



Side Letter of Agreement between
Service Employees International Union, Local 1000
and the State of California

This Agreement is a Side Letter to the current Memorandum of Understanding (MOU) effective January 2, 2020 through June 30, 2023 between Service Employees International Union, Local 1000 (Union) and the State of California (State).

This Agreement is necessitated by the unanticipated budget shortfalls arising from the COVID-19 pandemic. It is the intent of the parties to maintain the spirit and the letter of the 2020-2023 MOU, except as modified herein.

The Union and the State do hereby agree as follows:

OPEB CONTRIBUTION

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' monthly contribution of 3.5% for prefunding other post-employment benefits for the 2020-21 fiscal year, as described in Section 9.24 paragraph A, is suspended and shall not be withheld from employees' salaries beginning on July 1, 2020, and ending on June 30, 2022. The employer's monthly contribution for prefunding other post-employment benefits will continue as described in Section 9.24 paragraph A.

PERSONAL LEAVE PROGRAM (PLP) 2020

For fiscal years 2020-21 and 2021-22, SEIU Local 1000 represented employees shall participate in the Personal Leave Program 2020 (PLP 2020) for two (2) days or sixteen (16) hours per month in the manner outlined below.

- A. Each full-time employee shall continue to work their assigned work schedule and shall have a reduction in pay equal to 9.23%.

- B. Each full-time employee shall be credited with sixteen (16) hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program. The accrual rates for Bargaining Unit 3 employees working an academic year shall be pursuant to the chart in Section Y below.
- C. Salary rates and salary ranges shall remain unchanged.
- D. Employees will be given maximum discretion to use PLP 2020 subject to severe operational considerations. However, whenever feasible, PLP 2020 should be used in the pay period it was earned.
- E. PLP 2020 must be used before any other leave with the exception of sick leave and Professional Development Days. Employees may elect to use PLP in lieu of approved sick leave.
- F. PLP 2020 shall be requested and used by the employee in the same manner as vacation/annual leave in Section 8.1.
- G. When an employee has requested to use PLP 2020, and the request is denied on two separate, consecutive occasions, the employee's third request for PLP 2020 shall be approved subject to severe operational considerations that make granting the request a health or safety risk.
- H. PLP 2020 accruals do not expire.
- I. PLP 2020 may be cashed out upon separation from state service.
- J. PLP 2020 leave shall not be considered as "time worked" for overtime purposes except when an employee is mandated to work overtime or has been redirected and is mandated to work overtime to process unemployment claims in the same week in which they use approved leave then that approved leave will be considered hours worked for purposes of calculating overtime.
- K. 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 the employee would have received had the PLP 2020 not occurred.

- L. PLP 2020 shall not cause a break in State service, nor a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement. PLP 2020 does not affect other leave accumulations, nor service towards a merit salary adjustment.
- M. PLP 2020 shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death nor disability benefits to supplement those benefits with paid leave.
- N. The PLP 2020 reductions shall not affect transfer determinations between state civil service classifications.
- O. 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 chart in Article 7 of the MOU.
- P. PLP 2020 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the chart in Section X below.
- Q. PLP 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- R. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from the PLP 2020 for that month.
- S. Seasonal and temporary employees are not subject to PLP 2020.
- T. Employees not eligible for healthcare are not subject to PLP 2020.
- U. Effective July 1, 2020, the minimum salary in the salary range for all SEIU Local 1000 classifications shall be no less than \$15 per hour.

V. Effective July 1, 2020, the classifications and alternate ranges listed in Attachment 1 shall be provided the following Special Salary Adjustments (SSAs), as modified by this Side Letter Agreement.

W. Effective July 1, 2020, no SEIU Local 1000 represented employee shall make less than \$15/hour as a result of the implementation of PLP 2020.

X. All Permanent Intermittent and Special School employees who are subject to the State Special Schools 10-month compensation agreement shall be subject to the pro-ration of salary and PLP 2020 credits pursuant to the chart below:

Hours Worked During Credit Pay Period	PLP 2020 Hours
0-10.9	1
11-30.9	2
31-50.9	4
51-70.9	6
71-90.9	8
91-110.9	10
111-130.9	12
131-150.9	14
151 or over	16

Y. Bargaining Unit 3 employees who work academic calendars will accrue PLP 2020 on a pro-rated basis, as follows:

Days per Academic Year	FT
176	10.84
184	11.32
194	11.94
209	12.86
220	13.54

- Z. Continuation of the Voluntary PLP (VPLP) during the duration of PLP 2020 shall be at the discretion of the employee. If the employee elects to alter their participation in VPLP, they shall be allowed to opt out or change at any time during the PLP 2020 program.

