State certifies UC petition for impasse in AFSCME Service negotiations

A state mediator will assist the University of California and the American Federation of State, County and Municipal Employees (AFSCME) union in moving closer to a new contract for more than 8,000 service employees.

Due to a lack of progress after more than six months at the bargaining table, UC last week filed a petition, declaring impasse with the state Public Employment Relations Board (PERB). On Thursday, April 25, 2013, PERB certified the petition and will assign a mediator.

UC is disappointed no agreement has been reached, despite negotiating in good faith. The university has pursued a reasonable and collaborative approach, offering a fair multi-year contract with good working conditions, excellent health benefits, and quality pension and retiree health benefits that very few public and private employers nationwide offer.

Key issue: Pension reform

A key unresolved issue in these negotiations is UC’s pension reforms, which the union objects to and which include:

- Increased contributions toward the cost of pension benefits from both UC and employees (currently 10 and 5 percent respectively, increasing to 12 and 6.5 percent respectively July 1, 2013).
- A new category (“tier”) of pension benefits for employees hired on or after July 1, 2013
- Revised eligibility rules for retiree health benefits

Pension reform is not unique to UC. The state of California and major cities are also adjusting their retirement programs to address cost and sustainability issues. The substantive reforms UC has enacted will help address a $24 billion unfunded liability to its retirement programs, and allow the university to continue offering pension benefits that recognize our employees’ service and are also financially sustainable over the long term.

UC’s reforms apply to faculty and staff hired on or after July 1, 2013. Eight UC unions representing 14 bargaining units have already agreed. UC’s pension reforms are also similar to what has been implemented for state employees.

The university also provided AFSCME with two pension reform alternatives, in an attempt to move discussions forward. AFSCME has not accepted any of UC’s pension proposals or offered alternatives of its own.
Good wages

UC works hard to reward its employees with a competitive compensation package and a good work environment, and past wage increases have reflected this.

Recent wage increases have led to:

- UC service employees are paid wages that are at or above market for comparable service jobs
- Service employees have received regular wage increases the last several years including a 5 percent wage increase in each of the last two years, at a time when many other UC employees received less or no increase at all.
- These include a 2 percent step increase employees will receive July 1, 2013.

What’s next

State mediation is an advisory, confidential stage in the collective bargaining process in which the mediator meets with both sides and works with them to resolve as many outstanding issues as possible, if not the entire contract.

The university and union are typically required to keep the details of what happens in mediation confidential, so bargaining updates to employees during this period will be limited.

If mediation is not successful, the mediator will refer the university and union to fact-finding. In this stage, UC, AFSCME and PERB each appoint one representative to serve on a three-member panel that hears presentations from both sides, makes findings and recommends terms of a settlement.

The university values the employees who provide key support services every day that keep campuses and medical centers running smoothly. UC supports a fair multi-year contract that rewards employees for their hard work.

The university is committed to working through the mediation process and encourages AFSCME to join the university in resolving differences collaboratively.