

California School Employees Association

Initial Proposal for a

Collective Bargaining Agreement

Between:

California School Employees Association

&

Association Employees Union

March 20, 2013

Introduction

Today, the California School Employees Association (CSEA) presents its initial collective bargaining proposal to the Association Employees Union (AEU). CSEA looks forward to a healthy discussion, a prompt exchange of proposals and good faith bargaining.

If we were to pick just one word to summarize CSEA's goal for the new contract it would be "security." CSEA and organized labor are at a serious crossroads and the long-term security of our unions, our members and our employees is far from guaranteed. In fact, the AFL-CIO is undergoing a major top to bottom reassessment in light of the fact that union density has decreased from 35% in 1945 to 11.3% in 2012 and the loss of 400,000 union members in 2012 represents the largest single year decrease in union membership since 1917. Unions across the nation are under attack. Less than 30% of American workers have defined benefit pensions and fully employer paid health benefits are even rarer. CSEA members have been forced to pay higher and higher health care premiums and legislation was recently passed requiring all public employees in California to pay 50% of the normal cost of pensions, in addition to cutting pension benefit formulas.

CSEA membership has decreased from its highest level of 231,528 in November 2008 to its current level of 205,344. Due to this more than 25,000 member loss, CSEA is forced to face the reality that there is not enough potential membership growth to sustain our current expenditure levels into the future. The simple fact is that unless a major source of new revenue materializes, which is unlikely, even using conservative cost of living assumptions CSEA's budget will be in permanent deficit within the next two to three years—the life of this proposed agreement.

CSEA appreciates and values the work of our staff and believes in fair pay and benefits. Several generations of CSEA staff have been able to work full careers, raise families and retire with a secure pension. But such a future cannot be guaranteed to employees hired today unless CSEA acts to address the realities of limited membership growth and growing costs.

Our intent throughout the collective bargaining process is to ensure that the organization's ability to continue providing the advocacy, organizing and representational expertise that empowers classified workers to improve their lives is enhanced not just during the term of this contract, but for the next 87 years.

Where are we now?

CSEA has been forced to cut our budget due to loss of members, economic recession and increased payroll costs for pensions and health care. Thanks to the outstanding efforts of CSEA staff, members and allies, California voters passed Proposition 30, approving

temporary tax increases to raise \$6 billion each year to shore up the state's tattered public schools and university system. This victory provided public education, and CSEA, an economic reprieve. However, it does nothing to restore \$18 billion in previous education cuts and the revenues will sunset (the sales tax will sunset in three years and the entire tax package will sunset in 2020). If California does not secure a permanent revenue solution, we could face another wave of layoffs, furloughs, and reductions in hours, salary and benefits impacting both CSEA members and staff. CSEA must act now to align our budget and spending to our revenue forecast.

CSEA incurred a loss last year and we're projecting another loss this year. As a service organization, CSEA's major assets and major costs are people. The cost of salaries and benefits drive our budget. CSEA's compensation and benefits package is at the high end of labor unions. Our benefits are substantially better than the vast majority of employers in California, or nationwide.

The cost of the benefits and retirement offered to all CSEA employees cost, on average, are approximately 71% of salary. This means that CSEA is paying an amount equal to 1 and three quarters employees' compensation to fund one employee.

The current levels of health care and pension benefits provided to CSEA staff include:

- (a) Fully paid health plan for all employees and their dependents at no cost to employees;
- (b) Fully paid dental plan for all employees and their dependents at no cost to employees;
- (c) Fully paid vision plan for all employees and their dependents at no cost to employees;
- (d) Fully paid life insurance plan for all employees providing life insurance and AD&D at 1X the employees annual salary;
- (e) Fully paid Long Term Disability Plan at no cost to the employees;
- (f) Fully paid Defined Benefit retirement plan at no cost to the employees.

An organization funded by the dues of classified public school workers cannot sustain itself when approximately 71% of its revenue is dedicated to personnel whose average compensation package is \$148,460. It's with this reality that we enter into bargaining in 2013.

Where are we going?

There is no doubt that we have all done a great deal to contribute to CSEA's economic vitality. But as long as our expenses exceed our revenue we will be careening down a very dangerous path. While CSEA is committed to providing a competitive wage and benefit package combined with positive working conditions, it can only do so if we maintain economic solvency.

For our long-term staff, CSEA has been an employer who provides not only security, but also opportunity. Many employees have started as members, or in entry level positions and have promoted up through the organization. They have raised families and shared good and bad times with co-workers in an environment of security and stability. It is our aim to maintain CSEA as a union that offers this same security, opportunity to grow and pride in work done well into the future.

Both the CSEA Board of Directors and our management team take these concepts seriously and are committed to continuing to provide:

1. quality health care coverage;
2. a secure defined benefit retirement;
3. professional development and growth opportunities;

Providing such benefits and opportunities however, must be done within the constraints of a fiscally responsible budget that protects our organization's future. CSEA members have placed the stewardship of their organization into our hands to make sound financial decisions. Our job is to not only insure CSEA is a good place to work today, but to also insure the organization can maintain our promises to employees ten, twenty or hopefully, 87 years into the future. CSEA must live within its means and has prepared an initial collective bargaining proposal that addresses this reality.

