



**CALIFORNIA DEPARTMENT OF HUMAN RESOURCES**

**Office of the Director**

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**Governor Edmund G. Brown Jr.**

**Secretary, Government Operations Agency Marybel Batjer**  
**Director Richard Gillihan**

September 4, 2015

The Honorable Kevin de León  
Pro Tem, California State Senate  
State Capitol, Room 205  
Sacramento, California 95814

The Honorable Jean Fuller  
Minority Leader, California State Senate  
State Capitol, Room 3063  
Sacramento, CA 95814

The Honorable Toni Atkins  
Speaker of the California State Assembly  
State Capitol, Room 219  
Sacramento, California 95814

The Honorable Kristin Olsen  
Minority Leader, California State Assembly  
State Capitol, Room 3104  
Sacramento, California 95814

**Re: Tentative Agreement/Memorandum of Understanding (MOU) for the California Association of Professional Scientists (CAPS) Representing Bargaining Unit 10**

Dear Senators de León and Fuller, and Assembly Members Atkins and Olsen:

The Department of Human Resources (CalHR) reached a new Tentative Agreement/MOU with CAPS representing Bargaining Unit 10. Upon approval of the Legislature and the Governor, and ratification by the membership, this agreement will be effective July 2, 2015 through July 1, 2018.

This agreement will roll over language from past agreements and make several changes to address the state's retiree health care costs and associated unfunded liabilities. The state and Unit 10 have agreed to begin to phase-in the prefunding of retiree health care benefits, starting on July 1, 2017, with the goal of each contributing 50 percent of the actuarially determined normal cost by July 1, 2019. In addition, Unit 10 members first hired on or after January 1, 2016, will need to work longer to become eligible for retiree health benefits and once vested will receive a lower employer contribution toward retiree health benefits. Finally, Unit 10 members will receive a 5 percent General Salary Increase (GSI) in each of the next three fiscal years.

In accordance with Government Code sections 3517.5, 19829.5, and Senate Rule 29.4, I am forwarding a copy of the Tentative Agreement, including a legislative and fiscal summary. 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 Agreement and summaries can also be found by going to the following link: <http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx>.

Respectfully,



Richard Gillihan  
Director

Attachments

cc: Camille Wagner, Legislative Affairs Secretary, Office of the Governor  
Daniel Alvarez, Secretary of the Senate  
E. Dotson Wilson, Chief Clerk of the Assembly  
Joint Legislative Budget Committee  
Mac Taylor, Legislative Analyst  
Marybel Batjer, Secretary, Government Operations Agency

ecc:

Tom Dyer, Chief Deputy Legislative Affairs Secretary  
Office of the Governor

Jennifer Osborn, Deputy Secretary, Fiscal Policy and  
Administration  
Governmental Operations Agency

Marianne O'Malley, Director Gen. Government  
Office of the Legislative Analyst

Nick Schroeder, Fiscal and Policy Consultant  
Office of the Legislative Analyst

Erika Li, 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

Greg Campbell, Chief of Staff  
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

Eric Swanson, Staff Director  
Assembly Republican Fiscal Office

Mark Ibele, Staff Director  
Senate Budget Committee

Anita Lee, Consultant  
Senate Budget Committee

Christian Griffith, Chief Consultant  
Assembly Budget Committee

Genevieve Morelos, Consultant  
Assembly Budget Committee

Mark McKenzie, Staff Director  
Senate Appropriations Committee

Robert Ingenito, Consultant  
Senate Appropriations Committee

Pedro Reyes, Chief Consultant  
Assembly Appropriations Committee

Joel Tashjian, Consultant  
Assembly Appropriations Committee

Pamela Schneider, Chief Consultant  
Senate PE&R Committee

Karon Green, Chief Consultant  
Assembly PER&SS Committee

Gary Link, Consultant  
Senate Republican Caucus

Mary Bellamy, Consultant  
Assembly Republican Caucus

Pam Manwiller, Deputy Director for  
Labor Relations  
CalHR

Anthony Crawford, Chief  
Office of Financial Management and  
Economic Research  
CalHR

**CALIFORNIA DEPARTMENT OF HUMAN RESOURCES  
SUMMARY OF COLLECTIVE BARGAINING AGREEMENT  
FOR BARGAINING UNIT 10**

**Exclusive Employee Representative:  
California Association of Professional Scientists (CAPS)**

**Number of Employees:** Approximately 2,861 full-time equivalents

**General Provisions**

**I. Retiree Health Benefit Reforms**

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

- The state and Unit 10 members will prefund retiree healthcare with the goal of each reaching 50 percent cost sharing of actuarially determined total normal cost for employer and employees by July 1, 2019. The state and employees will each make the following contributions:
  1. Effective July 1, 2017, 0.7 percent of pensionable compensation.
  2. Effective July 1, 2018, an additional 0.7 percent for a total of 1.4 percent of pensionable compensation.
  3. Effective July 1, 2019, an additional 1.4 percent for a total of 2.8 percent of pensionable compensation.

