

## **2010 Collective Bargaining / Contract Negotiations Update**

AFSCME 2620's negotiations team met with officials from the Department of Personnel Administration Thursday, March 11 to discuss the State's "Conceptual" contract proposal. The proposal, as outlined below, essentially contains the same boilerplate language being offered to most state employee unions.

While the discussions were cordial and professional, we want you to know that AFSCME 2620 strongly opposed the conceptual contract and will fight to protect 2620 members with steadfast resolve. AFSCME 2620 objects to all proposals that will negatively affect current employees as well as future state workers. We believe compensation is already too low for our members and we're concerned the Administration's proposals will further deteriorate California's ability to attract and retain qualified employees who can provide quality services.

Summary of the Administration's Proposal with our added explanations:

### **2010 Collective Bargaining Proposal**

**NOTE: Our staff provided an explanation for each element of this proposal, which you will see italicized below.**

#### **State's Conceptual Proposal to AFSCME BU 19**

**March 11, 2010**

**Items Related to Budget Crisis**

**The State of California (State) due to the severe budget deficit hereby offers the following conceptual proposals and withdraws it's March 24, 2009 Conceptual Proposal:**

#### **Salary Reduction {Article 7}:**

The State proposes a 5% salary reduction to all classes effective July 1, 2010, except where to do so would put the classification below \$8.00 per hour.

Effective July 1, 2010, if the federal government fails to provide the \$6.9 billion of additional funding, the State proposes a 10% salary reduction instead of the 5% as indicated above.

**Our further explanation:**

*The Governor's budget in January assumed the State would receive \$6.9 billion more in federal funds to assist California in this fiscal crisis. DPA does not have a timeline to determine when the \$6.9 billion of additional funding may be provided to the State. DPA did not state a plan to adjust the salary reduction if the federal funds are less than \$6.9 billion. The State is proposing a permanent salary reduction.*

**Employee Pension Contribution {Article 11}:**

The State proposes effective July 1, 2010 to increase the employee contribution to CalPERS by 5% as follows:

Miscellaneous/Industrial/ARP Member retirement contribution increase from 5% to 10%

State Safety Member retirement contribution increase from 6% to 11%

This change will apply to all retirement categories.

**Our further explanation:**

*First Tier Retirement Contributions are currently 5% of monthly compensation in excess of \$513. Safety classes Retirement contributions are 6% of monthly compensation.*

**Retirement Formula Changes {Article 11}**

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

For Miscellaneous/Industrial/ARP Members the retirement formula is 2% at age 60.

For State Safety Member the retirement formula is 2% at age 55.

**Our further explanation:**

*Currently for Miscellaneous/Industrial/ARP Member retirement formula is 2% at 55 and 2.5% at age 63. Currently the State Safety Member retirement formula is 2.5% at 55.*

**Holidays {Article 8}**

The State proposes the deletion of February 12 and Columbus Day. The State proposes that employees working on any remaining holiday will be paid straight time, hour for hour, basis. This change is consistent with Government Code Section 19853.

**Our further explanation:**

*The holiday and overtime changes occurred as a result of the budget bill. This language would permanently remove these two holidays from our contract. The holidays that the State is proposing to cut were originally part of a past bargaining agreement in lieu of pay raises.*

**Overtime {Article 6}**

The State proposes, consistent with Government Code Section 19844.1 and the Federal Fair Labor Standards Act (FLSA), that leave time shall no longer count as hours worked for the purpose of calculating premium (1 ½ time) overtime compensation.

**Our further explanation:**

*This proposed language would permanently change the way in which overtime is calculated for our members in Work Week Group 2.*

**Health Benefits {Article 10}**

**Pre Funding OPEB** – Beginning July 1, 2010, the State is proposing employees contribute one percent of salary toward prefunding of retiree health benefits.

The State also proposes a change to health vesting for employees new to state service on or after July 1, 2010. The employee’s shall fully vest in the health care/dental benefits upon the completion for 25 years of service.

**Our further explanation:**

*Current benefit calculations based on service years*

<i>Number of Years</i>	<i>State Contribution</i>
<i>Less than 10</i>	<i>0%</i>
<i>10</i>	<i>50%</i>

10-19

*50% plus 5% added for each whole  
year after the 10<sup>th</sup> year*

20 or more years

100%

**Rural Health Care Equity Program {Article 10}**

The State proposes deletion consistent with GC 22877 – This program and all funding was eliminated.

**Term of MOU {Article 20}**

The State proposes the term of the agreement is from July 1, 2010 through June 30, 2011.

Any tentative agreement reached by the State and Union not addressed in this package is incorporated.

**AFSCME 2620's Next Steps**

*We want to hear from you!* Your negotiations team will respond to the State based upon YOUR input. Please communicate your ideas to your Occupational Chairs and elected officers. Their contact information can be found on the website [www.afscme2620.org](http://www.afscme2620.org). The tentative agreements (TA's) that have already been bargained by the union and agreed to by the State, will be summarized and posted on the website to ensure that you have current contract negotiations information. Your bargaining team is committed to an aggressive fight on your behalf. Please stand with us as we fight for AFSCME 2620.

The contract is ratified by a vote of all of our members (non-members or fee payers are not eligible to vote) and the approval of the Legislature. When a final tentative agreement, which covers all the articles in the contract, is reached, a ballot will be sent to every member with a detailed summary of negotiated changes. Please ensure that you are a member and that your address is current. For membership applications or address changes please contact [Shirley.Martinez@ca.afscme57.org](mailto:Shirley.Martinez@ca.afscme57.org).