Date: September 3, 2002

To: Human Resources Directors
    Payroll Officers

From: Cathy Robinson, Senior Director
      Human Resources Administration

Subject: Rural Health Care Stipend Side Agreement for CSEA (Units 2, 5, 7 and 9) Employees

The California State University (CSU) reached a side agreement August 30, 2002, with the California State Employees’ Association (CSEA) on the Rural Health Care Stipend program for employees residing in certain zip codes in San Luis Obispo county. A copy of the side agreement is provided in Attachment A. This technical letter provides program summary and implementation instructions.

**Rural Health Care Stipend:**
- Employees who meet the following criteria are eligible for a single Rural Health Care Stipend of $500:
  1. Must reside in one of the following zip codes as of April 30, 2002:
     93401, 93402, 93403, 93405, 93406, 93407, 93408, 93409, 93410, 93412, 93420, 93421, 93422, 93423, 93424, 93428, 93430, 93432, 93433, 93435, 93442, 93443, 93444, 93445, 93446, 93447, 93448, 93449, 93451, 93452, 93453, 93461, 93465, 93483
  2. Must be enrolled in a CalPERS sponsored health plan in April 2002
  3. Must be in an active or on-leave status as of the payment issue date

- Human Resources Information Support and Analysis (HR-ISA) will generate payroll transactions for eligible employees based on the criteria outlined above. Payments generated by HR-ISA will be issued on September 4, 2002.
- To identify those employees receiving payment, refer to CIRS Compendium Report X86, Cycle 0208.
- Campuses are responsible for verifying that the employee meets all criteria outlined above.

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Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Administration
Vice Presidents, Academic Affairs
Vice Presidents, Student Affairs

Associate Vice Presidents/Deans of Faculty Affairs
Employee Relations Designees
Director, SOSS
Budget Officers
- If the campus deems the employee ineligible, the campus must return the check to the SCO or reverse the direct deposit, as appropriate.
- In the event a campus deems an employee eligible and no payment was generated by the SCO, the campus must process the payment manually.

The following processing instruction is provided in Attachment B:
⇒ Bonus/Additional Pay Programs I – Rural Health Care Stipend

Questions regarding this technical letter may be directed to Human Resources Administration at (562) 951-4411. This document is available on Human Resources web site at: [http://www.calstate.edu/HRAdm/memos.shtml](http://www.calstate.edu/HRAdm/memos.shtml). Salary program information and processing instructions for new and on-going salary provisions are provided on Human Resources web site at: [http://www.calstate.edu/HRAdm/SalaryProgram/index.shtml](http://www.calstate.edu/HRAdm/SalaryProgram/index.shtml).

CR/gc
RURAL HEALTH CARE STIPEND SIDE AGREEMENT

Between California State University (CSU)
And
California State Employees' Association (CSEA)

The CSU and CSEA agree to extend the one-time $500 rural health care stipend in 2002/03, as outlined in provision 21.8, to employees who meet the criteria listed below:

1. Employees must reside in the following zip codes on April 30, 2002:
   93401, 93402, 93403, 93405, 93406, 93407, 93408, 93409, 93410, 93412, 93420,
   93421, 93422, 93423, 93424, 93428, 93430, 93432, 93433, 93435, 93442, 93443,
   93444, 93445, 93446, 93447, 93448, 93449, 93451, 93452, 93453, 93461, 93465,
   93483

2. Employees must be active or on-leave at the time the payment is generated.

3. Employees must be enrolled in a CalPERS health plan in April 2002.

4. Employees who received a rural health care stipend as outlined in provision 21.8 and based on the CalPERS list titled "California's Eligible Rural Subsidy Zip Codes," effective January 1, 2002, are not eligible for an additional stipend payment.

By signing this side agreement, CSEA agrees to withdraw the grievance relating to the Rural Health Care Stipend program.

For California State University:

Sharyn Abernathy
8/29/02

For California State Employees' Association:

Helen Ray
8/30/02
BONUS/ADDITIONAL PAY PROGRAMS
I – Rural Health Care Stipend

<table>
<thead>
<tr>
<th>PIP PROCESSING INFORMATION:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Responsibility:</td>
<td>HR-ISA will generate a payment transaction file for SCO to process.</td>
</tr>
<tr>
<td>Processing Date(s):</td>
<td>09/04/02</td>
</tr>
<tr>
<td>Earnings ID:</td>
<td>“GE”</td>
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<tr>
<td>Amount:</td>
<td>$500.00</td>
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<tr>
<td>Subject to PERS Withholdings:</td>
<td>No</td>
</tr>
<tr>
<td>Taxable/Reportable:</td>
<td>Yes</td>
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<tr>
<td>Subject to Medicare/Social Security</td>
<td>Yes</td>
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<tr>
<td>Subject to FLSA Regulations:</td>
<td>Yes, for the pay period in which the stipend was paid only</td>
</tr>
<tr>
<td>Included in the Calculation for NDI/IDL Payments:</td>
<td>No</td>
</tr>
<tr>
<td>Additional Information:</td>
<td>The campus is responsible for keying stipends for employees whom the campus deems eligible and were not paid by the SCO.</td>
</tr>
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