***Employer Contribution for Future Retirees***

- For all employees first hired on or after January 1, 2016 the employer contribution for retiree health benefits shall not exceed 80 percent of the weighted average of the health benefit plan premiums for the employee or their eligible family members.

***Medicare Part B Supplemental Benefit***

- All employees first hired on or after January 1, 2016 will no longer be eligible to use the employer contribution for a retiree health benefit plan for Medicare Part B premiums.

***Post-Employment Health Benefit Vesting Schedule for Future Retirees***

- All employees first hired on or after January 1, 2016 will be subject to an extended vesting schedule providing 50 percent of the employer contribution upon completion of 15 years of state service, increasing 5 percent for each additional year of service, until the employee is 100 percent vested at 25 years of state service.

## **II. Compensation**

### ***General Salary Increase (GSI)***

- Effective July 1, 2016 all Unit 10 represented classifications shall receive a five percent (5%) GSI.
- Effective July 1, 2017 all Unit 10 represented classifications shall receive a five percent (5%) GSI.
- Effective July 1, 2018 all Unit 10 represented classifications shall receive a five percent (5%) GSI.

### ***Pay Differentials***

- Effective July 1, 2016 Pay Differential 181 (Staff Specialist Compensation Differential Pay) is extended for up to nine additional employees. Employees who are designated as a primary state titled scientist receive a one-step salary increase.

## **III. Miscellaneous**

- Business and Travel: Effective July 1, 2016, the state agrees to increase the lodging rate for Alameda, San Mateo, and Santa Clara Counties from \$125 to \$140.
- Private Aircraft Mileage Reimbursement Rate: Effective July 1, 2016 the state agrees to increase the reimbursement rate from \$0.50 to \$1.29.
- Time off for Organ and Bone Marrow Donation.
- Furlough Protection: The state agrees to not implement a furlough program or a mandatory Personal Leave Program during the first two years of the agreement. Any furlough during the third year must be authorized pursuant to an act of the Legislature.
- 80-Hour Vacation/Annual Leave Cash Out: Effective June 1, 2016, and depending on available departmental funds, the state agrees to permit cash out of leave up to 80 hours per year.

## **IV. Duration**

- July 2, 2015 through July 1, 2018

## **V. Fiscal**

- Fiscal Year 2015-16: \$0
- Total Incremental Cost: \$53.0 million (\$9.4 million General Fund)
- Total Budgetary Cost: \$150.0 million (\$26.6 million General Fund)

## **VI. Agreement**

- The complete Tentative Agreement between the state and CAPS is posted at: <http://calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx>

California Department of Human Resources  
 Bargaining Unit 10 (CAPS) - Incremental MOU Summary  
 3 Year Agreement  
 (Dollars in Thousands)

Rank and File		2015-16			2016-17			2017-18			2018-19			2019-20			Total Incremental			Total Budgetary		
Proposal	Effective Date	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
5% GSI	7/1/16				\$2,644	\$12,285	\$14,929										\$2,644	\$12,285	\$14,929	\$10,574	\$49,140	\$59,714
5% GSI	7/1/17							\$2,776	\$12,899	\$15,675							\$2,776	\$12,899	\$15,675	\$8,327	\$38,698	\$47,025
5% GSI	7/1/18										\$2,915	\$13,544	\$16,459				\$2,915	\$13,544	\$16,459	\$5,829	\$27,088	\$32,917
0.7% OPEB	7/1/17							\$253	\$1,177	\$1,430							\$253	\$1,177	\$1,430	\$760	\$3,531	\$4,291
0.7% OPEB	7/1/18										\$266	\$1,236	\$1,502				\$266	\$1,236	\$1,502	\$532	\$2,472	\$3,003
1.4% OPEB	7/1/19													\$532	\$2,472	\$3,003	\$532	\$2,472	\$3,003	\$532	\$2,472	\$3,003
<b>Subtotal Rank and File Costs</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$2,644</b>	<b>\$12,285</b>	<b>\$14,929</b>	<b>\$3,029</b>	<b>\$14,076</b>	<b>\$17,105</b>	<b>\$3,181</b>	<b>\$14,780</b>	<b>\$17,960</b>	<b>\$532</b>	<b>\$2,472</b>	<b>\$3,003</b>	<b>\$9,385</b>	<b>\$43,613</b>	<b>\$52,998</b>	<b>\$26,554</b>	<b>\$123,400</b>	<b>\$149,954</b>
<b>Non-adds</b>																						
Lodging Reimbursement Increase for 3 Counties	7/1/16				\$1	\$4	\$5										\$1	\$4	\$5	\$4	\$17	\$20
Private Aircraft Mileage 50 cents to \$1.29	7/1/16				\$	\$	\$										\$	\$	\$	\$	\$1	\$2
80-Hour Cash Out Value (additional 60 hours)	6/1/16	\$1,088	\$5,055	\$6,142	\$54	\$253	\$307	\$57	\$265	\$322							\$1,199	\$5,573	\$6,772	\$3,429	\$15,935	\$19,364
Pay Differential 181 - Add Up to 9 Additional Employees	7/1/16				\$18	\$31	\$48										\$18	\$31	\$48	\$70	\$124	\$194
<b>Total Non-adds</b>		<b>\$1,088</b>	<b>\$5,055</b>	<b>\$6,142</b>	<b>\$73</b>	<b>\$288</b>	<b>\$361</b>	<b>\$57</b>	<b>\$265</b>	<b>\$322</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$1,218</b>	<b>\$5,608</b>	<b>\$6,826</b>	<b>\$3,503</b>	<b>\$16,076</b>	<b>\$19,580</b>
<b>Grand Total Rank and File Costs</b>		<b>\$1,088</b>	<b>\$5,055</b>	<b>\$6,142</b>	<b>\$2,717</b>	<b>\$12,573</b>	<b>\$15,290</b>	<b>\$3,086</b>	<b>\$14,341</b>	<b>\$17,428</b>	<b>\$3,181</b>	<b>\$14,780</b>	<b>\$17,960</b>	<b>\$532</b>	<b>\$2,472</b>	<b>\$3,003</b>	<b>\$10,603</b>	<b>\$49,221</b>	<b>\$59,824</b>	<b>\$30,058</b>	<b>\$139,476</b>	<b>\$169,534</b>

