

# Attachment 1

# Calculation of Available Growth Revenues & Related Growth Cost

## 1. Calculation of Available Growth Revenues

Eighty percent (80%) of Growth Funds as defined in Appendix A received in a contract year shall be initially appropriated in the following manner:

1.1 The increased costs associated with each year's actual full-time equivalent (FTE) instructional level above the previous year's actual instructional staffing level.

1.1.1 The actual instructional staffing level for each year shall be determined after the end of the third week spring and shall be based upon the average of the Fall / Spring instructional FTE level for that year plus the change in FTE for the Summer term above the base level of 122.34 subject to 1.1.1.1 below. For this provision the summer term is the term occurring prior to the fall term for the fiscal year.

1.1.1.1 To calculate the growth in instructional FTE for the summer term, a productivity level of 450 will be used. If the actual summer term productivity is below 450, growth funds will not be charged for FTE utilized below the 450 level.

1.1.2 The cost for the additional FTE will be based upon the standard adjunct cost for the contract year, except the standard adjunct cost for summer term instruction will not include health and welfare benefit costs. In computing the standard adjunct cost for the purposes of this calculation, the 2020-21 STRS rate of 19.10% for employer contribution will be used in place of the rate in effect for the contract year. This is done to set-aside the increased pension costs for these additional positions. The 2016-17 rate using the 2020-21 rates is \$58,116 and

- 1) for 2017-18 the standard rate as determined by averaging the fall 2017 actual payments for adjunct and overload instructional assignments and the standard benefit rate for part-time instructional service as adjusted for the 2020-21 STRS rate then
- 2) for 2018-19, the standard rate as determined by averaging the fall 2018 actual payments for adjunct

and overload instructional assignments and the standard benefit rate for part-time instructional service as adjusted for the 2020-21 STRS rate: then

- 3) for 2019-20 the standard rate as determined by averaging the fall 2019 actual payments for adjunct and overload instructional assignments and the standard benefit rate for part-time instructional service as adjusted for the 2020-21 STRS rate.
- 1.2 The increased cost over the previous year's cost related to contracted instruction such as public safety instructional programs and other contracts.
  - 1.3 The determination of actual staffing level utilized, increased contracted instruction costs, and actual enrollment growth revenues received for the contract year shall be made no later than sixty (60) days following the close of the district's fiscal year-end. Potential State funding deficits may reduce expected growth revenue. The records maintained by the District Office Business Services Department shall be used to determine actual staffing levels.
  - 1.4 The cost of additional counselors required to maintain a counselor/student ratio of 900:1. The cost will be based upon the average salary and fringe benefit annual contract cost in the contract year for adjunct and overload counselors using the 2020-21 STRS rate.
    - 1.4.1 such positions shall be authorized as a continuing appropriation for the start of the following fiscal year; and
    - 1.4.2 continuing growth funds committed for the additional authorized counseling positions and set aside for this purpose in the contract year shall be proportionately distributed to the unit on a one-time-only basis; then
  - 1.5 The cost of additional full-time faculty required to be hired as specified in Title V provisions (faculty obligation number). The incremental salary and fringe benefits costs due to conversion of part-time instructional and counseling FTE to regular instructional and counseling positions and salary and benefit costs of other non-classroom faculty positions shall be funded from Growth funds. The 2016-17 rate for converted instructional FTE is using the 2020-21 STRS employer rate is \$32,494. The 2016-17 rate for new or re-authorized regular faculty positions (164 or 174 day) using the increased pension rates is \$85,499 and \$102,005, respectively. The established District contribution costs towards health benefits shall also be considered. Calculated standard costs for required faculty hires pursuant to Title V provisions shall be determined annually and typically increases by salary schedule and fringe benefit improvements provided in 2017-18 through 2019-20 as applicable;

- 1.5.1 Continuing growth funds shall be committed for any positions authorized in the contract year; and
- 1.5.2 The salary and benefit costs of the additional full-time faculty hired shall consider whether such hires were for the start of the spring semester or the following fall semester. Any unused continuing growth funds set aside for this purpose in the contract year shall be proportionately distributed to the unit on a one-time-only basis; then
- 1.6 The salary and fringe benefit cost of additional classified positions which are needed as a result of district enrollment growth or new educational sites.
  - 1.6.1 The maximum number of additional full-time equivalent (FTE) classified staff required due to enrollment growth shall be based upon the District's current growth factor percentage assigned by the state multiplied by the total classified FTE level authorized for the year. Authorized classified FTE includes White Collar, Blue Collar, Supervisory and Confidential positions funded with general purpose revenues. Classified positions (FTE) which are funded from categorical resources/revenues are excluded from this computation.
  - 1.6.2 For any given contract year, it is the District's intent to distribute the additional classified staff funded from growth funds across all classified units; then
  - 1.6.3 The additional classified FTE shall be in place no earlier than the spring semester of the contract year or July 1 of the succeeding year.
  - 1.6.4 The actual number of additional classified staff (FTE) authorized for the contract year and the related salary and benefit costs of such positions shall be funded from continuing growth funds.
  - 1.6.5 The cost of any retroactive salary improvements for the additional classified positions which are authorized in a given contract year shall be provided from growth funds at \$73,000 per FTE, based on the average salary from the prior year 1% calculation and the 2020-21 PERS projected rate of 19.80%; and

- 1.6.6 Any unused continuing growth funds in the contract year shall be proportionately distributed to the unit on a one-time-only basis.
- 1.7 Additional administrative positions shall not be funded from growth funds.
- 1.8 The net Growth funds shall be proportionately allocated to LRCFT in accordance with Appendix A. The difference between the current employer contributions for STRS and PERS and the rates used in 1.1, 1.4, 1.5, and 1.6 shall be credited back as a one-time resource until required.
- 1.9 The cost savings or cost reductions related to those items listed below shall be calculated and applied as an additional source of funds. Items previously funded from Growth revenues are:
  - 1.9.1 Cost reductions associated with the actual instructional FTE utilized for the academic year based upon the average of the Fall / Spring third week instructional FTE level which is below the previous year's actual instructional staffing level. The standard 2016-17 part-time cost per FTE of \$58,116, as defined per Section 1.1, shall be used to determine instructional cost savings, and
  - 1.9.2 Cost reductions in the contract year attributed to the annual salary and fringe benefit cost due to a reduced number of full-time-equivalent (FTE) counselors required per the terms of the LRCFT contract. The previous year's required counseling FTE shall be used as a base to determine the net reduction in FTE for the current contract year. The standard 2016-17 counseling part-time cost per FTE (@174 days) using the increased pension rates is \$80,558. Actual counselor staffing FTE levels above the required staffing level shall be used in the determination of cost if such levels are greater.
  - 1.9.3 Any other cost reductions due to staffing changes (reduction) previously funded from growth funds as further described in Sections 1.1 to 1.6.
  - 1.9.4 The total amount of cost savings as determined above shall be proportionately distributed to LRCFT as per section 1.8.
- 1.10 Available Growth Revenue for 2018-19 and 2019-20 shall be determined in the same manner as 2017-18 contract year except that:

- 1.10.1 The actual instructional staffing levels expressed in full- time equivalent (FTE) terms in either 2018-19 or 2019-20 compared to the actual FTE level of the previous year shall be determined for the particular contract year as well as the standard cost; and the actual cost for contract instruction for the 2018-19 and 2019-20 compared to the cost charged in the previous year, and
- 1.10.2 The change in authorized level, the conversion of part-time to regular FTE and classified positions will be determined using the basis described for the 2017-18 year and the salary schedule and fringe benefit rates in effect for the 2018-19 and 2019-20 years.