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PASSED

**State of California's Conceptual Proposal to AFSCME (BU 19)
May 19, 2010**

The State, due to the severe budget deficit, hereby offers the following conceptual proposals:

Compensation

Personal Leave Program 2010: Effective July 1, 2010 and ending June 30, 2011, employees shall participate in a Personal Leave Program (PLP) for eight (8) hours per month. Employees shall have until June 30, 2014 to exhaust the leave. This PLP leave must be used prior to the use of vacation, annual leave and any other leaves (except sick leave) other than furlough hours.

Salary: Effective July 1, 2012 all classes shall be adjusted by increasing the maximum of the salary range by 5%.

Employees who have been at the old maximum salary rate for a minimum of twelve (12) qualifying pay periods shall receive a 5% increase. Employees at the old maximum salary rate for less than twelve (12) qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve (12) qualifying pay periods shall be in accordance with DPA Rules 599.682(b) and 599.687.

All other employees shall retain their salary and merit salary anniversary date (MSA).

Retirement

Employee Pension Contribution: The State proposes effective July 1, 2010 to increase the employee contribution to CalPers by 5% as follows:

- Miscellaneous/Industrial/ARP retirement contribution increase from 5% to 10%
- State Safety retirement contribution increase from 6% to 11%

Formula Changes: The State proposes a change to the retirement formula for employees new to State service on or after July 1, 2010:

- Miscellaneous/Industrial/ARP – 2% at age 60
- State Safety – 2% at age 55

CalPERS:

To help ensure the sustained funding and solvency of the retirement system and payment of future retirement benefits for this bargaining unit, AFSCME agrees that it will not oppose legislation that requires CalPERS use supportable assumptions and data and that those should be evaluated by another party.

The Governor proposes legislation to (1) require CalPERS to submit a report that in plain language describes (i) the investment return it assumes for projecting contributions and unfunded liabilities, (ii) the market value of its assets and how that value differs from its chosen actuarial value for those assets, and (iii) contributions and unfunded liabilities assuming returns lower than its investment return assumption; (2) require the Treasurer (or another entity) to evaluate this report and provide its opinion of the report to the Legislature; and (3) require the Legislature to review these reports.

Holidays

The State proposes to delete from the MOU language for the following holidays in accordance with Government Code Section 19853:

- February 12 (Lincoln's Birthday)
- Second Monday in October (Columbus Day)

The State proposes that employees covered by the Fair Labor Standards Act who work on any of the holidays listed below shall be paid time and ½ for working on the holiday.

Full-time employees exempt from the provisions of the Fair Labor Standards Act who are required to work on any of the following holidays shall receive an additional four (4) hours of Informal Time Off (ITO):

- January 1st
- Last Monday in May
- July 4th
- First Monday in September
- Thanksgiving Day
- Christmas

Rural Health Care Equity Program

The State proposes to delete language from the MOU. This program and all funding were eliminated per Government Code 22877.

Appropriation for Budget year 2010/2011

The State will submit legislation which would appropriate funds to pay salaries and benefits for fiscal year 2010/2011. This legislation would eliminate the potential for minimum wages.

Contract Term

The State proposes a two-year agreement effective July 1, 2010 through July 1, 2012

"BECAUSE OF SALARY INCREASE 2012"