

MANAGEMENT PROPOSAL

Bargaining Unit: 13

Date:

Exclusive Representative: IUOE

Side Letter - MODIFYING COVID-19 RECESSION SAVINGS MEASURES

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As identified in the State's notice to IUOE dated May 14, 2021, the May Revision of the 2021-2022 Budget Act reflects the state's fiscal status has improved due to higher-than-anticipated tax revenue and new federal funding from multiple stimulus bills. Looking to the fiscal year ahead, the state's improved financial condition warranted renewed discussions relative to the BU 13 COVID-19 Pandemic Recession Side Letter entered into between the parties on July 21, 2020.

This Agreement is a Side Letter of the current Memorandum of Understanding (MOU) effective July 1, 2019 through June 30, 2022, between the International Union of Operating Engineers, Locals 39, and 501, AFL-CIO (IUOE) Bargaining Unit 13 (BU 13) and the State of California (State).

I. Elimination of Personal Leave Program (PLP 2020) Reduction in Pay

Effective the first day of the pay period following ratification by both parties, the PLP 2020 reduction in pay shall cease. This means the PLP 2020 monthly reduction in pay equal to 9.23% shall no longer occur and employees shall no longer be credited with PLP 2020 hours on the first day of the pay period. Provisions related to the use and compensability of PLP 2020 leave credits will remain unchanged.

II. Elimination of Pay Suspensions or Deferrals

Due to improvement of the state's fiscal status resulting in revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the various pay items that had been suspended or reduced as a result of the COVID-19 Recession, the following pay items shall be established:

- Effective the first day of the pay period following ratification by both parties, employees shall receive a 5.83 percent adjustment to increase the maximum of the salary range identified in Article 16.1 Salaries. This salary increase includes 0.08 percent to account for the compounding of the two originally negotiated increases:
 - The 3 percent adjustment to increase the maximum of the salary range originally negotiated with an effective date of July 1, 2020;

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- The 2.75 adjustment to increase the maximum of the salary range originally negotiated with an effective date of July 1, 2021.

III. Restoration of Employee Share of Prefunding Post-Retirement Health Benefits (OPEB)

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' monthly contribution of three and nine tenths percent (3.9%) for prefunding other post-employment benefits, as described in BU 13, Article 10.11, paragraph A, is reinstated and shall be withheld from employees' salaries beginning the first day of the pay period following ratification by both parties. The employer's monthly contribution for prefunding other post-employment benefits shall continue as described in BU 13, Article 10.11, paragraph A.

Kami Keszler 5/26/21
Kami R. Keszler DATE
Labor Relations Officer
Labor Relations, CalHR

Brandy Johnson 5/26/2021
Brandy Johnson DATE
IOUE, Local 39

Deric Barnes 5/26/21
Deric Barnes DATE
IUOE, Local 501

TA'd @
4:21 pm
5/26/2021