

DEPARTMENT OF PERSONNEL ADMINISTRATION

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



June 22, 2012

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

Re: *Tentative Agreements for: Bargaining Unit 5, the California Association of Highway Patrolmen (CAHP), Bargaining Unit 6, the California Correctional Peace Officers Association (CCPOA), Bargaining Unit 8, CDF Firefighters (CDFF), Bargaining Unit 12, the International Union of Operating Engineers (IUOE), Bargaining Unit 16, the Union of American Physicians and Dentists (UAPD), and Bargaining Unit 18, the California Association of Psychiatric Technicians (CAPT)*

Recently the Department of Personnel Administration reached new tentative agreements with the unions representing the bargaining units listed above. These agreements will be addenda to the current memoranda of understanding. In accordance with Government Code Section 3517.63(b), these addenda are being submitted for the Committee's information.

All agreements contain similar provisions, and in a common 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. All agreements are effective July 1, 2012, and contain salary savings. However, because each bargaining unit has its own distinct operational provisions, an individual summary for each agreement is attached.

In total, these agreements represent a savings of approximately \$239 million.

The tentative agreements and their summaries 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".

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	Cindee Fonseca, 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 Rodriguez, LRO Labor Relations, DPA
Mark Martin, Consultant Assembly Budget Committee	
Bob Franzoia, Staff Director Senate Appropriations Committee	

5% SIDE LETTER
AGREEMENT

This agreement is a Side Letter to the current Memorandum of Understanding (contract), entered into by the State of California (State or State Employer) and the Union of American Physicians and Dentists (UAPD). The purpose of this Side Letter is to assist in effectuating 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 State and the Union.

The State Employer and the Union do hereby agree as follows:

1. **Supersession:** In reaching agreement on this Side Letter, the parties agree and confirm that they have, through negotiation, superseded any and all ~~(1) supersedable workweek statutes, including sections of the Government Code, (2) Department of Personnel Administration rules and regulations, (3) articles of the parties' contract~~ that are in conflict with the terms and conditions of this Side Letter.
2. **Term:** The Term of this Side Letter Agreement will be effective July 1, 2012 through June 30, 2013.
3. 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.
4. ~~In specific classifications, where 4(a) or 4 (b) are not operationally feasible,~~ Employees will be subject to the Personal Leave Program (PLP) for twelve consecutive months. Each full time employee shall continue to work his/her assigned work schedule. Each full time employee shall be credited with eight (8) hours of PLP on the first day of each pay period commencing July 2012 for twelve (12) consecutive pay periods.

PLP 2012 must should be used in the month in which it is earned; PLP 2012 shall be requested and used by the employee in the same manner as vacation or annual leave. If the employee has not submitted a PLP 2012 leave request by the 20th of the month in which PLP 2012 is accrued, such time shall be scheduled by his/her supervisor. When this is not operationally feasible, the PLP 2012 shall be used before any other leave,

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except sick leave. The terms of this PLP will be subject to the same terms as the Article 9.22 Personal Leave Program 2010 in the UAPD Bargaining Unit 16 MOU., ~~with the exception of the required usage date.~~

5. Employees currently enrolled in the Voluntary Personal Leave Program (VPLP) will have the ability to opt out of VPLP during the month of July 2012.
6. In exchange for the UAPD's agreement to the terms negotiated in this Side Letter with the State to assist in effectuating a 2012-2013 Budget Savings to State employee compensation, the State agrees to defer the 0.5% prefunding contribution of BU16 employees to the Post-Retirement Health Benefits for one year, from July 1, 2012 to July 1, 2013.
7. Any dispute regarding the interpretation, application or alleged violation of Article 20 – Contracting Out agreement shall be filed at Step 2 of the Grievance procedure, and advanced in accordance with the BU16 Agreement, Article 6 – Grievance and Arbitration.

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Sideletter--Contracting Out Committee (CoCo)

The State and UAPD share a mission to hire, recruit, and retain civil service employees . Financial responsibility is important with respect to unnecessary and expensive contract use which adversely affects UAPD members and California's tax payers. Thus, UAPD, the California Department of Human Resources (CalHR), the Department of Finance, and the Department of General Services agree to establish and maintain a Contracting Out Committee (CoCo) by August 1, 2012.

The contracting out committee shall consist of eight (8) standing members. UAPD shall select four (4) representatives and The State shall select four (4) senior level representatives, at least one from each of the aforementioned State Departments. The Co- chairs of CoCo shall be one (1) committee member from UAPD and one (1) senior representative from CalHR ~~Human Resources~~. Representatives on either side may be replaced or substituted with adequate notice. CoCo shall meet at least bimonthly or more often as agreed to by the committee. The Co-chairs shall finalize and distribute minutes to all committee members of the previous meeting and the upcoming agenda at least fourteen (14) days in advance of each meeting. Upon mutual agreement subject matter experts may be invited to attend the meetings and contribute to the discussions. Committee members and subject matter experts shall serve without loss of compensation

CoCo will ~~vigorously~~ monitor and ensure that the Departments involved with BU-16 hiring and contracting out follow the requirements outlined in Article 20 of the UAPD MOU. Minutes of each meeting and an annual report shall be ~~recorded~~ documented and made available upon request to interested parties, including but not limited to the UAPD President and Executive Director, the Governor's office and the Legislature.

CoCo will study and make recommendations in a timely manner regarding which contracts may be cancelled or reduced by the State. CoCo will also ~~study and use~~

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~~appropriate resources to enable and achieve goals~~ explore objectives including, but not limited to:

1. A public and easily accessible state website where current, accurate and real time contracting out data may be viewed.
2. ~~Establishment by 6/30/13 of an "In House" Registry of BU-16 employees~~ who would enjoy priority over outside contractors in performing additional work opportunities offered by the State.
3. ~~Creation of sequential and/or cumulative term limits for individuals and other entities contracting with the state.~~ Establishing and a buffer time period between state employee status and contractor status.
4. Steady reduction of contractor reimbursement to encourage their applications into vacant civil service positions.
5. ~~Redirection of state salary savings towards~~ Improving the recruitment and retention of civil service employees.
6. Improvement of ~~transparency and~~ streamlining the civil service hiring process.

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Gregory A. Williams
Kendra L. Miller

ROA

CFMORA

Jennifer King

Candace Murch

Tisha H. Lewis
