

DEPARTMENT OF PERSONNEL ADMINISTRATION

OFFICE OF THE DIRECTOR
1515 "S" STREET, NORTH BUILDING, SUITE 400
SACRAMENTO, CA 95811-7258



June 25, 2012

The Honorable Mark Leno
Chair, Joint Legislative Budget Committee
State Capitol, Room 5100
Sacramento, California 95814

Re: *Tentative Agreement for the Service Employees International Union (SEIU) Local 1,000 Bargaining Unit (BU) 1: Administrative, Financial and Staff Services Employees; BU 3: Professional Educators and Librarians; BU 4: Office and Allied Employees; BU 11: Engineering and Scientific Technicians; BU 14: Printing Trades Employees; BU 15: Allied Services Employees; BU 17: Registered Nurses; BU 20: Medical and Social Services; and, BU 21: Education Consultants and Library Employees*

Recently, the Department of Personnel Administration reached a new tentative agreement with the SEIU Local 1,000 representing the bargaining units listed above. The agreement will be an addendum to the current Memoranda of Understanding. In accordance with Government Code Section 3517.63(b), this addendum is being submitted for the Committee's information.

In an effort to assist the State in achieving 2012-2013 budget savings, each bargaining unit has agreed to the provision known as the Personal Leave Program of 2012 (PLP 2012). This compensation reduction program is equal to an eight-hour reduction in pay in exchange for a day off each month and shall remain in effect for 12 months. The agreement is effective July 1, 2012, and represents a total savings of approximately \$276.7 million.

The agreement and summary are attached and can be found by going to the following link:
<http://www.dpa.ca.gov/bargaining/contracts/index.htm>.

If you have any questions, please contact Jodi LeFebre, Legislative Affairs at (916) 323-8490.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Chapman", with a long horizontal flourish extending to the right.

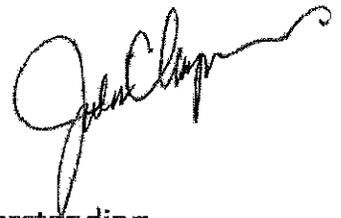
Julie Chapman
Acting Director

Attachments

cc: Members, Joint Legislative Budget Committee
Peggy Collins, Principal Consultant, Joint Legislative Budget Committee
David Lanier, Legislative Deputy, Office of Governor Brown
Mac Taylor, Legislative Analyst, Office of the Legislative Analyst

ecc: Marianne O' Malley, Director Gen. Government Office of the Legislative Analyst	Maureen Ortiz, Consultant Senate Appropriations Committee
Nick Schroeder, Consultant Office of the Legislative Analyst	Geoff Long, Chief Consultant Assembly Appropriations Committee
Richard Gillihan, Asst. Program Budget Manager Department of Finance	Roger Dunstan, Consultant Assembly Appropriations Committee
Craig Cornett, Chief Fiscal Policy Advisor Office of the Pro Tem	Pamela Schneider, Consultant Senate PE&R Committee
Charles Wright, Chief Consultant Office of the Pro Tem	Karon Green, Chief Consultant Assembly PER&SS Committee
Chris Woods, Budget Director Office of the Speaker	Gary Link, Consultant Senate Republican Caucus
Greg Campbell, Chief Consultant Office of the Speaker	Terry Mast, Consultant Assembly Republican Caucus
Seren Taylor, Staff Director Senate Republican Fiscal Office	Alene Shimazu, Chief Fiscal Analysis, DPA
Chantele Denny, Consultant Senate Republican Fiscal Office	Pam Manwiller, Acting Deputy Chief Labor Relations, DPA
Anthony Archie, Consultant Assembly Republican Fiscal Office	Randy Fisher, LRO Labor Relations, DPA
Peter Schaafsma, Staff Director Assembly Republican Fiscal Office	Karin Richter, LRO Labor Relations, DPA
Keely Bosler, Staff Director Senate Budget Committee	Shawn Ramirez, LRO Labor Relations, DPA
Kris Kuzmich, Consultant Senate Budget Committee	Stephen Booth, LRO Labor Relations, DPA
Christian Griffith, Staff Director Assembly Budget Committee	Mark Veatch, LRO Labor Relations, DPA
Mark Martin, Consultant Assembly Budget Committee	Andres Mejia, LRS Labor Relation, DPA
Bob Franzoia, Staff Director Senate Appropriations Committee	

SEIU Local 1000
COMPREHENSIVE PROPOSAL – Pass #3
June 21, 2012



This Agreement is a Side Letter to the current Memorandum of Understanding (MOU), entered into by Service Employees International Union Local 1000 (Union) and the State of California (State). The purpose of this Side Letter is to assist in achieving 2012-2013 Budget Savings to state employee compensation, as mandated in the State Budget and related legislation, and to continue to promote harmonious labor relations between the Union and the State.

