

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 Franzola, Staff Director Senate Appropriations Committee	

BU 8

**DEPARTMENT OF PERSONNEL ADMINISTRATION
SUMMARY OF COLLECTIVE BARGAINING AGREEMENT
FOR BARGAINING UNIT 8**

**Exclusive Employee Representative:
CDF Firefighters (CFFF)**

Number of Employees: Approximately 4,739 full-time equivalents

I. Compensation

Personal Leave Program (PLP 2012)

- Effective July 1, 2012, the Personal Leave Program (PLP 2012) will apply to BU 8 employees. This program reduces pay equal to 8 hours per month, or approximately 4.75% in exchange for a day off each month. This program shall remain in effect for 12 consecutive pay periods. The policy for the administration of the PLP 2012 program in relation to CFFF is contained in this agreement.

II. Retirement

- The contract extension does not change the party's legal rights with respect to any statutory or constitutional changes affecting pensions.

III. Expire July 1, 2013

- Article 20.1, Contract Protections. 20.1 includes the following:

20.1.1- If any other State bargaining unit(s) enter(s) into an agreement with the State that does not have Pension Reform or provides a greater value/total compensation package than this agreement does, taking into account all "takeaways" or enhancements/"sweeteners", Unit 8 members shall receive the difference between the packages/agreements, notwithstanding bona fide litigation matters, such as future court decisions, arbitration settlements and legislative changes. Upon occurrence of such an event, the parties shall meet to discuss the differences and an implementation plan. Only after such discussions and without a mutual agreement may the Union file a grievance.

20.1.2- The term of this article/section shall not apply to successor agreements reached or to agreements that are part of the "group of four" (i.e., units 5, 8, 18, and 19).

20.1.3- Due to the savings achieved through this contract, the State will not implement a new furlough program during the term of this contract ending July 1, 2013.

- Side Letter #13, Most Favored Nations, shall expire on July 1, 2013.

IV. Miscellaneous

- Most Favored Nations only applies to the twelve consecutive months following implementation of the PLP 2012.
- With the signing of this agreement, the parties agree that this Side Letter supersedes anything in conflict with the current MOU, which expires on July 1, 2017. All other provisions of the MOU shall remain in full force and effect for the duration of the agreement.
- The union shall have the option of reopening this MOU for the purposes of increases only, beginning July 1, 2013 - June 30, 2016.
- The parties agree that during the final year of the MOU, commencing July 1, 2016, either party has the right to reopen for monetary items.

V. Duration

- Contract term was to expire July 2, 2013 but was extended to July 1, 2017.
- Term of the PLP 2012 will be July 1, 2012 – June 30, 2013.

VI. Fiscal

- FY 2012/13 Savings Total: \$21.9 Million
General Fund = \$14.6 Million and Other Funds = \$7.3 Million

VII. Agreement

- The complete Tentative Agreement between the State and CDFP is posted at: <http://www.dpa.ca.gov/bargaining/contracts/index.htm>

Sideletter 26

F 7:15 pm
6/14/12

Section 10.17 Personal Leave Program (PLP)

VOLUNTARY PLP

TA July 9:30 pm
K. [Signature]

- 10.17.1 The employer agrees that, for those employees who have earned PLP credits prior to July 1, 2003, and retain balances from those earnings, those PLP balances will be carried as a separate leave balance until:
- 10.17.1.1 The employee opts to use the leave credits for a paid absence(s) in accordance with the Department's vacation policy, or
- 10.17.1.2 The employee retires and/or leaves State service and the PLP credits are liquidated.
- 10.17.2 Effective July 1, 2003, the State shall implement a PLP for all Unit 8 employees. This program shall remain in effect for 12 Pay Periods from July 1, 2003, through June 30, 2004. Commencing July 1, 2004, employees may voluntarily participate in this PLP on a continuing basis. While participating in the PLP, the employee's monthly salary shall be reduced by 4.75% 5%.
- 10.17.2.1 Each full-time employee subject to subsection 10.17.2.3 below shall be credited with one (1) PLP credit per month.
- 10.17.2.2 Requests to use PLP credits shall be made in the same manner as requests to use Holiday credits. Use of PLP credits shall be the same as the use of holiday credits. Requests to use PLP credits must be submitted in accordance with departmental policies on Holidays. Employees may not be required to use PLP credits.
- 10.17.2.3 Salary ranges and rates shall be consistent with Section 17.2 and 17.3 of this agreement. Each full-time employee shall continue to work his/her assigned work schedule and shall have a reduction in pay as described in 10.17.2 above.
- 10.17.2.4 A State employee in the PLP 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 not occurred.
- 10.17.2.5 The PLP 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.
- 10.17.2.6 The PLP shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits the employee would otherwise receive or be entitled to receive nor shall it affect the employee's ability to supplement those benefits with paid leave.
- 10.17.2.7 Part-time or intermittent employees shall be subject to the same conditions as stated above, on a pro-rated basis.
- 10.17.2.8 The PLP shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.

