UC and UPTE HX Still at Impasse, Neutral Fact-Finder to Assist Parties in September

Since October 2011, the university has bargained in good faith and offered UPTE fair proposals, including guaranteed annual wage increases, excellent health and pension benefits, and a quality workplace. On the core issue of pension reform, UPTE has objected to our proposal, as well as two alternatives we developed in response to union concerns, and after more than 18 months of bargaining has not offered a meaningful proposal.

The university shares your frustration that no agreement has been reached and has taken steps to bring us closer to a deal. In April, UC petitioned the state for a professional mediator to help the two sides break the stalemate. The university, union and mediator held two meetings this summer. The mediator certified the negotiations to fact-finding after concluding that a mediated settlement could not be achieved.

Now, UC and UPTE will meet Sept. 11-13, 2013 with a state-appointed fact finding panel, which will conduct a hearing where each side explains its proposals and, if no agreement is reached, will issue recommendations for a settlement. The panel could issue its report on what would be a fair agreement by the end of September.

Guaranteed Annual Wage Increases and Quality Benefits

The University firmly believes in rewarding employees with a competitive total compensation package. UPTE members received regular pay increases of 2-5 percent annually in the last contract. During current negotiations, the University has proposed across the board wage increases at every medical center.

At UC Davis, employees will receive annual wage increases in each of the contract years, with most employees receiving over 22.5% in pay increases over five years. In the first year we proposed:

- 5% wage increase for Radiation Physicists, 4% wage increase for Physician Assistants;
- 2.5% wage increase for: Case Managers, CLS, Genetic Counselors, Audiologists, Dietitians, Cytologists, Medical Interpreters, Nuclear Medicine Techs, Psychologists;
- 2% wage increase for all other positions;
- **Plus Step Advancement Every Year**— all eligible employees will receive an additional annual one-step 2% pay increase.
The University has proposed more pay increases to address market-based and/or internal wage equity issues for certain positions and locations. As example at UC Davis, Dietitians will receive an average additional 6% pay increase in the first year or 31% in pay increases over the five year period.

UC also provides excellent benefits that are highly competitive with the public and private sector. On average, UC spends $30,000 a year for health, pension and other benefits for each health care employee and their children in the lowest cost medical plan.

Key issue: Pension Reform

A key issue in these negotiations is the union’s ongoing objections to UC’s reasonable and necessary pension reforms. Like many other employers including the state of California, UC is engaged in substantive pension reform to protect pension benefits for all employees over the long term.

UPTE has sought a special arrangement in which members would contribute less to their pension than their peers. UC believes that this is unfair to other employees.

The University’s reasonable pension proposal simply asks UPTE members to contribute the same amount as their colleagues for the same benefits. No more, no less.

<table>
<thead>
<tr>
<th>Employees hired</th>
<th>UPTE HX currently</th>
<th>UPTE’s proposal</th>
<th>UC’s proposal</th>
<th>Most UC employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>before July 1</td>
<td>3.5%</td>
<td>5% in 2013</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.5% July 1, 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>after July 1</td>
<td>3.5%</td>
<td>Same as above</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Eight UC unions representing 14 bargaining units have agreed to these reforms, which also apply to faculty, unrepresented staff and senior leaders. The University’s pension reforms are also similar to what has been implemented for state employees.

Even with these reforms, UC’s benefits compare favorably to those offered by most other employers. Many private companies and some public agencies do not offer a traditional pension plan, and few offer retiree health benefits. UC still offers both.

Reaching Agreement

The university is committed to working toward a fair and financially sustainable agreement, one that rewards you and your colleagues for the dedication and skill you bring to helping patients every day. But we cannot do this alone. We have urged UPTE to work collaboratively with us and to engage in meaningful discussions for an agreeable resolution.

If you have questions concerning the progress of these negotiations or more specific details on these proposals, please contact UPTE’s system-wide office at (510) 704-8783 or the local Davis office at (530) 759-0803.

You may also contact Human Resources, Compensation/Collective Bargaining Unit at 734-5009 for additional information.