

# STATE COUNTER PROPOSAL

Date: June 11, 2020

Time: 9:45 pm

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## SIDE LETTER XX COVID-19 PANDEMIC RECESSION -

The COVID-19 Pandemic Recession requires an 8.99% savings in BU6 employee compensation in order to balance the state budget. The parties have negotiated the following various savings measures which, when combined, comprise the required 8.99%.

### I. Personal Leave Program 2020

Effective with the July 2020 pay period through the June 2022 pay period, employees will be subject to the Personal Leave Program 2020 (PLP 2020) for one (1) day or eight (8) hours per month in the manner outlined below. PLP 2020 shall have no cash value and may not be cashed out, except as permitted in the very limited circumstance described in subsection E below.

- A. Each full-time employee shall continue to work their assigned work schedule and shall have a reduction in pay equal to 4.62% except:
- 7K Ranges = 4.5%
  - Fire Captain (9001), Range L and M (192 Hour Schedule) = 3.85%
  - Fire Captain (9001), Range N and P (216 Hour Schedule) = 3.42%
- B. Each full-time employee shall be credited with twelve (12) hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program. These twelve (12) hours of PLP 2020 credit are for the eight (8) hours for a single day of payroll deduction in subsection A above and four (4) hours for the other achieved savings (e.g., suspensions of shift differential, reductions in holiday compensation/time, and reductions in uniform allowance).
- 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 in accordance with Appendix Item #11.
  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.
  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 may schedule employees to take PLP 2020 time off to meet the intent of this section. If an employee's separation is not voluntary and the separation date cannot be extended, PLP 2020 shall be cashed out. Time during which an employee is excused from work because of PLP 2020 leave shall not be considered as "time worked" for purposes of determining the number of hours worked in a work week.
- F. 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.
- G. 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.
- H. 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.
- I. The PLP 2020 reductions shall not affect transfer determinations between state civil service classifications.
- J. 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 below:

<b>Part-time Time Base</b>	<b>PLP 2020 Credit Hours</b>
<u>1/10</u>	<u>0.80</u>
<u>1/8</u>	<u>1.00</u>
<u>1/5</u>	<u>1.60</u>
<u>1/4</u>	<u>2.00</u>
<u>3/10</u>	<u>2.40</u>
<u>3/8</u>	<u>3.00</u>
<u>2/5</u>	<u>3.20</u>
<u>1/2</u>	<u>4.00</u>
<u>3/5</u>	<u>4.80</u>
<u>5/8</u>	<u>5.00</u>

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<u>7/10</u>	<u>5.60</u>
<u>3/4</u>	<u>6.00</u>
<u>4/5</u>	<u>6.40</u>
<u>7/8</u>	<u>7.00</u>
<u>9/10</u>	<u>7.20</u>

- K. 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.
- L. PLP 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- M. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from PLP 2020 for that month.
- N. Seasonal and temporary employees are not subject to PLP 2020.
- O. All Permanent Intermittent employees shall be subject to the pro-ration of salary and PLP 2020 credits pursuant to the chart below:

<u>Hours Worked During Credit Pay Period</u>	<u>PLP 2020</u>
<u>0-10.9</u>	<u>0</u>
<u>11-30.9</u>	<u>1</u>
<u>31-50.9</u>	<u>2</u>
<u>51-70.9</u>	<u>3</u>
<u>71-90.9</u>	<u>4</u>
<u>91-110.9</u>	<u>5</u>
<u>111-130.9</u>	<u>6</u>
<u>131-150.9</u>	<u>7</u>
<u>151 or over</u>	<u>8</u>

- P. 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.

