FINDINGS AND RECOMMENDATIONS
PURSUANT TO
GOVERNMENT CODE SECTION 3590, et seq. (HEERA)

TRUSTEES OF THE CALIFORNIA
STATE UNIVERSITY
Employer
vs.
TEAMSTERS LOCAL 2010
Union

PERB CASE NO. LA-IM-4145-H
REPORT AND RECOMMENDATIONS OF
THE FACTFINDING PANEL

Neutral Factfinding Panel Chair: Loretta van der Pol
Employer-Appointed Panel Member: Joseph Jelincic, Assistant Vice Chancellor, Collective Bargaining
Union-Appointed Panel Member: Jason Rabinowitz, Secretary-Treasurer, Teamsters Local 2010

Hearing Dates: December 19 and 20, 2023

APPEARANCES:

For the Employer: Tim Yeung, Attorney, Chelsea Avent, Attorney, Stefanie Gusha, Senior Director of Collective Bargaining, Shawn Holland, Chief of Facilities Operations, Tim Overgaauw, Senior Director of Operations and Construction at CSU Stanislaus, Robert Andrews, Associate Vice President for Facilities at San Francisco State University, John Ramirez, Director of Facilities Operations at CSU Fullerton, Steve James, Labor Relations Advisor

Employer’s Witnesses and Subject Matter Experts: Lety Hernandez-Landeros, Senior Director Systemwide General Employment Services and Policy Administration, Karin Jenkins, Senior Manager Compensation and Classification Programs, Colin Donahue, Vice President of Administration and Finance at CSU Northridge, Jeni Kitchell, Executive
Budget Director, Ryan Storm, Assistant Vice Chancellor System Budget, Stephen Silver, Assistant Vice Chancellor & Chief Counsel, Office of the General Counsel, Victor King, University Counsel at CSU Los Angeles

For the Union: Andrew Baker, Attorney, Tanya Akel, Teamsters Local 2010 Field Director, Drew Scott, Fresno State University and Teamsters Local 2010 Skilled Trades Director, Aaron Flores, San Jose State University, Carlos Sanchez, San Diego State University, Matthew Mason, Sacramento State University, Christopher Rooney, CSU Northridge, Ernesto Torres, CSU San Bernardino

Union’s Witnesses and Subject Matter Experts: Drew Scott, Teamsters Local 2010 Skilled Trades Director, Howard Bunsis, Ph.D., Professor of Accounting, Eastern Michigan University, Alex Vermie, Teamsters Local 2010 Research Analyst

TIMELINE

In a pre-hearing Zoom conference on November 29, 2023, the parties agreed to waive the statutory timeline to begin meeting in factfinding.

STATEMENT OF THE ISSUES

At the time the factfinding request was submitted and processed, there were fourteen open articles and one exhibit listed in the parties’ separate Statements of Issues which were provided to the appointed factfinding chair. By the time the parties met in factfinding on December 19, 2023, the Statement of Issues had been reduced to a total of six articles and one exhibit which were still at impasse:

- Article 4. Contracting Out
- Article 8. Concerted Activities
- Article 11. Probationary Period
- Article 13. Personnel File
- Article 24. Salary
- Article 33 (new). Accommodations
- Appendix D2. Job Postings

BACKGROUND

The California State University (CSU) is one of California’s two public university systems and has twenty-three campuses located throughout the state. The annual full-time equivalent (FTE) student population is approximately 460,000 and is one of the most diverse in the United States. The system is led by a Chancellor who is appointed by a governing body of twenty-five members of the Board of Trustees.¹

¹ [https://www.calstate.edu/csu-system/about-the-csu/pages/default.aspx](https://www.calstate.edu/csu-system/about-the-csu/pages/default.aspx)
The 2023-24 operating budget totals just over $8 billion. Several factors, including unfunded mandates, underfunded programs and compensation increases, infrastructure needs and market volatility have resulted in the need to re-evaluate priorities in order to manage within budget constraints. A multi-year compact with the Governor of California is currently providing an additional 5% increase to the General Fund, and the Trustees recently adopted a multi-year tuition increase of 6%. The CSU is also projecting overall enrollment growth of approximately 1% in FTE in 2024-25, which will also generate revenue.2

In 1995, the funding mechanism to the CSU from the state changed, and as a result, the structure of employee compensation was negotiated to eliminate steps and replace them with ranges. Movement within the ranges relied on the availability of funding in any given year and satisfactory or better work performance. Although there are multiple sections of Article 24, Salary that are open, the adjustment from ranges to steps is the most difficult issue to resolve in this impasse.

The Teamsters local 2010 bargaining unit (Unit 6) consists of employees in the skilled trades and crafts (carpenters, electricians, plumbers, locksmiths, painters, mechanics, masons, metal workers, building services engineers, refrigeration mechanics, power plant operators, general facilities workers and related occupations, including apprentices). The ranges for advanced journey level (lead) and supervisory positions within Unit 6 overlap.

Individual campuses administer their own hiring, performance management, and budget processes, based on their annual allocations. Since the inception of the current compensation system, few employees in the unit have progressed above the midpoint of their ranges, even those with significant seniority. Hiring that’s required appointments above the minimum have further exacerbated wage compaction.

The issues with the salary range systems are not exclusive to Unit 6. The collective bargaining efforts to return to ranges with steps are also included in the current negotiations’ cycles for other CSU units. This is a complicated undertaking that cannot be accomplished all at once without significant cost considerations and coordination with other functions within the CSU. The parties both fully appreciate this but differ in how to achieve the change.

