

**NEGOTIATIONS STATE OF CALIFORNIA'S PROPOSAL
TO**

**California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)
Conceptual Proposals**

The State of California (State) due to the severe budget deficit hereby offers the following conceptual proposals:

Salary Reduction:

The State proposes a 5% salary reduction to all classes effective July 1, 2010.

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% to the above classes.

Employee Pension Contribution:

The State proposes effective July 1, 2010, to increase employee retirement contributions paid to CalPERS by 5% as follows:

Miscellaneous, Industrial, and Alternate Retirement Plan (ARP) Member retirement contribution increase from 6% to 11%

State Safety Member retirement contribution from 7% to 12%

Formula Changes- The State proposes a change to the retirement formula for employees first hired to state service on or after July 1, 2010 as follows:

Miscellaneous/Industrial/ARP Member retirement formula is 2% at age 60

State Safety Member retirement formula is 2% at age 55

Holidays

The State proposes the deletion of February 12 and the second Monday in October. 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.

Overtime

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.

Health Benefits

Effective the month following ratification, the State proposes to extend flat dollar equivalent to the 80/80 formula as the health benefit contribution.

Low Cost Health Care – The State proposes that a Joint Union Labor Management Benefits Advisory Committee meet with the assistance of DPA and Cal PERS, from representatives of the major California health care providers to give educational forums. In these educational forums, health care providers will be asked to discuss cost containment methods, plan design, operational changes, and methods to improve member(s) overall health.

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

Pre funding OPEB-Beginning July 1, 2010, the state proposes that employees contribute one percent of salary toward prefunding of retiree health benefits.

Rural Health Care Equity Program-This program and all funding was eliminated per GC 22877.

Contract Term

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