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

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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, wages and other compensation that were to become effective at any point during the 2020-21 fiscal year, are hereby suspended or eliminated consistent with this Side Letter XX effective July 1, 2020, as ratified by the union and approved by the Legislature:

- The July 1, 2020 3% GSI identified in Article 15.01 Salaries – Adjustment to Salary Ranges is suspended and deferred;
- With the exception of July 4<sup>th</sup>, Thanksgiving, Christmas and New Year's Day, the holiday pay and credits identified in Section 10.10 – Holidays are suspended for the remaining seven (7) holidays for the term of the MOU (Note: One personal holiday continues to be earned in accordance with 10.10C);
- The night and weekend shift differentials identified in Article 15.08 – Night Shift Differential/Weekend Differential are suspended;
- The \$1000 uniform allowances identified in Article 14.04 – Uniform/Uniform Accessories replacement Allowance are reduced to \$750.00;
- One (1) of the Personal Development Days identified in Article 8.07 – Personal Development Days (PDDs) is eliminated for calendar years 2021 and 2022 (Note: Employees already accrued both PDDs for 2020 in January 2020.); and
- Thirty-two (32) hours of the off-post training identified in Article 8.05 – Training Program are converted to, for example, non-classroom, On-the-Job or on-line training consistent with CDCR's Modified Training Program.

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 XX. Notwithstanding any other provisions of law, this MOU represents the only entitlement to payment of compensation and employee benefits.

C. The determination of sufficient funding relative to this Side Letter XX shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:

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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 XX, 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 15.01 Salaries – Adjustment to Salary Ranges, the General Salary Increase of 3% shall become effective on July 1, 2022. 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 General Salary Increase of 3% shall become effective 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. If the Director of the Department of Finance elects to restore, prior to July 1, 2022, at their sole discretion, GSI compensation that was deferred, BU6 will not be disadvantaged by another unit receiving their deferred GSI earlier than BU6. All deferrals, if restored, shall be restored at the same time in the sole discretion of the Director of the Department of Finance.
- G. No provision of this Article shall be subject to the grievance and arbitration procedure; this Article is specifically not subject to arbitration.

### **III. Suspension of Employee Portion of OPEB**

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees’ monthly contribution for prefunding other postemployment benefits for the 2020-21 and 2021-22 fiscal years is suspended and shall not be withheld from employees’ salaries beginning on the pay period following ratification by the union and approval by the Legislature, and ending on June 30, 2022.

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The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020-21 and 2021-22 fiscal years.

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**CALIFORNIA DEPARTMENT OF HUMAN RESOURCES  
SUMMARY OF ADDENDUM TO COLLECTIVE BARGAINING  
AGREEMENT  
FOR BARGAINING UNIT 6**

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**Exclusive Employee Representative:  
California Correctional Peace Officers Association (CCPOA)**

**Number of Employees:** Approximately 28,007 full-time equivalents

**General Provisions**

**I. Health Benefits**

***Prefunding of Post-Retirement Health Benefits Suspended***

- Employees are currently contributing 4% toward the prefunding of post-retirement health benefits. Effective the first day of the pay period following ratification 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 employees' salaries (Article 10.21).

**II. Compensation**

***Personal Leave Program (PLP 2020)***

- Effective with the July 2020 pay period through the June 2022 pay period, the PLP 2020 will apply to all CCPOA represented employees. Employees continue to work their assigned work schedules and shall have a reduction in pay equal to 4.62% except:
  - 7K Ranges = 4.5%
  - Fire Captain (9001), Range L and M (192 Hour Schedule) = 3.85%
  - Fire Captain (9001), Range N and P (216 Hour Schedule) = 3.42%

Each full-time employee shall be credited with twelve (12) hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program, which is comprised of eight (8) hours for a single day of PLP 2020 and four (4) hours for the other achieved savings (e.g., suspensions of shift differential, reductions in holiday compensation/time, and reductions in uniform allowance). PLP 2020 shall have no cash value and may not be cashed out, except as permitted in very limited circumstances (e.g., non-voluntary separation) (New Article).

***General Salary Increase (GSI) Suspended***

- The existing MOU contains a 3% GSI effective July 1, 2020. This GSI is suspended and deferred until July 1, 2022 or July 1, 2023 (see contract reopener language below) (Article 15.01).

### ***Holiday Pay and Credit Suspended for Seven Holidays***

- Holiday pay and holiday credits are suspended until the July 2022 pay period. Employees will not earn holiday pay or credits for seven (7) of the eleven (11) holidays. Employees will continue to earn holiday pay and credits on July 4<sup>th</sup>, Thanksgiving Day, Christmas, and New Year's Day (Article 10.10).