California Department of Human Resources  
 Bargaining Unit 10 (CAPS) - Budgetary MOU Summary  
 3 Year Agreement  
 (Dollars in Thousands)

Rank and File		2015-16			2016-17			2017-18			2018-19			2019-20			Total Budgetary		
Proposal	Effective Date	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total	GF	OF	Total
5% GSI	7/1/16				\$2,644	\$12,285	\$14,929	\$2,644	\$12,285	\$14,929	\$2,644	\$12,285	\$14,929	\$2,644	\$12,285	\$14,929	\$10,574	\$49,140	\$59,714
5% GSI	7/1/17							\$2,776	\$12,899	\$15,675	\$2,776	\$12,899	\$15,675	\$2,776	\$12,899	\$15,675	\$8,327	\$38,698	\$47,025
5% GSI	7/1/18										\$2,915	\$13,544	\$16,459	\$2,915	\$13,544	\$16,459	\$5,829	\$27,088	\$32,917
0.7% OPEB	7/1/17							\$253	\$1,177	\$1,430				\$253	\$1,177	\$1,430	\$760	\$3,531	\$4,291
0.7% OPEB	7/1/18										\$266	\$1,236	\$1,502	\$266	\$1,236	\$1,502	\$532	\$2,472	\$3,003
1.4% OPEB	7/1/19													\$532	\$2,472	\$3,003	\$532	\$2,472	\$3,003
<b>Subtotal Rank and File Costs</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$2,644</b>	<b>\$12,285</b>	<b>\$14,929</b>	<b>\$5,673</b>	<b>\$26,361</b>	<b>\$32,034</b>	<b>\$8,853</b>	<b>\$41,141</b>	<b>\$49,994</b>	<b>\$9,385</b>	<b>\$43,613</b>	<b>\$52,998</b>	<b>\$26,554</b>	<b>\$123,400</b>	<b>\$149,954</b>
<b>Non-adds</b>																			
Lodging Reimbursement Increase for 3 Counties	7/1/16				\$1	\$4	\$5	\$1	\$4	\$5	\$1	\$4	\$5	\$1	\$4	\$5	\$4	\$17	\$20
Private Aircraft Mileage 50 cents to \$1.29	7/1/16				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$1	\$2
80-Hour Cash Out Value (additional 60 hours)	6/1/16	\$1,088	\$5,055	\$6,142	\$1,142	\$5,307	\$6,449	\$1,199	\$5,573	\$6,772							\$3,429	\$15,935	\$19,364
Pay Differential 181 - Add Up to 9 Additional Employees	7/1/16				\$18	\$31	\$48	\$18	\$31	\$48	\$18	\$31	\$48	\$18	\$31	\$48	\$70	\$124	\$194
<b>Total Non-adds</b>		<b>\$1,088</b>	<b>\$5,055</b>	<b>\$6,142</b>	<b>\$1,161</b>	<b>\$5,343</b>	<b>\$6,503</b>	<b>\$1,218</b>	<b>\$5,608</b>	<b>\$6,826</b>	<b>\$19</b>	<b>\$35</b>	<b>\$54</b>	<b>\$19</b>	<b>\$35</b>	<b>\$54</b>	<b>\$3,503</b>	<b>\$16,076</b>	<b>\$19,580</b>
<b>Grand Total Rank and File Costs</b>		<b>\$1,088</b>	<b>\$5,055</b>	<b>\$6,142</b>	<b>\$3,804</b>	<b>\$17,628</b>	<b>\$21,432</b>	<b>\$6,890</b>	<b>\$31,969</b>	<b>\$38,860</b>	<b>\$8,872</b>	<b>\$41,176</b>	<b>\$50,048</b>	<b>\$9,404</b>	<b>\$43,648</b>	<b>\$53,052</b>	<b>\$30,058</b>	<b>\$139,476</b>	<b>\$169,534</b>