August 15, 2013

The Honorable Darrell Steinberg  
Pro Tem, California State Senate  
State Capitol, Room 205  
Sacramento, California 95814

The Honorable John Pérez  
Speaker of the California State Assembly  
State Capitol, Room 219  
Sacramento, California 95814

The Honorable Bob Huff  
Minority Leader, California State Senate  
State Capitol, Room 305  
Sacramento, California 95814

The Honorable Connie Conway  
Minority Leader, California State Assembly  
State Capitol, Room 3104  
Sacramento, California 95814

Re: Tentative Agreements/Memoranda of Understanding (MOU’s) for Bargaining Unit 16, the Union of American Physicians and Dentists (UAPD), and Bargaining Unit 19, the American Federation of State, County and Municipal Employees- Health and Social Service Professionals (AFSCME)

Dear Senators Steinberg and Huff, and Assembly Members Pérez and Conway:

Recently, the Department of Human Resources (CalHR) reached new Tentative Agreements/MOU’s with Bargaining Unit 16, the UAPD, and Bargaining Unit 19, AFSCME. Upon approval of the Legislature and the Governor, and ratification by the membership, these agreements will be effective July 1, 2013 - July 1, 2016.

Both MOUs rollover language from past agreements and make changes primarily in the area of employee compensation, including cost of living increases. These prudent cost of living increases are contingent upon the projected revenues of the 2014-2015 State budget. There are no mandatory furloughs or Personnel Leave Program (PLP) days in this contract.

In accordance with Government Code Sections 3517.5, 19829.5, and Senate Rule 29.4, I am forwarding copies of these tentative agreements, including legislative and fiscal summaries. The Legislative Analyst will be forwarded a copy for analysis, and the Secretary of the Senate and the Clerk of the Assembly will be forwarded copies to make them noted as available for review in the daily journals.

The above mentioned tentative agreements and summaries can also be found by going to the following link:  
http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx

Currently, there is no vehicle to approve the terms of these agreements.

Respectfully,

[Signature]

Julie Chapman  
Director

Attachments
August 15, 2013
UAPD and AFSCME MOU Transmittal Letter

cc: Gareth Elliott, Legislative Affairs Secretary, Office of the Governor
Gregory Schmidt, Secretary of the Senate
E. Dotson Wilson, Chief Clerk of the Assembly
Joint Legislative Budget Committee
Mac Taylor, Office of the Legislative Analyst
Department of Finance

ccc:

Marianne O’Malley, Director Gen. Government
Office of the Legislative Analyst
Nick Schroeder, Consultant
Office of the Legislative Analyst
Richard Gillihan, Asst. Program Budget Manager
Department of Finance
Craig Cornett, Chief Fiscal Policy Advisor
Office of the Pro Tem
Charles Wright, Chief Consultant
Office of the Pro Tem
Chris Woods, Budget Director
Office of the Speaker
Nick Hardeman, Chief Consultant
Office of the Speaker
Seren Taylor, Staff Director
Senate Republican Fiscal Office
Chantele Denny, Consultant
Senate Republican Fiscal Office
Anthony Archie, Consultant
Assembly Republican Fiscal Office
Peter Schaafsma, Staff Director
Assembly Republican Fiscal Office
Keely Bosler, Staff Director
Senate Budget Committee
Mark Ibele, Consultant
Senate Budget Committee
Christian Griffith, Staff Director
Assembly Budget Committee
Mark Martin, Consultant
Assembly Budget Committee
Mark McKenzie, Staff Director
Senate Appropriations Committee

Maureen Ortiz, Consultant
Senate Appropriations Committee
Geoff Long, Chief Consultant
Assembly Appropriations Committee
Roger Dunstan, Consultant
Assembly Appropriations Committee
Pamela Schneider, Consultant
Senate PE&R Committee
Karon Green, Chief Consultant
Assembly PER&SS Committee
Gary Link, Consultant
Senate Republican Caucus
Terry Mast, Consultant
Assembly Republican Caucus
Alene Shimazu, Chief
Fiscal Analysis, CalHR
Pam Manwiller, Deputy Chief
Labor Relations, CalHR
Randy Fischer, Assistant Deputy Director
Labor Relations, CalHR
Cindie Fonseca, LRO
Labor Relations, CalHR
UAPD

CALIFORNIA DEPARTMENT OF HUMAN RESOURCES
SUMMARY OF COLLECTIVE BARGAINING AGREEMENT
FOR BARGAINING UNIT 16

Exclusive Employee Representative
Union of American Physicians and Dentists
(July, 2013, through July 1, 2016)

The complete Tentative Agreement between the State and UAPD will be posted at:
http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx
Number of Employees: Approximately 1,517 full-time equivalents

I. Retirement

Benefit Formula Calculation

- Bargaining Unit 16 employees who become CalPERS members on or after January 1, 2013, are subject to the Public Employees' Pension Reform Act (PEPRA) Retirement Formula of 2% at age 62.

