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May 26, 2020

Mr. Stephen Leonesio
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Dear Mr. Leonesio,

I am in receipt of your letter dated May 21, 2020 and find it alarming that you and I are not on the same page on what has transpired during negotiations. You conclude your letter with, "Please let me know if this summary misstates the facts of the last two years of negotiations between SUPA and the CSU." In response to your statement, I think your summary is incomplete and misleading and does not paint the full picture of what has transpired.

I am compelled to start with two of the critical points that I believe are not accurately portrayed in your letter. First, the cessation of Specialty Pays and Shift Differential Pay (along with other items) was not a unilateral decision by the CSU. The CSU adhered to language in the Collective Bargaining Agreement (CBA) previously agreed upon by the CSU and SUPA. The second point is that SUPA was aware of the following: the date the contract would expire, the above-mentioned types of pay would stop, and the effect this would have on SUPA members.

It was communicated to SUPA, both verbally and in writing, that the contract would expire ten days after the factfinding report became public unless one of the following occurred:

"1. If a factfinding report is issued, the CBA shall be extended to ten days after the issuance of the factfinding report except as specified in (a) and (b) below.

a. If the Parties mutually agree to extend the ten-day period before the factfinding report can be made public, the CBA shall be extended for the same number of days.

CSU Campuses

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

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- b. *If the Parties reach an agreement on a successor agreement during the period before the factfinding report can be made public, the CBA shall be extended until the successor agreement is ratified by both Parties.*

Excerpt from the CBA Extension signed by Jeff Solomon, SUPA President, on October 31, 2019.

Neither of these events occurred, furthermore, SUPA chose not to ask for an extension of the contract prior to the factfinding report becoming public with the knowledge that once the factfinding report became public, the contract would expire and SUPA members would see a decrease in compensation. SUPA was aware not only that these items would cease but also when and why. Further, you failed to mention that those items were contractually precluded from continuing upon expiration by the mutually agreed upon CBA.

It is true that while the parties were negotiating in good faith, the contract and all its provisions, including those that were to sunset, were extended numerous times. In fact, the provisions that had sunset dates continued to govern during our mediation and factfinding processes. It was not until the entire bargaining process concluded that the terms expired, as required by the language in the October 31, 2019 CBA extension. Allowing the readers of your letter to believe that SUPA was somehow unaware that items contained in the now expired contract would cease upon that expiration is disingenuous and not supported by our bargaining history and documentation.

While it is easy for me to understand why someone who was not involved with our negotiations could be confused about some of the aspects discussed in your letter and mentioned above, I am perplexed that you and your board have a different interpretation of what happened when the contract expired. SUPA and the CSU bargained in good faith, and agreed to, the now expired contract, including provisions that precluded certain items from continuing after expiration of the contract. The CSU is simply following that mutually agreed upon language. While not required, nor necessary, the CSU reminded SUPA of this mutually agreed to language on numerous occasions.

One example where I alerted President Solomon of this point is a letter from me dated February 19, 2020, which is partially excerpted below:

Corporal Solomon,

I wanted to reach out to you regarding the upcoming expiration of the current SUPA contract with the CSU. As I am sure you are aware, the Factfinding report was issued on February 12th, 2020. Our most recent extension of the contract calls for the expiration of the CBA to occur ten (10) days after the issuance of the report which is now set as February 22, 2020.

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It is the intention of the CSU, prior to imposition, to maintain status quo. However, there are numerous provisions of the CBA that are no longer in effect when the contract expires, which are listed below. We want to make sure both sides are very clear that the ending of these provisions is related to the expiration of the contract, and these items are not being imposed.

- *Sections 13.17 / 13.18 – Compensatory Time Off.*
 - *All overtime earned after expiration will have to be paid. This will be effective February 22, 2020.*
- *Section 21.14 – In-Range Progression*
 - *Upon expiration, employees will not be eligible for in-range progressions. This will be effective on February 22, 2020.*
- *Section 21.18 – Shift Differential.*
 - *Upon expiration, Shift Differential for employees who work four or more hours between midnight and 6:00 am shall revert back to \$0.28 / hr. This will be effective on February 22, 2020.*
- *Section 21.23 – Special Assignment Stipend.*
 - *Stipends will end with the expiration of the contract. These stipends will be paid through February without any proration, but they will not be paid in March or going forward without a new agreement.*
- *Section 21.30 – Experience Step Increase.*
 - *No newly eligible employees will receive an experience step increase once contract expiration has occurred. This will be effective on February 22, 2020.*
- *Article 7 – Grievance Procedure.*
 - *Arbitration will no longer be available to settle disputes. This will be effective for new grievances filed on or after February 22, 2020.*

(Emphasis added.)

