

Management Counter Proposal

Bargaining Unit: 18

Date: 06/30/20

Exclusive Representative: CAPT

Time: 1350 (1:50 PM)

Side Letter – COVID-19 Pandemic Recession

I. Personal Leave Program – 2020

Effective with the first day of the pay period following ratification through the June 2022 pay period, employees will be subject to the Personal Leave Program 2020 (PLP 2020) for 2 days or 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%. Since BU 18 is paid semi-monthly, the reduction of 9.23% shall be split between the two pay periods within the Calendar month.
- B. Each full-time employee shall be credited with 16 hours of PLP 2020 on the first day of each monthly pay period for the duration of the PLP 2020 program.
- C. Salary rates and salary ranges shall remain unchanged.
- D. Employees will be given discretion to use PLP 2020 subject to operational considerations.
 - 1. PLP 2020 time must be used before any other leave with the exception of sick leave.
 - 2. Employees may elect to use PLP 2020 in lieu of approved sick leave.
 - 3. PLP 2020 shall be requested and used by the employee in the same manner as vacation/annual leave in accordance with Article 6.2.
 - 4. Subject to the above, requests for use of PLP 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
- E. All leave earned under PLP 2020 must be used prior to voluntary separation. Appointing powers shall schedule employees to take PLP 2020 time off to meet the intent of this section. If an employee is not granted the time off prior to separation, the PLP 2020 shall be cashed out. If an employee's separation is not voluntary and the separation date cannot be extended PLP 2020 shall be cashed out.
- F. PLP 2020 leave shall not be considered as "time worked" for overtime purposes except when an employee is mandated to work overtime in the same week in which they use PLP 2020, that approved leave will be considered hours worked for the purposes of calculating overtime.

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- G. 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 they would have received had the PLP 2020 not occurred.
- H. 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, or service towards a merit salary adjustment.
- I. PLP 2020 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.
- J. The PLP 2020 reductions shall not affect transfer determinations between state civil service classifications.
- K. 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 pursuant to the chart below:

Part-time Time Base	PLP 2020 Credit Hours
1/10	1.60
1/8	2.00
1/5	3.20
1/4	4.00
3/10	4.80
3/8	6.00
2/5	6.40
1/2	8.00
3/5	9.60
5/8	10.00
7/10	11.20
3/4	12.00
4/5	12.80
7/8	14.00
9/10	14.40

- L. 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 P below.
- M. PLP 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.

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- N. Employees on NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from PLP 2020 for that month.
- O. Seasonal and temporary employees are not subject to PLP 2020.
- P. All Permanent Intermittent employees shall be subject to the pro-ration of salary and PLP 2020 credits pursuant to the chart below:

Hours Worked During Pay Period	PLP 2020 Credit Hours
0-10.9	0.0
11-30.9	2.00
31-50.9	4.00
51-70.9	6.00
71-90.9	8.00
91-110.9	10.00
111-130.9	12.00
131-150.9	14.00
151 or over	16.00

- Q. Disputes regarding the denial of the use of PLP 2020 time may be appealed through the grievance procedure. The decision by the Department of Human Resources shall be final and there may be no further appeals.

II. Vacation Modification (Article 6.2):

Section H, Vacation Bidding: Second paragraph: Effective with the October 2020 bid cycle, BU 18 employees shall be able to bid for a total of thirty-four (34) vacation days. Third paragraph: For the purpose of this Subsection, an employee's chosen vacation period may not exceed the employee's accrued PLP/vacation/annual leave time balances at the time the vacation is to be taken. All other provisions of Article 6.2 shall remain in effect.

III. Overtime Modification (Article 5.1 Subsection I)

Effective January 1, 2021 through the duration of this Side Letter:
Article 5.1 subsection I, the following sentence is added: "An employee that is mandated and finds a volunteer shall be rotated to the bottom of the overtime list regardless of how long they work." All other provisions of Article 5.1 are unchanged and remain in effect.

IV. Minimum wage

Effective the first day of the pay period following ratification by both parties, the minimum salary in the salary range for all BU 18 Represented classifications shall be no less than \$15 per hour.

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Effective the first day of the pay period following ratification of both parties, no BU 18 represented employee shall make less than \$15 an hour as a result of the implementation of PLP 2020.

V. Shift Differential Modification (Article 4.5 E.)

Effective July 1, 2022, the existing language in Article 4.5 E. shall be changed as follows: These shift differentials are PERSable and count towards compensation for the purposes of retirement.

VI. Prefunding of Post-retirement Health Benefits (Article 15.1) – Modification:

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' monthly contribution for prefunding other post-employment benefits for the 2020-21 and 2021-22 fiscal years, as described in BU 18 Article 15.1, paragraphs A and B, is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification, and ending on June 30, 2022. The employer's monthly contribution for prefunding other post-employment benefits will continue in the 2020-21 and 2021-22 fiscal years, as described in BU 18 Article 15.1, paragraphs A and B.

VII. 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 at any point during the 2020-21 or 2021-22 fiscal years, are hereby suspended consistent with this Side Letter effective July 1, 2020, as ratified by the union and approved by the Legislature:

- Article 4.2:
 - General Salary Increase (GSI) effective July 1, 2020 of 2.75%
 - GSI effective July 1, 2021 of 2.75%

B. The remainder of the MOU, including economic terms of the agreement not specifically related to the various pay items listed in paragraph A, such as the amount necessary for the payment of compensation and employee benefits that were in effect prior to the 2020-21 fiscal year, shall continue in full effect, subject to the reductions agreed to in this Side Letter. Notwithstanding any other provisions of law, the MOU as modified by this Side Letter represents the only entitlement to payment of compensation and employee benefits.

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- C. The determination of sufficient funding relative to this section and 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 Pandemic 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 4.2 Adjusted Pay Ranges, for both the July 1, 2020, 2.75% GSI, and the July 1, 2021, 2.75% GSI shall become effective two years later on July 1, 2022, and July 1, 2023, respectively. However, 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 the aforementioned pay increases to all eligible employees, the July 1, 2020, 2.75% GSI shall become effective three years later on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of the Department of Finance.
- F. No provision of this Contract Reopener Section shall be subject to the grievance and arbitration procedure; this Article is specifically not subject to arbitration.

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