FINDINGS OF FACT

- The CSU has thirteen bargaining units: 1) Unit 1 – Union of American Physicians and Dentists (UAPD), 2) Units 2, 5, 7 and 9 – healthcare, technical, maintenance and operations, custodial and landscape services and other miscellaneous staff support classifications represented by the California State University Employees Union

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(CSUEU), 3) Unit 3 – California Faculty Association (CFA), 4) Unit 4 – Academic Professionals of California (APC), 5) Unit 6 – Teamsters Local 2010 (Teamsters), 6) Statewide University Police Association (SUPA), 7) Unit 10 – International Union of Operating Engineers (IUOE), 8) Unit 11 – Academic Student Employees (UAW), 9) Unit 13\(^3\) - CSUEU English Language Program Instructors, Cal State LA, and 10) Unit 14 – CSUEU English Language Program Instructors, CSU Monterey Bay.

- The most recent Collective Bargaining Agreement (CBA or Contract) for the Teamsters Local 2010 bargaining unit expired on June 30, 2023.

- Negotiations for a three-year successor contract began on January 17, 2023 and the parties met in 28 full day sessions through September 17, 2023. After the parties declared they had reached an impasse in their negotiations, they met in mediation on October 31, 2023. The mediator released the parties to factfinding. The CSU submitted its request to the Public Employment Relations Board (PERB) for factfinding and a neutral chairperson was appointed on November 27, 2023.

- The appointed representatives, advocates, and some bargaining team members met with the chairperson in a pre-factfinding video conference via Zoom on November 29, 2023.

- The first day of hearing was conducted in a video conference via Zoom on December 19, 2023. The second day was conducted on-site at the CSU Chancellor’s Office in Long Beach, CA on December 20, 2023. The factfinding panel met in a separate session immediately following the end of the hearing on December 20, 2023, and again via Zoom on December 21, 2023.

FACTFINDING CRITERIA

This factfinding is governed by the provisions of the Higher Education Employer-Employee Relations Act (HEERA), which unlike the other public employment statutes, does not provide specific criteria to be considered by factfinders, except that the factfinding panel’s recommendations shall be advisory. In developing advisory recommendations, the criteria set forth in the Education Employment Relations Act (EERA) can be helpful in determining how the factfinders should consider, weigh, and be guided by the evidence and testimony provided by the parties:

1. State and federal laws that are applicable to the employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the public school employer.

\(^3\) There is no Unit 12
(4) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.

(5) The consumer price index for goods and services, commonly known as the cost of living.

(6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment; and all other benefits received.

(7) Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.

**POSITIONS AND RECOMMENDATIONS BY ISSUE**

**Article 4. Contracting Out:**

The **employer's proposal** modifies the first sentence of Section 4.3 to read, “The University shall have the prerogative to contract work as long as the contracting out does not create layoff, demotion, or involuntary timebase reductions.” The employer's proposal also strikes the remainder of Section 4.3, and all of Sections 4.4 and 4.5.

Tim Yeung described that the employer’s intent as the need to have more flexibility, not to remove work, or to generate layoffs or demotions. The employer is open to talking about protecting overtime, but is not interested in being policed, especially on change orders (as proposed by the union). Change orders can be numerous and generated on very minor work needs.

Shawn Holland provided additional information about what constitutes minor capital work and the need to be able to accomplish the work on short notice or over school breaks.

The **union’s proposal** modifies Section 4.4 to read, “The Chief Campus Steward, or designee, on each Campus shall be notified in writing of contracts, including contract change orders pertaining to normal Bargaining Unit 6 work at the campus. Such notifications shall contain but not be limited to the applicable job scope, materials, project cost, required employee certifications and special skills, funding source(s), and project deadlines. Circumstances permitting, such notifications shall be prior to the start of such contracted work.”

Andrew Baker described the union’s concerns about backfilling vacancies with contractors and the possible loss of protections.

Drew Scott described the major impacts the union sees in the employer’s proposal, including the differences in the categories of work (minor capital v. major capital projects, non-minor cap deferred maintenance) that can be performed by unit employees or contracted out. He
stated that on many campuses unit employees rely heavily on overtime to be able to live better. The employer appears to want to limit the work of the employees to overseeing or supervising the work of the contractors, who are more expensive, and to stop the grievances (on this issue) that the union keeps winning.

Jason Rabinowitz stated that this is a core issue for Teamster members who become suspicious if protections are not identified in their contract.

**Recommendation:**
While the employer's proposed language could be interpreted to include all of the considerations enumerated in Section 4.3, making the detail redundant, it's difficult to see how the change would provide greater flexibility. The union's proposed language about specific written notifications, especially involving change orders, is onerous.

Retain the current language.

**Article 8. Concerted Activities:**
The union proposed changes to Sections 8.1 and 8.2, and added a new 8.4 (current 8.4 renumbered to 8.5), with changes that read as follows:

"8.1 Employees have the right to engage in Union activity and concerted activity as protected by law. However, employees shall not engage in strikes or other concerted activity on work time which could interfere with or adversely affect the operation or mission of the CSU. Employees shall not engage in strikes including sympathy strikes or other concerted activity which could interfere with or adversely affect the operation or mission of the CSU.

8.2 The Union shall not promote, organize or support strikes including sympathy strikes or other concerted activities of bargaining unit employees which could interfere with or adversely affect the operation or mission of the CSU.

8.4 (new) Notwithstanding the foregoing, it shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through, or work behind any primary picket line sanctioned by the appropriate body of the Teamsters Union, and the University shall not direct any employee to cross such a primary picket line."

The employer's proposal is to retain current language.