Also missing from your missive was the position that SUPA took to the factfinding process. SUPA was asking for a 3% general salary increase along with a 2.3% step increase each year for three years for a total of 15.9% over the three years. In addition, you were seeking other monetary increases to POST pay and special assignment stipends. Prior to impasse, the CSU had offered pay raises of 3% for 18/19 and 3% for 19/20 with retroactivity. During impasse, the CSU raised their salary offer to 5% in general salary increases and a single 2.3% step increase for a total of 7.3% over two years. Had SUPA accepted the CSU's offer instead of emphatically rejecting it, in addition to the 2.3% step increase, your members would have received retroactive pay of 3% back to July 1, 2018, and 2% retroactive pay back to July 1, 2019.

As recently as February 27, 2020 the CSU offered SUPA the items in italics below, which you accurately reflected in an email you sent to me on this same date. Had SUPA accepted that offer, the items that had expired with the contract would have been restored. This was an offer the CSU made to gain agreement for a successor contract, but it was clear in all the conversations, and memorialized in the correspondence,

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that the CSU would not restore those items through imposition. It was also clear that imposition would contain several items that would allow the CSU to better manage the police departments that had been opposed by SUPA during negotiations.

If the parties reach an agreement next week:

- CSU will continue to pay Specialty Pays, Comp Time and Shift Differential
- All members will receive a 6% wage increase effective on date of agreement
- No retro Pay
- CSU's Article 13 proposal
- CSU's Article 17 proposal (Dental and Life Insurance)
- Vacation bid by seniority
- Extend Probation for length that member is off work and therefore cannot be evaluated
- FML 1250 hours
-

On March 3, 2020 you notified me that the SUPA board was "...disappointed with the CSU's most recent proposal because it is basically the same offer the CSU provided at the beginning of negotiations, two years ago. Needless to say, they did not agree to your most recent proposal." As a result of your rejection of our offer, that again, would have reinstated the expired items, we began to prepare for imposition. During our preparation for imposition, COVID-19 arrived and drastically changed not only the economic position of the CSU, but the world as we knew it. While imposition remains an option, pay raises are not.

The irony here is that on May 23, 2020, you sent an email to Trustee McGrory stating that "if the CSU put the wage increases back on the table and reinstated the pays that were taken away, the parties would go back to the table and finalize a multi-year agreement." The similarity in these two offers, one of which was unacceptable to SUPA on March 3, 2020, such that it was referenced as "offensive", and the one that you are seemingly offering on May 23, 2020, make them almost indistinguishable.

The world we live in today is vastly different than the one we lived in in March. In March we were expecting an increase in our State allocation of nearly 200 million dollars. The May revise of the Governor's budget informed us that we will now receive a 398 million dollar reduction, a cumulative negative change of approximately 600 million dollars. The global pandemic has shattered the world's economy in a way that will affect us for years to come. I believe you are aware the CSU has reached agreement with CFA and CSUEU on contract extensions that do not contain general salary increases. I am also hopeful to have announcements of more extensions with other unions in the very near future, none of which will contain general salary increases. These agreements depict our new reality which is sharply different from where we were before COVID-19 arrived and changed our world. This new reality includes a dire financial landscape. Pay increases are no longer available, regardless of any prior bargaining, any prior offers, or any prior discussions.

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Finally, I want to state that the timing of your letter caught me off guard. Less than a week ago I had a conversation with President Solomon in which I transparently shared the financial challenges facing the CSU. I did encourage SUPA to bring forward any offer that they felt was reasonable. President Solomon responded by telling me that he would reach out sometime this summer. SUPA's current offer seeking wage increases during this global health and financial crisis is simply not reasonable.

It is very important that everyone understand where we are, how we got here, and hopefully how we move forward in a way that is respectful of our employees and allows us to continue to provide the world class education to our students for which the CSU is known.

All the Best,

Steve James

Steve James
Chief Negotiator/Employee Relations and
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cc:

Evelyn Nazario, Vice Chancellor of Human Resources Management, Chancellor's Office
Christina Checel, Associate Vice Chancellor of Labor & Employee Relations, Chancellor's Office
Cpl. Jeff Solomon, President, SUPA