STATE OF CALIFORNIA Governor Edmund G. Brown Jr.

DEPARTMENT OF PERSONNEL ADMINISTRATION

OFFICE OF THE DIRECTOR
1515 "S" STREET, NORTH BUILDING, SUITE 400
SACRAMENTO, CA 95811-7258

November 22, 2011

The Honorable Mark Leno
Chair, Joint Legislative Budget Committee
State Capitol, Room 5035
Sacramento, California 95814

Re: Addendum for Bargaining Units (BU) 1, 4, 14, 15, and 17 – Service Employees International Union (SEIU Local 1000)

Addendum to Memoranda of Understanding: State Fund 2012 Layoff

On November 15, 2011, the State Compensation Insurance Fund (State Fund) and SEIU Local 1000 reached agreement on an addendum to SEIU's 2010-2013 Memorandum of Understanding (MOU) related to State Fund's upcoming layoff of personnel.

Specific impacted SEIU units are:

BU 1, Administrative, Financial and Staff Services;
BU 4, Office and Allied;
BU 14, Printing Trades;
BU 15, Allied Services; and
BU 17, Registered Nurses.

This agreement will be effective upon approval by the Joint Legislative Budget Committee (JLBC). Because the agreement's anticipated savings requires eligible employees to select the agreement's transition incentives by December 15, 2011 and separate from employment no later than December 31, 2011, we respectfully ask for the JLBC's expedited review of this addendum.

We are informed that State Fund expects to reach identical agreements with Bargaining Units 10 (California Association of Professional Scientists), 12 (International Union of Operating Engineers - IUOE), and 13 (IUOE) in approximately two weeks. These additional agreements will affect no more than fifteen employees.

This package contains the addendum, a summary of the agreement's provisions, and State Fund's fiscal estimates. Any subsequent agreements reached will be forwarded to the JLBC as attachments to this document. Please contact Tom Dyer, DPA's Legislative Director, with any questions.

Sincerely,

Ronald Yank
Director

Attachments

cc: Members, Joint Legislative Budget Committee

Jody Martin, Principal Consultant
Joint Legislative Budget Committee

Gareth Elliot, Legislative Affairs Secretary
Office of Governor Brown

Mac Taylor, Legislative Analyst
Office of the Legislative Analyst

ecc: Nick Schroeder, Consultant
Office of the Legislative Analyst

Marianne O'Malley, Director Gen. Government
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

Greg Campbell, 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

Keely Bosler, Staff Director
Senate Budget Committee

Kris Kuzmich, Consultant
Senate Budget Committee

Christian Griffith, Staff Director
Assembly Budget Committee

Sara Bachez, Consultant
Assembly Budget Committee

Bob Franzoia, 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

Scott Chavez, Consultant
Senate Republican Caucus

Terry Mast, Consultant
Assembly Republican Caucus

Alene Shimazu, Chief
Fiscal Analysis, DPA

Julie Chapman, Deputy Chief
Labor Relations, DPA

Pam Manwiller, Asst. Deputy Chief
Labor Relations, DPA

Karin Richter, LRO
Labor Relations, DPA

Stephen Booth, LRO
Labor Relations, DPA

Andres Mejia, LRO
Labor Relations, DPA

Cindie Fonseca, LRO
Labor Relations, DPA

SEIU Local 1000 Proposal to State Fund
Pre-Layoff/Transition Package
Pass #3
November 15, 2011

A. Transition Package

1. Transition payments will be offered to employees in the attached list of classifications as a pre-layoff mitigation. Any employee, with the exception of those on Extended Employment Option, in those classifications may participate.

2. Employees in eligible classifications shall have the option to separate or retire and select a transition package by December 15, 2011. The employees' final day of work will be no later than December 31, 2011, and State Fund will make the transition payment checks available no later than January ~~6~~ 31, 2012. It is understood that implementation of the transition package is subject to approval by the Joint Legislative Budget Committee (JLBC).

   TC 4:25 PM

   In the event this agreement does not receive approval by the JLBC, this agreement is null and void.

3. The transition amounts will be as follows and will not be subject to PERS:

   TC 4:28 PM

   All employees with seven or more years of state service as of December 31, 2011 shall receive six months of wages, calculated at the top step of their wage classification, plus $9,000 (could be used for COBRA, lost vacation or annual leave accumulation, etc.).

   TC 4:28

   Employees with less than seven years of state service as of December 31, 2011 shall receive four months of wages, calculated at the top step of their wage classification, plus $6,000 (could be used for COBRA, lost vacation or annual leave accumulation, etc.).

   The attached list of the classifications eligible for the transition package also indentifies the amount of compensation employees in each classification are entitled to receive.

4. State Fund shall not dispute any valid claim for Unemployment Insurance benefits from employees who have accepted the Transition Package in the scope of the voluntary layoff. State Fund agrees that receipt of a Transition Payment does not render a claim for Unemployment Insurance invalid.

5. Employees who accept the transition package must sign a waiver for the remainder of their SROA status should any remaining status exist, and a waiver of their right to be on the re-employment list, and recognition that Transition Payments are not final compensation and not subject to penalties.