We look forward to discussions on how CSEA's structural budget deficit is addressed so that future commitments and obligations can be met. We anticipate that our discussions will be productive and lead to a mutually acceptable agreement.

Proposal

1. Holidays should be scheduled with the appropriate dates.

11.1 - The following shall be recognized paid holidays for ~~February 1, 2011~~ **June 1, 2013** through ~~May 31, 2013~~ **May 31, 2016**:

New Year's Day

Martin Luther King Day

Lincoln's Birthday

President's Day

Cesar Chavez Day

Memorial Day

Independence Day

Labor Day

Veteran's Day

Thanksgiving

Day After Thanksgiving

Christmas Holiday

Christmas Holiday

Christmas Holiday

Christmas Holiday

Christmas Holiday

Christmas Holiday

2. CSEA proposes a responsible salary adjustment as follows:

13.2.1 - ~~Either AEU or CSEA may elect to reopen Section 13.2.1 by written notice no later than March 1, 2012 for the purpose of renegotiating the terms of this section. Such election will suspend the provisions of Article 3 with respect to these negotiations. The~~

~~parties are in agreement that if any other CSEA management/confidential group receives a salary increase between the period of February 1, 2011 and May 31, 2013, the AEU bargaining unit salary will be increased to meet that amount. Effective June 1, 2013, and for the remaining term of this Agreement, salary increases for all bargaining unit employees shall be as follows:~~

~~1.5% percent effective on the date final agreement is reached on all items.~~

~~1.5% percent effective June 1, 2014.~~

~~2.0% percent effective June 1, 2015.~~

3. Adopted reclassifications represent unbudgeted expenses to CSEA. CSEA proposes the following change:

15.1.2 - Reclassification means the redefining of a position to account for changes in ~~technology~~, duties, or work that may alter the nature of the job.

15.2.5 – The deliberation of the Panel shall take place in closed session. The Panel has the authority to ~~adopt~~ **accept**, reject, or modify the reclassification request. The Panel does not have the authority to create new classifications. However, it may recommend the creation of new classifications to the Employer. Any Panel decision that ~~adopts~~ **accepts** a request for reclassification shall state which changes in ~~technology~~, job duties, or work have altered the nature of the job.

15.2.7 - The decision of the Panel shall be ~~binding and shall be~~ **negotiated upon the request of either party and if agreement is reached** implemented on ~~June 1 November 1~~ of ~~the that~~ **following** year.

4. CSEA proposes a fixed employer contribution for health & welfare benefits:

~~22.3 - The Employer agrees to pay any increases in premiums under section 22.1 for the term of this Agreement. Effective October 1, 2013 and for the life of this agreement, the Employer agrees to pay up to, but not more than, \$1,911.16 per month for health insurance for employees and dependents~~

~~22.3.1 The Employer agrees to pay any added monthly premiums to maintain in-pharmacy co-pay rates for the CVT Prescription Plan for the term of this Agreement.~~

5. CSEA proposes an employee contribution toward the retiree plan:

23.1.1 – The Employer agrees to ~~contribute fully to and~~ maintain a defined benefit retirement program for all members of the bargaining unit. ~~The Employer shall pay the full cost of this retirement plan.~~

23.1.1.1 – Effective June 1, 2013, Employees shall contribute 1.5% of salary to maintain a defined benefit retirement program for all members of the bargaining unit.

23.1.1.2 – Effective June 1, 2014, the Employee shall contribute 3% of salary to maintain a defined benefit retirement program for all members of the bargaining unit.

23.1.1.3 - Effective June 1, 2015, the Employee shall contribute 5% of salary to maintain a defined benefit retirement program for all members of the bargaining unit.

~~23.1.4 – During the term of this Agreement, if, at June 1, 2011 or June 1, 2012, the CSEA Defined Benefit Retirement Plan funding level exceeds 100%, the bargaining unit shall receive a 2.0% (of total bargaining unit base salary) credit to be applied to either a defined benefit plan restoration, salary or 401(k) Plan at the discretion of the Union. The Union shall notify CSEA within 30 days of notice by CSEA how they want to apply the 2.0% credit.~~

~~23.1.5 – During the term of this Agreement, if, at June 1, 2012, CSEA’s annual dues revenue for the general fund exceeds \$61,000,000, the bargaining unit shall receive a 2.0% credit to be applied to either a defined benefit plan restoration, salary or 401(k) Plan at the discretion of the Union. The Union shall notify CSEA within 30 days of notice by CSEA how they want to apply the 2.0% credit.~~

~~23.1.6 – During the term of this Agreement, if, at June 1, 2011 or June 1, 2012, CSEA’s minimum required contribution due to the Defined Benefit Retirement Plan is less than \$8,000,000, the bargaining unit shall receive a 2.0% credit to be applied to either a defined benefit plan restoration, salary or 401(k) Plan at the discretion of the Union. The Union shall notify CSEA within 30 days of notice by CSEA how they want to apply the 2.0% credit.~~