Rabinowitz described the intent of the union's proposed language. Discussion led by Yeung included a review of the recently vetoed AB 504 and litigation supporting the current language, rejecting comparisons to the private sector. Joseph Jelincic indicated that to date there had never been any actions taken against the unit's employees for possible violations.
Recommendation:
Until such time as enacted legislation or litigation requires modifying current rules or practices, retain the current language.

Article 11. Probationary Period: The union withdrew its proposal and accepted the CSU’s proposal on the second factfinding hearing date (December 20, 2023).

Article 13. Personnel File:
The employer proposed changes to Section 13.6 to read as follows:

“Upon an employee’s written request, written reprimands and/or documents relating to any disciplinary action related to workplace violence, discrimination, harassment, or retaliation more than five (5) years or three (3) years old contained in an employee’s personnel file shall be removed, provided that the employee has no other written reprimand or discipline in the personnel file for the same issue(s) or offense.

Upon an employee’s written request, written reprimands and/or documents relating to any disciplinary action more than three (3) years old contained in an employee’s personnel file shall be removed, provided that the employee has no other written reprimand or discipline in the personnel file for the same issue(s) or offense.”

The union proposed a change to Section 13.6 to read as follows:

“Upon an employee’s written request, written reprimands and/or documents relating to any disciplinary action more than one three (13) years old contained in an employee’s personnel file shall be removed and destroyed, provided that the employee has no other written reprimand or discipline in the personnel file for the same issue(s) or offense.

Yeung described the employer’s need to protect employees and itself from issues arising from the areas of misconduct in the proposed language, given recent high-profile incidents in the CSU and elsewhere. Litigation could require producing evidence after a three-year removal period. Managers performing background checks on employees seeking transfers or promotions should also have access to this information. He further stated that he was not aware of any public sector contracts with one-year retention periods.

Regarding the employer’s proposal, the union (Baker and Tanya Akel) argued that the purpose of discipline is to draw the employee’s attention to a serious problem, and that a retention period of one year (per the union’s proposal) should be sufficient. For offenses that fall into the employer’s proposal employees are usually terminated, so it would be a non-issue. While they understood the employer’s concerns, the problems were not occurring in this bargaining unit.
There was a discussion about legal requirements, how removed documents are handled, and fundamental differences in beliefs about the retention of discipline records.

**Recommendation:**
A review of the contracts of the other bargaining units within the CSU showed that this unit has broader rights than any other one under the current language. The contracts of the other units either limit requests for removal to written reprimands only or are silent on a removal process for any record of corrective action or discipline.

While it’s hard to imagine that an employee who engages in any of the misconduct listed in the employer’s language would still be employed, an imperfect termination process could modify the discipline and return the employee to work. Given the high likelihood that these categories of offenses could cause criminal and/or civil action to be attempted against the employer and/or employee, recordkeeping would be critical. It speaks well of the employees in this bargaining unit that they do not have a history of these offenses, so they should have nothing to worry about.

**Accept the employer’s proposal without changes and reject the union’s proposal.**

**Article 24. Salary:**
Proposals for both the employer and the union include numerous changes, some of which involve only renumbering and updated dates.

Conceptually, the employer and the union are in agreement on a new system of steps within new ranges, to be called a Step Progression system, with the initial placement of employees at the closest higher step of their salaries at the time of implementation.

**The employer’s proposal** of a 5% per year compensation salary package in each of the three years includes the following, with flexibility in how each year’s 5% is structured:

- A 5% General Salary Increase (GSI) on the shorter timeframe of either July 1, 2023, or the first day of the pay period 120 days from a tentative agreement (also moving the minimum and maximum of the current salary ranges);

- The transition of employees to a salary step structure effective October 1, 2024, with placement at their closest (higher) step, then advancing them two steps, not to exceed the top step of the new ranges. Employees already at the top step and those whose salary step advancements result in less than a 2% salary increase will receive a lump sum payment for the difference, for those who have completed one year of service and are employed as of June 30, 2025.

- Contingency language referencing the state’s final Budget Act of 2024, requiring reopeners of both Article 25 (Salary) and Article 24 (Benefits) if the contingency is not met;
• A Salary Structure Adjustment (SSA) of 2% to all classifications effective July 1, 2025, with the same contingency language referencing the state’s final Budget Act of 2025;

• An annual Step Progression requiring an overall rating of satisfactory or better on the employees’ final performance evaluations. If the evaluations are more than 12 months old, the employee will receive the step progression;

• For FY 2025/26, all employees not at the top step of their classification will receive a one-step progression, in addition to up to either two or three additional steps, depending on whether or not they are less than, or more than, seven steps from their targets, not to exceed the top step. (The target step is the one that most closely corresponds to their years of service.) The same contingency language applies to this provision;

• The In Range Progression (IRP) process language is stricken;

• Section 24.19 (Performance Based Salary Additional Increases) is modified to align with the step progression process and remove the requirement of meritorious performance;

• Extended Performance Increase (EPI) language is stricken;

• Language in the Classification Changes section is modified to align with the Step Progression process;

• The parameters of Section 24.32 (Cost Savings/Staffing Committee) are modified;

• A new Section 24.X4 (Additional Risk Premium) replaces Section 24.54 (Emergency Pay), reducing compensation for work performed during declared emergencies is handled from double time to $6.00 an hour for all hours worked; and

• Eliminates the language regarding the 10/12 and 11/12 pay plans as not relevant to this bargaining unit.

