LOS RIOS COMMUNITY COLLEGE DISTRICT

Memorandum of Understanding

RetroActive Salary Schedule Improvement 2025-26 and Continuing 2026-27 Improvement

**LRCEA**

## Background

Due to several factors, including strategic enrollment management, unused ongoing resources, and other resources, the unit has ample one-time resources available.

For LRCEA, the District is recommending a one-time off salary schedule improvement of 7% for 2025-26 salary.

The 2026-27 State Budget Act includes a 2.87% statutory cost-of-living adjustment (COLA) and a 1.44% discretionary COLA. These resources, combined with strategic enrollment management and the District's prudent budgeting practices, allow the District to provide ongoing salary schedule increases for the 2026-27 fiscal year. LRCEA's priority for these ongoing resources includes a 4.5% ongoing salary schedule increase.

As a condition of receiving the 1.44% discretionary COLA, community college districts must implement the provisions of Assembly Bill 65, which provide eligible employees with up to 14 weeks of paid pregnancy disability leave. Significant uncertainties remain at the state level regarding the implementation and cost of this new benefit.

It is recommended that LRCEA commit to using unit resources to fund the estimated costs of paid pregnancy disability leave attributable to LRCEA-represented employees, including costs incurred retroactive to July 1, 2026, and ongoing costs in future years. Because implementation guidance and utilization data remain limited, the specific amounts cannot yet be determined. The District will notify LRCEA by August 2027 of the estimated retroactive and ongoing unit resources required. The required funding amounts will be adjusted as actual cost and utilization information becomes available.

Any residual funds from the 2025-26 compensation calculation will be carried forward to 2026-27 and any residual 2026-27 funds will be carried forward to 2027-28. Those funds will be available to the units to support compensation cost increases/improvements in 2027-28.

## Agreed Items

The District and LRCEA agree to the following compensation and benefit adjustments:

2025-26 Retroactive salary schedule improvement

The 2025-26 off salary schedule payments shall be calculated at 7% of the interim salary schedule. This shall be paid in August 2026 and is the final improvement for the 2025-26 year. Compensation for this one-time improvement is not compliant off salary schedule pay special compensation for CalPERS' purposes, since all employee units received a permanent continuing improvement in the 2025-26 fiscal year. Therefore, the compensation shall not be reported to CalPERS as additional compensation for the purposes of pension calculations.

Any residual funds from 2025-26 will be carried forward to 2026-27.

2026-27 Continuing Salary schedule improvement

Effective July 1, 2026, the 2026-27 base salary schedules shall be improved by 4.5% as an advance against 2026-27 new revenue. The adjusted salary schedule shall be effective July 1, 2026, with corresponding salary payments reflected beginning in August 2026.

Any residual funds from 2026-27 will be carried forward to 2027-28.

14 weeks of paid pregnancy disability leave

LRCEA commits to using unit resources to fund the estimated costs of paid pregnancy disability leave attributable to LRCEA-represented employees, including costs incurred retroactive to July 1, 2026, and ongoing costs in future years. Because implementation guidance and utilization data remain limited, the specific amounts cannot yet be determined. The District will notify LRCEA by August 2027 of the estimated retroactive and ongoing LRCEA resources required. The required funding amounts will be adjusted as actual cost and utilization becomes available.

| For LRCEA: | For the District: |
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| *Jake Hughins*<br>Jake Hughins | Carrie Bray |
| Ken Cooper | *Jamie Ruggles*<br>Jamie Ruggles |