This Memorandum of Understanding is entered into by and between the Foothill-De Anza Community College District ("District") and the Foothill-De Anza Faculty Association ("FA").

This memorandum serves to clarify the terms and conditions of the verbal agreement for the 2004-05 salary settlement made at the November 17, 2004 negotiations meeting between the District and FA.

The parties agree that the following provisions shall constitute the basis of a tentative agreement on Article 24, salary, and on the costs associated with the other articles identified herein. The provisions of this MOU shall be implemented immediately subsequent to ratification by the faculty and approval by the Board.

The 2004-05 compensation settlement includes the following:

1. **Salary adjustment of 2.41% (the State-provided COLA) on all salary schedules, Appendices A, B, B.1, C, E, G:**
   
   **Terms:** The salary adjustment shall be retroactive to July 1, 2004. The adjustment shall commence with the December 2004 pay period which shall also include the retroactive pay.

   **Contract language: Article 24.6**

   "Effective July 1, 2004, all faculty salary schedules shall be adjusted for 2004-05 by increasing each step of the schedules by 2.41 percent as shown in Appendices A, B, B.1, C, E and G. No salary adjustment was made in 2003-04."

   **Conditions:** The parties agree that this salary adjustment may negatively impact the 2005-06 budget given the following circumstances: 1) the State budget outlook is unstable, 2) enrollment in the Foothill-De Anza Community College District is down approximately 8% at De Anza and 3% at Foothill; 3) the District’s $1.2 million growth allocation, included in the 2004-05 budget and projected for the 2005-06 budget, will be lost if enrollment is not recaptured and does not grow by an additional 1.2 percent; 4) the District’s base allocation will be reduced if enrollment remains down.

   Therefore, the parties commit to working collaboratively, and with all employee groups, to meet this District challenge. In recognition of the Board’s good faith effort to provide a salary adjustment given the financial uncertainty described above, FA will apprise faculty of the gravity of the situation and encourage their support of, and participation in, strategies to increase enrollment and WSCH. The parties agree that the following actions, among others, have proven successful in the past: taking additional students into classes when pedagogically sound; participating in student recruitment; encouraging students to take additional classes when appropriate; and working to retain students and encourage their persistence from quarter to quarter.
2. **Establishment of a Health Benefits Reserve of $500,000.**
   *Terms:* The Health Benefits Reserve, funded from productivity savings appearing in the 2003-04 ending balance, shall be used to offset projected health benefits cost increases in 2005-06.

3. **Addition of a Hold Harmless Provision to Article 22A - Paid Medical Benefits for Part-Time Faculty.**
   *Terms:* This provision shall apply to the 2004-05 academic year for purposes of benefit coverage for July 1, 2005 to June 30, 2006 and shall not be precedent setting. Under this provision, should the 2004-05 annual load of a part-time faculty employee (teaching under Article 7) fall below his or her “usual load” through no fault of his or her own, the employee shall remain eligible in 2005-06 for the medical benefits consistent with his or her “usual load.” For the purposes of this provision only, “usual load” shall mean the load normally taught by the faculty employee, based on his or her prior three years of service in the District. This provision is intended to provide stability in health coverage for part-time faculty during the District’s current decline in enrollment and therefore shall apply solely and exclusively to faculty currently enrolled in the Paid Medical Benefits for Part-Time Faculty program during the 2004-05 year.

4. **Restoration of Professional Conference Fund of $126,000.**
   *Terms:* The District shall allocate the funds in accordance with Article 36, that is $75,600 for De Anza and $50,400 at Foothill. At the September 15, 2004 negotiation session, the parties agreed to make this restoration effective at the beginning of the 2004-05 academic year.

5. **Restoration of five (5) quarters of Professional Development Leave in 2004-05.**
   *Terms:* This provision shall apply to faculty who converted their original PDL plans into distributed quarters as part of the budget reduction strategies implemented for 2004-05 and described in the MOU of April 12, 2004 between the District and FA. Faculty shall use professional discretion in rescheduling additional quarters of PDL in 2004-05 and shall notify the District through a written letter to the Division Dean or appropriate administrator no later than November 24, 2004 if they intend to exercise this option.

Dated: **November 17, 2004**