

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE
SANTA BARBARA COMMUNITY COLLEGE DISTRICT
AND THE
SBCC FACULTY ASSOCIATION**

This Memorandum of Understanding, is entered into by and between the Santa Barbara Community College District (District) and the SBCC Faculty Association (FA).

On October 15, 2019 the Board of Trustees determined that it is in the best fiscal interest of the Santa Barbara Community College District and its employees to provide a retirement incentive offer. Subsequently, the District intends to offer a Supplemental Retirement Plan (SRP) for FA unit members. The parties are entering into this agreement with great appreciation for the services of our long term faculty members. The college community will miss their experience and institutional memory but will strive to limit the impact on the students and departments.

The plan is subject to two separate approvals by the Board of Trustees and shall not become effective until both approvals are given:

(1) Authorization during the Board meeting of October 15, 2019, to enter into an agreement with Public Agency Retirement Services (PARS) to plan and administer a SRP based upon the terms of this agreement; and

(2) Approval of the Board of Trustees on July 9, 2020 after the enrollment period has ended and been evaluated by District administration to determine that an adequate number of FA unit members have submitted an irrevocable resignation/retirement to achieve a sufficient budget savings to enact the SRP.

The District is offering one application window and two resignation/retirement windows for FA unit members in fiscal year 2020/2021 between July 1, 2020 through December 31, 2020, OR January 1, 2021 through June 30, 2021 (Only if the first two Faculty SRP windows are declared viable (i.e., the windows ending June 30, 2019 and December 31, 2020). If not, this window will not be offered.)

Key SRP Dates:

- April 2, 2020: Submission of PARS packet
- July 2, 2020 (or before): District provides notice of SRP implementation recommendation to FA
- July 9, 2020 (or before): Board determination of SRP implementation

The SRP will include the following provisions:

1.1 Eligibility

1.2 FA unit members of the District shall be eligible who:

- a. Are employed by the District as a permanent, full-time FA unit member, in good standing, as of January 2, 2020;
- b. Have five (5) years of full-time equivalent District service as a permanent employee as of June 30, 2020;

c. Are eligible to retire under CalSTRS (fifty-five (55) years of age with five (5) years of CalSTRS service or fifty (50) years of age with thirty (30) years of CalSTRS service) or CalPERS (fifty (50) years of age with five (5) years of CalPERS service) as of their individual retirement date.

e. Separation from employment as an employee to be effective on or before December 31, 2020 or June 30, 2021 (if available).

f. Sign the non-revocable letter of resignation in the SRP enrollment documents and submit the entire enrollment package to PARS. The SRP enrollment documents must be submitted to PARS — no later than April 2, 2020.

1.3 Eligible FA unit members who have resigned/retired from the District with an effective date before July 1, 2020 are not eligible for the SRP.

2.1 Participation Requirements

2.2 In order to implement the SRP, a sufficient number of FA unit members must complete and submit all required Plan enrollment materials and an irrevocable District Letter of Resignation by the enrollment deadline of April 2, 2020. In order to protect the eligible FA unit members enrolled in the SRP, resignation/retirement is irrevocable as of the enrollment deadline and may only be rescinded if the District withdraws the Plan pursuant to Paragraph 2.2 below.

2.3 If the number of eligible FA unit members enrolled in the SRP as of the enrollment deadline does not provide the District with the required budget savings as determined by the District, the District may withdraw the SRP. Written notice of the District withdraw from the SRP will be provided to the FA. The District's action to withdraw the SRP must be made on or before July 9, 2020 or prior to the actual resignation/retirement by the unit member, whichever occurs first.

2.3.1 If the District withdraws the SRP, the District Letter of Resignation for each employee who has submitted one will be deemed to be automatically withdrawn. Each affected FA unit members shall then be able to voluntarily determine if they will resign/retire from District employment by submitting another District Letter of Resignation despite the SRP not being available.

2.4 Participating FA unit members shall resign or retire from District employment with an effective date of separation no later than December 31, 2020 or June 30, 2021 (if available).

2.5 Participation in the SRP requires completion and submission of all required SRP enrollment forms and materials to PARS including the signed District Letter of Resignation submitted at the same time of enrollment in the SRP, but not later than the enrollment deadline of April 2, 2020.

