

**LETTER OF AGREEMENT
SACRAMENTO CITY TEACHERS ASSOCIATION
AND
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

The Sacramento city Teachers Association (hereinafter referred to as "Association") and the Sacramento City Unified School District (hereinafter referred to as "District") agree to the following:

Preamble

The overall purpose of this Letter of Agreement is to set forth certain understandings between the parties even though the Association believes there is no obligation to enter into negotiations. In order to provide fiscal stability to the District and to retain as many teachers as possible during this fiscal crisis, the parties are agreeing to make the changes set forth below.

1. SCTA unit members shall contribute the equivalent of three (3) days of salaries in each of the two years 2010-11 and 2011-12 only. It is estimated that this has a value between \$2.1 million and \$2.4 million of unrestricted dollars in each year. This contribution shall be made through monthly employee payroll deductions in a flat dollar amount of \$95 per month for 10 months from each employee for each of the two years. The Parties will explore a pass through or donation mechanism. The savings the District derives from this contribution shall be applied to restoring K-3 class size reduction (CSR) with a goal of achieving a ratio of 1:25 for the two year period. With the restoration of K-3 CSR employees, preparation time shall be provided with existing staff at no additional cost to the District.

2. In the event that State or Federal legislation is passed to fund K-3 CSR, the parties shall meet to discuss the impact of the legislation.

3. **Common Planning Time (CPT) Amendment.** The Parties agree to amend the current contract language so that each K-12 teacher in the unit will be able to perform 20 hours of common planning time each year either before or after the regular school day. These hours shall be applied towards the hours required for professional development. Participation in additional common planning time shall be on a voluntary basis. CPT shall be planned by the site administrator in collaboration with the site staff. All savings from current funds used for CPT shall be used to restore bargaining unit positions including counseling positions.

4. **Health Benefit Co-Pay changes and compensation shift.** The Parties agree to amend the co-pays and program offerings in the following areas:

- a) The Health Net prescription program will change to 5/15/35.
- b) The Health Net out-of-area 65+ retiree program will be reduced to approximately the amount of contribution to the in-area program by replacing the current program with an agreed upon broker recommended offering. To support the transition to a lower cost program, such retirees in the out-of-area programs will have the Medicare Part B lowest level paid provided that the total costs per retiree is approximately the same as the in-area costs.
- c) The Kaiser Prescription rebate program will end effective July 1, 2010. The savings, if sufficient, will be applied to the Kaiser plan to include chiropractic coverage first, then if funds remain to laser and multi-focal surgery if there are sufficient savings to fund these benefits. There shall be no additional cost to the District.
- d) In the 2010-11 and 2011-12 school years, the savings from the changes listed in a) and b), not c), above will be applied to fund the District's GASB-45 liability. The Parties shall work together to create a Trust to administer and fund the GASB-45 liability. On July 1, 2012, the savings shall be applied to the SCTA salary schedule as a flat dollar amount on each cell. Some of the savings shall be applied to certain cells of the salary schedule as the Parties may agree for the 2011-12 school year.

5. The Parties shall explore creating a retirement incentive for unit members retiring on June 30, 2012.

6. **Professional Development.** The District and SCTA agree to collaborate to focus the current Professional Development Program on desired outcomes.

7. **Retiree Vesting.** In order to reduce future costs and based on the parties' broker and third party Independent Consultant's advice, the parties agree to amend the current vesting period of 10 years in Article 13 of the collective bargaining agreement. Unit members with less than 15 years of service to the District as of July 1, 2010 will have three years from that date to qualify for the current 10 year rule. After July 1, 2013, as the Parties agree all teachers in order to be eligible for retiree health benefit will need to have the following:

- at age 55 at least 20 consecutive years of service to the District in the SCTA bargaining unit
- at age 56 at least 19 consecutive years of service to the District in the SCTA bargaining unit
- at age 57 at least 18 years of consecutive service to the District in the SCTA bargaining unit
- at age 58 at least 17 consecutive years of service to the District in the SCTA bargaining unit
- at age 59 at least 16 years of consecutive service to the District in the SCTA bargaining unit
- at age 60 at least 15 years of consecutive service to the District in the SCTA bargaining unit

In addition to the current brokers, the parties agree to utilize the Segal Company or other mutually agreeable consultant to review and analyze the changes and make additional recommendations over the contributions to support the retiree health benefit program.

To reduce future costs for retiree health benefits, all qualifying retirees who receive health benefits may opt to decline the health coverage. The retiree will receive on an annual basis 50% of the average in area premium cost to purchase other insurance coverage(s) of their choice. The remainder of the savings will be applied to fund the District's GASB-45 liability.

8. In the 2010-11 school year, unit members shall contribute \$15 per month for ten months to fund retiree benefits. Beginning with the 2011-12 school year, unit members shall contribute \$20 per month for each of the ten months of each school year to fund retiree benefits. These funds shall be placed in a Trust to be created by SCTA and the District and jointly administered by the Parties.

9. **Follow up clarifications.** The parties agree to clarify the language of the amendments identified in this Agreement in order to import them into the contract as soon as possible.

10. **Parcel Tax Effort.** The parties agree to work together to seek a parcel tax as soon as possible. The intent of the parcel tax shall include supporting K-3 CSR, additional class size reduction and other efforts to support educational programs agreeable to the parties and the public.

11. **School Calendar Modifications.** The parties agree to modify the K-12 calendar by starting after Labor Day and taking Thanksgiving week off. The work year for teachers shall be 181 plus 3 staff development days. The Parties shall meet to establish a 2010-11 and 2011-12 calendars as soon as possible.

12. The current term of the collective bargaining agreement shall be extended to June 30, 2012. However, in the event that the District receives a negative certification of its budget from the Sacramento County Office of Education, the Parties agree to reopen negotiations on compensation. This Letter Agreement is subject to ratification by the governing board of the District and the SCTA membership.

June 14, 2010

SCTA

SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT

