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Management Proposal #3

Bargaining Unit: 7 **Date: June 23, 2025**

Exclusive Representative: CSLEA

Subject: 2025 May Revision Side Letter

Due to the projected budget shortfalls, as anticipated in the 2025-26 Governor's May Revision, in accordance with section 3517.6 of the Government Code, notwithstanding any other provision of law, this agreement is a side letter between CSLEA and the State of California (State) and amends the 2023-2026 MOU as follows:

Personal Leave Program 2025:

Effective the July 2025 pay period through the June 2027 pay period, employees will be subject to the Personal Leave Program 2025 (PLP 2025) for 3.5 hours per month in the manner outlined below.

A. Each full-time employee shall continue to work their assigned work schedule and shall have a reduction in pay equal to 2%. Those employees in a 7k schedule will be adjusted accordingly.

B. Each full-time employee shall be credited with 3.5 hours of PLP 2025 on the first day of each pay period for the duration of the PLP 2025 program.

C. Salary rates and salary ranges shall remain unchanged.

D. Employees will be given discretion to use PLP 2025 subject to operational considerations.

    1. Where feasible, employees should use the leave in the pay period it was earned.

    2. PLP 2025 time must be used before any other leave with the exception of sick leave.

    3. Employees may elect to use PLP 2025 in lieu of approved sick leave.

    4. PLP 2025 shall be requested and used by the employee in the same manner as vacation/annual leave.

    5. Subject to the above, requests for use of PLP 2025 leave must be submitted in accordance with departmental policies on vacation/annual leave.

E. PLP 2025 may be cashed out upon separation from State service.

F. Except as provided in Article 7.6N, time during which an employee is excused from work because of PLP 2025 leave shall not be considered as "time worked" for purposes of determining the number of hours worked in a work week.

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G. A State employee shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivor's benefits they would have received had the PLP 2025 not occurred.

H. PLP 2025 shall not cause a break in State service, nor a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement. PLP 2025 does not affect other leave accumulations, or service towards a merit salary adjustment.

I. PLP 2025 shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits to supplement those benefits with paid leave. The employee's normal salary rate will be used for purposes of calculating overtime, pay differentials and leave cash-out.

J. The PLP 2025 reductions shall not affect transfer determinations between state civil service classifications.

K. Part-time employees shall be subject to the same conditions as stated above, on a pro-rated basis.

L. PLP 2025 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the chart in Section P below.

M. PLP 2025 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.

N. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from PLP 2025 for that month.

O. Seasonal and temporary employees are not subject to PLP 2025.

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P. All Permanent Intermittent employees shall be subject to the pro-ration of salary and PLP 2025 credits pursuant to the chart below:

Hours Worked During Credit Pay Period	PLP 2025
0-10.9	0
11-30.9	0.44
31-50.9	0.88
51-70.9	1.31
71-90.9	1.75
91-110.9	2.19
111-130.9	2.63
131-150.9	3.06
151 or over	3.5

Q. Disputes regarding the denial of the use of PLP 2025 time may be appealed through the grievance procedure. The decision by the Department of Human Resources shall be final and there may be no further appeals.

21.1 Pre-Funding of Post-Retirement Health Benefits:

Notwithstanding Government Code sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' and employer's monthly contribution for prefunding other post-employment benefits for the 2025-26 and 2026-27 fiscal year, as described in section 21.1 paragraph A, is suspended and shall not be withheld from employees' salaries or contributed by the employer beginning on July 1, 2025, and ending on June 30, 2027.

Beginning July 1, 2027, with the goal of reestablishing a 50 (%) percent cost sharing agreement of actuarially determined normal costs for both employer and employees, the amount of employees and matching employer contributions required to prefund retiree healthcare shall be phased in as follows:

- July 1, 2027: by 1.3 percent
- July 1, 2028: by 1.3 percent, for a total of 2.6 percent
- July 1, 2029: by 1.4 percent, for a total of 4 percent

Effective July 1, 2030, the contribution percentages described in section 21.1 paragraph A.3 shall be adjusted based on actuarially determined normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined normal costs increase or decrease by more than half a percent from the normal cost

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contribution percentages in effect at the time. If it is determined that an adjustment to the contribution rate is necessary, commencing no sooner than July 1, 2030, the employer and employee contribution percentages will be increased or decreased to maintain a 50 percent cost sharing of actuarially determined normal costs. Furthermore, the increase or decrease to the employer or employee contribution in any given fiscal year shall not exceed 0.5 percent per year.

10.1 Benefits:

A. Consolidated Benefits (CoBen) Program Description

1. CoBen Allowance

Effective on the first day of the pay period following ratification of this agreement by both parties, the State will continue to pay the contribution rates established on January 1, 2023 for the Consolidated Benefits (CoBen) Allowance. The allowance is based on the Health Benefit party codes in a health plan administered or approved by CalPERS.

a. The State shall contribute $735 per month for coverage of an eligible employee. (Party code one)

b. The State shall contribute $1,461 per month for coverage of an eligible employee plus one (1) dependent. (Party code two)

c. The State shall contribute $1,888 per month for coverage of an eligible employee plus two (2) or more dependents. (Party code three)

The employer health benefits contribution for each employee shall be a flat dollar amount equal to eighty percent (80%) of the weighted average of the Basic health benefit plan premiums for a State active civil service employee enrolled for self-alone, during the benefit year to which the formula is applied, for the four (4) Basic health benefit plans that had the largest State active civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional eighty percent (80%) of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four (4) Basic health benefit plans that had the largest State active civil service enrollment, excluding family members, during the previous benefit year. The established flat dollar amounts shall be increased or decreased as appropriate pursuant to the formulas above on January 1, 2024, January 1, 2025,

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~~and~~ January 1, 2026, and January 1, 2027. There shall be no further increase or decrease to the amount(s) in subsequent years without a negotiated agreement.

To be eligible for CoBen contributions, an employee must positively enroll in a health plan administered or approved by CalPERS and/or a dental plan administered or approved by CalHR.

18.XX Classification Study – DFW and DPR

1. No earlier than November 1, 2025, the State and the Union agree to meet, analyze and explore classification recommendations to the Fish and Game Warden (Class Code 8421), State Park Peace Officer (Lifeguard) (Class Code 0992) and State Park Peace Officer (Ranger) (Class Code 0993) Classifications.

2. If changes to the class specification become necessary, such changes will be done in accordance with sections 15.1 and 15.3 of the MOU.

20.2 Duration:

The remainder of the BU 7 MOU, including economic terms of the agreement not specifically related to the items contained within this Side Letter, shall continue in full effect.

The State and CSLEA will meet and confer if state revenues are sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing the various pay items that have been suspended or reduced in fiscal year 2025-26. The determination of sufficient revenues relative to this section shall be at the sole discretion of the Director of the Department of Finance.

This Side Letter amends the current term of the BU 7 MOU, from July 1, 2026, through June 30, 2027. The State shall not seek additional employee personal leave and furlough compensation reductions from BU 7 represented employees during the term of this MOU.

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Kasey Clark, Chief Counsel, CSLEA

Jeff Keil 6/24/25

Jeff Keil, LRO, CalHR