The union’s proposal for a compensation package includes GSI's of 7%/5%/5% per year, in addition to annual step progression adjustments and lump sum payments to employees who are at their top steps:

• The Step Progression system will be effective July 1, 2023, with payments received by employees within sixty (60) days of implementation;
• Step placement will begin with the highest of: 1) the salary step corresponding with length of service in the bargaining unit, 2) closest (higher) step to current salary; or if the employee’s salary is higher than the highest step of their classification, they shall remain at their current pay rate;

• Step progression to be defined as movement from an employee’s current step to the next highest step, effective on July 1, 2023 each year; step progression shall take place in addition to any negotiated GSI's or other increases; and employees at the stop steps of their classification shall receive a 2% non-base building bonus;

• All steps will receive GSI's as follows: 7% on 7/1/2023, 5% on 7/1/2024, and 5% on 7/1/2025;

• All contingency language related to the State of California’s Final Budget Act is stricken;

• In-Range Progression language is retained, with updated language to correspond with the change from salary ranges to a step progression system;

• A new subsection is added to 24.8 (Additional Factors to be Considered) defining ‘increased workload’;

• The Sunday Pay Differential is broadened to Weekend Pay Differential and adds the equivalent of the swing shift pay differential to Saturdays, as well as Sundays;

• Asbestos and Hazardous Material Handling Pay Differential is increased from $3 per hour to $6 per hour.

• The allowance paid to an employee to 1) complete CSU-approved training, or 2) maintain or renew a certificate in either asbestos abatement or hazardous materials handling is increased from $250 to $1000; and

• Asbestos and Hazardous Material Handling Pay Differentials, Backflow Testing and Water Treatment Operator Allowances, Welding Certifications, High Voltage Stipends and Critical Skills Bonuses are increased to $1000 from current rates varying from $250 to $500.

The employer's Salary presentation was made by Yeung, Colin Donahue, Lety Hernandez-Landeros and Karin Jenkins. Information was provided from the Mercer Report commissioned by the CSU, as well as the status of reserves, the uncertainty of funding, and

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the agreed-upon or proposed to other bargaining units, including contingency language in the out years.

The union’s Salary presentation was made by Baker, Alex Vermie and Dr. Howard Bunsis.

Alex Vermie testified about the GSIs the unit received in only seven (7) of the last sixteen (16) years, being classified as ‘essential workers’ during the pandemic when most of the CSU staff were able to work remotely and issues with the Mercer study’s market comparisons. Very compelling scatter graphs were used to demonstrate the salary placement of unit employees, showing only a few, systemwide, who are above their ranges’ midpoints even with significant years of seniority. Graphs also showed how salary compaction has affected employees in lead and supervisory classes who earn less than the employees supervised. This was also used to demonstrate how the CSU’s proposal on a step progression system that resets seniority on promotion could continue to cause compaction.

Dr. Bunsis made a slide presentation with his analyses and conclusions about the financial condition of the CSU, summarized as follows:

- “The CSU System is in very strong financial condition. This conclusion is supported by a high level of reserves, and annual operating cash flow surpluses.
- Significantly, this conclusion is supported by the high bond ratings of Moody’s (Aa2) and Standard and Poor’s (AA-). The bond agencies refer to the liquidity and annual margins to support their ratings
- The largest revenue source, the state appropriation, has increased in recent years and is expected to increase solidly through 2025
- The marginal cost of the Local 2010 proposal over the CSU administration offer can be met by the significant annual operating cash surpluses that CSU has generated for many years. The CSU system has significant reserves, but these reserves will not have to be accessed in order to meet the Local 2010 request; the request can be satisfied by existing annual surpluses.”

**Recommendation:**

Although there appears to be agreement on the need to change the compensation system from the current ranges to step progression systems, discussion between the parties during, between and after their presentations demonstrated clearly that they have fundamental differences that cannot be reconciled. Particularly in the costing of their proposals, the parties are so far apart that it’s difficult to find enough common ground to bring the sides close to an agreeable settlement on the money.

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5 Howard Bunsis, Ph.D, J.D., CPA, Financial Analysis of the California State University System, December 2023
I did have difficulty with the fourth bullet point in the summary in the union’s slide presentation, in which the cost of the union’s proposal is characterized as “marginal.” The unit is relatively small, but the structure of their Salary proposal puts the 7%/5%/5% at approximately 25.5%/7%/7% when the step progression conversion is factored-in which is a significant cost difference. The actual dollars, mapped-out in each year, has the second and third years compounding on a much higher base. (Also not addressed in costing discussions by either party are the union’s proposed increases to allowances, pay differentials and stipends, which may be incrementally too small to make much of a difference.)

The current salary range system for compensation does appear to have very adversely impacted employees in this bargaining unit since its inception, so it should be a high priority for the CSU to move on implementing a complete fix to the structure and not try to accomplish it piecemeal. Depending on what that could cost, it might take more than one bargaining cycle to roll out, but given the size of the unit, there ought to be some flexibility in the CSU’s proposed 5%/5%/5%.

