THE CALIFORNIA STATE UNIVERSITY
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Date: December 14, 1998

To: Human Resources Directors
    Payroll Managers

From: Cathy Robinson, Senior Director
       Human Resources Administration

Subject: CSEA MSA SETTLEMENT – Outstanding Issues

Several key CSEA MSA Settlement issues have been resolved. As a result, additional instructions to campuses are provided to comply with the settlement order.

▲ General Information

The California State Employees’ Association (CSEA) requested that the Public Employees’ Relations Board (PERB) Administrative Law Judge rule on key components of the CSU “5% solution” methodology. Both CSU and CSEA provided PERB with written arguments. The Administrative Law Judge ruled in favor of the CSU on all components:

- Excluding Confidential employees from the CSEA MSA Settlement.
- Adjusting anniversary dates for unpaid family care or maternity leave of absence (e.g., unpaid leaves of absence).
- Terminating the back pay calculation upon reaching the Service-based Salary Increase (SBSI) maximum.

CSU and CSEA are reviewing individual employee appeals. A number of these appeals will be dismissed due to the favorable PERB ruling. Campuses will be contacted if additional information is required.

▲ Adjustment for Eligible Employees Subjected to Layoff

The CSU, in agreement with CSEA, determined that employees eligible for the CSEA MSA Settlement who were subjected to layoff might have had their settlement pay calculated incorrectly. Campuses are to review campus layoff records to identify employees affected by layoff, the manual calculation rules in HR/SA 97-12, and Article 24 of the CSU-CSEA Memorandum of Understanding. Because campus practices differ regarding the criteria for placing employees on a reemployment list, three sets of instructions for recalculating settlement pay have been developed.

1) An eligible employee laid off (separated from the university) and subsequently reinstated/reappointed from the reemployment list at the same campus under the terms outlined in Article 24 of the CSU-CSEA Memorandum of Understanding is to have the back pay calculation continue until the employee reaches the SSI maximum.

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Distribution:

CSU Presidents
Sr. Vice Chancellor, Business and Finance
Interim Senior Director, Human Resources
Vice Presidents, Administration

Accounting Managers
Budget Managers
Employee Relations Designees
Campuses are to:

- Review campus layoff records to identify eligible employees reinstated/reappointed.
- Determine if the eligible employee reached his/her SSI maximum prior to the layoff. If this is the case, no further adjustment is due.
- Recalculate the back pay if upon reinstatement/reappointment, the employee was not at the SSI maximum. The back pay calculation is to continue until the SSI is reached.
- Adjust the base pay rate by 5% up to the SSI maximum for those employees below the SSI maximum and round to the nearest whole dollar through the current month.
- Recalculate additional interest due as a result of back pay adjustments under the terms set forth in HR/SA 97-12, Supplement #1.
- Notify the employee, in writing, and send copies of correspondence to PERB, CSEA, and CSU. If such an employee is NOT due an adjustment, it is recommended that you inform the employee that his/her case was reviewed under the terms of this Technical Letter and no adjustment is due.

2) An eligible employee demoted in-lieu of layoff with the campus practice of no employee placement on a reemployment list.

- Determine if the eligible employee reached his/her SSI maximum prior to the demotion. If this is the case, no further adjustment is due.
- If the eligible employee’s salary rate is below the SSI maximum or salary range maximum in the classification prior to demotion AND the salary rate is within the salary range of the lower level classification, the lump sum calculation continues until the employee reaches the SSI maximum or the salary range maximum of the lower level classification.
- If the eligible employee’s salary rate is below the SSI maximum or salary range maximum in the classification prior to demotion AND the salary rate is above the maximum salary range of the lower level classification, the lump sum calculation continues under the terms of the red circle policy.

3) An eligible employee demoted in-lieu of layoff with the campus practice of employee placement on a reemployment list and subsequently reinstated/appointed to his/her original classification within the five-year timeframe.

- Determine if the eligible employee reached his/her SSI maximum prior to the demotion. If this is the case, no further adjustment is due.
- If the eligible employee’s salary rate is below the SSI maximum or salary range maximum in the classification prior to demotion AND the salary rate is within the salary range of the lower level classification, the lump sum calculation continues until the employee reaches the SSI maximum or the salary range maximum of the lower level classification.
- If the eligible employee’s salary rate is below the SSI maximum or salary range maximum in the classification prior to demotion AND the salary rate is above the maximum salary range of the lower level classification, the lump sum calculation continues under the terms of the red circle policy.
- If the employee on a reemployment list accepts an offer to return to the classification held at the time of layoff PRIOR to reaching the SSI maximum or the salary range maximum in the lower level classification, the lump sum calculation continues in the higher level classification until the SSI maximum is reached in the original classification held at the time of layoff.
- Please note that if the demoted employee reaches the SSI maximum or salary range maximum of the lower classification, the lump sum calculation ends, even if the employee subsequently returns to the classification held at the time of layoff.
**Reporting Requirements**

The following information is requested to update PERB, CSEA, and PERS:

- Back pay and interest reporting for additional eligible employees previously not reported to the Chancellor’s Office. Please follow the format in HR/SA 97-12, Supplement #3.
- PERS compensation reporting for additional eligible employees previously not reported to the Chancellor’s Office. Please follow format in HR/SA 97-12, Supplement #3.

Please send requested information to Pamela Chapin by January 15, 1999. If you have questions, please contact her at 562/985-2652.

CR/pc