

SECOND UPDATED FAQs re BARGAINING UNIT 2 TENTATIVE AGREEMENT

3% GSI

Who gets the 3% GSI (General Salary Increase) on 7/1/25?

This applies to everyone in BU2, regardless of classification.

I am at the top salary for my classification. Do I receive an increase?

Yes. A GSI raises the salaries of everyone in the bargaining unit, regardless of where they are in the salary scale. In addition, it will raise the top salary for each classification in the unit.

Does the GSI affect my pension?

Generally, yes. It increases your base pay which affects your highest compensation for pension purposes. However, if you were first hired by the State after 2013 and are in a classification or pay scale that is higher than the PEPRAs compensation limit, then the GSI may not impact your pension calculations, but will still impact your take home pay for the balance of your career.

OPEB Contributions

What is OPEB?

OPEB, Other Post Employment Benefits, refers to the retiree healthcare that all BU2 members enjoy. This is not to be confused with pension contributions. Both the State employer and the employee pay into a fund to pre-fund these benefits so they will actually be there when people retire.

What is the OPEB contribution rate?

Currently, both the State and the Employee pay 1.4% of gross salary into the BU2 OPEB fund. That contribution was set to increase to 1.7% for each party on 7/1/25, regardless of the recent Tentative Agreement.

What does suspension of OPEB mean?

For two years, all BU2 employees will NOT have the 1.7% deducted from their pay. This will not affect retiree healthcare benefits, and will immediately increase take home pay, although the exact amount will vary based on tax status and other deductions.

PLP

What is PLP?

PLP Personal Leave Program is where pay is temporarily reduced, but employees are given leave time to make up for the decrease in pay. Hours banked in PLP do not count against any vacation or annual leave caps. PLP 2025 shall have no cash value and may not be cashed out except upon separation of employment. However, employees **should** use this category of leave before other types of leave. PLP 2025 shall not affect the employee's final compensation used in calculating State retirement benefits.

How does the PLP work in the current Tentative Agreement?

Each pay period, every BU2 member will be credited with 8 hours of PLP. Their salary will be reduced by 4.62%. However, this decrease will be more than offset by the 3% GSI increase and the 1.7% suspended deduction. PLP will continue for 16 months, through the October 2026 pay period. At that time, the 4.62% deduction will be removed, and BU2 members will stop earning 8 PLP hours per month.

What if I already have a lot of paid leave?

Under this TA, the leave caps for both Vacation and Annual Leave are increased by 128 hours, from 640 to 768. This reflects the fact that BU2 members will be earning 128 hours of PLP over the next 16 months, even though PLP does not count against the leave caps.

What if I am already on Voluntary PLP?

This TA requires all employees to participate in PLP for 16 months, and this would be in addition to any VPLP plan participation. Members may wish to consider withdrawing from VPLP for the duration of the mandatory PLP program.

RTO

Is the Governor's 4-day Return-to-Office mandate suspended?

Yes, this TA postpones the 4-day RTO for one year, effective immediately, so BU2 members will not be impacted by the July 1 RTO implementation date. Your department should provide telework in the same manner and amount as they are doing currently until July 1, 2026.

What if I already changed my telework agreement in anticipation of the 4-day directive?

This TA specifically voids those changes and reverts the agreement back to what it was previously.

Will the 4-day RTO become effective in July 2026?

The TA provides for the parties to meet prior to July 1, 2026, regarding the implementation of that order. If this TA is ratified, CASE will be providing recommended actions for members to help us prepare to meet that challenge next year.

What happens to the existing 2-day grievances?

If the TA is ratified, CASE has agreed to withdraw pending grievances and arbitrations existing prior to the TA. CASE did not agree to withdraw grievances filed by individual members. If you have an individual grievance pending, please consult with CASE to discuss how to proceed.

Future SSAs

What is an SSA?

SSA, or Special Salary Adjustment, is a salary increase that only goes to specific classifications, as opposed to a General Salary Increase, which goes to everyone in the bargaining unit.

Who gets an SSA in this TA?