The Union and the State do hereby agree as follows:

TERM

The term of this Side Letter Agreement will be effective July 1, 2012 through July 1, 2013.

PLP 2012

1. Each full-time employee's monthly pay shall be reduced by 4.62%.
 - a. This reduction shall not affect transfer determinations between state civil service classifications.
 - b. Compensation for purposes of retirement, death, and disability benefits shall not be affected by this reduction and shall be based on the unchanged salary rate.
 - c. Service calculation for purposes of retirement allowances shall be based on the amount of service that would have been credited based on the unchanged salary rate.
 - d. Part-time employees shall be subject to the pay reduction on a pro-rated basis consistent with their time-base.
2. Each full-time employee shall continue to work his/her assigned work schedule and shall have a reduction in pay equal to 4.62%. In exchange, eight (8) hours of leave will be credited to the employee's PLP 2012 leave balance. However, salary rates and salary ranges shall remain unchanged.

Handwritten notes:
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MK1 BU#13
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PLP 2012 must be used in the month in which it is earned, unless it would result in a PLP 2012 balance of less than 8 hours.

3. Employees will be given maximum discretion to use PLP 2012 subject to severe operational considerations. PLP 2012 must be used before any other leave with the exception of PLP 2010 and sick leave. Employees may request to use PLP 2012 in lieu of approved sick leave. PLP 2012 shall be requested and used by the employee in the same manner as vacation/annual leave, personal leave days, or personal necessity leave. Subject to the above, requests for use of PLP 2012 must be submitted in accordance with departmental policies on vacation/annual leave, personal leave days, or personal necessity leave. PLP 2012 leave credits shall not be included in the calculation of vacation/annual leave balances pursuant to Article 8 (Leaves). If the employee has not submitted a request to management to utilize the PLP 2012 by the 20th of the month in which it is accrued, such time shall be scheduled by his/her supervisor.

3.1 When severe operational considerations prohibit the use of PLP 2012 in the month it is accrued, the time shall be available for use at a later time. The PLP 2012 shall be used before any other leave, except sick leave and PLP 2010. For the purposes of this section, an approval can be a time frame of one or more consecutive days.

4. When an employee is approved to use PLP 2012, and the approval is subsequently rescinded on two separate, consecutive occasions, the employee's third approval for PLP 2012 shall not be rescinded even for operational needs.

5. A State employee shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivor's benefits he or she would have received had the PLP 2012 not occurred.

6. PLP 2012 shall not cause a break in State service, a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement, leave accumulation, or a merit salary adjustment.

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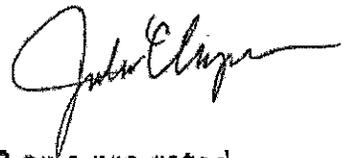
Julia Chapman

7. PLP 2012 shall neither affect the employees final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits to supplement those benefits with paid leave.
8. PLP 2012 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the chart in section 12.
9. PLP 2012 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
10. Employees on SDI, NDI, ENDI, IDL, EIDL, or Worker's Compensations for the entire monthly pay period shall be excluded from the PLP 2012 for that month.
11. Seasonal and temporary employees are not subject to PLP 2012.
12. All Permanent Intermittent and Special School employees who are subject to the State Special Schools 10-month compensation agreement shall be subject to the pro-ration of salary and PLP 2012 credits pursuant to the chart below:

Hours Worked During Pay Period	Salary Reduction in Hours	PLP 2012 Credit
0-10.9	0	0
11-30.9	1	1
31-50.9	2	2
51-70.9	3	3
71-90.9	4	4
91-110.9	5	5
111-130.9	6	6
131-150.9	7	7
151 or over	8	8

*E14
P1 B4#
AL B13
JTP B4#4
P1 B1
P1 B17
P1 B21
AL B24
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13. PLP 2012 has no cash value and may not be cashed out.
14. Bargaining Unit 3 employees who work academic calendars in the California Department of Education (CDE) and the California Department of



