



BACKGROUND: AFSCME FACT-FINDING REPORT AND RECOMMENDATIONS

The Public Employment Relations Board (PERB), a quasi-judicial administrative agency charged with administering the collective bargaining statutes covering employees of certain entities, including the University of California system, released a final fact-finding report associated with a contract dispute between UC and the American Federation of State, County and Municipal Employees (AFSCME).

AFSCME and UC began bargaining for their next contract in January 2024. AFSCME declared an impasse in July 2024. Fact-finding, overseen by the PERB, is the final stage of impasse resolution for public-sector employees, including workers in the University of California system.

A fact-finding panel made up of a member from each negotiating party and a mutually agreed-upon neutral third party reviewed each disputed negotiation issue and recommended a path to resolution.

The fact-finding report recommended one party's proposal over the other on an item-by-item basis. A few compromises were made between proposals and in some cases, agreement could not be reached, which left the issues deadlocked.

KEY FINDINGS

More than two-thirds of the 62 recommendations favored the University's proposals on key issues, including:

- **Wages:** the report favored UC's wage proposal and found AFSCME's request for retroactive pay untenable, as the contract has already been finalized and ratified; the report noted AFSCME's demand was 'unprecedented.' "The Employer is making a solid effort to comply with the state law, even implementing its provisions on an accelerated timetable," the report also said. The factfinder favored UC raising the minimum wage to \$25 and providing across-the-board increases throughout the contract and recommended increases starting at 5% and 4% for the remaining four years over the five-year contract.
- **Health Care Costs:** UC's proposal to provide \$75 or \$100 monthly premium reductions to lower health care premium costs was favored. "UC's pay banding for health benefit contributions is innovative and equitable. For 20 years, it has acted as a progressive tax on UC's higher-paid employees to subsidize health benefit premium contribution rates for the system's lower-paid workers. It is a model that should be studied and emulated by other employers and their unions," the report said. It also noted that AFSCME did not present sufficient evidence supporting fixed co-premiums in comparable jurisdictions.
- **Workforce Development:** The parties were close to agreeing on a process for developing a joint workforce development program, but the factfinder favored UC's proposal, noting,

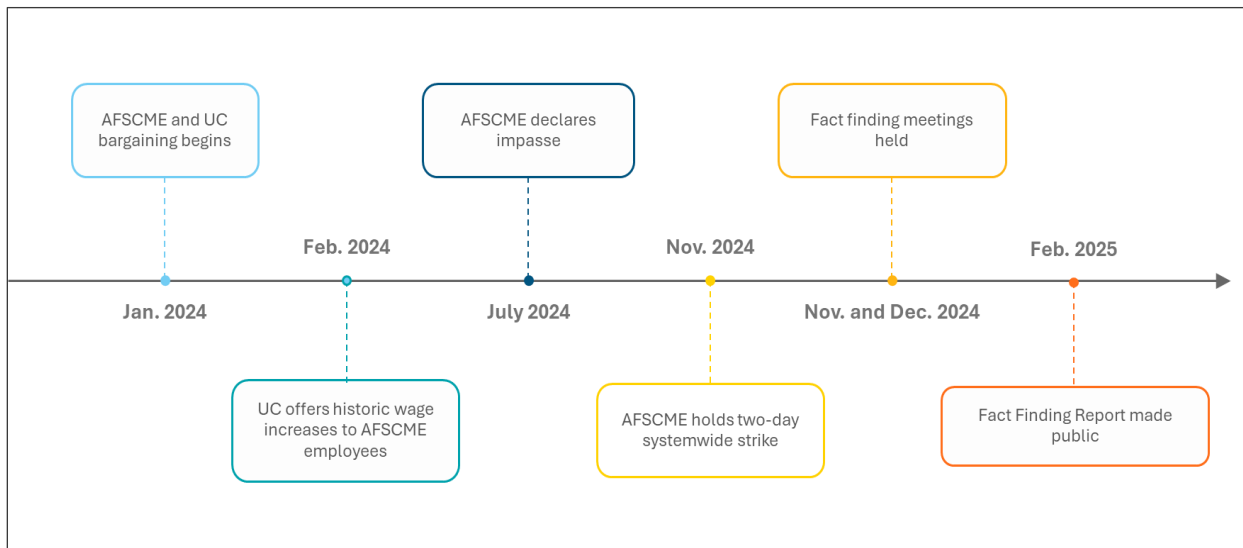


"The Employer's proposal appears to be a serious commitment to address this core concern of the Union affecting the career mobility of its SX members."

- **Divestment of select entities from UC investments:** the panel agreed with UC that the topic is outside mandatory bargaining. "This is a political / policy proposal in the guise of a labor contract proposal," the factfinder noted. "The Union clearly has other avenues, outside the confines of the bargaining table, to pursue this agenda."

ACTIONS PRECEDING

The University began negotiations with AFSCME in January 2024 and consistently bargained in good faith with meaningful proposals to enrich UC employment and working conditions. Other actions during this bargaining cycle include:



NEXT STEPS

The parties continue to bargain to attempt to reach a resolution considering the fact finder's report. If they cannot do so, UC will provide AFSCME with what is known as a last, best, and final offer for consideration. If AFSCME does not accept UC's offer, the UC can consider implementing all or part of its proposals. The University remains hopeful and open to working with AFSCME to reach a mutually beneficial contract agreement.