



PROFESSIONAL ENGINEERS

IN CALIFORNIA GOVERNMENT

September 19, 2023

PECG Leadership Talking Points

2022-25 PECG MOU

- PECG's Bargaining Team is happy to report that an agreement has been reached with CalHR (representing the State) on a **3.55 percent special salary adjustment (SSA) for all Unit 9 members in 13 Range C classifications** within deep classes, per Article 3.20 of PECG's 2022-25 MOU.
- The **3.55 percent SSA is in addition to the 3 percent general salary increase (GSI) received by Unit 9 employees effective July 1, 2023.**
- The agreement will require the **expenditure of more than \$24 million this fiscal year** to fund the 3.55 percent SSAs for **over 3,000 Unit 9 members in Range C** in the 13 deep classes identified in Article 3.20, which can be viewed [here](#). The password for the PECG website is PECGDelivers! (case-sensitive).
- The SSAs will help ensure that all Unit 9 employees in Range C deep classes are **paid as fairly and equitably as possible.**
- As stated above, **PECG's 2022-25 MOU also requires that all Unit 9 rank and file and supervisor and manager employees receive a 3 percent General Salary Increase (GSI) effective July 1, 2023.**

2023-24 State Budget

- On June 27, Governor Gavin Newsom **signed a 2023-24 State Budget that calls for \$310 billion (\$226 billion in general funds, \$84 billion in Special Funds)** in spending for the fiscal year that begins July 1, 2023. The State Budget **closes a \$31.5 billion deficit without tapping into the State's Rainy Day Fund.**
- For the most part, the proposed cuts **are reductions in multi-billion-dollar expenditure programs that were made possible by the tens of billions of dollars of unexpected revenue that the state collected** and appropriated over the last two budget years.
- The State Budget agreement hammered out by Governor Newsom and Legislative Leaders includes an **estimated \$37.8 billion in total state reserves** – believed to be the **biggest reserves of any state in U.S. history** and about \$600 million higher than the Governor proposed in his May Budget Revision and the June 15 Legislative Budget Plan.
- The State Budget funds **PECG's 3% general salary increase** and other pay and benefit items for Unit 9 members. Money is also included to fund the pay and benefit increases for other state bargaining unit members with contracts in place.

PECG Public Service Media Campaign

- Under the direction of President Mark Sheahan, **PECG launched the ad campaign to remind Sacramento political leaders, policy advisors, and the public about the vital services PECG members contribute to California's economy and our quality of life.**
- The numbers are in, and PECG's May 25 to June 30 public service **media campaign was a terrific success**, with its positive message about PECG members and their important work **reaching hundreds and thousands of viewers, many influential in state government.**
- The ad targeted the **greater Sacramento market to reach the Governor, the Legislature, department leaders, and other funding and policy influencers during the final weeks of negotiations on the state budget**, which set spending for fiscal year 2023-24 state programs, including those that employ PECG members.
- The 30-second video, "**Engineering California's Future**," ran 543 times over 27 days on **broadcast and cable television in more than a half-million households and businesses in the Sacramento-Stockton-Modesto region**, mostly on news programs popular with State Capitol elected official, political staff, and other state-government stakeholders.
- The **web component of the campaign** targeted internet users based on many factors, including proximity to the State Capitol. The spot **played 645,000 times on mobile devices, computers, and televisions connected to the internet.** Most significantly, more than 80 percent of the time, the entire ad ran. By comparison, the online industry's standard for so-called "audience engagement," is about 55 percent.
- With the successful Sacramento campaign completed, **PECG leaders are considering broadcasting the ad in other California television markets.**
- To **view the ad** and learn more about the **PECG leaders featured** in it, please click [here](#). The website **password is PECGdelivers!** (case-sensitive).

CalPERS Health Care Plans Open Enrollment

- The **open enrollment period** for California Public Employees' Retirement System (CalPERS) health care plans opens on **Monday (September 18) and closes on October 13, 2023.** The open enrollment period is **your chance to evaluate your health care plan provider and make any necessary changes** before the new premiums go into effect on January 1, 2024.
- **PECG has developed this [chart](#)**, which provides the **State's updated contribution amounts for 2024 and the dollar amounts Unit 9 rank and file employees would have to pay out-of-pocket to participate** in each of the plans. The password is **PECGDelivers!** (case-sensitive).
- Earlier this summer, CalPERS announced that the **average health plan premium will go up 10.77 percent in 2024.** Please keep in mind that rate changes vary widely from plan to plan.
- Fortunately, the **State's contribution will also be going up for Unit 9 employees from 7.5 percent to 8.5 percent.** The State's contribution in 2024 will be **\$794 for employee only, \$1,538 for two-party, and \$1,982 for family coverage.** This is due to changes in the four plans with the highest participation levels by active state civil service employees used to calculate CalPERS health plan reimbursement amounts.

- **PECG rank and file members have the best health care reimbursement rate in state service.** The state's contribution is based on what is known as the **85 percent/80 percent formula**. This means the state pays 85 percent of the premium amount for rank and file employees and 80 percent of the additional premium costs for their family members.
- **Unit 9 supervisors and managers are covered by CoBen**, in which the **State makes a contribution that the individual can apply to health and dental premiums**. For 2024, the CoBen allowance is **\$842 for employee only, \$1,624 for two-party, and \$2,100 for families**.
- Again, if you would like to make changes to your plan provider for 2024, the **open enrollment period starts September 18 and ends October 13, 2023**.