All BU2 members who are at the top step of Attorney IV or Attorney V classification (including DAG IV and DAG V) will get a 4.5% SSA on 7/1/27. In addition, all other BU2 classifications will get a 2% SSA on that same date. Any Attorney IV or V who is not at the top of the salary scale on 7/1/27 will have increased earning potential through future MSAs because the top of the range will be 4.5% higher.

This will potentially impact approximately 2,000 BU2 members, or about 40% of the entire Bargaining Unit, as that percentage represents members in the Attorney IV and V (including DAG IV and DAG IV) classifications; while not all are currently at the top step of the salary range to receive the SSA on 7/1/27, many will become eligible as they progress through the salary ranges.

Why are the IVs and Vs getting a larger SSA?

In the last MOU, Attorney IIIs got a special 10% SSA that no other classification received. In that same MOU, ALJs received a 4.5% SSA that other classes did not. While the Bargaining Team tried to maximize increases for the entire Unit, that is not always possible.

Do I have to be at the top step to qualify for the SSA?

The 4.5% SSA applies on 7/1/27, to those at the top of the salary range and thereafter when the top of the salary range is reached. The 2% SSA applies to all others on 7/1/27.

Parental Leave

What about Parental Leave provisions?

Section 9.5 of the MOU was rolled over and remains unchanged in effect in the new MOU.

SB 102

A copy of the SB 102 changes can be found here under the “Text” link:

<https://legiscan.com/CA/text/SB102/id/3258341>

Section 233 Item 9800 reduces the General Fund set-aside from **\$385 million** to **\$105 million**. This means that the “pot” of state money for raises will be reduced by nearly 3/4 if no deal is in place by July 1. Further, under this section, no department can spend on raises or differentials until the Department of Finance issues an augmentation. The Department of Finance can shrink or delay allocations if revenues soften. The Legislative Analyst’s Office prepared the following report on a previous iteration of SB 102:

<https://lao.ca.gov/Publications/Report/5047>

Per the LAO report:

Control Section 3.90: Reduce Employee Compensation Across All Bargaining Units by Unspecified Amount Through Bargaining or Imposed Administrative Action. As part of the May Revision, the administration propose[d] new control section language under Control Section 3.90 to (1) authorize the Director of Finance to reduce as appropriate each item of appropriation in the budget to reflect “a reduction in employee compensation to be achieved through collective bargaining agreements” and the administration extending reductions to employees excluded from the collective bargaining process and (2) authorize the Director of Finance to “reduce the employee compensation for members of all bargaining units without such a collective bargaining agreement” by July 1, 2025.

However, the CASE Board notes that his language has been modified since then. The current version of Section 3.90 reads as follows:

“It is the expectation of the Legislature that all state employee bargaining units meet and confer in good faith with the Governor or the Governor’s representative on or before July 1, 2025, to achieve savings through (a) the collective bargaining process for represented employees and (b) existing authority for the administration to adjust compensation for nonrepresented employees. The Legislature finds that the savings will likely be needed to maintain the sound fiscal condition of the state.”

The previous iteration of 3.90 has been moved to **Section 4.05** and reads as follows:

“(a) Notwithstanding any other law, each item of appropriation provided in this act or other spending authority provided outside of this act, with the exception of those for the Legislature and the Legislative Counsel Bureau, shall be adjusted, as appropriate, to reflect the net savings achieved through operational efficiencies, elimination of excess positions, and other cost-

reduction measures. The Director of Finance shall allocate the necessary adjustments to each item of appropriation or other spending or position authority to reflect net savings achieved. The Director of Finance may authorize an augmentation to any item of appropriation provided in this act or outside of this act to reflect the costs related to implementing operational efficiencies, elimination of excess positions, and other cost-reduction measures. The Department of Finance shall make the final determination of the budgetary and accounting transactions to ensure proper implementation of this section.”

