

(Without Reference to File)

SENATE THIRD READING

SB 142 (Committee on Budget and Fiscal Review)

As Amended June 25, 2021

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs), addenda and side letters between 19 bargaining units (BUs) and the state. The agreements cover state employees represented by 11 exclusive employee representatives, as follows:

Service Employees International Union, Local 1000 (SEIU 1000)

- 1) BU 1: Administrative, Financial, and Staff Services
- 2) BU 3: Professional Educators and Librarians
- 3) BU 4: Office and Allied
- 4) BU 11: Engineering and Scientific Technicians
- 5) BU 14: Printing Trades
- 6) BU 15: Allied Services
- 7) BU 17: Registered Nurses
- 8) BU 20: Medical and Social Services
- 9) BU 21: Education Consultants and Library Employees

California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)

- 1) Bargaining Unit 2: Attorneys, Administrative Law Judges, and Hearing Officers

California Association of Highway Patrolmen (CAHP)

- 1) Bargaining Unit 5: California Highway Patrol Officers

California State Law Enforcement Association (CSLEA)

- 1) Bargaining Unit 7: Protective Services and Public Safety

Professional Engineers of California Government (PECG)

- 1) Bargaining Unit 9: Professional Engineers

California Association of Professional Scientists (CAPS)

- 1) Bargaining Unit 10: Professional Scientists

International Union of Operating Engineers (IUOE)

- 1) Bargaining Unit 12: Craft and Maintenance

International Union of Operating Engineers (IUOE)

- 1) Bargaining Unit 13: Stationary Engineers

Union of American Physicians and Dentists (UAPD)

- 1) Bargaining Unit 16: Physicians, Dentists, and Podiatrists

California Association of Psychiatric Technicians (CAPT)

- 1) Bargaining Unit 18: Psychiatric Technicians

American Federation of State, County and Municipal Employees (AFSCME)

- 1) Bargaining Unit 19: Professional Health and Social Services

Existing Law:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e., bargaining units) - regarding wages and working conditions, and to define negotiated agreements in MOUs.
- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 3) Requires that any MOU between the state and an exclusive representative be ratified by the Legislature.
- 4) Establishes the California Public Employees' Retirement System (CalPERS), which administers health and retirement benefits for state employees.
- 5) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analysis of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 6) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more, depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 80% or 100% of the weighted average premium of the four health plans most highly utilized by all members. Depending on the bargaining unit, dependents are eligible for a contribution based on 80% or 90% of the average additional premiums paid for dependents during the benefit year in which the formula is applied. These are referred to as the 80/80 and 100/90 formulas.

- 7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.
- 8) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.
- 9) The 2020-21 Budget Act achieved General Fund savings in state employee compensation through the ratification of negotiated agreements between the state and 20 bargaining units. Among other cost saving measures, the ratified MOU addenda and side letters included a personal leave program (PLP 2020) that achieved a 4.62% savings for each day employee pay was reduced. The PLP 2020 was approved for fiscal years 2020-21 and 2021-22 and varied depending on the bargaining unit. In addition, the agreements suspended employee contributions to prefund retiree health benefits in 2020-21 and 2021-22.

Major Provisions

Delete the previous version of the bill and instead:

Ratifies the MOUs, addenda, and side letters entered into between the state and bargaining units 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21, notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

- 1) Approves provisions requiring the expenditure of funds for the addendum entered into by the state and BUs 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 2) Authorizes the state or any of the bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Reinstates the employee contribution for prefunding other postemployment benefits for the 2021-22 fiscal year for employees represented by BUs 1, 2, 3, 4, 7, 9, 10, 11, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 4) Adjusts the state and employee contribution percentages for prefunded retiree health care, as specified, to maintain a 50% cost sharing of the actuarially determined total normal costs for employees in BU 12.
- 5) Adjusts the cost-sharing amounts applicable to the state and employees in BU 5 for prefunding retiree health care.
- 6) Appropriates \$1,287,279,000 for expenditure in the 2021-22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.
- 8) Includes double jointing language to address chaptering out issues with AB 159 (Ting) of the current legislative session

COMMENTS

The following information summarizes the general provisions of the MOU and was provided by CalHR:

Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21: The MOU side letter agreement between the state and SEIU Local 1000 is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective June 30, 2021, the Personal Leave Program (PLP 2020) will end. SEIU Bargaining Unit employees will have their full salaries restored.
- b) Unused PLP 2020 leave credits may be used in the same manner as Vacation/Annual Leave and Personal Necessity Leave.
- c) Open enrollment will occur July 1, 2021 through August 1, 2021, for SEIU Bargaining Unit employees to opt into the Voluntary Personal Leave Program.
- d) CalHR will review leave cash out policies by March 1, 2022, to assess for equity impact/implementation across all departments and will meet with SEIU Local 1000 within 60 days of completion of that review.