Corrections and Rehabilitation (CDCR) will accrue PLP 2012 on a pro-rated basis, as follows:

- 184-day calendar (CDE) -- 5.67 hours per month
- 194-day calendar (CDE) -- 5.98 hours per month
- 209-day calendar (CDE) -- 6.44 hours per month
- 220-day calendar (CDCR) -- 6.78 hours per month

15. The Union and the State recognize that it is particularly challenging to grant time off to employees who work in 24/7 facilities and in certain departments. On July 9, 2012, the Union and the State will hold an initial meet and confer to determine solutions to the problem. The union shall identify the specific departments and provide to CalHR by July 2, 2012.

VOLUNTARY PERSONAL LEAVE PROGRAM

Employees currently enrolled in the VPLP will have the ability to opt out of the VPLP during the month of July 2012.

RETIRED ANNUITANTS

The State shall eliminate all non-mission critical Retired Annuitants, who are performing SEIU bargaining unit work, by September 1, 2012. No retired annuitants shall be hired while PLP 2012 is in effect unless there is a mission critical need. Mission critical is defined as a disruption in normal business which may result in the failure of a business operation.

STUDENT ASSISTANTS

The State shall eliminate all non-represented student assistants/student aides/residential aides, who are performing SEIU bargaining unit work, by September 1, 2012. No non-represented student assistants/student aides/residential aides who are to perform SEIU bargaining unit work shall be hired while PLP 2012 is in effect.

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COST SAVINGS

Both parties understand the seriousness of the state's budget deficit and the need for budget savings. Both the Union and the State agree that savings could be achieved over the next fiscal year through the reduction of outsourcing, retired annuitants, and student assistants. If net savings are achieved as a result of these reductions, the Union and State will meet and confer to discuss how these added savings may be used.

The State will determine the methodology and data sets to use in determining the net savings that have been achieved. Beginning in January 2013, the Union and State will identify the amount of net savings achieved.

DISPUTE RESOLUTION PROCESS

SEIU Local 1000 (the Union) and the State agree that any grievances concerning the terms of this Side Letter shall be initiated at the DPA level, per Article 6.9 of the current Memorandum of Understanding between the Union and the State. A copy of the grievance shall be provided to the department upon submission to DPA.

The Union and the State agree that the mini-arbitration process (Article 6.14 of the current Memorandum of Understanding between the Union and the State) shall be the exclusive means to resolve any disputes concerning this Side Letter. Notwithstanding the language in Article 6.14, the State's participation in the mini-arbitration process is mandatory.

SEIU
Brenda Mack, BU #1
Don Kern BU #3
Stephen Peckers BU #4
Richard Allen BU 20
Richard Peckers BU 17
Michael Corbin BU 21
Jaimee Jackson BU 14
Robert Shanks BU #15
Brenda Willis BU #11
Margaret



BUDGET SOLUTIONS TASK FORCE

SEIU Local 1000 (the Union), the California Department of Human Resources, the Department of Finance, and the Department of General Services agree to establish a Contracting Task Force ("Task Force") with the goal of achieving real savings by:

- Identifying priority contracts to review and analyze the data available from DGS State Contract and Procurement Registration System (eSCPRS). Additional contracts may be requested by the Contracting Task Force;
- Reducing the use of contractors and contract employees performing work that could be appropriately performed at less expense to the state by state employees;
- Developing plans to transfer work currently performed by outside contractors to state employees; and
- Reducing the cost of contracts.

The Union and the State shall each be entitled to select a maximum of five (5) representatives. The Co-Chairs of the Contracting Task Force shall be one (1) Task Force member selected by the Union and one (1) Task Force member selected by the State. The Union and the State shall select its own representatives. Upon mutual agreement, subject matter experts may be invited to attend the meetings and contribute to the discussions. Task Force members and employee subject matter experts shall serve without loss of compensation. The Task Force shall meet at least once a month or more often as agreed to by the Task Force. The first meeting shall be on August 1, 2012.

The Co-Chairs shall finalize the agenda at least 5 days in advance of the meeting. The Department of General Services shall be responsible to secure the actual contracts that will be evaluated during the Task Force meetings.

