

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of May 10, 2011

ITEM # 22

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*

- **Voluntary Early Retirement Incentive Program Approval**

SPECIFIC BOARD ACTION REQUESTED:

District administration requests Board adoption of the Voluntary Early Retirement/Resignation Incentive Program as proposed at the Board meeting in regular session March 29, 2011.

ITEM SUMMARY: *(PLEASE DISCUSS THIS ITEM)*

The Board approved the District administered Voluntary Early Retirement/Resignation Incentive Program for the 2010-2011 fiscal year. The goal of the Program is to accomplish salary savings for the District. Eligible employees from IUOE Local 39, Peralta Federation of Teachers, Confidential employees and Administrators elected to participate in the Program.

The window period for participation in the Program opened on Monday, April 4, 2011 and closed on Friday, April 29, 2011. The District's target goal for participation was for 20 faculty and 10 Classified and Administrative employees for a projected salary savings of \$2 million. The District achieved its goal in that 22 faculty and 6 Classified and Administrative employees elected to participate in the Program at an anticipated salary savings of \$2,512,252. The anticipated salary savings does not include the administrative cost to the District in the amount of \$257,100 to offer the Early Retirement Incentive. An additional cost will include payment to employees for eligible leave balances such as vacation and compensatory leave balances.

Upon the initial approval of the Board to extend the offer of an early retirement/resignation incentive, the District now requests Board adoption of the program based on reaching its cost savings objectives and sustaining staffing requirements per the California Education Code. Eligible employees will be notified of the Board's decision by May 11, 2011.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

The cost of the incentive is \$257,100 and will be paid from General Funds. Not included in this analysis are payouts of eligible employee leave balances and other administrative costs to the District.

BACKGROUND/ANALYSIS:

- The District projected 30 participants at a savings of \$2,000,000
- The District received 28 participants at a potential savings of \$2,512,252.
- 25 participants have lifetime medical benefits under Other Post Employment Benefits (OPEB)

ALTERNATIVES/OPTIONS:

Although the Board reserves the right to rescind the offer, due to the projected salary savings, the District recommends final adoption of the Early Retirement Incentive Program

EVALUATION AND RECOMMENDED ACTION:

The Chancellor recommends Board adoption of the Program

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES XXX NO

- Payroll: process the incentive payments
- Benefits: provide transitional Benefits Counseling

COMMENTS:

NONE

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (COLLEGE PRESIDENT OR VICE CHANCELLOR)

- TRUDY LARGENT, VICE CHANCELLOR OF HUMAN RESOURCES & EMPLOYEE RELATIONS

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES NO X

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: **Jennifer Benford Seibert, Benefits Coordinator**
Date: 5/4/11

DOCUMENT PRESENTED AND APPROVED BY:
Presented and approved by: Trudy Largent
Trudy Largent, Vice Chancellor of Human Resources & Employee Relations
Date: 5/5/11

FINANCE DEPARTMENT REVIEW
 Finance review required Finance review *not* required
If Finance review is required, determination is: Approved Not Approved
If not approved, please give reason: _____
Signature: Ron Gerhard, electronically by re Date: 5/6/11
Ron Gerhard, Vice Chancellor for Finance & Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):
 Legal review required Legal review *not* required
If Legal review is required, determination is: Approved Not Approved
Signature: _____ Date: _____
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL
 Approved, and Place on Agenda Not Approved, but Place on Agenda
Signature: Wise E. Allen Date: 5/6/11
Wise E. Allen, Chancellor