As the neutral Factfinding Chairperson, I recommend:

1. That the parties consider creating vertical job classification families with step progression based on seniority within those classification families, without regard to transfers to other campuses, and without resetting seniority on promotion to lead or supervisor. Because there are one or two entry-level classifications that feed into the primary skilled trades and crafts classifications, the parties could consider excluding those classes from time credited to this seniority;

2. That the unit receives a GSI of 5% effective July 1, 2023;

3. That the step progression system is implemented October 1, 2024, as detailed in the CSU’s proposal for year two, with whatever amount of money is leftover after creating the steps being converted to a GSI to the closest (highest) half of a percent, with a total value of step progression and GSI not to exceed 7%;

4. That the step progression toward the target steps continues on July 1, 2025, including the requirement for satisfactory performance, with any difference in funding leftover converted to a GSI with a total value of step progression and GSI not to exceed 5%;

5. That the contingency language as proposed by the CSU be included;

6. That the Emergency Pay provision remain at the status quo;

7. That the Recognition Bonus, In Range Progression (IRP) and Extended Performance Increase (EPI) language be stricken;

8. That Section 24.19 be adopted as proposed by the CSU; and
That all other union-proposed changes to allowances, pay differentials and stipends either be held for a reopener in the third year in the event the contingency language for Salary and Benefits is not triggered, or that it be re-introduced in the next bargaining cycle for a successor contract.

**Article 33 (new). Accommodations:**
The union proposal seeks to bring the CSU’s adopted Disability Support and Accommodations Policy into the contract, modifying and adding provisions, such as for the interactive process and requirements for medical documentation. It also accrues new rights and protections to employees within the context of collective bargaining that they already have through state and federal laws and formal policy. Employees who are dissatisfied with the application of the policy have more than one venue in place to file a complaint or seek a remedy.

**Recommendation:**
Retain the current language and leave the policy out of the contract.

**Appendix D2. Job Postings:**
The union proposes to amend the language in Section 1 to read as follows: It is understood that the Facilities Maintenance Mechanic Classification is a generalist Classification and the intent is not that it be used to replace a specific trade’s position. The Union shall be provided ten (10) days prior notice of any recruitment posting for Facilities Maintenance Mechanic.

**Recommendation:**
Accountability for posting positions correctly and without the appearance of trying to underfill vacancies is important, but postings are public and there is sufficient opportunity in the recruitment timelines to question or appeal a posting. Adding an additional requirement is unnecessary and likely to create, not reduce the opportunity for errors.

Retain the current language.

Respectfully submitted January 5, 2024,

Loretta van der Pol
Loretta van der Pol, Chair of Factfinding Panel

Joseph J. Jelincic III
Joseph Jelincic, Panel Member for the Employer

Jason Rabinowitz
Jason Rabinowitz, Panel Member for the Union

Concur
Dissent

Concur in Part
Dissent in Part

Signature: [Signature]
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In the matter of The Trustees of the California State University and Teamsters Local 2010, factfinding proceedings pursuant to the Higher Education Employer-Employee Relations Act

Case No.: LA-IM-4145-H

Introduction

As the panelist representing the California State University (CSU), I want to take this opportunity to share my thoughts on the report Ms. Loretta van der Pol, an independent third party, issued following factfinding proceedings between the CSU and Teamsters Local 2010 (Teamsters).

There were seven articles in front of the factfinder as the parties were able to reach tentative agreements on the other articles. If an agreement could be reached on salary, the CSU would be prepared to adopt the factfinder’s recommendations on six of the seven articles. The issue of salary is the one article where the CSU is only prepared to adopt the factfinder’s recommendation in part.

I do note that the factfinder’s recommendation on salary of 17% over 3 years is very close to CSU’s offer of 15%, while the Teamster’s last salary offer was approximately 40% over those three years.

Where the CSU Believes Additional Negotiations or Mediation Would be Needed for Resolution

1. Salary

The factfinder recommended salary increases and changes to the salary structure that would cost 5% for FY 23/24, up to 7% for FY 24/25, and up to 5% for FY 25/26. The CSU has already offered Teamsters 5% for FY 23/24 and 5% for FY 25/26. The only area of concern for CSU in the factfinder’s recommendation for salary increases is in FY 24/25. The CSU believes, and the labor-management commissioned Mercer staff salary study confirms, that Teamsters-represented employees are at or above market and will maintain or increase their above market position with the 3-year salary proposal from the CSU.

The CSU and its unions (including Teamsters) commissioned Mercer to conduct a
comprehensive compensation review of all staff positions in the CSU. That study was conducted by national experts in employee compensation and classification using salary data from numerous appropriate comparators. While the report found that non-Teamsters-represented employees were approximately 12% below market, the report found that, on average, Teamsters-represented employees were only 1% below the market. Shortly after the release of that report, CSU and Teamsters mutually agreed to a 7.12% general salary increase (GSI) resulting in Teamsters-represented employees, on average, being 6% above market.

In order for the CSU to be able to afford its current offer to all employees (5% each year for each of the 3 years), cuts will need to be made throughout the University. While those cuts will be difficult, the University believes they can be done responsibly with minimal impact on students and current employees. Additional resources above the current offer will lead to cuts that will directly impact students and current employees.

While the CSU appreciates that the factfinder’s recommendation is much closer to the CSU's position, the comprehensive Mercer Staff Salary Study findings do not support the additional 2% in cost for FY 24/25.

Areas Where the CSU is Willing to Move Forward with the Factfinder’s Recommendations if Agreement on Salary Can Be Made

The following is a list of the issues where the CSU is willing to move forward with the factfinder’s recommendations if a comprehensive agreement can be reached.

2. Contracting Out

The factfinder recommended maintaining the current contract language regarding contracting out. Despite the CSU’s desire for changes to the contracting out language, the CSU is willing to retain the current contract language if a full agreement is reached.

3. Concerted Activity

The factfinder recommended adopting CSU's proposal to maintain the current contract language regarding concerted activity.

4. Probationary Period

Teamsters withdrew its proposal regarding probationary periods during the hearing and accepted the CSU's last offer. CSU’s offer reduces the probationary period for Teamsters who are promoted within their job family at their current campus from 1 year to 6 months.