Family Care Leave Benefit

- The **Family Care Leave Benefit (NDI-FCL)** was developed and **provided to state excluded employees** at no cost in 2019.
- In a **groundbreaking development**, thanks to the PECG 2022-25 MOU, PECG represented **rank and file employees will become the first who are eligible to participate in the program at no cost** to employees effective July 1, 2023. NDI-FCL **closely mirrors paid family leave** and provides significant wage replacement for those on annual leave. Other state bargaining units participate in the SDI-Paid Family Leave program at a cost of 1% of salaries to the employees.
- This benefit now allows all Unit 9 employees **to take up to six weeks of partial or fully paid** (if supplemented by Annual Leave credits) leave time to **bond with a new child or care for an ill loved one**.

Telework

- PECG is continuing to **urge state departments to implement permanent telework policies** to allow Unit 9 employees to telework **“to the fullest extent possible”** with telework determinations **made “on a case-by-case basis, related to specific jobs and duties,”** per state policy.
- Given the **success of full-time telework** over the last three years, PECG's position remains **that mandatory days in the office without demonstrating any operational need is not necessary** to deliver for California taxpayers.
- However, we also have to remind members that **PECG cannot unilaterally change the permanent telework policies mandating state employees return to the office for a set number of days**.
- The **State rejected all PECG Bargaining Team proposals to broaden the availability of telework** including, including full-time telework, for Unit 9 employees. Citing “management rights” and the “operational needs” of the State to establish telework schedules within departments, the **State made clear that they were not giving up authority over these items to PECG or Unit 9 employees**. This, unfortunately, has been the position of the State for many years.

CalPERS Pension Protection

- The California Public Employees' Retirement System (CalPERS) reported in July that the **preliminary net return (earnings)** on investments for the **12-month fiscal year ending on June 30, 2023, was 5.8% and the total fund assets at the time were valued at \$462.8 billion.**
- At the end of the 2022-23 fiscal year, the CalPERS system was estimated to be **72% funded.**
- As a reminder, **the 2021-22 rate of return was negative 7.5%.**
- Over the past 30 years, CalPERS has averaged an **annual return rate of 7.5%.**
- PECG is a **founding member of CRS**, which represents 1.6 million public employees and retirees and was founded in 2005 to **support and protect defined-benefit pensions.**
- **PECG has always protected your defined benefit pensions.** As a founding member of Californians for Retirement Security, PECG has helped **block countless statewide initiative measures attacking pensions** from making the ballot.
- PECG monitors, opposes, and **kills bills in the California Legislature** that may have a negative impact on state employee pensions.
- Staff attends monthly **CalPERS Stakeholder Briefings & Board Meetings** to stay apprised of any activities and to **lobby in support or opposition to issues that may impact members.**

Job Protection from Outsourcing

- PECG has long **fought against the wasteful outsourcing** of our jobs at twice the cost or more and protects our interests in the annual state budget.
- **State engineering and related work is overwhelmingly performed by state staff** – public servants – and not outsourced, thanks to PECG's tireless work in the Legislature, state departments, and the courts.
- PECG:
 - Sponsors legislation to **improve and protect our jobs** and vigorously opposes bills that would harm us.
 - Holds regular meetings with various state departments to **advocate for less outsourcing** of engineering work, and other related issues.

Representation

- **If you have a problem at work or need expert advice, PECG has and will always be there for you and other members.**
- PECG members have **attorneys and labor relations experts to protect members when they need it most** – when their job is on the line.
- Representation is provided by professionals who are **experienced in representing state engineers and related professionals** on all workplace-related issues, including:

- Exam appeals, performance or promotion issues, adverse actions, merit issue concerns, negative performance evaluations, rejections on probation, etc.

Why You Should Be a PECG Member

- **Every state engineer, land surveyor, architect, landscape architect, geologist and related professional should be a PECG member.** PECG has delivered for you and the thousands of state engineers and related professionals who are part of the unit.
- With strong support from our members, PECG has delivered:
 - **Competitive salaries – 88% pay increase over 17 years for rank and file employees and nearly 100% for supervisors and managers**
 - **CalPERS pension protection**
 - **Best health care benefits in the state**
 - **Job protection from outsourcing**
- PECG's success, your success, is the **result of collective bargaining.** And PECG's strength is entirely dependent on the support of our membership.
- It is important to have **PECG attorneys and labor relations experts to protect you** when you need them most -- when your job is on the line.
- If you are not a member, **we urge you to become one today.** For members, please urge your non-member colleagues to join PECG. PECG's strength is directly related to our high percentage of membership.

PECG's Membership Campaign

- Since 2018, PECG has been running a **comprehensive membership campaign** to raise awareness of members and potential members about the many benefits of PECG Membership. This effort **continued despite the COVID-19 pandemic.**
- While in-person recruitment is slowly returning, PECG continues to reach potential new members through **virtual employee orientations, and online and phone recruitment campaigns.**
- PECG's current membership rates are **76% of Unit 9 rank and file employees and 62% of Unit 9 supervisors and managers.**
- The ***PECG Delivers Campaign*** focuses on the fundamentals – ***PECG Delivers competitive compensation, pension protection, high health care reimbursement rates, and job protection from outsourcing for our members.***
- Since the start of the campaign in May 2018, PECG membership has **increased by 1,445 members.** This represents a 13% increase.
- These membership gains could not have been accomplished without **PECG's long history of delivering for its members,** dedicated leaders and staff, and a membership that understands that Unit 9 is stronger when we work together.

- **Please encourage non-members to join at every opportunity.** The online e-application allows users to sign up for membership in minutes and recruiters earn a bonus of \$50 for every new rank-and-file member, and \$200 for every new supervisory member.
- If you are not a member, **we urge you to become one today.** It has never been easier to join PECG. The online e-application allows you to join in minutes and enjoy the benefits of membership immediately.