B. In recognition of potential hardship of relocating 50 miles or more as part of the State Fund's Three-Year Strategic Plan, State Fund agrees to assist employees in returning to their prior area of residence.

1. Employees in impacted classifications, who changed their residence or who are in corporate housing due to the Three-Year Strategic Plan shall be entitled to everything described in Section A (Transition Package) plus the following:

   a) An extension of corporate housing for a total of 120 days or lodging reimbursement of 120 days. a total 4:53pm TC
   b) An extension of payment for the storage of household goods for a total of 120 days.
   c) Payment of the costs associated with the return relocation of household goods to the designated location selected by the employee in accordance with the criteria of State Fund's relocation reimbursement program.
   d) State Fund shall process and disburse full payment within fifteen (15) working days of receipt in the HR Relocation Program, Pleasanton, of an accurate, complete (including all required documentation) and signed reimbursement claim.

2. In addition to what is described in B1, employees in impacted classifications, who changed their residence due to the Three-Year Strategic Plan and who separate by December 31, 2011, shall be reimbursed for the following to mitigate the upcoming layoffs:

   a) Buyout of rental leases or payments of penalties for breaking lease agreements.
   b) In the event the employee purchased a home, reimbursement of costs associated with the sale.
   c) Twenty-four (24) hours of paid administrative time to locate new housing, pack, etc.

   These shall be in accordance with the criteria of State Fund's Relocation Reimbursement Program.

C. No later than December 30, 2011, State Fund will provide Local 1000 with a complete list of all Local 1000-represented employees who have selected a transition package and separated as described in A and/or relocation package as described in B.

D. Employees who remain working at State Fund after the transition package is offered shall not have their time off cancelled because of staff shortages due to the transition package.

E. The parties agree that this Agreement is intended to address the matters set forth herein. The parties also agree that it is not intended to restrict or prohibit in any way any future negotiations between the parties under applicable law. The parties agree that nothing in this Agreement shall be construed as a waiver of Local 1000's right to bargain over the State Fund reduction in force, or to enforce the Agreement between State Fund and SEIU Local 1000's Three-Year Strategic Plan ("Three-Year Plan Agreement"), or any other matters under the scope of representation under applicable law.

F. Dispute Resolution: Any dispute regarding the interpretation, application or alleged violation of this Agreement/side letter shall be subject to the grievance and arbitration procedure of the parties' current contract. However, the following provisions shall apply and prevail if inconsistent with that procedure.

SEIU Local 1000 is hereafter referred to as the Local 1000 and State Compensation Insurance Fund as State Fund.

1. Expedited Grievances

The parties agree that all violations of this Agreement/side letter shall be filed directly at step two (2)/departmental (State Fund) level of the grievance procedure.

All other timelines shall apply to the grievance except the following:

a) Within fifteen (15) calendar days after receipt of the grievance, State Fund grievance responder or designee shall respond in writing to the grievance.
b) Within fifteen (15) calendar days after the State Fund's response is received, the Local 1000 may elevate the grievance to the Department of Personnel Administration (DPA).
c) Within fifteen (15) calendar days after receipt of the appealed grievance, the Director of DPA or designee shall respond in writing to the grievance.
d) Within fifteen (15) calendar days after receipt of the DPA response, Local 1000 may request arbitration by serving notice on the State, and shall contact the State to mutually select an arbitrator. If the State fails to respond to the request or the parties cannot mutually agree upon an arbitrator within ten (10) calendar days after the request to select an arbitrator has been served, Local 1000 may request the State Mediation and Conciliation Service to submit to both parties a panel of nine (9) arbitrators. Within ten (10) calendar days after receipt of the panel of arbitrators from the State Mediation and Conciliation Service, Local 1000 shall contact the State in writing and request to strike names from the panel. The parties shall have five (5) business days to meet and alternately strike names until only one (1) name remains and this person shall be the arbitrator. If the State or Local 1000 fails to meet and strike names, the other party shall select an arbitrator from the list.

e) Nothing in this Agreement shall supersede the Local 1000 MOU Article 10.30 relating to health and safety grievances.

2. Expedited Arbitration

The parties agree that all alleged violations of this Agreement/side letter shall be subject to the following expedited arbitration process:

a) The arbitrator shall hear and decide as many grievances as can reasonably be presented in a normal work day.
b) No post hearing briefs shall be submitted to the arbitrator unless by mutual agreement of both parties.
c) If there is no agreement on submission of post hearing briefs, each party shall present an oral summation of its position and the arbitrator shall issue a bench decision on each grievance. Thereafter, at the request of either party, the arbitrator shall provide the parties with a written decision.
d) If the parties agree to post hearing briefs, the arbitrator shall issue a decision no later than 60 (sixty) days after receipt of the parties' post-hearing briefs.
e) Either party may request that the expedited arbitration be conducted with a court reporter. The requesting party shall bear the cost of the court reporter.