### ***Shift Differentials Suspended***

- Night and weekend shift pay differentials of \$1.50 per hour are suspended. Employees will not receive additional compensation for working night and weekend shifts until the July 2022 pay period (Article 15.08).

### ***Uniform Allowances Reduced***

- Employees currently receiving an annual Uniform/Uniform Accessories replacement Allowance of \$1,000.00 will be reduced to \$750.00 annually during the term of the contract (Article 14.04).

### ***Personal Development Days (PDDs) Reduced***

- Employees currently receive two (2) PDDs per calendar year. In calendar years 2021 and 2022, employees will receive only one (1) PDD (Article 8.07).

## **III. Miscellaneous**

### ***7K Training Program***

- Employees shall receive a minimum of sixty (60) hours of annual training, which was previously divided between forty-eight (48) hours of off-post training and twelve (12) hours of on-the-job training. Cost savings will be achieved through the modification of thirty-two (32) hours of the off-post training being converted to non-classroom, on-the-job, or online training. (Article 8.05)

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

- 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:
  - 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 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.

- 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.
- In the event that the Director of the Department of Finance does not restore, at their sole discretion, Article 15.01 Salaries – Adjustment to Salary Ranges, the General Salary Increase of 3% shall become effective on July 1, 2022. 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 General Salary Increase of 3% shall become effective 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.

#### **IV. Term**

- July 1, 2020 through June 30, 2022

#### **V. Fiscal**

- Fiscal Year 2020-21: -\$394.8 million (all General Fund)
- Total 2-Year Incremental Cost: -\$394.8 million (all General Fund)
- Total 2-Year Budgetary Cost: -\$789.5 million (all General Fund)

#### **VI. Agreement**

- This Side Letter Agreement represents the reductions in employee compensation as proposed in the May Revision of the Budget. For Bargaining Unit 6, this represents the dollar equivalent of two days of leave.
- The complete Side Letter Agreement between the state and CCPOA is posted at: [Contracts on CalHR Website](#)

California Department of Human Resources  
 Bargaining Unit 06 (CCPOA) - Side Letter Agreement Incremental Summary  
 2-Year Agreement  
 (Dollars in Thousands)

Rank and File	Effective Date	FY 2020-21			FY 2021-22			Total Incremental			Total Budgetary		
		GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
PLP - 1-Day	7/1/20	(\$197,349)	\$	(\$197,349)				(\$197,349)	\$	(\$197,349)	(\$394,697)	\$	(\$394,697)
No Holiday Pay (7 of 11 Holidays)	7/1/20	(\$41,364)	\$	(\$41,364)				(\$41,364)	\$	(\$41,364)	(\$82,727)	\$	(\$82,727)
No Shift Differential (night and weekend)	7/1/20	(\$41,490)	\$	(\$41,490)				(\$41,490)	\$	(\$41,490)	(\$82,980)	\$	(\$82,980)
Reduce Uniform Allowance (\$1,000 to \$750/year)	7/1/20	(\$6,017)	\$	(\$6,017)				(\$6,017)	\$	(\$6,017)	(\$12,034)	\$	(\$12,034)
No Holiday Credit for Posted Positions on RDOs (7 of 11 Holidays)	7/1/20	(\$34,200)	\$	(\$34,200)				(\$34,200)	\$	(\$34,200)	(\$68,400)	\$	(\$68,400)
Eliminate 1 PDD	7/1/20	(\$14,746)	\$	(\$14,746)				(\$14,746)	\$	(\$14,746)	(\$29,492)	\$	(\$29,492)
Convert 32 of 48 training hours to non-classroom	7/1/20	(\$59,607)	\$	(\$59,607)				(\$59,607)	\$	(\$59,607)	(\$119,214)	\$	(\$119,214)
<b>Subtotal Rank and File Savings</b>		<b>(\$394,772)</b>	<b>\$</b>	<b>(\$394,772)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>(\$394,772)</b>	<b>\$</b>	<b>(\$394,772)</b>	<b>(\$789,544)</b>	<b>\$</b>	<b>(\$789,544)</b>
<b>Non-Adds</b>													
3% GSI Suspension	7/1/20	(\$131,676)	\$	(\$131,676)				(\$131,676)	\$	(\$131,676)	(\$263,351)	\$	(\$263,351)
<b>Subtotal Non-Adds</b>		<b>(\$131,676)</b>	<b>\$</b>	<b>(\$131,676)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>(\$131,676)</b>	<b>\$</b>	<b>(\$131,676)</b>	<b>(\$263,351)</b>	<b>\$</b>	<b>(\$263,351)</b>
<b>Grand Total Rank and File Costs</b>		<b>(\$526,448)</b>	<b>\$</b>	<b>(\$526,448)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>(\$526,448)</b>	<b>\$</b>	<b>(\$526,448)</b>	<b>(\$1,052,896)</b>	<b>\$</b>	<b>(\$1,052,896)</b>

