

# CALIFORNIA DEPARTMENT OF HUMAN RESOURCES SUMMARY OF SIDE LETTER AGREEMENT FOR BARGAINING UNIT 2

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**Exclusive Employee Representative:  
California Attorneys, Administrative Law Judges and Hearing  
Officers in State Employment**

**Number of Employees:** Approximately 4,275 full-time equivalents

## **General Provisions**

### **I. Health Benefits**

#### ***Prefunding of Other Post-Employment Benefits***

- Employees are currently contributing 2 percent toward the prefunding of post-retirement health benefits. Effective the July 1, 2020, pay period through the June 2022 pay period, the employees' monthly contribution for prefunding other post-employment benefits is suspended for the 2020-21 and 2021-22 fiscal years, and will not be withheld from the employees' salaries (Article 19.1).

#### ***Consolidated Benefits (CoBen) Program Description***

- Upon ratification, the established flat dollar amounts effective on January 1, 2020 shall continue. The established flat dollar amounts shall be increased or decreased, as appropriate, on January 1, 2021, and January 1, 2022 (Article 11.1).
- If, by the sole discretion of the Director of the Department of Finance, the scheduled General Salary Increase (GSI) of 2.5 percent is suspended until July 1, 2023, the established dollar amounts shall be increased or decreased, as appropriate, on January 1, 2023 (see contract reopener language below) (Article 11.1).

#### ***Health Care Affordability***

- All CASE represented employees enrolled in a California Public Employees' Retirement System (CalPERS) health plan shall continue to receive a monthly payment of \$260. This program will cease to be paid, once the Personal Leave Program (PLP 2020) is eliminated, or no later than June 30, 2022 (Article 5.13).

## **II. Compensation**

### ***PLP 2020***

- Effective the July 2020 pay period through the June 2022 pay period, PLP 2020 will apply to all CASE-represented employees. Employees continue to work their assigned work schedules and shall have a reduction in pay equal to 9.23 percent.

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. PLP 2020 shall have no cash value and may not be cashed out, except as permitted upon separation. PLP 2020 leave shall not expire.

PLP 2020 leave, for work week 2 employees, shall not be considered as "time worked" for purposes of determining the number of hours worked in a work week for overtime.

Disputes regarding the denial of the use of PLP 2020 time may be appealed through the grievance procedure. The decision made by the Department of Human Resources (CalHR) is final and there may be no further appeals (New Article).

### ***Voluntary Personal Leave Program (VPLP)***

- Effective the first pay period following the cessation of PLP 2020, all CASE-represented employees shall be allowed to participate in VPLP for up to three days per month. Employees shall continue to work their assigned work schedule and have a reduction in pay equal to 4.62 percent for 8 hours of VPLP, 9.23 percent for 16 hours of VPLP, or 13.86 percent for 24 hours of VPLP.

Employees may accumulate no more than 240 hours of VPLP. Once the 240 hour cap is reached the employee shall be removed from VPLP (New Article).

### ***GSI***

- Effective July 1, 2022, all CASE-represented employees shall receive a 2.5 percent GSI, which may be deferred to July 1, 2023 (see contract reopener language below) (Article 5.1).

### ***Retirement Contributions***

- Effective July 1, 2022, the employee contribution rates for miscellaneous members in the First Tier A, First Tier B, and PEPR First Tier formulas, subject to social security, shall decrease from 9.0 percent to 8.5 percent of monthly compensation over \$513 (Article 14.3).

- Effective July 1, 2023, and each year thereafter, the employee contribution rates for all miscellaneous, industrial, and safety members shall be adjusted if CalPERS determines the total normal cost rate increases or decreases by more than 1 percent of payroll above or below the total normal cost rate, rounded to the nearest quarter of 1 percent, is greater or lesser than employee contribution rates as described. The increase or decrease in any given fiscal year shall not exceed 1 percent per year. (Article 14.3).

***Vacation and Annual Leave Cap Increase***

- The state shall increase the 640 hour cap on Vacation and Annual Leave until June 30, 2025, by the equivalent number of PLP hours the CASE-represented employees receive (Articles 9.1 and 9.11).

**III. Miscellaneous**

***Workers' Compensation Judge II Classification***

- Within six months of ratification of this agreement, CalHR agrees to prepare a classification proposal to create a Workers' Compensation Judge (WCJ) II classification and make revisions to the WCJ I specifications (Article 15.10).

***Contract Reopener Language – Elimination of Pay Decreases and Suspensions***

- The determination of sufficient funding to restore the reductions shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:
  - 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.
  - 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 pay that has 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.
- If projected state revenues at the 2022-23 May Revision to the Governor's Budget continue to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing pay increases to all eligible employees, the GSI of 2.5 percent shall become effective on July 1, 2023. If the GSI is suspended until July 1, 2023, the flat dollar amount will also be increased or decreased pursuant to the formula in Article 11.1 on January 1, 2023. Determination of funding availability shall be at the sole discretion of the Director of the Department of Finance.

#### **IV. Term**

- July 1, 2020 to June 30, 2022

#### **V. Fiscal**

- Fiscal Year 2020-21 Savings: \$67.4 million (\$18.9 million General Fund)
- Total 3-Year Incremental Savings: \$41.1 million (\$11.5 million General Fund)
- Total 3-Year Budgetary Savings: \$103.5 million (\$29 million General Fund)

#### **VI. Agreement**

- This Side Letter Agreement represents the negotiated reductions in employee compensation.
- The complete Side Letter Agreement between the state and CASE is posted at: [Contracts Section on CalHR Website](#)