The Task Force will make recommendations regarding its findings with respect to which contracts may be cancelled or reduced by the State as a budget solution. The Task Force shall produce a quarterly report, identifying contracts which have been reviewed by the Task Force. This report shall include which contracts have been reviewed, what the recommendation was for the contract, an explanation of why a contract was not submitted to be cancelled or reduced, and what actions were taken by the State.

214
Bill #1
Bill #3
Bill #4
Bill #20
Bill #17
Bill #21
Bill #14
Bill #15
Bill
Bill

Department of Personnel Administration
Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21
Service Employees International Union
2012 Side Letter Agreement
(Savings) / Cost
(Dollars in Thousands)

CBID	2012 Side Letter Agreement *	Eff Date	2012-13			2013-14			Total Incremental			Total Budgetary		
			GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
R01	Personal Leave Program	7/1/2012	(\$47,996)	(\$110,167)	(\$158,163)				(\$47,996)	(\$110,167)	(\$158,163)	(\$47,996)	(\$110,167)	(\$158,163)
R03	Personal Leave Program	7/1/2012	(\$5,878)	(\$1,025)	(\$6,903)				(\$5,878)	(\$1,025)	(\$6,903)	(\$5,878)	(\$1,025)	(\$6,903)
R04	Personal Leave Program	7/1/2012	(\$22,747)	(\$34,924)	(\$57,671)				(\$22,747)	(\$34,924)	(\$57,671)	(\$22,747)	(\$34,924)	(\$57,671)
R11	Personal Leave Program	7/1/2012	(\$758)	(\$6,245)	(\$7,003)				(\$758)	(\$6,245)	(\$7,003)	(\$758)	(\$6,245)	(\$7,003)
R14	Personal Leave Program	7/1/2012	(\$199)	(\$1,124)	(\$1,323)				(\$199)	(\$1,124)	(\$1,323)	(\$199)	(\$1,124)	(\$1,323)
R15	Personal Leave Program	7/1/2012	(\$4,991)	(\$3,161)	(\$8,152)				(\$4,991)	(\$3,161)	(\$8,152)	(\$4,991)	(\$3,161)	(\$8,152)
R17	Personal Leave Program	7/1/2012	(\$21,048)	(\$4,642)	(\$25,690)				(\$21,048)	(\$4,642)	(\$25,690)	(\$21,048)	(\$4,642)	(\$25,690)
R20	Personal Leave Program	7/1/2012	(\$8,206)	(\$829)	(\$9,034)				(\$8,206)	(\$829)	(\$9,034)	(\$8,206)	(\$829)	(\$9,034)
R21	Personal Leave Program	7/1/2012	(\$1,373)	(\$1,341)	(\$2,714)				(\$1,373)	(\$1,341)	(\$2,714)	(\$1,373)	(\$1,341)	(\$2,714)
SEIU	Total		(\$113,197)	(\$163,458)	(\$276,655)	\$	\$	\$	(\$113,197)	(\$163,458)	(\$276,655)	(\$113,197)	(\$163,458)	(\$276,655)

