



CALIFORNIA DEPARTMENT OF HUMAN RESOURCES

Office Of The Director

1515 S Street, North Building, Suite 400
Sacramento, CA 95811

www.calhr.ca.gov

Governor Edmund G. Brown Jr.

Director Julie Chapman

Chief Deputy Director, Howard Schwartz

August 31, 2013

The Honorable Darrell Steinberg
Pro Tem, California State Senate
State Capitol, Room 205
Sacramento, California 95814

The Honorable Bob Huff
Minority Leader, California State Senate
State Capitol, Room 305
Sacramento, California 95814

The Honorable John Pérez
Speaker of the California State Assembly
State Capitol, Room 219
Sacramento, California 95814

The Honorable Connie Conway
Minority Leader, California State Assembly
State Capitol, Room 3104
Sacramento, California 95814

Re: Tentative Agreement/ Memorandum of Understanding (MOU's) for Professional Engineers in California Government (PECG), representing Bargaining Unit 9

Dear Senators Steinberg and Huff, and Assembly Members Pérez and Conway:

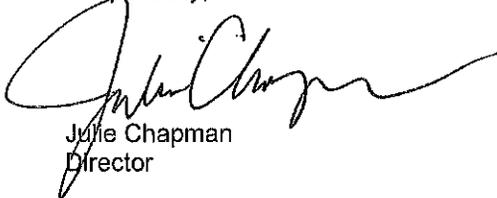
Recently, the Department of Human Resources (CalHR) reached a new Tentative Agreement/MOU with PECG, representing Bargaining Unit: 9 – Professional Engineers. Upon approval of the Legislature and the Governor, and ratification by the membership, these agreements will be effective July 2, 2013 through July 1, 2015.

This agreement will roll over language from past agreements and make changes primarily in the area of employee compensation.

In accordance with Government Code Sections 3517.5, 19829.5, and Senate Rule 29.4, I am forwarding copies of the tentative agreement, including a legislative and fiscal summary. The Legislative Analyst will be forwarded a copy for analysis, and the Secretary of the Senate and the Clerk of the Assembly will be forwarded copies to make them noted as available for review in the daily journals.

Please contact Nancy Farias at 916-327-2348 with any questions. Thank you.

Respectfully,



Julie Chapman
Director

Attachments

cc: Gareth Elliott, Legislative Affairs Secretary, Office of the Governor
Gregory Schmidt, Secretary of the Senate
E. Dotson Wilson, Chief Clerk of the Assembly
Joint Legislative Budget Committee
Mac Taylor, Office of the Legislative Analyst
Department of Finance

ecc:

Marianne O'Malley, Director Gen. Government
Office of the Legislative Analyst

Nick Schroeder, Consultant
Office of the Legislative Analyst

Richard Gillihan, Program Budget Manager
Department of Finance

Craig Cornett, Chief Fiscal Policy Advisor
Office of the Pro Tem

Charles Wright, Chief Consultant
Office of the Pro Tem

Chris Woods, Budget Director
Office of the Speaker

Nick Hardeman, Chief Consultant
Office of the Speaker

Seren Taylor, Staff Director
Senate Republican Fiscal Office

Chantele Denny, Consultant
Senate Republican Fiscal Office

Anthony Archie, Consultant
Assembly Republican Fiscal Office

Peter Schaafsma, Staff Director
Assembly Republican Fiscal Office

Keely Bosler, Staff Director
Senate Budget Committee

Mark Ibele, Consultant
Senate Budget Committee

Christian Griffith, Staff Director
Assembly Budget Committee

Mark Martin, Consultant
Assembly Budget Committee

Mark McKenzie, Staff Director
Senate Appropriations Committee

Maureen Ortiz, Consultant
Senate Appropriations Committee

Geoff Long, Chief Consultant
Assembly Appropriations Committee

Roger Dunstan, Consultant
Assembly Appropriations Committee

Pamela Schneider, Chief Consultant
Senate PE&R Committee

Karon Green, Chief Consultant
Assembly PER&SS Committee

Gary Link, Consultant
Senate Republican Caucus

Terry Mast, Consultant
Assembly Republican Caucus

Alene Shimazu, Chief
Fiscal Analysis, CalHR

Pam Manwiller, Deputy Chief
Labor Relations, CalHR

Randy Fischer, Assistant Deputy Director
Labor Relations, CalHR

**CALIFORNIA DEPARTMENT OF HUMAN RESOURCES
SUMMARY OF COLLECTIVE BARGAINING AGREEMENT
FOR BARGAINING UNIT 9
Exclusive Employee Representative
Professional Engineers in California Government (PECG)**

Number of Employees: Approximately 10,824 full-time equivalents

General Provisions:

I. Retirement

Benefit Formula Calculation

- Bargaining Unit 9 employees who become CalPERS members on or after January 1, 2013, are subject to the Public Employees' Pension Reform Act (PEPRA) Retirement Formula of 2% at age 62.
- Bargaining Unit 9 employees who become CalPERS members on or after January 1, 2013, are subject to the State Safety PEPRA Retirement Formula of 2% at age 57.
- Bargaining Unit 9, employees who become CalPERS members on or after January 1, 2013, are subject to the Second Tier PEPRA Retirement Formula of 1.25% at age 67.

