

Side Letter on 2007 Equity Increases

A dispute over the intent of the Equity Increase language in Articles 24.5 and 24.6 has arisen between the parties. The language is below:

24.5 Effective with the June 2007 pay period, active and on-leave employees in the following class codes shall receive a one (1) percent increase to their individual base salary rate.

- Building Service Engineer (6702)
- Carpenter (6476)
- Electrician (6533)
- Facilities Control Specialist (6260)
- Ld Plumber (6548)
- Ld Electrician (6532)
- Ld Carpenter (6475)
- Metal Worker I (6280)
- Metal Worker II (6281)
- Plumber (6549)
- Refrigeration Mechanic (6699)
- Supervising Building Service Engineer (6700)
- Supervising Carpenter (6474)
- Supervising Electrician (6534)
- Supervising Plumber (6547)

24.6 Effective July 1, 2007, active and on-leave employees in the following class codes shall receive a one (1) percent increase to their individual base salary rate. [as above same list of 15 classifications follows]

POSITIONS:

SETC-UNITED

The SETC-United believes that the language infers that the equity increase be treated like a General Salary Increase (e.g., the individual employee salary rates and the salary ranges are shifted by the same percentage). SETC states that this should be done to help address market issues.

CSU

The CSU asserts that the specific language (unlike that of provision 24.4 regarding the GSI) provides for increases to individual employee salary rates and not the salary ranges. The CSU's position is that the Equity Increase program, like the EPI program, is a vehicle to address the documented issue that Unit 6 employees are not progressing through the range. As a result, as in the case of EPI awards, increases are applied to individual rates, and are not applied to salary ranges. Furthermore, increasing the ranges of the individual classifications above, will cause the previously negotiated salary groups set forth in Appendix C to become out of sync. Although the CSU respects the SETC-United position regarding market issues, the parties agreed to address these issues through the Joint Working Group established by Vice Chancellor McClain in the September 14, 2006 Side Letter.

However, to avoid litigation and in the spirit of working together, the parties agree to the following:

1. Technical Letter HR/Salary 2007-11 provides for a 1.0% increase to the individual salary rates of active employees in designated classes (refer to Attachment B to Technical Letter HR/Salary 2007-11) *up to the salary range maximum*. Employees in the designated classifications who are at or less than 1.0% below the salary range maximums, and therefore not eligible for a full 1.0% increase, will receive up to a 1.0% equity increase applied to their base salary.
2. To accomplish this and ensure that all employees due an equity increase receive the full 1.0% (June pay period and July 1), we will do the following:
 - The maximum of all bargaining unit classifications in Appendix C will be increased by a full five percent (5%) instead of the three percent (3%) GSI amount.
 - Effective July 1, 2007 the individual salary rates of individuals in the classes listed in article 24.5 will be adjusted by a total of 4% (3% GSI plus 1% equity not compounded).
 - Effective July 1, 2007 those individuals listed in Appendix A who for the June 2007 pay period did not receive any of the 1% equity increase because they were at the salary range maximum, will have their salary increased to the maximum.

- Effective July 1, 2007 those individuals listed in Attachment A who received a partial equity increase during the June pay period up to the range maximum, will have their salary increased by the remaining percentage up to 1%.

For the CSU:

For SETC-United:

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Bill Candella Date
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Human Resources

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Patrick Hallahan Date
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