23.2.1 - Effective **June 1, 2013**, ~~February 1, 2011~~, the Employer agrees to pay up to, but not more than, **\$2,010.96** ~~\$1,824~~ per month for health insurance for retired employees and dependents in one of the programs approved by the Employer, subject to provisions outlined in this Article. In the case of retirees with spouses or other qualified dependents, the cap shall be applied to the whole retiree family unit, and not to each individual within the family. Any monthly premium amount above the **\$2,010.96** ~~\$1,824~~ cap shall be paid by the retiree to CSEA no later than the 10th of each month. For purposes of this Article, “dependent” shall include all qualified dependents, including the spouse of a living retiree or the qualified dependent children and surviving spouse of a deceased retiree, but shall

not include the dependent children of a deceased retiree who does not leave a surviving spouse or the dependent children of a deceased surviving spouse.

~~23.2.1.1 – Effective October 1, 2011, the cap of \$1,824 shall be increased by five percent (5%), for a total cap amount of \$1,915.20. If the increase to the retiree plus one rate is greater than 5%, then either AEU or CSEA may elect to reopen Section 23.2.1.1 by written notice no later than September 1, 2011 for the purpose of renegotiating the terms of this section. Such election will suspend the provisions of Article 3 with respect to these negotiations. Effective October 1, 2012, the cap of \$1,915.20 shall be increased by five percent (5%), for a total cap amount of \$2,010.96. If the increase to the retiree plus one rate is greater than 5%, then either AEU or CSEA may elect to reopen Section 23.2.1.1 by written notice no later than September 1, 2012 for the purpose of renegotiating the terms of this section. Such election will suspend the provisions of Article 3 with respect to these negotiations.~~

6. CSEA proposes that interviews for transfer shall be conducted upon request of the employee requesting a transfer:

26.3(b) – Transfer. “Transfer” shall be defined as a movement of an employee from one shift to another or one position to another without change of job classification. The Employer has discretion at any time to fill or not fill vacancies by transfer. Any eligible employee who requests to be transferred to a vacancy **shall be granted may request** an interview with the manager who will supervise the position to be filled by transfer. The Employer may request that an employee be transferred from one position to another, for the good of the Association and at the direction of the Executive Director. The Employer agrees not to force transfer upon employees against the objection of the employee.

7. CSEA proposes a three-year agreement:

27.1 - This Agreement, entered into effective ~~February 1, 2011~~ **June 1, 2013**, shall remain in full force and effect through ~~May 31, 2013~~ **May 31, 2016**, and shall be automatically renewed from year to year thereafter, unless either party gives written notice of a desire to modify, amend or terminate same at least ninety (90) days prior to the termination date of this Agreement. ~~During the term of this agreement, if CSEA active membership including service fee payers falls below 205,000 for two (2) consecutive months, either party may elect to reopen any article of the Agreement immediately.~~

8. CSEA proposes to limit the car allowance to the SLRR and LRR positions, and to make clear that staff who are on an unpaid leave of absence or are absent from work for illness for more than 1 month will not receive a car allowance until after they return to work:

30.1 Vehicle Allowance provisions shall apply to Sr. Labor Relations Representatives, Labor Relations Representatives ~~and, effective April 1, 2009, Member Education/Staff Development Representatives,~~ **except as follows:**

(a) Car allowance will be continued for the Member Education/Staff Development Representative position only as long as the current incumbents are in the position.

30.3.7 - Employees who are **on an unpaid leave of absence or are absent from work for illness for a period** longer than one (1) month, ~~or a paid leave under section 10.3.3,~~ will not receive a vehicle allowance ~~for the duration of the leave.~~ **until after they return to work.**

9. CSEA proposes modifications to the Field Staff Intern Program that will limit the program to the Labor Relations position only:

33.1 In the event that the CSEA Board of Directors adopts a Field Staff Intern Program to increase the number of qualified **and diverse minority** candidates available to compete for CSEA Labor Relations Representative, ~~Senior Labor Relations Representative, and Member Education/Staff Development Representative~~ positions, the following conditions shall apply:

33.1.1 The program shall be eligible to be offered at all CSEA Field Offices ~~and the Education and Training Program.~~

33.1.2 The program shall not cause the layoff, displacement, or disruption of hiring of the positions listed in 33.1 above. An intern shall not perform the duties of any vacant position listed in 33.1 above.

33.1.3 CSEA and AEU will work cooperatively to maximize the number of mentor volunteers.

33.1.4 Employees assigned to serve as staff mentors under the program shall:

- a) Serve on a voluntary basis. Volunteer is defined as a person who voluntarily undertakes or expresses willingness to undertake a service; one who enters into, or offers for, any service of his/her own free will. No employees shall have any work assignments with an intern, unless they have volunteered;
- b) Have their workload offset to provide for the additional staff mentor duties, as determined by the appropriate manager;
- c) Receive an 11% pay differential for the period that they serve as staff mentor.

~~33.1.5 Employees shall be assigned to mentor duties for no more than twelve (12) consecutive weeks in duration.~~

33.1.6 The Intern shall not be assigned to other staff members.

33.1.7 No staff shall be disciplined or discriminated against for participation and/or non-participation in the Intern Program.