- Bargaining Unit 16 employees who become CalPERS members on or after January 1, 2013, are subject to the State Safety PEPRA Retirement Formula of 2% at age 57.

- Bargaining Unit 16 employees who become CalPERS members on or after January 1, 2013, are subject to the Second Tier PEPRA Retirement Formula of 1.25% at age 67.

- Pensionable compensation caps will apply to new CalPERS members subject to PEPRA as defined under PEPRA.

Employee Pension Contribution

- Effective July 1, 2013, all Second Tier members shall contribute 1.5% of monthly pensionable compensation and the contribution will increase by 1.5% points annually. The final annual increase in the contribution rate shall be adjusted as appropriate to reach fifty percent (50%) of normal cost.

II. Compensation

Cost of Living Increase

- Effective July 1, 2014, contingent on the projected State revenues of the 2014-15 Budget, all BU 16 represented classifications will receive a 2% General Salary Increase (GSI).

- If the GSI on July 1, 2014 is provided, effective July 1, 2015, all BU 16 represented classifications, will receive a 2% General Salary Increase, with the following exception as listed in A and B below,

  A. The Department of State Hospitals', Developmental Services' and Veterans Affairs' Physicians and Surgeons shall receive a 6% GSI effective July 1, 2015.
B. Medical Consultants and Public Health Medical Officers in the following classifications will receive a 3% GSI effective July 1, 2015. This only applies to the rank and file classifications covered by this MOU that have a U designation, and are represented.

<table>
<thead>
<tr>
<th>Code</th>
<th>Position Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6774</td>
<td>Medical Consultant, Office of Statewide Health Planning and Development</td>
</tr>
<tr>
<td>7657</td>
<td>Podiatrist, Department of Mental Health and Developmental Services</td>
</tr>
<tr>
<td>7705</td>
<td>Public Health Medical Officer III</td>
</tr>
<tr>
<td>7707</td>
<td>Public Health Medical Officer III</td>
</tr>
<tr>
<td>7715</td>
<td>Public Health Medical Officer III, Maternal and Child Health</td>
</tr>
<tr>
<td>7716</td>
<td>Public Health Medical Officer III -- Epidemiology</td>
</tr>
<tr>
<td>7722</td>
<td>Public Health Medical Officer II</td>
</tr>
<tr>
<td>7784</td>
<td>Medical Consultant I, Dept of Social Services</td>
</tr>
<tr>
<td>7785</td>
<td>Medical Consultant (Psychiatrist), Dept of Social Services</td>
</tr>
<tr>
<td>7787</td>
<td>Medical Consultant I, Dept of Health Services</td>
</tr>
<tr>
<td>7788</td>
<td>Medical Consultant II, Dept of Social Services</td>
</tr>
<tr>
<td>7826</td>
<td>Medical Consultant Dept of Rehabilitation</td>
</tr>
<tr>
<td>7976</td>
<td>Podiatric Consultant</td>
</tr>
<tr>
<td>7977</td>
<td>Podiatrist</td>
</tr>
<tr>
<td>9747</td>
<td>Medical Consultant (Enforcement), Medical Board of California</td>
</tr>
<tr>
<td>9748</td>
<td>Medical Consultant (Advisory), Medical Board of California</td>
</tr>
<tr>
<td>9749</td>
<td>Medical Consultant (Licensing), Medical Board of California</td>
</tr>
</tbody>
</table>

- If the projected State revenues are not achieved all employees represented by UAPD shall receive a GSI of 4% effective July 1, 2015, with the following exceptions in A and B below.

A. Department of State Hospitals’, Developmental Services’, and Veterans Affairs’ Physicians and Surgeons shall receive an 8% GSI effective July 1, 2015

B. Medical Consultants and Public Health Medical Officers in the following classifications will receive a 5% GSI effective July 1, 2015. This only applies to the rank and file classifications covered by this MOU that have a U designation, and are represented.

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<td>Public Health Medical Officer III</td>
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<tr>
<td>7707</td>
<td>Public Health Medical Officer III, Radiologic Health</td>
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<td>7715</td>
<td>Public Health Medical Officer III, Maternal and Child Health</td>
</tr>
<tr>
<td>7716</td>
<td>Public Health Medical Officer III -- Epidemiology</td>
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<td>Medical Consultant (Licensing), Medical Board of California</td>
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</table>
III. Health Benefits

Employer Contribution

- Upon ratification, the employer health benefits contribution for each employee shall be an amount equal to 80% of the weighted average of the Basic health benefit plan premiums (the 80/80 formula).

IV. Miscellaneous

- The State will not implement a furlough program or mandate a Personal Leave Program during the term of this agreement.