To that end, the LAO’s comments on the previous iteration are still applicable:

Language Authorizing the Reduction of Employee Compensation Should Be Specific, Look to 2020-21 for Example. The proposed language is very broad and vague by establishing no limit on the reductions or the policies that the administration may impose. In contrast, when the Legislature approved reductions as part of the 2020-21 budget, it laid out clear guidelines for how savings in employee compensation should be achieved. In 2020-21, the Legislature used Control Section 3.90 to reduce each item of appropriation as appropriate to reflect reductions in employee compensation by a specified dollar amount listed in the control section. The 2020-21 budget specified that the noted savings could be achieved through any combination of (1) MOUs, side letters, or other labor agreements; (2) furloughs; and (3) other reductions of excluded employees’ compensation. In the end, all 21 bargaining units agreed to reductions in employee compensation through furloughs—under PLP 2020. The compensation reductions established under these agreements were in effect through 2020-21 and were restored through agreements in 2021-22.

Section 4.05 grants a wide range of authority to the Director of Finance to achieve cost savings. Though the terms “employee compensation” are not included in this iteration, it broadens the language to any item of appropriation to achieve net savings. “Excess positions” is undefined, as is “operational efficiencies”. It is unclear whether or not an existing position can be considered an “excess position”.

Does SB 102 allow the State to unilaterally reduce compensation in light of the TA?

State law requires all proposed MOUs to be ratified by the Legislature. Assuming this MOU is ratified by the Legislature, that legislative act would become law later in time than SB 102 and would therefore control.

Voting on the MOU

Information regarding voting is expected to be sent this weekend. Voting is expected to end on Monday, July 7th. Please make sure that you check your Junk/Spam folder if you do not see the voting email in your inbox.

Why No Increase in ALJ Compensation?

Administrative Law Judges are included in the 3% GSA. Earlier this year, CASE helped put forward legislation under SB 605 to match ALJ salary with Attorney IV salary. If passed, any applicable SSAs for Attorney IV will be applicable to ALJs. The bill is currently under suspense, meaning that we are awaiting a suspense file hearing. The Legislature must decide which bills will move forward to the debate stage.

What happens if the MOU is not ratified by members?

If the membership rejects the TA, the Bargaining Team would go back to the bargaining table. However, the non-partisan LAO projects that the state's budget deficit will only worsen. And the recently passed budgetary legislation appears to give the State the authority to reduce employee compensation to help balance the budget.

Miscellaneous

Am I getting a raise or not?

Prior to the recent TA, all BU2 members were set to receive a 0.3% pay cut due to the increase in OPEB contributions from 1.4% to 1.7%. Under this TA, we expect most members' take-home pay to remain relatively unchanged, though the take home pay may not be exactly as it is now. It is projected to be close to your current take home pay. The 3% GSI increase plus the suspension of the 1.7% deduction, should offset the 4.62% PLP deduction. In addition, members will earn 8 hours of PLP per month. After October 2026, the 4.62% deduction for PLP will end, which will result in a significant increase in take home pay.

Where can I read the actual agreement?

The TA can be found here:

<https://eservices.calhr.ca.gov/enterprisehrblazorpublic/public/mou/bargainingcontracts/2>

CoBen

Do we receive any increases toward our health care premiums?

Yes. BU2 members receive a Consolidated Benefit (CoBen) allowance each month towards the cost of their health, dental, and vision benefits. Article 11.1 of the MOU sets out the CoBen amount and a formula that raises it each year as prescribed in the contract. The total tentative agreement provides increases to the CoBen Allowance in accordance with CASE's 80/80 formula to coincide with health care premium increases in 2026, 2027, and 2028.

Can we send opposition to members?

CASE is aware of opposition to the negotiated MOU. First, CASE has a fiduciary duty to negotiate on behalf of all its members, not any specific portion. As submitted, CASE believes this is the best MOU achievable under the circumstances. However, individual members who disagree are free to negotiate on their own behalf. See Govt. Code §§ 3515 and 3515.5.

