

DEPARTMENT OF PERSONNEL ADMINISTRATION

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



June 29, 2012

The Honorable Mark Leno
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Re: *Tentative Agreement for Bargaining Unit 2, California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)*

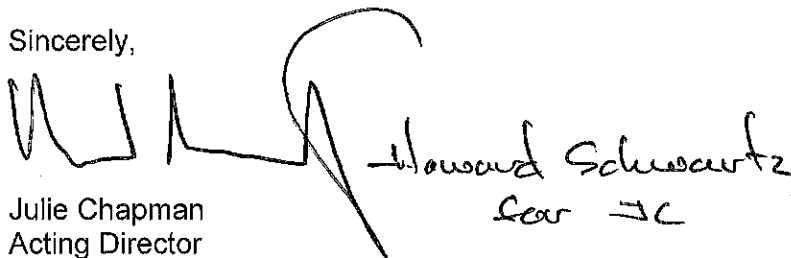
Recently, the Department of Personnel Administration reached a new tentative agreement with the exclusive representative for Bargaining Unit 2, CASE. The agreement will be an addendum to the current Memorandum of Understanding. In accordance with Government Code Section 3517.63(b), this addendum is being submitted for the Committee's information.

In an effort to assist the State in achieving 2012-2013 budget savings, BU 2 has agreed to implement 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. The agreement is effective July 1, 2012, and represents a total savings of approximately \$18.6 million.

The agreement and summaries are attached and 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 that reads "Howard Schwartz". Below the signature, the initials "Scar JC" are written in a smaller, less legible hand.

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	Mark Veatch, LRO Labor Relations, DPA
Peter Schaafsma, Staff Director Assembly Republican Fiscal Office	
Keely Bosler, Staff Director Senate Budget Committee	
Kris Kuzmich, Consultant Senate Budget Committee	
Christian Griffith, Staff Director Assembly Budget Committee	
Mark Martin, Consultant Assembly Budget Committee	
Bob Franzoia, Staff Director Senate Appropriations Committee	

Present

5% Side Letter Agreement

*T. Aved
6/28/12
12:40pm
AA
BBA*

PLP 2012, Unit 2

Exclusive Representative: CASE

Date: *6/28/12*

Time: *11:07am*

Management Proposal: 3

Effective July 1, 2012, the State shall implement a PLP 2012 for each full-time employee. This PLP 2012 shall remain in effect for 12 consecutive pay periods. While participating in the PLP 2012, the employee's month salary shall be reduced by 4.62%. PLP 2012 shall have no cash value and may not be cashed out.

- A. Each full-time employee shall continue to work his/her assigned work schedule and shall have a reduction in pay equal to 4.62%. In exchange, eight (8) hours of leave will be credited to the employee's PLP 2012 leave balance. However, salary rates and salary ranges shall remain unchanged. The reduction in pay shall end after 12 pay periods.
- B. PLP 2012 must be used in the month in which it is accrued. PLP 2012 time must be used before any other leave with the exception of PLP 2011 and sick leave. If the employee has not submitted a request to management to utilize the PLP 2012 by the 20th of the month in which it is accrued, such time shall be scheduled by his/her supervisor. When severe operational considerations prohibit the use of PLP 2012 in the month it is accrued, the time shall be available for use at a later time. For the purposes of this section, an approval can be a time frame of one or more consecutive days. Employees may elect to use PLP 2012 in lieu of approved sick leave. PLP 2012 shall be requested and used by the employee in the same manner as vacation/annual leave. Subject to the above, requests for use of PLP 2012 leave must be submitted in accordance with departmental policies on vacation/annual leave. PLP 2012 leave credits shall not be included in the calculation of vacation/annual leave balances pursuant to Article 8 (Leaves).
- C. If any employee accumulates PLP 2012 hours under this program, these hours shall not be subject to the 640 hour leave credit cap.
- D. When an employee is approved to use PLP 2012, and the approval is subsequently rescinded by management on two separate, consecutive

occasions, the employee's third approval for PLP 2012 shall not be rescinded even for operational needs. For the purposes of this section, an approval can be a time frame of one or more consecutive days.

- E. A state employee 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 2012 not occurred.
- F. PLP 2012 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.
- G. PLP 2012 shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits to supplement those benefits with paid leave.
- H. Part-time employees shall be subject to the same conditions as stated above, on a pro-rated basis. Pro-ration shall be determined based on the employee's time base consistent with the following chart:

TIME BASE	HOURS OF MONTHLY PLP
9/10	7.20
7/10	5.60
3/10	2.40
1/10	0.80
7/8	7.00
3/4	6.00
5/8	5.00
1/2	4.00
3/8	3.00
1/4	2.00
1/8	1.00
4/5	6.40
3/5	4.80
2/5	3.20
1/5	1.60

- I. PLP 2012 reduction shall not affect transfer determinations between State civil service classifications.
- J. PLP 2012 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the following chart:

Hours Worked During Pay	Salary Reduction in	PLP 2012 Credit
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Period	Hours	
0-10.9	0	0
11-30.9	1	1
31-50.9	2	2
51-70.9	3	3
71-90.9	4	4
91-110.9	5	5
111-130.9	6	6
131-150.9	7	7
151 or over	8	8

- K. PLP 2012 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- L. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from the PLP 2012 for that month.
- M. Seasonal and temporary employees are not subject to PLP 2012.
- N. Disputes regarding the denial of the use of PLP 2012 time may be appealed through the grievance procedure. Other disputes arising from this PLP 2012 section may be appealed through the grievance procedures, except that the decision by the Department of Personnel Administration shall be final and there may be no further appeals.