2) Salary Increase

- a) Effective on the first day of the pay period following ratification by both parties, all SEIU Bargaining Unit employees will receive a 4.55% salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (2.5%) and the salary increase that was already scheduled for July 1, 2021 (2.0%), including compounding (.05%).

3) Minimum Wage Equity Adjustment

- a) Effective on the first day of the pay period following ratification by both parties, SEIU Bargaining Unit employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.

4) Improving Affordability and Access to Healthcare

- a) The existing MOU contains a \$260 monthly payment for SEIU Bargaining Unit employees with specific eligibility requirements. This provision will continue to be suspended until June 30, 2022.
- b) All health benefits-eligible SEIU Bargaining Unit employees will receive a monthly payment of \$260 and will be ineligible for the Flex-Elect Benefit Plan cash option. The Flex-Elect Benefit Plan cash option shall be reinstated July 1, 2022. For those eligible, enrollment for the Flex-Elect Benefit Plan will occur in the spring of 2022.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, SEIU Bargaining Unit employees will resume monthly contributions of 3.5% to prefund OPEB.

MISCELLANEOUS CONTRACT REOPENER LANGUAGE

- 1) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Bargaining Unit 2: The MOU side letter agreement between the state and BU 2 (CASE) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
- 2) Effective on the first day of the pay period following ratification by both parties, PLP 2020 will end. Bargaining Unit 2 employees will have their full sales restored.
- 3) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 4) Salary Increase
- 5) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 4.04% salary increase. This increase was originally schedule for July 1, 2022 (2.5%) and a new increase (1.5%), including compounding (0.04%).
- 6) Special Salary Adjustments
- 7) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 1.33% increase.
- 8) Effective August 1, 2021, ranges A and B of specific classifications will have the minimum and maximum salaries increased by 15% and Bargaining Unit 2 employees in these ranges will receive a 15% special salary adjustment.

POST-EMPLOYMENT BENEFITS

- 1) Prefunding of Other Post-Retirement Benefits (OPEB)
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 2 employees will resume monthly contributions of 2% to prefund OPEB.

MISCELLANEOUS

- 1) Effective the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive the monthly payment of \$260 for Improving Affordability and Access to Healthcare.
- 2) Effective the pay period following ratification by both parties, the Bilingual Pay Differential will be increased from \$100 per month to \$200 per month.
- 3) Effective the pay period following ratification by both parties, the Commute Program Reimbursements will be increased by \$35 per month.
- 4) No later than 6 months after ratification by both parties, the State will present to the State Personnel Board a proposal to consolidate a majority of the Administrative Law Judge I and II classifications into one statewide classification and to combine the two levels.
- 5) No later than July 1, 2022, the State will present a proposal to the State Personnel Board to make the following changes to certain attorney classifications.

DURATION

- 1) This MOU is effective July 1, 2021, through June 30, 2022.

Bargaining Unit 5 (BU 5): The MOU side letter agreement between the state and BU 5 (CAHP) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
 - a) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 5 employees will have their full salaries reinstated.
 - b) Effective on the first day of the pay period following ratification by both parties, bargaining unit 5 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) Modification of Vacation and Annual Leave Hours Cap
 - a) Vacation and Annual Leave caps are capped at 924 hours through July 3, 2024, and may be extended if the employer is not able to reduce balances for operational reasons.
- 3) One-time Leave Cash Out
 - a) Employees shall have a one-time option to cash out up to 80 hours of leave credits in the fall of 2021.
- 4) Restoration of Uniform Allowance
 - a) Effective on the first day of the pay period following ratification by both parties, the following items are restored consistent with MOU:

- i) \$920 per year allowance for uniforms.
- ii) \$25 per month uniform maintenance and cleaning.

RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

- 1) Restoration of Employee Retirement Contribution towards Compensation
 - a) As previously negotiated, on July 1, 2023, the 1.0% of salary which was redirected to the employer contribution will be restored to the employees' compensation.
- 2) Restoration of Employees' Retirement Contributions
 - a) Effective July 1, 2021, increases to employees' retirement contribution shall be restored.