IMPROVING AFFORDABILITY AND ACCESS TO HEALTHCARE

- A. For the period from July 1, 2020, to June 30, 2022, inclusive, the provisions of 11.1.X titled "Improving Affordability and Access to Healthcare" is suspended. For this time period, the following provisions apply:
1. All health benefit-eligible SEIU Local 1000 represented employees will receive a monthly payment of \$260 and will be ineligible for the Flex-Elect Benefit Plan cash option.
 2. The Flex-Elect Benefit Plan cash option shall be reinstated July 1, 2022. For those eligible, enrollment for the Flex-Elect Benefit Plan shall be open April 1, 2022.
 3. This payment shall not be considered as "compensation" for purposes of retirement.
- B. Notwithstanding any other provision of this MOU, the State may implement changes to the provisions of 11.1X titled "Improving Affordability and Access to Healthcare" or this Side Letter when CalHR determines such changes are necessary in order to comply with state and federal law. CalHR's interpretation of state and federal law may be based on administrative policies, regulations, or any other guidance interpreting such laws. The State shall meet and confer with the Union over the effects of any changes made pursuant to this section.
- C. The duration of subdivision (A) of this Side Letter expires by its own terms or if the provisions of the section titled "Contract Reopener

Language – Elimination of Pay Decreases and Suspensions” are triggered.

TELEWORK

Recent experience has demonstrated the benefits and challenges arising from telework programs. The State and the Union commit to work together to transform state government by expanding teleworking on as large a scale as possible.

The State and the Union agree that the use of telework will not result in layoffs.

COST SAVINGS TASK FORCE

Both parties understand the seriousness of the State's budget deficit and the need for budget savings. Further, the parties acknowledge the uncertainty of the fiscal crisis and its duration. In the spirit of collaboration, the parties agree to establish a joint Cost Savings Task Force to discuss, identify and recommend cost savings solutions. In particular, the task force shall endeavor to find cost savings sufficient to fund the General Salary Increase (GSI) scheduled for July 1, 2021. If such cost savings are not mutually agreed upon by the parties on or before March 30, 2021, the GSI shall be deferred through June 30, 2022. The cost savings must be in addition to the efficiency and cost savings measures already assumed in the 2021-22 Governor's budget. The determination of the sufficiency of funding shall be at the sole discretion of the Director of Finance.

The State and the Union shall each designate one (1) co-chair. The task force shall consist of no more than eight (8) management representatives selected by CalHR, including at least one representative from the Department of Finance, and no more than eight (8) union representatives selected by the Union. By mutual agreement the size of the task force may be adjusted. Upon mutual agreement subject matter experts may be invited

as needed to attend the meetings and provide expertise. Task force members and employee subject matter experts shall serve without loss of compensation.

The task force shall meet quarterly starting in August 2020 but may adjust the schedule by mutual agreement.

CONTRACT REOPENER LANGUAGE – ELIMINATION OF PAY DECREASES AND SUSPENSIONS

- A. Due to the significant economic impacts of the COVID-19 Recession, in accordance with Section 3517.6 of the Government Code, notwithstanding any other provision of law, the following economic provisions of the existing memorandum of understanding (MOU), which require the expenditure of funds for increased salaries and wages that were to become effective on July 1, 2020, are hereby suspended until July 1, 2022:
- Section 11.1 (A) (1) (GSI, 2.5%)
- B. The remainder of the MOU, including economic terms of the agreement not specifically related to the pay item listed in paragraph A shall continue in full effect.
- C. The determination of sufficient funding to restore the reductions relative to this Side Letter shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:
1. If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

2. If the Director of the Department of Finance, as a result of state revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the various pay items that have been suspended or reduced as a result of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.
- D. In the event the Director of the Department of Finance elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced by operation of this side letter, the State shall provide notice to the Union and shall meet and confer with the Union upon request regarding the impact of that determination.
 - E. In the event that neither of the circumstances in paragraph C occur and/or the Director of the Department of Finance does not restore, at their sole discretion, Article 11.1.A.1. Salaries, the General Salary Increase of 2.5% shall become effective on July 1, 2022.
 - F. If the Governor and Legislature do not draw funds from the rainy day fund to cover revenue shortfalls, the PLP 2020 in fiscal year 2021-22 will be discontinued.