CASE PROPOSAL - Supersession

Date Passed: 6/28

Time Passed: 12:14 pm

Counter to Management Proposal #1

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 including MOU section 9.22, as to PLP 2012, which is applicable the state level.

12:28 pm
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Ch

T. Aced
6/28/12
12:39 pm
GSR

Prussell

**5% Side Letter
Agreement**

*TA ed
6/28/12
12:47 PM
[Signature]*

Contract Out Committee, Unit 2
Exclusive Representative: CASE
Date: *6/28/12*
Time: *11:07 am*
Management Proposal: 5

CASE, the California Department of Human Resources (CalHR), and the Department of Justice, agree to establish a Contracting Out Committee (COC) by August 1, 2012.

The contracting out committee shall consist of eight (8) members. CASE shall select four (4) representatives and the State shall select four (4) representatives. The Co-chairs shall be one (1) committee member from CASE and one (1) committee member from CalHR. COC shall meet monthly or more/less often as agreed to by the committee. The Co-chairs shall finalize and distribute the 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.

COC will monitor and ensure that the Departments involved with Bargaining Unit 2, contracting out follow the requirements of Government Code Section 11040-11045.

COC will study and make recommendations in a timely manner regarding which contracts may be cancelled or reduced by the State. COC will also make recommendations on contracts related to the transfer of knowledge, skills, and abilities to State Attorneys, where applicable.

*ML 11:11 PM
[Signature]*

Handwritten signature

5% Side Letter Agreement

*Filed
6/28/12
12:40 PM
[Signature]*

Review, Analysis, and Action Committee (RAAC)

Exclusive Representative: CASE

Date: *6/28/12*

Time: *11:07 AM*

Management Proposal: 4

DPA is committed to meeting with CASE to explore the feasibility of creating a deep class for Attorneys, Attorney III, Attorney IV, the establishment of an Attorney V, and ALJ III. In establishing this committee, the State is not making any commitments to the expenditure of funds as it relates to this proposal.

The RAAC will begin on or about July 1, 2012. CASE shall have a maximum of nine (9) Rank and File Representatives and two (2) CASE Staff Representatives, selected by the Union on RAAC. The State agrees the Rank and File representatives will serve on the RAAC without the loss of compensation. The Co-chairs shall be one (1) committee member from CASE and one (1) committee member from CalHR. The State shall not be limited to the number of subject matter experts or participants on the committee.

It is the State's goal, working with CASE, to complete this project within the next 6 months from implementation.

Paul

5% Side Letter Agreement

Ratification, Unit 2

Exclusive Representative: CASE

Date: *6/28/12*

Time: *11:07am*

Management Proposal: 6

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6/28/12
12:41pm
[Signature]

This Side Letter Agreement is effective July 1, 2012 and is subject to ratification by the CASE membership. If the CASE membership does not ratify this Side Letter Agreement, it will be null and void

5% Side Letter

Agreement

Prud

Term: Unit 2

Exclusive Representative: CASE

Date: *6/28/12*

Time: *11:15*

Management Proposal: 2

The Term of this Side Letter Agreement will be effective July 1, 2012 through June 30, 2013.

*6/28/12
12:40 pm*

[Signature]

Department of Personnel Administration
 Bargaining Unit 02
 Attorneys and Hearing Officers
 2012 Side Letter Agreement
 (Savings) / Cost
 (Dollars in Thousands)

CBID	2012 Side Letter Agreement*	Eff Date	2012-13			2013-14			Total Incremental			Total Budgetary		
			GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
R02	Costing Proposal Personal Leave Program	7/1/2012	(\$7,009)	(\$15,016)	(\$22,026)				(\$7,009)	(\$15,016)	(\$22,026)	(\$7,009)	(\$15,016)	(\$22,026)

Statutory and/or Existing Contract Adjustment**	Eff Date	2012-13			2013-14			Total Incremental			Total Budgetary			
		GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	
R02	Health, Dental, Vision Increases	1/1/2013	\$498	\$1,066	\$1,564				\$853	\$1,828	\$2,681	\$1,351	\$2,895	\$4,246
R02	4% SSA @ Max	7/1/2013				\$356	\$762	\$1,117	\$4,855	\$10,401	\$15,256	\$4,855	\$10,401	\$15,256
	Additional Employee Contribution to Retirement Due to SSA @ Max	7/1/2013							(\$299)	(\$640)	(\$939)	(\$299)	(\$640)	(\$939)
R02	Total		\$498	\$1,066	\$1,564	\$4,912	\$10,523	\$15,434	\$5,410	\$11,589	\$16,999	\$5,907	\$12,655	\$18,563

* 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.
 2012 and 2013 Health rates are based on Actuals
 2013 Dental and Vision rates are based on a 0% growth per Benefits