Employee Pension Contribution

- All Bargaining Unit 9 members in First Tier Miscellaneous Retirement shall contribute 8% of monthly compensation over \$513.
- Effective July 1, 2013, all BU 9 members in First Tier Industrial Retirement shall have their contribution increased from 8% to 9% of monthly compensation over \$513.
- Effective July 1, 2013, all BU 9 members in First Tier Industrial Retirement who do not participate in social security shall have their contribution increased from 9% to 10% of monthly compensation over \$317.
- Effective July 1, 2013, all Second Tier members shall contribute 1.5% of monthly pensionable compensation and the contribution will increase by 1.5% points annually. The final annual increase in the contribution rate shall be adjusted as appropriate to reach fifty percent (50%) of normal cost.

- Effective July 1, 2013, all Bargaining Unit 9 members in State Safety Retirement shall have their contribution increased from 9% to 10% of monthly compensation over \$317. Effective July 1, 2014, all Bargaining Unit 9 members in State Safety Retirement shall have their contribution increased from 10% to 11% of monthly compensation over \$317.

II. Compensation

Cost of Living Increase

- Effective July 1, 2015, all BU 9 represented classifications will receive a 3.3% General Salary Increase (GSI).

Night Shift Differential

- Effective July 1, 2015, Unit 9 employees who regularly work shifts shall receive a night shift differential increase from forty (40) cents per hour to eighty (80) cents per hour (for employees whose shift is 6 p.m. to midnight) from fifty (50) cents per hour to one (1) dollar per hour (for employees whose shift is between 12 midnight and 6 a.m.)

Department of Water Resources (DWR) Operational Availability Incentive Program

- Effective July 1, 2015 BU 9 employees working at the DWR are eligible to participate in the Operational Availability Incentive Program, which provides up to 80 hours of CTO if operational goals are met within the calendar year.

Classifications

- Effective July 1, 2015, the State and PECG agree to seek State Personnel Board approval to implement deep classes within the classifications of Junior Civil Engineer, Assistant Civil Engineer, and Associate Civil Engineer into the Engineer, Civil classification.
- Effective July 1, 2015, the State and PECG agree to seek State Personnel Board approval to implement deep classes within these classifications of Sanitary Engineer range (A and B) and Associate Sanitary Engineer into the Sanitary Engineer classification.

III. Health Benefits

Employer Contribution

- The State's monthly contribution to the health insurance portion of the BU 9 employee's allowance shall be an amount equal to eighty five percent of the weighted average of the premiums for the four Basic health benefit plans with the largest enrollment (the 85/80 formula).

IV. Miscellaneous

- The State will not mandate a reduction in work hours (furlough/PLP) program for BU 9 employees during the term of this agreement.
- The State and PEGC agree to present to the Legislature, as part of the legislation implementing this Memorandum of Understanding (MOU), a provision to appropriate funds to cover the economic terms of this agreement through July 1, 2015.
- Business and Travel, the State increased the meal reimbursement rates by \$6.00. The State increased lodging rates as follows:

County	Lodging Rate
All counties except those listed	\$90
Los Angeles, Orange, Ventura & Edwards AFB less the city of Santa Monica	\$120
Sacramento, Napa, Riverside	\$95
San Diego, Monterey Alameda, San Mateo, Santa Clara	\$125
San Francisco, City of Santa Monica	\$150

- Time off for Blood Donation was incorporated into the MOU agreement.
- BU 9 employees will be allowed to cash out up to 20 hours of vacation or annual leave once per fiscal year if their department head determines funds are available.

V. Duration

- July 2, 2013, through July 1, 2015.