RESTORATION OF EMPLOYEE AND EMPLOYER OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS

- 1) Effective on the first day of the pay period following ratification by both parties, OPEB prefunding contributions will resume. The employee and employer OPEB contributions will resume based on the following schedule:
 - a) Effective on the first day of the pay period following ratification by both parties, employee share of 0.9% pensionable compensation and employer share of 5.9% of pensionable compensation for a total of 6.8%.
 - b) Effective July 1, 2022, employee share of 1.7% of pensionable compensation and employer share of 5.1% of pensionable compensation for a total of 6.8%.
 - c) Effective July 1, 2023, employee share of 2.6% of pensionable compensation and employer share of 4.2% of pensionable compensation for a total of 6.8%.
 - d) Effective July 1, 2024, employee share of 3.4% of pensionable compensation and employer share of 3.4% of pensionable compensation for a total of 6.8%.

MISCELLANEOUS

- 1) Contract Reopener Language
 - a) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Upon ratification by both parties the MOU is extended from June 30, 2023 to July 3, 2024. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 7 (BU 7): The MOU side letter between the state and BU 7 (CSLEA) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification, PLP 2020 will end. Bargaining Unit 7 employees will have their full salaries restored.
- b) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- c) Bargaining Unit 7 employees may still use any Personal Development Days prior to using any remaining PLP 2020 leave credits.

2) Salary Increase

- a) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will receive a 5.06% salary increase. This increase was originally schedule for July 1, 2020 (2.5%) and July 1, 2021 (2.5%), including compounding (0.06%). Minimum Wage Equity Adjustment
- b) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 7 employees will no longer be eligible for the Minimum Wage Pay Differential 443 that was negotiated in response to the implementation of PLP 2020.

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Retirement Benefits (OPEB)

- a) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will resume monthly contributions of 4% to prefund OPEB.

MISCELLANEOUS

1) Contract Reopener Language

- a) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 9 (BU 9): The MOU side letter agreement between the state and BU 9 (CSLEA) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification, the PLP 2020 will end. Bargaining Unit 9 employees will have their full salaries restored.

- b) Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) Salary Increase

- a) Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 9 employees will receive a 5.58% salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2022 (3.0%) and a new salary increase (2.5%), including compounding (.08%).

3) Retirement

- a) As previously negotiated, effective the first day of the pay period following ratification by both parties, Miscellaneous and Safety Bargaining Unit 9 employees will pay an additional 0.5% in retirement contributions for one year. After the completion of one year, the retirement contributions will be reduced by 0.5%.

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Employment Benefits (OPEB)

- a) Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will resume monthly contributions of 2.0% to prefund OPEB.

MISCELLANEOUS

1) Contract Reopener Language

- a) The side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The Union ratification process is expected to be completed no later than June 30, 2021.

Bargaining Unit 10: The MOU side letter agreement between the state and BU 10 (CAPS) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 10 employees will have their full salaries restored.
- b) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will no longer receive PLP 2020 leave credits. All provisions related to the

use and compensability of the PLP 2020 leave credits will remain unchanged, except any unused PLP accruals do not expire.

- c) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will be allowed to modify their participation in Voluntary Personal Leave Program for three calendar months. After the third calendar month the standard timeframes will be restored.

2) Salary Increase

- a) Effective on the first day of the pay period following ratification, the salary ranges of all Bargaining Unit 10 classifications will be increased by 7.63%. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (5%), a new July 1, 2021 increase (2.5%), and including compounding (0.13%).

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Employment Benefits (OPEB)

- a) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will resume monthly contributions to prefund OPEB.

TERM

- 1) Effective the first day of the pay period following ratification, and continues until June 30, 2022, or until the provisions are incorporated into a successor agreement. The union ratification process has been completed.

Bargaining Unit 12 (BU 12): The MOU collective bargaining agreement between the state and BU 12 (IUOE) is, as follows:

COMPENSATION

1) Salary Increase

- a) Effective the first day of the pay period following ratification by both parties, all Bargaining Unit 12 employees will receive a 5.06% salary increase. This increase accounts for a 2.5% salary increase for 2020 and 2021, including compounding (.06%).
- b) Effective July 1, 2022, all Bargaining Unit 12 employees will receive a salary increase of 2.25%.

2) Special Salary Adjustments

- a) Effective the first day of the pay period following ratification by both parties, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4%, 5%, or 7%.
- b) Effective July 1, 2022, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4%, 5%, or 7%.

NIGHT SHIFT PAY DIFFERENTIAL

- 1) Effective July 1, 2021, increases in night shift pay differential from 40 cents to \$1 per hour for work shifts that fall between 6 p.m. and 12 midnight.
- 2) Effective July 1, 2021, increase in night shift pay differential from 50 cents to \$2 per hour for work shifts that fall between 12 midnight and 6 a.m.

