**MEMORANDUM OF UNDERSTANDING BETWEEN**
**LOS RIOS COMMUNITY COLLEGE DISTRICT**
**AND**
**LOS RIOS SUPERVISORS ASSOCIATION**

**MOU for**
**Longevity Pay, Temporary Out of Class Special Compensation Pay and Off Salary Schedule Pay**
**December 2024**

Los Rios Community College District Office was subject to a CalPERS audit in 2022, which focused on off salary schedule pay, but indirectly impacted longevity pay and pay for temporarily working out of class. The subject of the audit was that the compensation items did not properly document the exact eligibility criteria and conditions of payment. As an outcome of the audit, CalPERS told the District that revisions made to the District's salary schedules would ensure compliance. However, duplicate language regarding the eligibility criteria and conditions of payment for longevity pay would need to be added in the MOU. CalPERS agreed that the MOU revisions could wait until the next cycle, given the complexities of labor negotiations. The salary schedules were revised to be consistent with the approved language at the May 10, 2023 Board meeting and a Resolution was passed approving the adoption of the revised salary schedules for CalPERS compliance.

Notwithstanding the agreement from CalPERS, several Supervisor employees who requested retirement estimates or applied for retirement have received determination letters indicating longevity pay would either be reduced or not included in their retirement compensation calculation. After those determinations, CalPERS reversed their earlier agreement and indicated that language revisions must be approved prior to including the compensation in pension calculations. Rather than wait until the negotiation cycle with LRSA that will begin after the Spring 2025 semester, the District and LRSA have a desire to agree to the revised language now.

Further, the District and LRSA have previously agreed to a salary range expansion by adding a seventh step. Corresponding changes were made to the LRSA Salary Schedule and need to be made to the LRSA collective bargaining agreement ("CBA") language related to service increments. Those changes are included in this MOU because they directly impact the calculation of longevity pay and pay for temporarily working out of class.

This MOU provides superseding revisions to CBA language for employee groups impacted by the 2022 CalPERS audit and subsequent CalPERS determinations concerning Longevity Pay, Out of Classification or Temporary Upgrade Pay ("TUP") and Off Salary Schedule Pay ("OSSP").

Both parties agree to the following changes of the July 1, 2022 to June 30, 2025 Los Rios Supervisors Association Collective Bargaining Agreement:

**10.4 Service Increment**

On the anniversary date, a regular supervisor will be advanced to the next higher step increment of the salary range assigned to his/her position classification until Step ~~6~~7 of the range is reached if the following conditions are satisfied: (1) the supervisor must have served seventy-five percent (75%) of the required working days; i.e., one hundred ninety-five (195) working days including holidays, paid sick leave, vacation, and other paid absences or leaves; and (2) the supervisor's report of performance evaluation must show an overall rating of "satisfactory" or better.

**10.5 Longevity Increments**

All longevity increments are calculated using base salary, any applicable one-time salary improvements (Off Salary Schedule Pay) and compensation from Temporary or Out of Class Assignments.

10.5.1 A regular supervisor who has served the District ten (10) full years of paid service will be granted a longevity step ~~not to exceed~~of four percent (4%), equivalent of a one-step increment.

10.5.2 A regular supervisor who has served the District for fifteen (15) full years will be provided an additional four percent (4%) for the fifteen (15) year longevity step which will be compounded on the 10-year adjusted salary to total 8.16%.

10.5.3 A regular supervisor who has served the District for Twenty (20) full years will be provided an additional two percent (2%) for the twenty (20) year longevity step which will be compounded on the 15-year adjusted salary to total 10.323%. Effective July 1, 2022, the twenty (20) year longevity step increases to four percent (4%) which will be compounded on the 15-year adjusted salary to total 12.486%.

10.5.4 A regular supervisor who has served the District for twenty-five (25) full years will be provided an additional two percent (2%) for the twenty-five (25) year longevity step which will be compounded on the 20-year adjusted salary to total 12.53%. Effective July 1, 2022, the twenty-five (25) year longevity step increases to four percent (4%) which will be compounded on the 20-year adjusted salary to total 16.986%.

**Working Out of Classification 10.7**

10.7.1 A supervisor who is required to work out of classification (i.e., perform the full duties and assume all responsibilities of~~in~~ a position class above or an upgraded class with duties different from those outlined in the job specifications for the unit member's regularly assigned position) for six (6) days or more within a fifteen-calendar-day period shall be paid an increased ~~base~~ salary for the entire fifteen-day period of the temporary assignment.

Working out of classification compensation must comply with Government Code § 20636 and Title 2 California Code of Regulations § 571 in order to be eligible for use in the calculation of CalPERS retirement benefits for Classic employees. Compensation for employees who work less than fifteen days within any fifteen-calendar-day-period shall only have compensation related to the days worked in an upgraded position reported to CalPERS.

10.7.2 Supervisors so assigned will be paid at Step 1 of the appropriate range for the position that the unit member is filling on a temporary basis or at an increase of one (1) step or four percent (4%) above the monthly salary earned in his/her regularly assigned position, whichever is greater.

10.7.3 The supervisor working out of classification will be returned to regular classification with attending changes in rate of pay upon completion of the temporary assignment or ~~in case it is necessary to replace~~if the temporarily assigned unit member is replaced because of illness or vacation.

**Appendix A regarding OSSP**

A.2.6 Remaining funds shall be used to compute the salary and payroll-related fringe benefit improvements on an annual basis for the current year and shall be effective for services rendered as of July 1, of the current year, unless the District and the Unit agree to defer remaining funds, if any, to future years. The PERS rate to be used for determining continuing salary schedule improvements shall by the projected PERS rate for 2024-25 at the time of the calculation. The cost of any salary schedule improvements provided in advance of the final determination of revenues available to LRSA shall be considered in the retroactive salary calculations. If no salary improvement has been advanced, then any retroactive salary payments for services rendered for the contract year will be paid as a one-time improvement for that year.

When a permanent salary improvement has not been provided within a fiscal year and a one-time improvement has been provided, that one-time improvement may be reported to CalPERS as Off Salary Schedule Pay for Classic CalPERS members, up to a maximum of 6% of base salary. If reported to CalPERS, the one-time improvement is applied over the previous fiscal year and calculated using an employee's base pay when services were rendered.

A.2.6.1 The District and LRSA unit representatives will meet following the close of the District's financial records to review the calculation. Any continuing improvements from the remaining funds to either salary or benefits for unit members must be supported by continuing resources.

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| Mario Rodriguez, Executive Vice Chancellor, Finance & Administration | Jana Perry, LRSA President |
| 02/05/2025<br>Date | 02/05/2025<br>Date |
| Carrie Bray, Vice Chancellor, Human Resources | Lindsey Campbell, LRSA Vice President |
| 02/05/2025<br>Date | 02/05/2025<br>Date |