

**DEPARTMENT OF PERSONNEL ADMINISTRATION**

LABOR RELATIONS DIVISION  
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June 28, 2007

via Email and US Mail

Gregg McLean Adam, Esq.  
Carroll, Burdick & McDonough LLP  
44 Montgomery Street, Suite 400  
San Francisco, California 94104

Steve Weiss, Chief of Labor  
California Correctional Peace  
Officers' Association  
755 Riverpoint Drive, Suite 200  
West Sacramento, CA 95605

Re: Supervisors Attending Mediation Sessions

Dear Mr. Adam and Mr. Weiss:

At the initial mediation session on Thursday, June 21, 2007, during the mediators' instructions, the State representatives became aware that Robert Dean, a Correctional Lieutenant with the California Department of Corrections and Rehabilitation, was present at the mediation. Although the State cited its concerns to the mediators and requested that Mr. Dean not participate in the Unit 6 mediation process on behalf of the California Correctional Peace Officers Association (CCPOA) because he is a supervisor, the State understands the union insisted that Mr. Dean be allowed to attend the mediation. The State further understands that Mr. Dean has attended subsequent mediation sessions over the clear objection of the State. Despite CCPOA's violation of the law, the State has continued to participate in the mediation process with the hope that CCPOA would cease and desist from having Mr. Dean present at Unit 6 mediation. As such, CPOA has forced the State to confirm its objection and position in writing with respect to Mr. Dean's attendance in Unit 6 mediation.

The State opposes the presence of Mr. Robert Dean, or any other supervisor, at the mediation sessions concerning the Bargaining Unit 6 contract. As you are both aware, the State's position is that it is unlawful for supervisors to be present during rank and file negotiations. Government Code section 3529, subdivision (c), prohibits supervisors from participating in negotiations on behalf of rank and file members. Supervisors are excluded by law from collective bargaining. Mediation is just an extension of negotiations between the parties.

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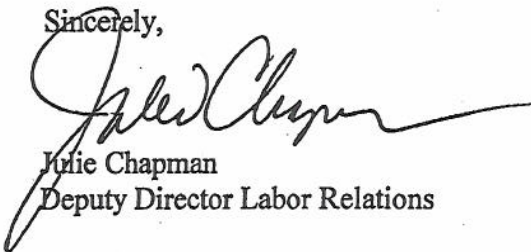
Further, CCPOA's insistence that the State permit supervisors to attend the mediation sessions on behalf of CCPOA is a violation of Government Code section 3519.5, subdivision (a), which provides that it is unlawful for an employee organization to cause or attempt to cause the State to violate Government Code section 3519. CCPOA does not have the right under the contract to insist that supervisors be allowed to attend negotiations or mediation on behalf of rank and file members and the union.

Finally, the issue of whether supervisors can attend rank and file negotiations has been litigated by the State and CCPOA in court and this issue is currently scheduled for arbitration on July 25, 2007. Mr. Dean's presence at the mediation shall in no way be considered an admission by the State that it is lawful for supervisors to attend negotiations and mediation sessions on behalf of rank and file members, nor shall his presence be considered a waiver of the State's position and all legal rights and defenses the State will assert at the arbitration hearing currently scheduled on July 25, 2007.

With respect to CCPOA's insistence that Robert Dean be allowed to attend the mediation sessions, it is this kind of act that can jeopardize the mediation process. In the June 21, 2007, mediation session, the State raised its opposition to, and the legality of, permitting Mr. Dean to attend and participate in the mediation process. The State's continued participation in the mediation process is not a waiver of the State's position that it is unlawful for supervisors to attend negotiations and mediation on behalf of rank and file members and the union. The State reserves all its legal rights and defenses in all present and future litigation with respect to this issue.

The State again requests that Mr. Robert Dean, a Correctional Lieutenant, not participate in the Unit 6 mediation process on behalf of CCPOA.

Sincerely,



Julie Chapman  
Deputy Director Labor Relations

cc: State Negotiating Team

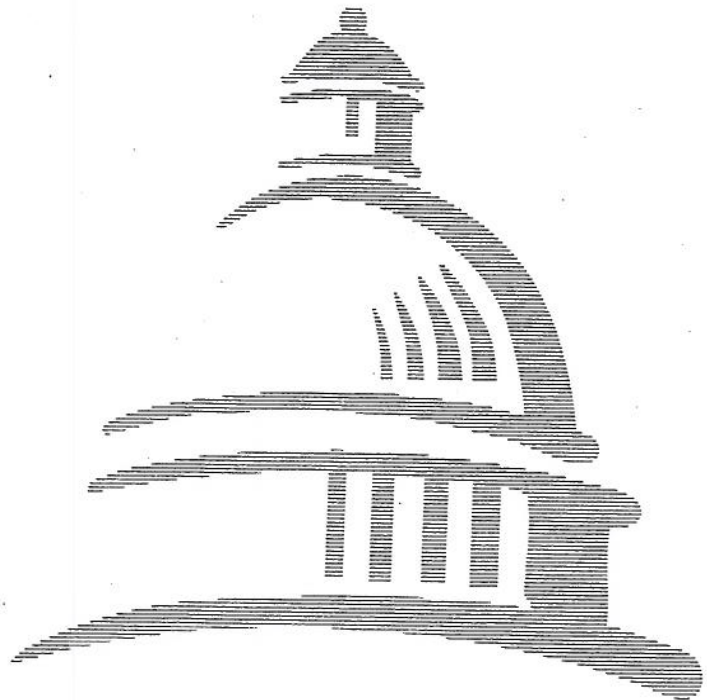
August 18, 2006

# **MOU Fiscal Analysis: Bargaining Unit 5 (California Highway Patrol)**

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LEGISLATIVE ANALYST'S OFFICE