5. Personnel File

The factfinder recommended adopting the CSU’s proposal regarding the personnel file.

6. **Accommodations**

The factfinder recommended maintaining the current practice on workplace accommodations, and not including the policy in the collective bargaining agreement.

7. **Job Postings**

The factfinder recommended maintaining the current contract language on job postings, including maintenance mechanic postings.

These issues are in addition to the tentative agreements reached on Article 7 (Union Rights), Article 9 (Grievance Procedure), Article 10 (Appointment), Article 15 (Employee Rights), Article 16 (Vacation), Article 17 (Holidays), Article 18 (Leaves of Absence with Pay), Article 19 (Leaves of Absence without Pay), Article 30 (Layoff), and Appendix N (AB 119 MOU). These tentative agreements include, but are not limited to, providing that all unit 6 employees who meet preferred qualifications will be interviewed for open positions, increasing the vacation accrual caps, and expanding which employees are eligible to attend union steward training.

**Conclusion**

I wish to thank Ms. Loretta van der Pol, the independent factfinder and chair of the panel, for her efforts to learn about and understand these issues, and for taking the time to come up with these recommendations.

It is CSU’s sincere hope that the factfinder’s recommendations will serve as a road map to agreement. The CSU and the Teamsters have already reached tentative agreements on a number of articles. The CSU remains committed to engaging in dialogue through mediation or negotiations to alleviate our remaining differences and achieve a multi-year agreement that provides salary increases for our employees.

Dated: January 4, 2024

JOSEPH J. JELINCIC III  
Assistant Vice Chancellor, Collective Bargaining  
Factfinding Panel Member
January 5, 2024

Ms. Loretta van der Pol
Arbitrator, Factfinder and Mediator
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Re: Trustees of the California State University, Employer, and Teamsters Local 2010,
Union (Factfinding)
PERB Case No. LA-IM-4545-H

Dear Ms. van der Pol:

Thank you for your draft report. As the Union panelist for this factfinding, I below have made responses to each of the issues on which you have made a recommendation. I ask that these responses be included with your final report.

**Article 4. Contracting Out.**

While I concur with the Panel Chair’s recommendation to reject the University’s draconian proposal to expand its right to contract out bargaining unit work, I must dissent from the Chair’s rejection of the Union’s proposals.

The Union’s proposals are twofold. First, the Union seeks to receive notice of change orders on projects that have already contracted out; and second, the Union seeks to include in the notice the University already must provide the Union when the University contemplates contracting out bargaining unit work basic details about the scope and nature of the work.

At the factfinding hearing, the Union made clear that change orders often reveal that the work could have and should have been done by bargaining unit employees. The Union also made clear that the proposal for additional information to be included in contracting-out notices is narrowly drawn to ensure that the Union has adequate information with which to evaluate whether the University has valid grounds, under the existing criteria, for contracting out work. The Chair recommends rejection of these proposals on the grounds that they are “onerous.” But the University presented little or nothing to suggest that the additional details sought by the Union’s proposal would be burdensome or onerous to include with respect to projects for which the University already gives notice. To the extent the University complained that change orders can be frequent and can on occasion be of a relatively minor character, the University failed to explain why it would be unduly burdensome or onerous to simply provide the Union with a copy of change orders, which on their face would include most of the details the Union’s proposal calls for.

Accordingly, I must dissent from the Chair’s recommendation to reject the Union’s proposals to modify Article 4.
Article 8. Concerted Activities.

The Unions proposal for this Article is designed to (1) protect employees who engage in protected activities that do not interfere with University operations; (2) permit employees to honor the picket line of another union; and (3) permit the Union to call for a sympathy strike to support another union with a primary labor dispute on campus. The Union made clear at factfinding that these are all core principles of the Teamsters Union.

The Chair has recommended that these proposals be dealt with via legislation or litigation. But legislation and litigation are no substitute for negotiations, and the Union is entitled to pursue these proposals at the bargaining table. Especially in the absence of any impending legislative or litigation developments that might address these issues, these issues are appropriately addressed in negotiations.

The University presented nothing in factfinding that should take precedence over the rights of the Unit 6 employees and the Union to engage in concerted activities that do not interfere with University Operations, honor another union’s picket line, or strike in support of another union.

I must therefore dissent from the Chair’s recommendation to reject the Union’s proposals on Article 8.


I dissent from the Chair’s recommendation to reject the Union’s proposals on Article 13 and to accept the University’s proposal.

The University’s proposal would expand from three to five years the number of years discipline remains in a personnel file for misconduct that involves “workplace violence, discrimination or harassment.” In recommending acceptance of this proposal, the Chair has focused on the University’s potential need in litigation to refer to such discipline that is older than three years. Yet the University gave no examples of when it was hamstrung in litigation by the existing three-year language. Moreover, “workplace violence, discrimination or harassment” can cover a vast scope of conduct, including conduct that is quite inconsequential. Extending the length of time a discipline remains in an employee’s personnel file for minor infractions is neither fair nor necessary.

On the other hand, the Union’s proposal is perfectly fair and reasonable. The Union’s proposal would reduce from three years to one year the length of time disciplinary records remain in an employee’s personnel file. The current contract language already extends the period of time a disciplinary record remains in the file if the employee repeats the offense. Thus, the Union’s proposal would trigger removal of a disciplinary record from the file only where the employee has demonstrated a year of good conduct. That year of good conduct should be sufficient to render the employee eligible for a clean slate.