VI. Fiscal

- FY 13/14 Cost: \$0
- Total Incremental Cost: \$48.7 million (GF \$1.5 million)
- Total Budgetary Cost: \$48.7 million (GF \$1.5 million)

VII. Agreement

The complete Tentative Agreement between the State and PEGC is posted at: <http://www.cathr.ca.gov/state-hr-professionats/Pages/bargainingcontracts.aspx>

California Department of Human Resources
 Bargaining Unit 9
 PEGC BUDGETARY MOU Summary
 2 Year Agreement
 (Dollars in Thousands)

2 YEAR AGREEMENT													
Rank and File		FY2013-14			FY2014-15			FY2015-16			Total Budgetary		
Proposals	Effective Date	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
Costs													
3.3% GSI	7/1/15							\$1,466	\$45,827	\$47,293	\$1,466	\$45,827	\$47,293
Civil Engineer and Sanitary Engineer Class Consolidations	7/1/15							\$24	\$754	\$778	\$24	\$754	\$778
Operational Availability Incentive	7/1/15							\$37	\$435	\$472	\$37	\$435	\$472
Night and Evening Shift Differential	7/1/15							\$3	\$109	\$112	\$3	\$109	\$112
Total Costs		\$	\$	\$	\$	\$	\$	\$1,532	\$47,124	\$48,656	\$1,532	\$47,124	\$48,656
Non-adds													
PEPRA - New Employees Future Savings	1/1/15				(\$3)	(\$100)	(\$103)	(\$6)	(\$200)	(\$206)	(\$10)	(\$300)	(\$309)
Travel reimbursement increases	7/1/13	\$5	\$166	\$172	\$5	\$166	\$172	\$5	\$166	\$172	\$16	\$499	\$515
Health 85/80	1/1/2014 1/1/2015 1/1/2016	\$66	\$2,049	\$2,115	\$240	\$7,487	\$7,727	\$541	\$16,900	\$17,441	\$846	\$26,436	\$27,282
Dental	1/1/2014 1/1/2015 1/1/2016	(\$18)	(\$571)	(\$590)	(\$24)	(\$743)	(\$766)	(\$10)	(\$326)	(\$337)	(\$52)	(\$1,640)	(\$1,693)
Total Non-adds		\$53	\$1,644	\$1,697	\$218	\$6,811	\$7,029	\$529	\$16,540	\$17,070	\$800	\$24,995	\$25,795
Data Source: Position Benefits file March 2013; SCO Table 183 April 2013													
FY2015-16 - 5 months of 2016 health and dental costs are not shown													
Per DOF, while PEPRA is in effect January 1, 2013, savings are not realized until January 1, 2015.													
Travel dollars & Deep Class provided by DOF													

California Department of Human Resources
 Bargaining Unit 9
 PEOG INCREMENTAL MOU Summary
 2 Year Agreement
 (Dollars in Thousands)

2 YEAR AGREEMENT		2013-14			2014-15			2015-16			Total Incremental			Total Budgetary		
Rank and File	Effective Date	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
Costs																
3.3% GSI	7/1/15							\$1,466	\$45,827	\$47,293	\$1,466	\$45,827	\$47,293	\$1,466	\$45,827	\$47,293
Civil Engineer and Sanitary Engineer Class Consolidations	7/1/15							\$24	\$754	\$778	\$24	\$754	\$778	\$24	\$754	\$778
Operational Availability Incentive	7/1/15							\$37	\$435	\$472	\$37	\$435	\$472	\$37	\$435	\$472
Night and Evening Shift Differential	7/1/15							\$3	\$109	\$112	\$3	\$109	\$112	\$3	\$109	\$112
Total Costs								\$1,532	\$47,124	\$48,656	\$1,532	\$47,124	\$48,656	\$1,532	\$47,124	\$48,656
Non-adds																
PEPRA - New Employees Future Savings	1/1/15				(\$3)	(\$100)	(\$103)	(\$3)	(\$100)	(\$103)	(\$6)	(\$200)	(\$206)	(\$10)	(\$300)	(\$309)
Travel reimbursement increases	7/1/13	\$5	\$166	\$172							\$5	\$166	\$172	\$16	\$499	\$515
Health 85/80	1/1/2014															
	1/1/2015															
	1/1/2016	\$66	\$2,049	\$2,115	\$174	\$5,438	\$5,612	\$301	\$9,413	\$9,714	\$541	\$16,900	\$17,441	\$846	\$26,436	\$27,282
Dental	1/1/2014															
	1/1/2015															
	1/1/2016	(\$18)	(\$571)	(\$590)	(\$5)	(\$171)	(\$177)	\$13	\$416	\$430	(\$10)	(\$326)	(\$337)	(\$52)	(\$1,640)	(\$1,693)
Total Non-adds		\$53	\$1,644	\$1,697	(\$165)	\$5,166	\$5,332	\$311	\$9,730	\$10,041	\$529	\$16,540	\$17,070	\$800	\$24,995	\$25,795
Data Source: Position Benefits file March 2013; SCO Table 183 April 2013																
FY2015-16 - 5 months of 2016 health and dental costs are not shown																
Per DOF, while PEPRA is in effect January 1, 2013, savings are not realized until January 1, 2015.																
Travel dollars & Deep Class provided by DOF																