

APPENDIX N - SALARY AND BENEFIT COMPENSATION AGREEMENT

A. SALARY FORMULA

On or before June 1 of each school year, the District and SVFT will review the prior year step and column percentage cost and the total percentage increase or decrease to the District's total net base revenue funding* for the current year and adjust the current salary schedule by that percentage. Should this review show an increase in the District's net base revenue, the current year's step and column percentage cost for the bargaining unit shall be deducted from the percentage increase and the resulting percentage increase shall be applied to increase the current salary schedules (7-12, Adult Education, Hourly Rate, Summer School Rate, fixed dollar extra-duty stipends and Substitute Daily Rate) and/or increase the District's health insurance contribution as may be negotiated between the Parties. The calculation of step and column costs from one year to the next shall include savings from retirement and replacement and shall include any increase in costs of benefits for retirees including any early retirement incentives not currently in effect under the terms of the collective bargaining agreement. The Parties shall meet, review and agree upon the calculation of step and column costs. If the District anticipates that the calculation may result in a negative percentage, the Parties shall commence negotiations on compensation within thirty (30) days of notice by the District to SVFT. In the event that State law requires any categorical funds or concentration and supplemental grant funds be moved to the calculation of the District's net base revenue when the District is still mandated to operate those programs, this formula shall be suspended and the Parties shall, within thirty (30) days, begin negotiations allowing the parties to resolve any issues concerning the exclusion of such monies from the net base revenue. This suspension shall not, however, effect the entitlement of the bargaining unit to monies other than categorical funds or concentration and supplemental grant funds. The Parties agree to expedite negotiations with the purpose of reaching an agreement within sixty (60) days of the commencement of these limited negotiations to implement any new formula language for the following fiscal year.

* This language is intended to reflect the new Local Control Funding Formula ("LCFF") and "base revenue" is intended to mean only the LCFF base grant and excludes any categorical funds and supplemental and

concentration grant funds. Beginning with 2018-2019 school year, and each year thereafter, the salary formula calculation shall exclude increases to base grant revenue due to increased student enrollment from the previous school year to the current year. Funds excluded due to increased student enrollment shall not include the costs for bargaining unit members hired as additional staffing due to opening a new facility or school site.