I concur in part and dissent in part from the decision of the Panel Chair on salary. The Chair correctly finds that the lack of a salary step system and CSU’s failure to provide General Salary Increases in many years has “very adversely impacted employees in this bargaining unit,” and concludes that “it should be a high priority for the CSU to move on implementing a complete fix to the structure.” I concur with these findings. Nevertheless, the Chair’s recommendations on the salary issues reflect undue and unwarranted hesitation to implement the needed “fix” of the conceded deep, long-entrenched wage inequities in Unit 6 during the life of this contract. Therefore, I concur in part and dissent in part from the Chair’s recommendations regarding salary, as set forth below.

I concur with the Chair’s findings on salary because the Unit 6 salary problems that were brought to light in the compelling and unrebuted testimony of Teamsters Local 2010 Research Analyst Alex Vernic demonstrated serious wage compaction, average wages that have fallen well behind the relevant markets, and average wages that have failed to keep up with the cost of living.

Unit 6 Teamsters are the essential skilled workers who repair and maintain all of the University’s systems, and who continued working in person during the worst of COVID-19 pandemic. Yet, as the Union demonstrated, CSU has denied these workers a salary step structure, or any other reliable mechanism to advance through salary ranges, for 28 years. CSU has failed to provide a General Salary Increase (GSI) in seven of the past 16 years, including the first two years of the pandemic.

As a result, and as the Chair correctly finds, the vast majority of workers in the unit are stuck below the median of their ranges, even after decades of service. Further, as the Chair acknowledges, this has caused salary compaction such that “employees in lead and supervisory classes...earn less than the employees supervised.” Further, as the Chair states, “CSU’s proposal on a step progression system that resets seniority on promotion could continue to cause compaction.”

The Union also demonstrated, unrebuted, that the flawed pay structure and lack of adequate pay increases have left Unit 6 workers well behind inflation and the cost of living. From Fiscal Year 2008/09 through 2023/24, Unit 6 GSIs lagged inflation by 6.8% (45.4-38.6%) and lagged the cost of housing by a whopping 95.9% (134.5%-38.6%).

The Union also provided overwhelming and unrebuted evidence that the flawed pay structure and lack of adequate pay increases have left CSU Unit 6 pay significantly behind the relevant market. Unit 6 pay is an average of 28.6% below skilled trades pay at University of California, comparing the same jobs, in the same trades, in the same counties, as of December 2023. UC is the most relevant comparator for CSU wages because as California’s other large public University, it is a similar entity, with similar operations and similar job functions in the skilled trades as CSU’s Unit 6.
Similarly large gaps are also evident with other comparable California public employers as well. As the Union demonstrated, unrebutted, CSU Unit 6 wages are behind workers in the same trades at these public institutions:

1. Los Angeles City: CSU Unit 6 is an average of 19.9% behind across all titles.

2. San Francisco City: CSU Unit 6 is an average of 36.3% behind across all titles.

3. LA County: CSU Unit 6 is an average of 14.8% behind across all titles.

4. Alameda County: CSU Unit 6 is an average of 38.8% behind across all titles.

5. LA Community College District: CSU Unit 6 is an average of 23.9% behind across all titles.

6. Community College of San Francisco: CSU Unit 6 in an average of 31.1% behind across all titles.

The University entirely failed to rebut the overwhelming evidence, above, that the salaries of its skilled trades workforce are significantly behind the relevant market. CSU did not provide evidence of a single comparable public employer in California that pays skilled workers comparably to or lower than CSU. To the contrary, CSU concedes that it pays significantly less than UC and other comparable public employers in California. Further, CSU offers no justification for this disparity, such as a difference in the skills and work involved, because there is none. CSU simply asks the Panel, the Union, and the Board of Trustees to turn a blind eye to this clear and unacceptable disparity. All should decline to do so.

Instead, the CSU relies entirely on the findings of the Mercer Report, which CSU asserts demonstrates that Unit 6 pay is not significantly behind market. CSU’s reliance on the Mercer Report is entirely misplaced. Unlike the salary comparisons presented by the Union, which are directly comparable to CSU Unit 6, the Mercer Report is based upon a national survey of employers that is largely comprised of employers in other areas of the country that do not reflect the market for the work of Unit 6 workers in California. CSU competes for skilled workers in the relevant metropolitan areas in California. CSU does not recruit from, nor does it hire, any appreciable number of workers from other areas of the country. Even if it did, such workers would rightly demand to be compensated in line with the California market, not the market in other areas. CSU asserts that Mercer adjusted its data to account for the geographical disparity in the markets, yet provided no evidence of how this was accomplished or that it was done correctly. To the contrary, the fact that the evidence of the actual comparable employers in California departs greatly from the Mercer findings and shows that CSU is in fact well behind the relevant market, belies CSU’s assertion that the Mercer Report accurately adjusted for the geographical differences in market pay.

For these reasons, the Panel should conclude that Unit 6 pay is well below the relevant market.

While the Chair’s report correctly recognizes the significant pay problems, and states that CSU should make it a “high priority” to implement a “complete fix” rather than doing it “piecemeal,”
the report inexplicably largely recommends doing just that – putting off to another day the steps that need to be taken to effectively address these problems.

The Union acknowledges and appreciates that the report recommends a 7% overall increase in Year 2 of the Agreement, rather than the 5% proposed by the employer. Of course, this would represent a much-needed improvement in the proposal, which would help it to go further in solving the pay disparities in Unit 6. But in the Union’s view, and as the Chair acknowledges, greater increases are needed to resolve the long-standing problems created by CSU’s flawed pay structure. Yet the Chair goes on to state that “it might take more than one bargaining cycle” to accomplish this.