California Department of Human Resources  
 Bargaining Unit 6 (CCPOA) - Side Letter Agreement Budgetary Summary  
 2-Year Agreement  
 (Dollars in Thousands)

Rank and File		FY 2020-21			FY 2021-22			Total Budgetary		
Proposal	Effective Date	GF	OF	Total	GF	OF	Total	GF	OF	Total
PLP - 1-Day	7/1/20	(\$197,349)	\$	(\$197,349)	(\$197,349)	\$	(\$197,349)	(\$394,697)	\$	(\$394,697)
No Holiday Pay (7 of 11 Holidays)	7/1/20	(\$41,364)	\$	(\$41,364)	(\$41,364)	\$	(\$41,364)	(\$82,727)	\$	(\$82,727)
No Shift Differential (night and weekend)	7/1/20	(\$41,490)	\$	(\$41,490)	(\$41,490)	\$	(\$41,490)	(\$82,980)	\$	(\$82,980)
Reduce Uniform Allowance (\$1,000 to \$750/year)	7/1/20	(\$6,017)	\$	(\$6,017)	(\$6,017)	\$	(\$6,017)	(\$12,034)	\$	(\$12,034)
No Holiday Credit for Posted Positions on RDOs (7 of 11 Holidays)	7/1/20	(\$34,200)	\$	(\$34,200)	(\$34,200)	\$	(\$34,200)	(\$68,400)	\$	(\$68,400)
Eliminate 1 PDD	7/1/20	(\$14,746)	\$	(\$14,746)	(\$14,746)	\$	(\$14,746)	(\$29,492)	\$	(\$29,492)
Convert 32 of 48 training hours to non-classroom	7/1/20	(\$59,607)	\$	(\$59,607)	(\$59,607)	\$	(\$59,607)	(\$119,214)	\$	(\$119,214)
<b>Subtotal Rank and File Savings</b>		<b>(\$394,772)</b>	<b>\$</b>	<b>(\$394,772)</b>	<b>(\$394,772)</b>	<b>\$</b>	<b>(\$394,772)</b>	<b>(\$789,544)</b>	<b>\$</b>	<b>(\$789,544)</b>
<b>Non-Adds</b>										
3% GSI Suspension	7/1/20	(\$131,676)	\$	(\$131,676)	(\$131,676)	\$	(\$131,676)	(\$263,351)	\$	(\$263,351)
<b>Subtotal Non-Adds</b>		<b>(\$131,676)</b>	<b>\$</b>	<b>(\$131,676)</b>	<b>(\$131,676)</b>	<b>\$</b>	<b>(\$131,676)</b>	<b>(\$263,351)</b>	<b>\$</b>	<b>(\$263,351)</b>
<b>Grand Total Rank and File Costs</b>		<b>(\$526,448)</b>	<b>\$</b>	<b>(\$526,448)</b>	<b>(\$526,448)</b>	<b>\$</b>	<b>(\$526,448)</b>	<b>(\$1,052,896)</b>	<b>\$</b>	<b>(\$1,052,896)</b>