SPECIAL DUTY PAY

- 1) Effective July 1, 2021, increases in special duty pay for California Department of Transportation employees assigned to avalanche control, performing rock scaling, climbing, transporting of explosives, or suspended work. Pay increases from \$6 to \$10 per hour.
- 2) Effective July 1, 2021, certified CalOES employees performing radio communications during emergency outages while deployed in a snow caterpillar will receive special duty pay of \$10 per hour.

DEPARTMENT OF CORRECTIONS RECRUITMENT AND RETENTION PAY

- 1) Effective July 1, 2021, all Bargaining Unit 12 employees will be eligible for an increase in their recruitment and retention bonus from \$2400 to \$2600. This pay differential has been extended to five institutions, Pelican Bay, Sierra Conservation Center, California Correctional Center, High Desert, and RJ Donovan Correctional facilities.

GREATER BAY AREA RECRUITMENT AND RETENTION PAY DIFFERENTIAL

- 1) Effective July 1, 2021, Bargaining Unit 12 employees who work in the greater Bay Area will be eligible for a recruitment and retention pay differential of 5%.

COMMERCIAL VEHICLE INSPECTION SPECIALIST (CVIS) PAY DIFFERENTIAL

- 1) Effective the first day of the pay period following ratification by both parties, employees in the California Highway Patrol CVIS classification who pass the Passenger Vehicle Inspection exam will receive a \$200 pay differential each month.

WELL DRILLING LICENSE PAY DIFFERENTIAL

- 1) Effective July 1, 2021, Caltrans employees in the Senior Foundation Driller and the Foundation Driller Leadworker classifications, who possess the C-57 Well Drilling license and perform the associated duties, will receive a pay differential of 5%.

RECRUITMENT AND RETENTION DIFFERENTIAL – CAL OES TELECOMMUNICATIONS

- 1) Effective July 1, 2021, California Governor's Office of Emergency Services Telecommunications Technician Trainees, Telecommunications Technicians, and Senior Telecommunications Technicians who work in Los Angeles, Orange, San Benito, San Diego, San Luis Obispo, Santa Barbara, or Ventura counties will receive a pay differential of 5%.

FOOTWEAR

- 1) Footwear purchases made on or after July 1, 2021, will increase their footwear reimbursement from \$50 per year to \$100 per year or every two years from \$100 to \$200. Department of General Services and California Department of Education – Nutritional Services Division have been added to the list of Departments under this section.

SHIFT PREMIUM FOR DEPARTMENT OF WATER RESOURCES (DWR)

- 1) Effective the first day of the pay period following ratification by both parties, specified employees covered by the DWR Rotating Shift Operations will have increases to their shift pay differential.

PERSONAL LEAVE PROGRAM (PLP 2020)

- 1) Bargaining Unit 12 employees will have their full salaries restored. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

VACATION AND ANNUAL LEAVE HOURS CAP

- 1) Annual Leave and Vacation Leave caps will be allowed to increase by the equivalent number of PLP 2020 hours employees were subject to through June 30, 2021. The increase will remain in effect until June 30, 2023.

TOOL ALLOWANCE

- 1) Effective July 1, 2021, employees in the Lead Heavy Equipment Body Worker/Painter classification are eligible for an annual tool allowance of \$325 per year.

SEASONAL EMPLOYEES UNIFORM ALLOWANCE

- 1) Effective July 1, 2021, seasonal employees are allowed a one-time per year uniform allowance advance not to exceed 3 months or \$135.
- 2) Effective July 1, 2021, seasonal employee's uniform allowance has increased from \$20 to \$45 per 160 hours of employment.

TRANSPORTATION INCENTIVES

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 75% discount on public transit passes up to \$100 per month. This is an increase from \$65 per month.
- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools will be eligible for a 75% reimbursement of the monthly fee up to \$100 per month. This is an increase from \$65 per month. The State will provide \$135 per month for each employee who is the primary vanpool driver. This is an increase from \$100 per month.

MOVING EXPENSES

- 1) Effective July 1, 2021, an employee who is required to move by the state will be reimbursed by the state for approved items under the same requirements that apply to excluded employees.

FEDERAL FUNDING FOR ESSENTIAL WORKER PREMIUM PAY

- 1) The state will meet and confer with Bargaining Unit 12 upon finalization of the federal regulations regarding essential worker premium pay.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-RETIREMENT BENEFITS (OPEB)

- 1) Effective the first day of the pay period following ratification by both parties, the contribution percentages will be adjusted based on the actuarially determined total normal cost. If the total normal costs increase or decrease by more than half a percent from the total normal cost contribution in effect at that time, the employer and employee contribution percentages will be increased or decreased, no sooner than July 1, 2021, to maintain a 50% cost sharing of actuarially determined total normal costs. The increase or decrease to the employer or employee contribution shall not exceed 0.5% per year.

