



## UPDATE: Fringe Benefits Negotiations 2018

On Wednesday, October 17, 2018, after 8 months of face-to-face meetings with CEO Representatives, the CEO's office made its final offer to the Coalition of County Unions (CCU) for a successor fringe benefit memorandum of understanding. The CEO's final offer, which is economically inferior to wages and benefits agreements the CEO made to other County Unions, was unanimously rejected by the ten unions affiliated with the CCU.

The following compares the two packages offered to County employees by the CEO Sachi Hamai:

WAGE PROPOSALS						
	10/1/18*		10/1/19*	1/1/20	10/1/20*	1/1/21
<b>Offer to CCU</b>	2.00%	\$500 Bonus	2.50%	0.00%	2.50%	2.75%
<b>SEIU 721 Agreement</b>	2.00%	\$1,000 Bonus	2.50%	1.00%	2.50%	2.75%

**Value\* of additional 1% + \$500 bonus: \$60,073,318**

Number of Covered Employees in CCU: 28,539

**Per employee difference between CCU offer and SEIU agreement: \$2,105**

*\*The gross cumulative difference assumes that 100% of population gets 1% raise and \$500 bonus. Does not include additional 2% for Sheriff's Dept. employees, and does not include accounting for wage increases that are on a different cycle.*

The County claims that in order to pay for the additional 1% pay raise, and to fund the additional \$500 bonus above what was offered to the CCU, SEIU Local 721 agreed to a significantly lower increase in the County's contribution to their Options Plan (similar to our Choices Plan):

CHOICES PLAN CONTRIBUTION INCREASE			
	2019	2020	2021
<b>SEIU 721 Agreement</b>	1.5%	2.0%	2.5%
<b>Budgeted Choices Increase</b>	5.0%	6.0%	6.0%

When applied to the population of County employees that participate in the Choices Plan – those affiliated with the Coalition of County Unions and several other labor organizations – the savings to the County of these lower contributions is significantly more than the cost of the 1% pay raise + the \$500 one-time bonus.

<b>Value of lower Choices contribution:</b>	<b>\$111,427,577</b>
Number of Covered Employees in CCU:	<u>28,539</u>
<b>Per employee difference between SEIU agreement and County's budgeted Choices increase:</b>	<b>\$3,904</b>

Clearly, if the Coalition of County Unions was to agree to the lower Choices Plan contribution to fund a larger pay raise and one-time bonus, there is more than sufficient savings available. The County's final proposal is **inequitable and punitive**, negatively impacting 28,000 fire fighters, doctors, engineers, appraisers, probation officers, deputy sheriffs, building and construction trades workers and more.

From an economic perspective, the County's proposal does not make sense:

- The 2018-19 budget is \$32.8 Billion, larger than 36 states and equal in size to the state of Arizona.
- On October 2, 2018, the CEO reported an additional **\$200.7 Million** in 2017-18 year-end fund balance, which that day was put into already healthy reserves.
- On October 15, 2018, the CEO's budget director reported reserves of nearly **\$2 Billion**, of which:
  - \$913.8 Million in reserves are unallocated and available to allow County employees to keep up with the cost of living; and
  - \$624.6 Million in reserves are set aside for Board of Supervisor priority projects.
- The State and Federal government, along with Contract Cities, cover 61% of the cost of salaries. Therefore, the additional cost to the County (above the SEIU 721 tentative agreement) is not \$67.5 Million; it is just \$26.3 Million.

Efforts to raise these issues with the County Supervisors has met with deaf ears. Therefore, the CCU is planning a powerful public response designed to win a fair contract.

## **About the CCU**

The Coalition of County Unions is comprised of ten AFL-CIO unions representing more than 28,000 fire fighters, doctors, engineers, appraisers, probation officers, deputy sheriffs, building and construction trades workers and more.

The CCU negotiates the "Coalition of County Unions Fringe Benefits Agreement" while member unions negotiate individual unit contracts for wages and working conditions.

The CCU Fringe Benefits Agreement also applies to a number of County unions not affiliated with the AFL-CIO, including the Professional Peace Officers Association (PPOA) and Teamsters Local 911.

The following Unions are affiliated with the CCU:

- American Federation of State, County & Municipal Employees Council 36 – AFSCME DC 36
- Association for Los Angeles Deputy Sheriffs – ALADS
- Committee of Interns and Residents, Service Employees International Union, Local 1957 - CIR
- California Association of Professional Employees – CAPE
- International Union of Operating Engineers Local 501 – IUOE 501
- Los Angeles/Orange Counties Building Trades Council – LA/OC B&CTC
- LA County Fire Fighters Local 1014
- LA County Lifeguard Association - LACOLA
- L.A. County Probation Officers' Union, AFSCME Local 685 – AFSCME 685
- Union of American Physicians & Dentists, UAPD – AFSCME, AFL-CIO