TA
6/14/12
approved
[Signature]

TA ^{PLP} 9:00 PM

- 10.17.2.9 Employees on ENDI, EIDL, NDI, IDL or Worker's Compensation for the entire monthly pay period shall be excluded from the PLP for that month. Such operation will not extend the 12 pay periods for the employee.
- 10.17.2.10 Employees with less than twelve months in the PLP may choose to opt out of the PLP between July 1, 2012 to September 30, 2012 ~~August 1, 2010 and October 31, 2010~~. Employees with the twelve months may opt out or opt in any time. This shall not alter their rights under Section 10.17.2. Opting out is prospective only, not retroactive.

MANDATORY PLP (PLP 2012)

- 10.17.3 Effective July 1, 2012, the State shall implement a PLP 2012 for all Unit 8 employees. This program shall remain in effect for 12 Pay Periods from July 1, 2012, through June 30, 2013. While participating in the mandatory PLP, the employee's monthly salary shall be reduced by 4.75%.
- 10.17.3.1 The PLP 2012 program shall be implemented consistent with how voluntary PLP has been implemented under the provisions of MOU Sections 10.17.2.1 et seq., except 10.17.2.10.

M 8

8:55 pm


TA Key
9:00 pm

The terms of the parties' current MOU shall be extended for four (4) years from July 1, 2013 to July 1, 2017. The union shall have the option of reopening this MOU for the purposes of increases only beginning July 1, 2013 through June 30, 2016

The parties agree that during the final year of the MOU commencing on July 1, 2016, either party has the right to reopen monetary items. If either party exercises their right to reopen under the provisions above, the meet and confer obligations under the reopened MOU, shall be conducted consistent with the meet and confer in good faith definitions recognized pursuant to the Dills Act.

Pension

This contract extension does not change the parties' legal rights with respect to any statutory or constitutional changes affecting pensions that may be enacted after the date the parties agree to the extension. CalHR will meet with CDF Firefighters if pension changes are enacted.

T.A.
6/14/12
9:00 am


A New

7:26 pm

Most Favored Nations

- A. In the event another state bargaining unit receives economic provisions which exceed the provisions of the 2012 amendments regarding the PLP or other salary reductions, to the Bargaining Unit 8 contract, the CDF Firefighters will be offered the opportunity to meet and confer in good faith and discuss similar or equivalent increases.
- B. If any state bargaining unit negotiates a Personal Leave Program or other salary reduction program at a rate of less than eight (8) hours per month, or with other less-restrictive requirements on the program than that negotiated by the Bargaining Unit 8, the CDF Firefighters shall be offered those same provisions.
- C. If any benefit, excluding health care or specific classification changes, or economic improvement in another state bargaining unit is a benefit or provision already contained in the Bargaining Unit 8 agreement, the CDF Firefighters will be given the opportunity to implement an economically equivalent benefit during the term of the PLP program or other salary reduction program negotiated in 2012 for twelve (12) consecutive months following implementation of the program.
- D. This Most Favored Nations only applies to the twelve consecutive months following implementation of the PLP or salary reduction program July 1, 2012 to June 30, 2013.
- E. This Most Favored Nations clause is not intended to conflict with or diminish any protections afforded the Union under MOU Article 20.1 Contract Protection or Side Letter 13 Most Favored Nations. MOU Article 20.2 Continuous Appropriation shall remain in effect for the duration of the MOU as extended by this agreement. Article 20.1 and Side Letter 13 shall expire on July 1, 2013.

TA
9:00 pm
KWA

T.A.
6/14/12
9:20 pm
[Signature]

Pissack
6/19/12

M 9

8:57 PM

With the signing of this agreement, the parties agree that this Side Letter supersedes anything in conflict with the current M.O.U. which expires July 1, 2017

All other provisions of the M.O.U. shall remain in full force and effect for the duration of the agreement.

TA
6/19/12
9:00 PM
9:00 PM
Keller

Department of Personnel Administration
 Bargaining Unit 08
 California Department of Forestry Firefighters (CDF Firefighters)
 2012 Side Letter Agreement
 (Savings) / Cost
 (Dollars in Thousands)

CBID	2012 Side Letter Agreement**	Costing Proposal	Eff. Date	2012-13			2013-14			2014-15			2015-16			2016-17			2017-18			Total Incremental			Total Budgetary		
				GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
R08	Personal Leave Program		7/1/2012	(\$14,564)	(\$7,367)	(\$21,931)																					

Statutorily and/or Existing Contract Adjustment**	Health, Dental and Vision	2013 85/80	1/1/2013	2012-13			2013-14			2014-15			2015-16			2016-17			2017-18			Total Incremental			Total Budgetary		
				GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
R08	Health, Dental and Vision	2013 85/80	1/1/2013	\$1,470	\$744	\$2,214	\$2,517	\$1,273	\$3,791	\$2,555	\$1,293	\$3,848	\$2,593	\$1,312	\$3,904	\$2,602	\$1,316	\$3,919	\$1,085	\$549	\$1,634	\$12,823	\$6,486	\$19,309	\$45,695	\$23,115	\$68,811
R08	Total			\$1,470	\$744	\$2,214	\$2,517	\$1,273	\$3,791	\$2,555	\$1,293	\$3,848	\$2,593	\$1,312	\$3,904	\$2,602	\$1,316	\$3,919	\$1,085	\$549	\$1,634	\$12,823	\$6,486	\$19,309	\$45,695	\$23,115	\$68,811

* 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.

2013 Health rates are based on Actuals

2015 dental and vision rates are based on a 0% growth per Benefits