HEALTH BENEFITS HEALTH, DENTAL, VISION

- 1) The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80% of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2022, and January 1, 2023.

WORKFORCE DEVELOPMENT – TRADES

- 1) The State is committed to partnering with IUOE in exploring recruitment, training and educational opportunities within the Trades classifications with a focus on increasing diversity and retaining skilled labor essential for continuing to innovate and adapt to meet the needs of the 21st century.

DURATION

- 1) July 1, 2021, through June 30, 2023

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The union ratification process will be completed no later than June 30, 2021

Bargaining Unit 13: The MOU side letter agreement between the state and BU 13 (IUOE) is, as follows:

COMPENSATION

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

- a) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 13 employees will have their full salaries reinstated.
- b) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) *Salary Increase*

- a) Effective on the first day of the pay period following ratification by both parties, the maximum of the salary ranges of all Bargaining Unit 13 classifications will be increased by 5.83%. This increase will account for the two previously negotiated salary increases that were originally scheduled for July 1, 2020 (3%) and July 1, 2021 (2.75%), including compounding (.08%).

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will resume monthly contributions of 3.9% to prefund OPEB.

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The union ratification process has been completed.

Bargaining Unit 16 (BU 16): The MOU side letter agreement between the state and BU 16 (UAPD) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 16 employees will have their full salaries restored.
- b) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) Salary Increases

- a) Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 16 employees will receive a 5.06% general salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2022 (2.5%), and a new salary increase (2.5%), including compounding (0.06%).

- b) Effective July 1, 2022, all Bargaining Unit 16 employees will receive a 2% salary increase. (Section 10.4) Maximum Salary Range Increase.
 - c) Effective on the first day of the pay period following ratification by both parties, the following classifications will have an increase in the maximum salary ranges by 10%.
 - d) Certain specified employees who have been at the maximum salary for 12 qualifying pay periods will be moved to the new maximum salary.
- 3) Recruitment and Retention Salary Differential
- a) Effective on the first day of the pay period following ratification by both parties, certain specified classifications will receive a recruitment and retention differential of 10%.
 - b) Effective on the first day of the pay period following ratification by both parties, agreed upon classifications are eligible for additional payments of \$5,000 after 60 and 84 qualifying pay periods.
- 4) Assignment and Payment of Medical Officer of the Day
- a) Effective the first day of the pay period following ratification by both parties and expiring with the June 2023 pay period, the Department of State Hospitals (DSH) will be eligible for Medical Officer of the Day with a four-hour minimum requirement.
- 5) Licensure – Continuing Medical Education
- a) Effective the first day of the pay period following ratification by both parties, Unit 16 employees will receive \$2,500 annually for continuing medical education.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will resume monthly contributions of 1.4% to prefund OPEB.

MISCELLANEOUS

- 1) Contract Reopener Language
 - a) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Upon ratification by both parties the MOU is extended from July 1, 2022, to July 1, 2023. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 18 (BU 18): The MOU side letter agreement between the state and BU 18 (CAPT) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 18 employees will have their full salaries restored.
- b) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) General Salary Increase (GSI)

- a) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will receive a 5.58% salary increase. This increase was originally schedule for July 1, 2020 (2.75%) and July 1, 2021 (2.75%), including compounding (0.08%).

3) Minimum Wage Equity Adjustment

- a) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 18 employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-RETIREMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will resume monthly contributions to prefund OPEB.

MISCELLANEOUS

1) Vacation Leave

- a) Effective with the October 2021 bid cycle, Bargaining Unit 18 employees will be able to bid for a total of 32 vacation days, but may not exceed the accrued PLP/vacation/annual leave balances available.

2) Contract Reopener Language

- a) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 19 (BU 19): The MOU side letter agreement between the state and BU 19 (AFSCME) is, as follows:

COMPENSATION

1) *Personal Leave Program (PLP 2020)*

- a) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 19 employees will have their full salaries restored.
- b) Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will resume monthly contributions of 3.0% to prefund OPEB

TERM

Effective the first day of the pay period following ratification. The union ratification process has been completed.

According to the Author

Arguments in Support

None

Arguments in Opposition

None

FISCAL COMMENTS

This bill appropriates \$1,287,279,000 (\$469,723,000 General Fund) to implement the MOU addenda and side letters.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Michael Lucien / BUDGET / (916) 319-2099

FN: 0000916