Statutorily and/or Existing Contract Adjustment **	Eff Date	2012-13			2013-14			Total Incremental			Total Budgetary			
		GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	
R01	Health GC 22871.6(80/80)	1/1/2013	\$6,092	\$13,983	\$20,075	\$10,426	\$23,930	\$34,356	\$16,518	\$37,914	\$54,431	\$22,610	\$51,897	\$74,506
R03	Health Contract (80/80)***	1/1/2013	\$500	\$87	\$587	\$357	\$62	\$419	\$857	\$149	\$1,006	\$1,356	\$237	\$1,593
R04	Health GC 22871.6(80/80)	1/1/2013	\$3,991	\$6,127	\$10,118	\$6,829	\$10,484	\$17,313	\$10,819	\$16,612	\$27,431	\$14,810	\$22,739	\$37,549
R11	Health GC 22871.6(80/80)	1/1/2013	\$107	\$884	\$991	\$184	\$1,512	\$1,696	\$291	\$2,396	\$2,687	\$398	\$3,279	\$3,678
R14	Health GC 22871.6(80/80)	1/1/2013	\$28	\$156	\$184	\$47	\$267	\$314	\$75	\$423	\$498	\$103	\$579	\$682
R15	Health GC 22871.6(80/80)	1/1/2013	\$1,062	\$673	\$1,735	\$1,817	\$1,151	\$2,968	\$2,879	\$1,823	\$4,703	\$3,941	\$2,486	\$6,437
R17	Health GC 22871.6(80/80)	1/1/2013	\$1,904	\$420	\$2,323	\$3,258	\$719	\$3,977	\$5,162	\$1,138	\$6,300	\$7,065	\$1,558	\$8,623
R20	Health GC 22871.6(80/80)	1/1/2013	\$1,469	\$148	\$1,617	\$2,514	\$254	\$2,768	\$3,983	\$402	\$4,385	\$5,451	\$551	\$6,002
R21	Health GC 22871.6(80/80)	1/1/2013	\$112	\$109	\$221	\$192	\$187	\$379	\$304	\$296	\$600	\$415	\$406	\$821
R01	3% to the Top Step	7/1/2013				\$24,933	\$57,230	\$82,163	\$24,933	\$57,230	\$82,163	\$24,933	\$57,230	\$82,163
R03	3% to the Top Step	7/1/2013				\$3,054	\$533	\$3,586	\$3,054	\$533	\$3,586	\$3,054	\$533	\$3,586
R04	3% to the Top Step	7/1/2013				\$11,817	\$18,143	\$29,959	\$11,817	\$18,143	\$29,959	\$11,817	\$18,143	\$29,959
R11	3% to the Top Step	7/1/2013				\$394	\$3,244	\$3,638	\$394	\$3,244	\$3,638	\$394	\$3,244	\$3,638
R14	3% to the Top Step	7/1/2013				\$104	\$584	\$687	\$104	\$584	\$687	\$104	\$584	\$687
R15	3% to the Top Step	7/1/2013				\$2,593	\$1,642	\$4,235	\$2,593	\$1,642	\$4,235	\$2,593	\$1,642	\$4,235
R17	3% to the Top Step	7/1/2013				\$10,934	\$2,412	\$13,346	\$10,934	\$2,412	\$13,346	\$10,934	\$2,412	\$13,346
R20	3% to the Top Step	7/1/2013				\$4,263	\$431	\$4,693	\$4,263	\$431	\$4,693	\$4,263	\$431	\$4,693
R21	3% to the Top Step	7/1/2013				\$713	\$697	\$1,410	\$713	\$697	\$1,410	\$713	\$697	\$1,410
R04	Seasonal Clerk \$50	7/1/2013				\$688	\$171	\$859	\$688	\$171	\$859	\$688	\$171	\$859
R01	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$1,282)	(\$2,948)	(\$4,225)	(\$1,282)	(\$2,948)	(\$4,225)	(\$1,282)	(\$2,948)	(\$4,225)
R03	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$168)	(\$29)	(\$197)	(\$168)	(\$29)	(\$197)	(\$168)	(\$29)	(\$197)
R04	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$493)	(\$757)	(\$1,250)	(\$493)	(\$757)	(\$1,250)	(\$493)	(\$757)	(\$1,250)
R11	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$19)	(\$159)	(\$179)	(\$19)	(\$159)	(\$179)	(\$19)	(\$159)	(\$179)
R14	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$119)	(\$75)	(\$195)	(\$119)	(\$75)	(\$195)	(\$119)	(\$75)	(\$195)
R15	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$119)	(\$75)	(\$195)	(\$119)	(\$75)	(\$195)	(\$119)	(\$75)	(\$195)
R17	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$703)	(\$155)	(\$858)	(\$703)	(\$155)	(\$858)	(\$703)	(\$155)	(\$858)
R20	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$279)	(\$28)	(\$307)	(\$279)	(\$28)	(\$307)	(\$279)	(\$28)	(\$307)
R21	Additional Pension Contribution Due to SSA @ Max	7/1/2013				(\$33)	(\$32)	(\$64)	(\$33)	(\$32)	(\$64)	(\$33)	(\$32)	(\$64)
SEIU	Total		\$15,264	\$22,587	\$37,851	\$81,900	\$119,397	\$201,297	\$97,164	\$141,984	\$239,148	\$112,428	\$164,571	\$276,999

* Included in the budget as of 2012-13 May Revision.

** These numbers are for informational purposes only. The 2012-13 numbers are included in the current budget. The out-year numbers will be included in future budgets.

*** This does not include the 2014 estimated health rate increase. Needs to be negotiated.