is for three (3) years, covering the fiscal years 2008-2009, 2009-2010, and 2010-2011. Each bargaining unit, and the District, may each open a maximum of two (2) non-economic Articles of their respective contracts each year, unless additional sections are mutually agreed upon. All other collective bargaining agreement provisions are continued each year.

The terms and conditions of this agreement expire on June 30, 2011. Should a successor RAF agreement between the District and any unit not be in place on July 1, 2011, the terms and conditions of this agreement will not continue. Any agreement between the District and any unit, including side letters, memorandums of understanding and other written agreements, that are contingent upon this current RAF agreement, expire on July 1, 2011, and may be renegotiated as part of a successor RAF agreement, unless a written mutual agreement exists to the contrary.

Employee Health Benefits

Prior year RAF agreements included funds from equalization dollars to fund the inflationary premium costs for health benefits (at the Kaiser rate), dental and vision for employees of the participating units. Based on historical inflation rates, it was estimated that the benefit reserve funds would run out sometime around July 2010. For those units that participate in this new RAF agreement, it is understood that this agreement supersedes all previous RAF agreements, and the District will continue to pay the inflationary costs of health benefits (at the Kaiser rate), vision and dental through 12/31/2011. This agreement does not obligate the District in any way to pay any increases in premium costs beyond 12/31/2011.

Prior Year RAF Issues

Participation in this RAF agreement is contingent upon that unit agreeing that all issues related to prior year's RAF agreements, including equalization money that was set aside in the employee benefit reserve, are all resolved and not subject to challenge.

The prior RAF agreements included revenue sharing of growth funds. The RAF covering the 2007-08 year included a provision that provided 30% of growth revenue funded for that year be distributed to the participating RAF units. Participation in this new agreement is contingent upon each participating unit waiving their claim on the 2007-08 growth revenue and releasing the funds back to the District.

Other Revenue Sources

By participating in this RAF agreement, it is understood by all units that the only revenue available to each unit is from annual increases to continuous apportionment revenue, not to exceed an amount equivalent to 100% of the State COLA percent if applied to the salary schedules.

T.P.
JM
3/27/09

K. Myers
4/1/09

Expenditure Rebates from the State

The only revenue exception would be for reimbursements from the State that are directly related to a unit's expenditure of RAF dollars. If a bargaining unit or meet and confer group spends their RAF funds to purchase an improvement, such as adjunct office hours, which directly and specifically results in a full or partial reimbursement of the unit's funds spent on the improvement, from the State and received by the District, the reimbursement will be credited to the unit's RAF funds. Reimbursements that are directly or indirectly a result of the use of District funds outside the RAF dollars, such as but not limited to changes in FTE, FTEF, apportionment, productivity, enrollment, etc., are not included in or subject to this provision.

T. P.
JSM. 3/27/09

K. Meyer
4/1/09

SAN DIEGO COMMUNITY COLLEGE DISTRICT
RAF IMPLEMENTATION AND COST OUT METHODOLOGY
APPLICABLE TO 2008-09, 2009-10, 2010-11
EFFECTIVE JULY 1, 2008

The RAF implementation and cost out methodologies are outlined below.

1. Provides funding each fiscal year equal to on-schedule percent equal to 100% of State COLA percentage. (For example, if State COLA is 5%, funds equivalent to provide a 5% across-the-board on-schedule salary increase will be provided.)

2. No cost outs required for portion of funds used to pay for across-the-board on-schedule salary increases.

3. If all funds are not used for across-the-board salary increases, non-across-the-board cost outs will be determined as follows:

    3.1 Same methodology as was used for previous RAF's except:

        3.1.1 Budget value for vacant positions will be excluded.
        3.1.2 100% of mandated benefit costs will be included.

    3.2 Cost outs will be based on a three (3) year cost out methodology, based on filled positions as of September 1st of each new year.

    3.3 Cost out methodology will be based on the additional cost of salary and mandated benefits when current salary schedule costs are compared to proposed salary schedule costs, after all employees are advanced three (3) years per current salary step advancement procedures (i.e. one-step per year).

4. Costs of other (fixed cost) economic improvements shall be based on the actual cost or set-aside amount of the improvement. For example, if $10,000 is set aside and added to the adjunct medical reserve fund, $10,000 will be charged against the available RAF allocation.

5. Contract continues on current January to January cycle for implementation of salary schedule and other contract related on-schedule increases, excluding class and step advances, which will occur as regularly scheduled.

JM
K. Myers
4/1/09

Side Letter Between
The San Diego Community College District (District)
And
AFT Guild Local 1931 (AFT Guild)

April 2, 2009

Upon agreement to the Resource Allocation Formula for Collective Bargaining (RAF) by both the District and the AFT Guild, should the District provide an improvement in employee benefits or compensation from District funds outside the RAF to any collective bargaining unit or meet and confer group covered by the RAF, the AFT Guild may negotiate with the District for that same improvement. The District may, but is not obligated, to provide the same benefit and/or compensation improvement to the AFT Guild.

These good faith negotiations are eligible for non-binding impasse mediation only, and no further legal recourse. Nothing in this provision will delay, impede, or limit the District's ability to bargain with any collective bargaining group or meet and confer group or implement any improvements.