3.1 Informational Meetings and Plan Payments

3.2 The District will coordinate a mailing to eligible FA unit members providing the SRP information and estimated financial benefits based upon the Base Salary of the employee February 21, 2020. This mailing will be to the employees official address on record with Human Resources.

3.3 The District will coordinate group and/or individual information meetings for eligible FA employees regarding the financial benefits and payment options of the SRP starting no later than March 4, 2020.

3.4 The financial benefit to participating FA unit members will be a monthly annuity payment based upon the following:

- 70 percent of the annual Base Pay for the affected employee's placement on the District's Full-Time FA Salary Schedule as of July 1, 2020; and
- The term of the annuity chosen by the FA unit member. A list of available annuity options is Appendix A following this MoU.

For purposes of determination of benefit amount under the SRP, included in Base Pay are extended days; excluded from the Base Pay considerations are other forms of additional compensation such as: overload assignments, stipends or extra duty assignments. Eligible FA unit members shall receive prorated SRP benefits based upon the percentage of the affected unit member's regular work assignment in relation to a full-time FA member assignment.

3.5 The selection of SRP benefit option and choice of beneficiary (if selecting the joint-and-survivor benefit option) shall become final upon the close of the enrollment period on April 2, 2020 and shall not be subject to change thereafter.

3.6 The final determination of cash payment to be received from the SRP benefit option shall be fixed and final upon the implementation of the SRP following the final Board of Trustees determination of appropriate budgetary savings.

4.1 Other Provisions

4.2 The District reserves the right to evaluate the effects of the impact due to implementation of the SRP. The impacts and effects of department reorganizations resulting from the SRP will be negotiated with FA.

4.3 The parties agree that the decision as to whether and when to replace resigned/retired unit employees will be made by the District administration following the established Academic Senate ranking processes. This decision is not subject to the grievance procedure, unfair labor practices, and/or other legal challenge.

4.4 Transparency measures shall include: reporting to CPC.

4.5 In support of the District's fiscal and operational objectives included within the Board of Trustees' Resolution No.1 (2019-2020), dated October 15, 2019, the administration will increase transparency in all future hiring decisions. For the next two fiscal years (2020/21 and 2021/22), the District commits to monthly Reports to CPC on:

- Current employee headcount by employee group;
- Intended employee hiring activity, including replacement and reorganization (may be every meeting as necessary); and
- Update on the projected savings of this SRP by employee group.

The parties recognize that the District is required and committed to negotiate 2019/2020 compensation with FA as part of the current interest based bargaining contract negotiations.

By signature below, the parties agree to the terms and conditions of this Memorandum of Understanding. This MOU will be effective when signed by the FA and District Chief Negotiator and approved by the Board of Trustees as specified in this MOU. The MOU does require ratification by the FA membership.

FOR THE ASSOCIATION:



Cornelia Alsheimer-Barthel
President, Faculty Association

FOR THE DISTRICT:



Michael Shanahan
Vice President Human Resources
Santa Barbara Community College District

Date: 2/27/2020

Appendix A – Annuity Options

Option 1: Lifetime

A monthly payment for your lifetime only. Option 1 does not pay out to a beneficiary.

Option 2: Joint-and-Survivor

A modified monthly lifetime payment. Upon your death, the payment continues at the same level for the lifetime of your one named beneficiary. Upon your beneficiary's death, the payment ends. If your beneficiary is a non-spouse more than 10 years younger than you, the monthly benefit payable to your beneficiary may be further reduced based on the age of your beneficiary.

Option 3: Life or Ten-Year

A modified monthly payment paid for the greater of 10 years or your lifetime. If you live beyond 10 years of your resignation, the benefit will end at the time of your death. In the event of death within 10 years of your resignation, monthly payments will continue to be paid to your beneficiary or estate at the same level until a total of 120 payments have been received.

Options 5-15: Fixed Payments*

A higher monthly payment, but for a fixed period of time, ranging from 5 to 15 years. Upon your death, if you have not received all of the payments due, payments will continue to your beneficiary or estate until the total number of payments have been received.

* Options 5-9 may be rolled over into an IRA or to an eligible employer plan that accepts the rollover.