The parties have agreed to a four-year collective bargaining agreement which calls for two and one-half percent (2.5%) increases in total compensation for the faculty in each year of the contract. If, however, the “average increases in base compensation” for the administrator or professional job classifications in the last three (3) years of the contract exceed seven and one-half percent (7.5%), the pay structure of the faculty bargaining unit will be adjusted, on average, by the amount which the seven and one-half percent (7.5%) has been exceeded, and as further described below.

“Average increases in base compensation” consist of percentage increases in base salaries plus any percentage increases in the Board pick-up of the administrator or professionals’ SURS employee contributions. (The administrator and professional job classifications do not include the executive job classifications, i.e., the vice-presidents and the president.)

“Average increases in base compensation” do not include increases in insurance contributions or any other amounts.

The seven and one-half percent (7.5%) threshold will be determined by adding the percentage increases in the administrator or professional job classifications base compensations for the three (3) year period plus any percentage increases in the Board pick-up of the administrators’/professionals’ SURS employee contributions.

If the seven and one-half percent (7.5%) threshold is exceeded, the parties will meet by August 31, 2013 to negotiate and determine how the additional monies will be distributed to the faculty for the 2013-2014 year. The parties will apply the percentage increases using the September 16, 2010 spreadsheet and scattergram which is attached hereto and marked as Exhibit A.

**Example 1:**

- Administrator/professional job classifications compensation increases:
  - 2011-2012: 2.5% pay increase
  - 2012-2013: 3.0% pay increase
  - 2013-2014: 2.0% pay increase

\[
2.5\% + 3.0\% + 2.0\% = 7.5\%
\]
The 7.5% threshold has not been exceeded. There is no change in the faculty’s compensation.

Example 2:

• Administrator/professional job classifications compensation increases:
  — 2011-2012: 2.5% pay increase
  — 2012-2013: 2.75% pay increase
  — 2013-2014: 3.0% pay increase

  2.5% + 2.75% + 3.0% = 8.25%

  The 7.5% threshold has been exceeded by 0.75%.

• The parties will meet by August 31, 2013 to increase the faculty compensation by 0.75% using the September 16 spreadsheet and scattergram. This means that for purposes of determining the adjustments to the schedule, the parties will assume that all the employees reflected on the September 16, 2010 scattergram are still employed by the College (even if they are not) and that no additional bargaining unit employees have been hired (even though they almost certainly will have been). In effect, the calculation will reflect the amount that would have been placed on the salary schedule with an additional 0.75% in the fourth year of the contract had the parties reached an agreement in 2010 calling for a three and one-quarter percent (3.25%) compensation increase in the fourth year of the contract.

Example 3:

• Administrator/professional job classifications compensation increases:
  — 2011-2012: 2.5% pay increase
  — 2012-2013: 2.5% pay increase plus Board picks up an additional 0.5% of the employee’s SURS contribution.
  — 2013-2014: 2.5% pay increase

  2.5% + 2.5% + 2.5% + 0.5% = 8.0%

  The 7.5% threshold has been exceeded by 0.5%.

• The parties will meet by August 31, 2013 to increase the faculty compensation by 0.5% as described in Example 2.
This Memorandum of Agreement is subject to the terms and conditions of the 2010-2014 Collective Bargaining Agreement.

____________________________   ______________________
For the Union                                                For the Board

____________________________       ________________ ________
Date                                                            Date