For the District:

____
Kim Myers, Vice Chancellor
Human Resources

Date: ________________

For the AFT Guild:

____
Jim Mahler, President
AFT Guild

Date: ________________

Side Letter between
San Diego Community College District (District)
and American Federation of Teachers Guild Local 1931 (Union)

February 11, 2009

The parties mutually agree to file a joint petition with the Public Employee Relations Board (PERB) seeking to consolidate the bargaining units currently represented by the union as follows:

1) The College Faculty, and Continuing Education faculty bargaining units will be consolidated into a single Faculty bargaining unit,

2) The Office/Technical, Maintenance and Operations, and Food Service bargaining units will be consolidated into a single Classified bargaining unit;

(3) the NANCE bargaining unit, and the former SEIU hourly Maintenance and Operations unit will be consolidated into a Non-Academic, Non-Classified Employee (NANCE) unit.

(4) The NTTP unit will remain unchanged as a separate unit.

The intent of this consolidation is to seek more efficient District and union labor relations and contract administration, and is not intended to have any economic impact. It is agreed that consolidation beyond individual units for faculty, military training, classified and non-academic, non-classified employees is not in the mutual interest of the District and the union at this time.

During the Spring 2009 semester, the parties shall meet and negotiate with the intent of reaching agreement by June 30, 2009 on a new collective bargaining agreement for each of the three new bargaining units. The parties will negotiate during this period with the understanding that these negotiations are intended solely to merge the existing collective bargaining agreements and is not an opportunity to propose any substantive changes unless the parties mutually agree to do so in advance.

W

WM JM Beginning with the 2009-10 fiscal year, and upon the successful conclusion of the consolidation negotiations, each of the ~~three~~ new bargaining units, and the District, may each <u>open a maximum of two (2) non-economic articles as provided in the section of the Resource Allocation Formula entitled "Term of Agreement and Annual Reopeners"</u> for the years 2009-2010 and 2010-2011. All other contract provisions are continued each year.

This side letter is only valid if the AFT Guild agrees to participate in the Resource Allocation Formula offered to all units for the three years covering fiscal years 2008-2009, 2009-2010, and 2010-2011.

For the District	For the union
K. Myers	
Dr. Kim Myers	Jim Mahler
Vice Chancellor, Human Resources	President

TA

W Merrill

Jim

2/11/09

SDPUB\WMERRILL\376683.1

K. Myers

TA
4/1/09
J—
TA
K-Myers
4/1/09

Side Letter Between
The San Diego Community College District
And
AFT Guild

April 2, 2009

The District agrees to credit to the AFT Guild's available funds those moneys received from the State Chancellor's Office of the CA Community Colleges as a direct result of the AFT Guild's expenditure for Adjunct Office Hours for 2006-07 and 2007-08. The total amount of this credit is \$36,659 for 2006-07, and \$98,204 for 2007- 08, for a total of \$134,863.

This agreement is contingent upon a signed agreement between the AFT Guild and the District to participate in the Resource Allocation Formula for the three year term from July 1, 2008 through June 30, 2011.

For the District:

Kim Myers, Vice Chancellor
Human Resources

Date: ________________

For the AFT Guild:

Jim Mahler, President
AFT Guild

Date: ________________

TA [illegible] 2/11/09 8:40

WMGriell 2/11/09

Side Letter Between
The San Diego Community College District (District)
And AFT Guild Local 1931 Continuing Education Faculty (Union)

February 4, 2009

Non-Credit Faculty Salary Adjustment

During any one (1) year of this RAF agreement, if the District receives a COLA of 3% or more, or if there is an increase to current apportionment rates that increases revenue by an amount equal to or greater than a 3% COLA, or a combination of a COLA and apportionment rates that increases revenue equal to or greater than a 3% COLA, a one time, continuous, additional 2% increase would be applied to all non-credit faculty salary schedules. The 2% salary adjustment would be in addition to any increase per the RAF agreement.

The source of funds subject to this agreement are annual revenue increases from funded COLA, or other continuous general apportionment increases, excluding Growth, Stability funding, and Restoration funding. The annual COLA, and apportionment increases are reflected in Sections I & II, and the "Workload Measures" section of "Exhibit C" of the Apportionment document distributed by the California Community Colleges System Office (e.g. 2006-07 COLA = 5.92%; 2007-08 COLA = 4.53%). Continuous increases due to COLA and/or continuous apportionment increases are typically reflected in Section II- Inflation Adjustment, or clearly identified in Section V- Other Revenue Adjustments. The Exhibit C of the Apportionment document will be used to identify all increases in continuous revenue from COLA or apportionment revenue.

For example, Exhibit "C" of the State Apportionment Reports identify both current apportionment rates and the base revenue to which COLA is applied. Current apportionment rates are as follows:

Credit	$4,564.83
Non-Credit	2,744.96
Non-Credit – CDCP	3,232.07

Assuming the Base Revenue is $196,037,433, a 3% COLA would provide $5,881,123 in additional revenue. Therefore, for the 2% additional salary adjustment to be implemented, the District would need to receive, during any one (1) year of the RAF agreement, any combination of new revenue from COLA plus an increase to any apportionment rate(s) that equals at least $5,881,123 in new revenue.

No sources of revenue, other than COLA or increases due to changes in the current apportionment rate(s) are part of this calculation.

The District and the AFT Guild will jointly conduct a market study of non-credit faculty salaries during the 2009 calendar year based upon benchmark institutions. The District and the AFT Guild will determine the benchmark institutions by mutual agreement.

This side letter is contingent upon a signed agreement between the AFT Guild and the District to participate in the Resource Allocation Formula for the three year term from July 1, 2008 through June 30, 2011.

For the District:

____
Kim Myers, Vice Chancellor
Human Resources

Date: ________________

For the AFT Guild:

____
Jim Mahler, President
AFT Guild

Date: ________________