- The State and UAPD agree to present to the Legislature, as part of the legislation implementing this Memorandum of Understanding (MOU), a provision to appropriate funds to cover the economic terms of this agreement through July 1, 2016.

- Business and Travel Reimbursements, the State increased the breakfast rate to $7.00, lunch to $11.00, dinner to $23 and incidentals to $5.00. The State increased lodging rates as follows:

<table>
<thead>
<tr>
<th>County</th>
<th>Lodging Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All counties except those listed below.</td>
<td>$90</td>
</tr>
<tr>
<td>Los Angeles, Orange, Ventura, Edwards AFB, less the city of Santa Monica</td>
<td>$120</td>
</tr>
<tr>
<td>Sacramento, Napa, Riverside</td>
<td>$95</td>
</tr>
<tr>
<td>San Diego, Monterey County, Alameda, San Mateo, Santa Clara</td>
<td>$125</td>
</tr>
<tr>
<td>San Francisco, City of Santa Monica</td>
<td>$150</td>
</tr>
</tbody>
</table>

- Deletion of the CDCR Longevity Incentive pay.

- Overpayments/Payroll Errors that are identified shall be given to the employee before commencing with a recoupment action. BU16 employees can use accrued leave credits to pay for overpayments.

- Professional judgment issues may be appealed to the third step of the grievance and arbitration procedure.

- The CalHR, UAPD, Department of Finance, and the Department of General Services agree to maintain a Contracting Out Committee.

- Medical Consultants are eligible for bonus pay, if the plan is invoked, for up to a maximum of 55 (change from 65) cases per week (beyond the required 110 cases (change from 90) reviewed per week). Bonus pay is not considered compensation towards retirement.
• The State shall provide up to 56 hours (change from 7 days) per fiscal year of Continuing Medical Education.
  o CME carry over may not exceed 112 hours (change from 14 days).
  o The state shall approve $1000 per fiscal year for tuition, registration; cost of course related books, training, etc.
  o The State and Union will meet within 90 calendar days after ratification in order to streamline the payment of CMI by establishing a process in which $1000 would be provided at the beginning of each fiscal year.

V. Duration
• July 1, 2013 through July 1, 2016

VI. Fiscal
• FY 13/14 Cost: $0.0 million (GF=$0.0 million and OF=$0.0 million)
• Total Incremental Cost: $20.1 million (GF=$17.8 million and OF=$2.3 million)
• Total Budgetary Cost: $28.9 million (GF=$25.8 million and OF=$3.1 million)

VII. Agreement
• View the Tentative Agreement between the State and UAPD at: http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx
Table 183: FYB-14 items already in the Governor’s Budget FY 13-14 have been added to this costing summary as Non-Adds. Travel costs will be absorbed by the department.

Data Sources: Position Benefits Table (March 2013) and SCO Table 182 (April 2013)
California Department of Human Resources  
Bargaining Unit 16  
Trigger Met  
TA Costing Summary  
Budgetary Costs/(Savings)  
($ In Thousands)

|----------------|-----------------|------------|---------------|------------|------------|------------|-------------
| 316            | Physicians and Surgeons 6% SSA | 7/1/2013  | Cost           | 2,350      | 206        | 2,456      | 2,156       | 1,096  
| 316            | Pediatricians 3% SSA | 7/1/2013  | Cost           | 555        | 55         | 80         | 155         | 860   
| 316            | Medical Consultants 3% SSA | 7/1/2013  | Cost           | 399        | 2,099      | 1,498      | 299         | 1,099  
| 316            | 2% GSI           | 7/1/2014  | Cost           | 7,985      | 879        | 8,865      | 7,985       | 879    
| 316            | 3% GSI (excludes the classes receiving the 6% SSA above) | 7/1/2014 | Cost | $7,985 | $879 | $8,865 | $7,985 | $879 
| 316            | Total Cost / (Savings) | 7/1/2014 | Cost | $7,985 | $879 | $8,865 | $7,985 | $879 

|-----------|-----------------|------------|---------------|------------|------------|------------|-------------
| 316       | Travel | 7/1/2013  | Cost | $21        | $2         | $24        | $21         | $2        | $24  
| 316       | HPIV | 1/1/2014  | Cost | $153       | $17        | $170       | $904        | $100      | $1,004  
| 316       | PEPRA-New Employees Future Savings | 1/1/2014 | Savings | ($127) | ($14) | ($141) | ($127) | ($14) | ($141) 
| 316       | Total Cost / (Savings) | 1/1/2014 | Savings | $174 | $13 | $189 | $798 | $88 | $886 | $3,741 | $192 | $3,933 | $2,713 | $199 | $9,012 

Data Sources: Position Benefits Table (March 2013) and SCD Table 18A (April 2013)

FY13-14 items already in the Governor's Budget FY13-14 have been added to this costing summary as Non-Adds.

Travel costs will be absorbed by the department.