Attachment A		State Fund Employees with less than 7 years of service	State Fund Employees with 7 or more years of service
Classification	**Max Base Salary**	**Total Transition Package**	**Total Transition Package**
Account Clerk II	$2,876	**$17,504**	**$26,256**
Accountant Trainee	$3,751	**$21,004**	**$31,506**
Business Service Assistant (Specialist)	$3,708	**$20,832**	**$31,248**
Computer Operator	$3,737	**$20,948**	**$31,422**
Custodian	$2,549	**$16,196**	**$24,294**
Graphic Designer I	$3,922	**$21,688**	**$32,532**
Information Systems Technician	$3,737	**$20,948**	**$31,422**
Key Data Operator	$2,975	**$17,900**	**$26,850**
Mailing Machines Operator II	$3,216	**$18,864**	**$28,296**
Management Services Technician	$3,426	**$19,704**	**$29,556**
Microfilm Technician I	$2,861	**$17,444**	**$26,166**
Nurse Consultant III (Specialist)	$7,644	**$36,576**	**$54,864**
Office Assistant (General)	$2,770	**$17,080**	**$25,620**
Office Assistant (Typing)	$2,826	**$17,304**	**$25,956**
Office Technician (General)	$3,209	**$18,836**	**$28,254**
Office Technician (Typing)	$3,264	**$19,056**	**$28,584**
Personnel Technician I	$3,426	**$19,704**	**$29,556**
Printer I, SCIF	$4,079	**$22,316**	**$33,474**
Program Technician	$2,975	**$17,900**	**$26,850**
Program Technician II	$3,209	**$18,836**	**$28,254**
Senior Legal Typist	$3,516	**$20,064**	**$30,096**
Senior Legal Typist (w/Diff)	$3,877	**$21,508**	**$32,262**
Stock Clerk	$2,942	**$17,768**	**$26,652**
Word Processing Technician	$2,975	**$17,900**	**$26,850**
Workers' Compensation Insurance Technician	$3,630	**$20,520**	**$30,780**
Workers' Compensation Payroll Auditor	$4,294	**$23,176**	**$34,764**

Signature Page
Pre-Layoff/Transition Package

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1000

	Margarita Maldonado, Vice-President Bargaining
	Brenda Modkins, Chair, Unit 1
	Sophia Perkins, Chair, Unit 4
	Estella Ambrose, State Fund, Fresno
	Sandra Drake, State Fund, Redding
	Doretha Fisher-Gentile, State Fund, Riverside
	Teresa Hubbard, State Fund, Vacaville
	Lydia Johnson-Gooden, State Fund, Sacramento
	Ron Martinez, State Fund, Oxnard
	Olivia Montano, State Fund, Monterey Park
	Patrick Swift, State Fund, Fresno
	Janet Sass McDermott, SEIU Local 1000 Staff

Dated: November 15, 2011
5:15pm

State Compensation Insurance Fund

	Andreas Acker, Senior Vice President of Human Resources
	Patrick Gage, Labor Relations Manager
	Tamara Torrey, Labor Relations Specialist ~~Jean Rowan, Labor Relations Officer~~
	Pam Manwiller, Department of Personnel Administration

Dated: November 15, 2011
5:15 pm

SEIU Local 1000 Proposal to State Fund
~~Pre-Layoff/Transition Package~~ TC 4:36 PM
Pass #3
November 15, 2011

This following definition of "area of layoff" shall apply to State Fund employees who are subject to layoff in spring 2012.

Area of Layoff

1. By individual county as follows:

   Fresno
   Humboldt
   Kern
   Los Angeles
   Monterey
   Sacramento
   San Joaquin
   San Luis Obispo
   Shasta
   Solano
   Ventura
   Riverside
   Orange

   Clustered Counties are:

   Cluster 1: San Diego to Orange or Riverside
   Cluster 2: Santa Clara and Alameda
   Cluster 3: San Francisco and Sonoma

   Orange County employees who moved from San Bernardino as part of the Three-Year Strategic Plan may elect Riverside as an area of layoff.

   Moves are voluntary and relocation expenses will not be paid.

2. Employees relocated in 2011 will have an opportunity to select their area of layoff which will include the county/cluster of their currently assigned workplace or the county of their previously assigned workplace. If an employee fails to make a selection, then their area of layoff will be the county/cluster-of their currently assigned workplace.

Signature Page
Area of Layoff

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1000

Margarita Maldonado, Vice-President Bargaining

Brenda Modkins, Chair, Unit 1

Sophia Perkins, Chair, Unit 4

Estella Ambrose, State Fund, Fresno

Sandra Drake, State Fund, Redding

Doretha Fisher-Gentile, State Fund, Riverside

Teresa Hubbard, State Fund, Vacaville

Lydia Johnson-Gooden, State Fund, Sacramento

Ron Martinez, State Fund, Oxnard

Olivia Montano, State Fund, Monterey Park

Patrick Swift, State Fund, Fresno

Janet Sass McDermott, SEIU Local 1000 Staff

Dated: November 15, 2011
5:15pm

State Compensation Insurance Fund

Andreas Acker, Senior Vice President of Human Resources

Patrick Gage, Labor Relations Manager
Tamara Torrey, Labor Relations Specialist
~~Jean Rowan, Labor Relations Officer~~

Pam Manwiller, Department of Personnel Administration

Dated: november 15, 2011
5:15 pm