Presented To:  
The Legislature, Pursuant to Chapter 499,  
Statutes of 2005 (SB 621, Speier)





## LAO Comments

(Continued)

- Any Additional CHP Hiring Would Add to Costs.** The administration's estimates are based on the number of authorized CHP officer positions as of May 2006. As such, they do not reflect the 240 new officers (beginning with CHP Academy training) in 2006-07 added by the Legislature at a cost of over \$20 million a year once all of the officers are hired. In addition, the estimates do not reflect any potential additional CHP hiring proposed over the next few years.
- Additional Liabilities for Pre- and Post-Shift Work.** In the proposed MOU, the state provides additional compensation for pre- and post-shift activities by Unit 5 members. Thousands of other state employees wear required uniforms and protective equipment, including many correctional peace officers. If a similar 3.5 percent salary stipend were extended to all state personnel with required uniforms, additional costs could exceed \$100 million per year.
- Total Compensation Costs for Unit 5.** We estimate that total compensation costs (including benefits) for Unit 5 rank and file were about \$800 million in 2005-06, as shown in Figure 2 (see next page). We estimate that these costs would increase 14 percent to about \$920 million in 2006-07 under this MOU, with three-fourths of this increase already funded in the budget. After 2006-07, total compensation costs would vary based on several factors, including the pay increases under the statutory formula and state retirement contribution rates.

  - **Administration's Assumptions for Salary Growth.** If the statutory formula produces pay increases in line with the administration's estimates (which average 4.3 percent per year) and state retirement contribution rates remain stable, we estimate that Unit 5 compensation costs would increase to about \$980 million in 2007-08 (up 7 percent), and grow to \$1.1 billion in 2010-11.



## Summary

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- ☑ **Four-Year Agreement.** The proposed memorandum of understanding (MOU) with the union representing California Highway Patrol (CHP) officers runs from July 3, 2006 to July 2, 2010.
- ☑ **Statutory Annual Pay Increases.** Under existing state law, CHP officers receive annual pay increases unless otherwise specified by a negotiated agreement. The law provides increases pursuant to a formula that considers pay of specified urban police officers in the state.
- ☑ **Major Provisions of the MOU.** Significant provisions include:
  - Continuation of statutory pay increases for four years.
  - Stipend of 3.5 percent of base pay for time spent donning protective gear and inspecting weapons and vehicles.
  - A requirement for officers to make retirement contributions to the California Public Employees' Retirement System (CalPERS) at a rate gradually increasing to about 8 percent of pay. Base pay would increase by 8 percent to offset the new contribution requirements.
- ☑ **DPA Cost Projections.** The Department of Personnel Administration (DPA) cost estimate includes expenses resulting from the statutory formula, the MOU, and comparable raises for CHP supervisory personnel. The estimate indicates that costs would increase by \$34 million in 2006-07, and additional amounts each year of \$57 million in 2007-08, \$37 million in 2008-09, \$39 million in 2009-10, and \$40 million in 2010-11. The MOU would have almost no effect on the General Fund because CHP is funded primarily from the Motor Vehicle Account (MVA), which receives vehicle registration and driver license fees.



## Bargaining Unit at a Glance

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- What Is Unit 5?** Unit 5 consists of about 5,700 full-time equivalent CHP officers. Officer candidates must first complete 27 weeks of training as cadets at the CHP Training Academy in West Sacramento. (The Unit 5 MOU also addresses certain aspects of cadet pay and benefits.)
  
- What Are the Principal Duties of Officers?** Duties of officers include:
  - Patrolling over 104,000 miles of highways and enforcing motor vehicle laws.
  - Protecting state officials, visiting dignitaries, and state property.
  - Other law enforcement operations.
  
- What Union Represents Unit 5?** The California Association of Highway Patrolmen (CAHP) represents Unit 5.



## LAO Comments

(Continued)

3.5 percent salary stipend, for example, will increase wage growth above levels in the statutory pay formula, increasing state retirement costs somewhat. The new survivor and disability benefits also may increase retirement costs by a small amount. The state's retirement contribution rate for CHP officers currently is 31.5 percent of payroll. Each increase of 1 percent in this contribution rate currently results in over \$5 million of additional annual state costs. The DPA did not provide an estimate of the proposed MOU's effect on rates.



**Local Pay Increases May Exceed Recent Averages.** Several provisions of the MOU may affect the statewide labor market for law enforcement officers. In particular, the 3.5 percent stipend and the gradual increases in base pay above the statutory formula (to offset employee retirement contributions) could affect the labor market. Local police departments may be pressured to increase their base pay levels above what they would otherwise in order to keep up with these CHP increases. To the extent this occurs, the statutory formula would further increase CHP officer pay. In addition, under the pay methodology in the previous Unit 6 correctional peace officer MOU (currently expired), CHP pay increases drive increases in pay in the state's prisons.



**Motor Vehicle Account.** About 90 percent of CHP's \$1.4 billion annual budget is funded from the MVA. The MVA also is the main funding source for DMV and funds a significant portion of the state's air pollution programs under the Air Resources Board. While the MVA is estimated to have a sizable balance by the end of the current year, the account faces significant funding demands over the next few years, including increased CHP compensation costs and costs for anticipated DMV projects. Given these demands, fees may have to be increased or program expenditures scaled back over the next three to five years to avoid a funding shortfall in the account.