

# **MANAGEMENT COUNTER PROPOSAL**

**Bargaining Unit: 9**

**Date:**

**Exclusive Representative: PECG**

**Side Letter – MODIFYING COVID-19 RECESSION SAVINGS MEASURES**

## **SIDE LETTER – MODIFYING COVID-19 RECESSION SAVINGS MEASURES**

As identified in the State's notice to the Professional Engineers in California Government (PECG) 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 as provided for in Article 29.1 – Contract Reopener Language of the Bargaining Unit (BU) 9 Memorandum of Understanding (MOU).

This Agreement is a Side Letter of the current MOU effective July 1, 2020 through July 1, 2022, between PEGC, BU 9 (BU 9) 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 reductions in pay agreed to in Article 5.22 PLP 2020 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 and Establish General Salary Increase**

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 5.58 percent General Salary Increase (GSI). This salary increase includes 0.08 percent to account for the compounding of the following two negotiated increases:
  - The 3 percent GSI identified in Article 3.26 originally negotiated with an effective July 1, 2022 shall be accelerated to be effective the first day of the pay period following ratification of this Side Letter by both parties\*; and

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- A new 2.50 percent GSI to be established the first day of the pay period following ratification.

\*Pursuant to Article 11.6 and 11.7, BU 9 employee retirement contributions rates shall increase an additional 0.5 percent for a period of one year from the effective date of the GSI identified in Article 3.26 after which time it will revert back to the contribution rates in effect prior to that increase.

### 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 two percent (2%) for prefunding other post-employment benefits, as described in BU 9, Article 28.1, paragraph B, 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 9, Article 28.1, paragraph B.

### IV. Federal Funding for Essential Worker Premium Pay

The parties agree that when federal and state guidelines are released regarding essential worker premium pay, the state will meet and confer with Bargaining Unit 9 to determine the impact on BU 9 members.

Kami Keszler Jun 11, 2021  
Kami Keszler (Jun 11, 2021 16:37 PDT)  
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Kami R. Keszler DATE  
Labor Relations Officer  
Labor Relations, CalHR

Matt Hanson Jun 11, 2021  
Matt Hanson (Jun 11, 2021 16:33 PDT)  
\_\_\_\_\_  
Matt Hanson DATE  
VP Bargaining  
PECG