The Chair does not explain why Unit 6 workers should wait longer than the three years of this agreement to obtain relief from the long-standing salary inequities they have endured. The only rationale for such a recommendation would be a concern that the University cannot afford the Union’s proposals which do far more to address these problems over the course of a three-year contract than do either the University’s proposals or the Chair’s recommendation for a revision in the University’s proposals.

Yet the comprehensive testimony of economist Dr. Howard Bunsis makes it abundantly clear that the University can afford the Union’s proposals with revenues from annual operating cash surpluses, without any need to dip into the University’s vast reserves. The Chair’s report acknowledges this evidence, summarizing as follows:

- “The CSU System is in very strong financial condition. This conclusion is supported by a high level of reserves, and annual operating cash flow surpluses.
- Significantly, this conclusion is supported by the high bond ratings of Moody’s (Aa2) and Standard and Poor’s (AA-). The bond agencies refer to the liquidity and annual margins to support their ratings
- The largest revenue source, the state appropriation, has increased in recent years and is expected to increase solidly through 2025
- The marginal cost of the Local 2010 proposal over the CSU administration offer can be met by the significant annual operating cash surpluses that CSU has generated for many years. The CSU system has significant reserves, but these reserves will not have to be accessed in order to meet the Local 2010 request; the request can be satisfied by existing annual surpluses.”

I would add that Dr. Bunsis also testified that CSU has $5,205,822,000 in unrestricted net assets as of 2022. Additionally, CSU anticipates increases in state budget allocations of 5.8% in 2024, and 5.0% in 2025, as well as increases in student tuition of 6% per year for the next five years. Therefore, no inability to pay would justify a failure “to move on implementing a complete fix to the structure” that the Chair finds should be “high priority.” To the contrary, CSU can well afford to do so.

In addition, while the University has agreed to reinstate a salary-step schedule for Unit 6, its insistence that employees progress through the step schedule (starting in year three of the contract) only upon receipt of a what is effectively a non-reviewable performance rating of satisfactory
largely undermines the very purpose of a salary-step schedule. This condition upon movement up
the step schedule retains the discretionary aspect of the current salary structure, the salary structure
that has resulted in the many inequities that a salary-step schedule *should* alleviate. Nothing
presented during the factfinding suggested a need that progression on the salary-step schedule be
discretionary, much less a need that would override the importance of a salary-step structure that
guarantees a wage progression that consistently rewards experience.

I further dissent from the Chair’s recommendation to remove existing language providing for in-
range progressions (IRPs). Rather, the appropriate recommendation would be to accept the
Union’s proposal to retain that language, while updating the designation from IRP to Additional
Step Progression (ASP). The parties painstakingly negotiated existing language to provide a fair
and consistent procedure for unit members to receive an additional raise, when justified by factors,
set forth in the language, such as equity issues, additional duties, enhanced skills and certifications,
etc. When no steps were contained in the contract, this was an inadequate replacement for a proper
step system. Now that the parties are negotiating for a step system, it is still necessary to have a
procedure for additional increases when justified by the circumstances. The employer
acknowledges this but proposes a new procedure that gives management total control over the
process, contains no guidelines regarding when such an increase is appropriate, and no recourse
for dispute resolution. This is clearly not appropriate. Rather, the parties should retain the
language and procedure they have already negotiated and agreed to, and which has functioned
well. Therefore, the recommendation should be to adopt the Union’s proposed language for ASPS.

For the foregoing reasons, I concur in part and dissent in part from the decision of the Panel Chair
on salary. I concur with the Chair’s findings that the lack of a salary step system and CSU’s failure
to provide General Salary Increases in many years has “very adversely impacted employees in this
bargaining unit,” and that “it should be a high priority for the CSU to move on implementing a
complete fix to the structure.” However, with the exception of the recommendation that the first
year GSI be made retroactive to July 1, 2023 and with the exception of the recommendation to
maintain Emergency Pay at the status quo, I must dissent from the Chair’s recommendations on
Article 24.

**Article 33 (new). Accommodations.**

I dissent from the Panel Chair’s recommendation to reject the Union’s proposal to include the
University’s disability accommodation policy in the parties’ contract. Inserting the policy into the
contract would accomplish two goals that the University should appreciate as much as the Union.
First, it would provide much more clear and accessible notice of the policy to Unit 6 employees.
Second, it would subject disputes arising under the policy to the contractual grievance-arbitration
procedure. That employees who believe their disability rights have been violated have a right to
file a complaint with the EEOC or the California Office of Civil Rights, or to file a lawsuit, does
not detract from the benefit of have the grievance-arbitration procedure available to resolve such
disputes. Unlike administrative claims or lawsuits, grievances permit the Union and University to
work together early on in the process to seek resolution, and, if necessary, to utilize an arbitration
procedure that is for more efficient, both in time and resources, than the alternatives.
Appendix D.2. Job Postings.

I dissent from the Panel Chair’s recommendation to reject the Union’s modest proposal to amend Section 1 of Appendix D.2. The Union’s proposal would simply require the University to give the Union advance notice when it intends to fill a job with a Facilities Maintenance Mechanic. The contract already prohibits the University from using a Facilities Maintenance Mechanic to replace a specific trade’s position. The Union’s proposal would impose only a minimal, ministerial notice objection on the University, one that would greatly enhance the parties’ ability to policy and enforce existing language. The University failed to produce any information during factfinding to suggest that this minimal notice obligation would be burdensome or would result in errors that are not already occurring.

Respectfully submitted,

[Signature]

Jason Rabinowitz
Panel Member for the Union

cc: Andrew Baker, Esq., Beeson, Tayer, & Bodine