



**Side Letter of Agreement between
the International Union of Operating Engineers (IUOE), Bargaining Unit 12,
and the State of California**

As identified in the State's notice to IUOE dated May 14, 2020, the May Revision of the 2020-2021 Budget Act proposed a savings in employee compensation which equates to approximately 10 percent. In view of this fiscal emergency, we requested to immediately continue to meet with IUOE. The parties were also encouraged by the Legislature, through the Budget Act, to seek resolution through collective bargaining if possible. As a result of these negotiations, we have reached an agreement that is currently pending IUOE ratification.

Subject to Control Section 3.90 of the 2020-2021 Budget Act and the amended Government Code section 19849, to achieve these reductions, effective July 1, 2020, a furlough program has been established for employees represented by Bargaining Unit 12, until the agreement is fully ratified. This furlough program will reduced the wages of represented employees equal to 9.23 percent.

IUOE and the State have met and conferred on the state's implementation of the 2020 Furlough Policy. In negotiating the impact of this policy and resolving all matters related to the state's implementation of the policy, the parties agree to credit 8 hours of Personal Leave Program 2020 to each full time employee in a Bargaining Unit 12 classification in the July 2020 pay period to mitigate the impact when Bargaining Unit 12 employees were subject to the 9.23 percent furlough payroll deduction.

	July 22, 2020		
State of California	Date	IUOE	Date

 7/22/20

 7/22/20