NO FURTHER REDUCTIONS

The MOU, shall continue in full effect, subject to the exceptions noted in this Side Letter. The State shall not seek additional employee compensation reductions from SEIU Local 1000 represented employees.

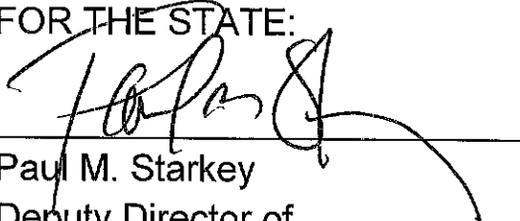
DISPUTE RESOLUTION PROCESS

The Union and the State agree that any grievances concerning the terms of this Side Letter shall be initiated at the CalHR level, per Section 6.9 of the current MOU between the parties. A copy of the grievance shall be provided to the department upon submission to CalHR.

The Union and the State agree that the mini-arbitration process, Section 6.14 of the current MOU, shall be the exclusive means to resolve any disputes concerning this Side Letter.

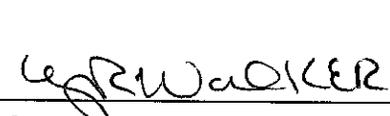
Notwithstanding the language in Section 6.14, the State's participation in the mini-arbitration process is mandatory.

FOR THE STATE:



Paul M. Starkey
Deputy Director of
Labor Relations, CalHR

FOR THE UNION:

 1502

Yvonne R. Walker
President, SEIU Local 1000
19 Jun 2020

Attachment 1 to Side Letter Agreement

Unit 4

1323	Legislative Clerk, range A	5.04%
1323	Legislative Clerk, range B	5.03%
1379	Office Assistant (Typing), range A	3.39%
1379	Office Assistant (Typing), range B	3.39%
1181	Word Processing Technician, range A	7.17%
1181	Word Processing Technician, range B	7.19%
1733	Account Clerk II	7.15%
1432	Support Services Assistant (General), range A	5.04%
1432	Support Services Assistant (General), range B	5.04%
1844	Service Assistant (DMV Operations)	7.12%
6410	Benefit Program Specialist (CalPERS), range A	7.12%
6410	Benefit Program Specialist (CalPERS), range B	7.12%
6410	Benefit Program Specialist (CalPERS), range C	7.13%
1898	Motor Vehicle Assistant, range A	7.14%
1898	Motor Vehicle Assistant, range B	7.14%
1973	Tax Technician I, Board of Equalization, range A	7.13%
1973	Tax Technician I, Board of Equalization, range B	7.14%
1974	Tax Technician II, Board of Equalization	4.27%
6291	Personnel Selection Technician, range A	7.12%
1635	Telephone Operator	7.12%
1779	Mailing Machines Operator I, range A	7.12%

1779	Mailing Machines Operator I, range B	7.13%
1780	Mailing Machines Operator II	4.77%
1697	Interagency Messenger	7.12%
9587	Tax Program Technician I, Franchise Tax Board	8.88%
9588	Tax Program Technician II, Franchise Tax Board	8.89%
6412	Senior Benefit Program Specialist (CalPERS)	0.55%
6291	Personnel Selection Technician, range B	7.13%
1897	Motor Vehicle Representative, range A	2.02%
1897	Motor Vehicle Representative, range B	2.04%
1897	Motor Vehicle Representative, range C	2.04%

Unit 11

3906	Safety Engineering Technician, range A	2.52%
3906	Safety Engineering Technician, range B	2.51%
3906	Safety Engineering Technician, range C	2.51%
3873	Air Resources Technician II	7.21%

Unit 15

1984	Lead Security Guard	3.61%
2006	Custodian (Correctional Facility)	5.04%
2005	Lead Custodian (Correctional Facility)	3.04%
2011	Custodian I	5.04%
2003	Custodian II	3.04%
1956	Armory Custodian I	3.04%

2043	Housekeeper, range A	5.07%
2193	Food Service Technician II, range A	10.27%
2194	Food Service Technician I, range A	5.14%
2198	Food Service Worker I (Safety), range A	5.14%
2199	Food Service Worker II/SF (Safety), range A	10.27%