[DATE]

Jeff Keil, Labor Relations Officer
CA Department of Human Resources
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jeff.keil@calhr.ca.gov

Dear Mr. Keil:

I am a member of State Bargaining Unit 2. In light of the Governor's recent announcement of unilateral pay cuts for all State employees, I am hereby requesting to meet with you or another representative to bargain over my wages, hours and working conditions. While I am aware that you negotiated a proposed MOU with CASE, by this letter I am asserting my own individual right to bargain with the State.

As you are aware, Government Code section 3515 provides that employee organizations like CASE have the right to represent state employees, but also provides: "In any event, state employees shall have the right to represent themselves individually in their employment relations with the state." Moreover, Government Code section 3515.5 reinforces this individual right. After establishing the rights of employee organizations to negotiate on behalf of its members, that section also provides "Nothing in this section shall prohibit any employee from appearing in his own behalf in his employment relations with the state."

Accordingly, I am requesting an opportunity to exercise my rights to represent myself in employment relations with the state, and specifically to bargain over my own wages, hours, and working conditions.

I am available to meet, either virtually or in person, on the following dates:

[INSERT AVAILABLE DATES]

Sincerely,

[Your Name]

ADDITIONAL FAQs

What happens if the MOU is not ratified?

If the MOU fails to be ratified, there will be several consequences, including, but not limited to 1) the 4-day RTO will restart and members will have to report to the office; 2) there will be no pay increases through GSI or SSA, and no PLP; 3) there will be no Coben increases, thus rates will stay at the current level; 4) CASE members will be subjected to weaker legal protections because the State has been empowered to achieve budgetary savings through SB102 which broadly includes increased operational efficiencies, elimination of excess positions, and other cost-reduction measures.

Are Deputy Labor Commissioners also receiving the same increase?

Yes. ALL Deputy Labor Commissioners will receive not only the 3% GSI on July 1, 2025, but they will ALL also receive a 2% SSA on July 1, 2027, regardless of where they are in the salary range at that time.

Do the terms of MOU apply to supervisors?

We anticipate that the terms of MOU will apply to supervisors (as was done in years past), but we cannot confirm that at this time.

Why is the RTO Executive Order (EO) suspended for only one year instead of the entire duration of the proposed MOU?

That was the only term the State would agree to.

If RTO is mandated beginning July 1, 2026, how does CASE plan to fight RTO (since our MOU does not protect against RTO after that date)?

Our strategy would depend on member involvement. However, we would still avail ourselves of all the same remedies we have been seeking, including arbitration, and other potential legal action.

Does approval of the proposed MOU concede that the Governor's 4-day RTO EO was lawful?

NO. In fact, we believe our position remains as strong, if not stronger.

Why were BU2 members not told about the RTO deal before ratification of the tentative agreement?

Absent a tentative agreement, there are no contract terms to relay.

If the proposed MOU is approved, what prevents Departments from requiring RTO at the Department-wide level?

We would have recourse via Arbitration and potentially other legal action. It would be highly unusual for that to occur, and we do not expect that to happen.

Why were the 2-day RTO grievances currently in arbitration taken off calendar before the tentative agreement was ratified?

We are unable to fully disclose our legal strategy, but we preserved the right to pursue it should ratification not be achieved.

Does CASE plan to file a case in Superior Court, as was done by PECG and SEIU, if RTO is ordered on or after July 1, 2026?

Depending on what happens with ratification and subsequent back-to-office orders, we have not foreclosed this option.

Why hasn't "operational needs" in MOU section 6.4 (Telework) been defined?

We have made substantial efforts to define this term and others, but agreement has not been reached.

How will CASE members have questions answered prior to voting if we cannot address the Board?

Through FAQs, the Town Hall, and responses to emails to the extent possible.

Why were 8 hours of PLP time agreed to as opposed to the 5 hours like other unions?

We chose to end PLP after 16 months rather than 24 months, as the other unions did. This allows members to start receiving hard pay increases after 16 months rather than after two years. In other words, you will start seeing the benefits of the 3% GSI and 1.7% OPEB suspension eight months earlier than all the other unions. Additionally, the vast majority of our members are salaried, and full-day PLP increments made more sense for our members.