



PROFESSIONAL & TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO
An Organization of Professional, Technical, and Administrative Employees

Frequently Asked Questions & Answers: Local 21's Tentative Agreement

Last Friday, March 26, IFPTE Local 21 and other city Unions under the Public Employees Committee (PEC) reached a tentative agreement with Mayor Gavin Newsom on an economic framework to save city jobs and services. The framework will be part of a larger agreement to help the city close its \$500 million deficit.

Q: What does the tentative agreement include?

A: The tentative agreement for 12 unpaid furlough days in the next fiscal year (FY 2010-2011) equals a salary reduction of 4.62% in exchange for 12 days off. This is less than the 6.25% reflected in the Mayor's 37.5 hour plan, and is not permanent like the Mayor's reduced workweek plan. For most city employees, the reduction in pay will be "smoothed" like it was this year, meaning that the reduction is evenly distributed across a year of pay periods. A few Unions prefer the days be deducted a day at a time rather than smoothed. In the second year (FY 2011-2010), the 12 furlough days will be a maximum, and there may be fewer furlough days and corresponding smaller reduction in pay next year if the FY 2011-2012 fiscal year is better than the current fiscal outlook. The exact language on this provision still needs to be developed.

Q: Why is the tentative agreement referred to as a "Framework?"

A: The "Framework" sets an overall 4.62% contribution for every Union. However, the form of the contributions may vary depending on the preferences of the Union. Almost all of the Unions will take the 12 furlough days. Unions scheduled to receive wages will not take furlough days, but are being asked to waive 4% of their salary increases with no additional time off. This includes the Firefighters, SEIU 1021 Registered Nurses, and TWU Operators. The scheduling of furlough days is yet to be finalized, but both sides are leaning toward a holiday closure, or at least Minimal Staff Days (MSD's), between Christmas and New Year's, as well as the day before Thanksgiving off. These proposed days would use 5 furlough days, and the remaining 7 would be individually scheduled in a manner similar to floating holidays. Any closure needs SEIU 1021's endorsement to work. A few classifications cannot be furloughed, and we are determining how they will make an equal contribution.

Q: Are the 12 furlough days on top of the 3 furlough days we are already taking next year?

A: No, the 12 furlough days will include the three days Local 21 members have already agreed to give in FY 2010-2011. By agreeing to the 12 furlough days, Local 21 members and other city employees are agreeing to a maximum of 12 unpaid days off, irregardless of what they have already agreed to for the coming year.

Q: Does this tentative agreement stop the permanent 37.5 hour workweek?

A: Yes, as Unions vote to ratify the tentative agreement (after a comprehensive agreement is finalized), the City's Department of Human Resources will rescind layoff notices related to the 37.5 hour workweek.

Q: What is the total percentage we are giving back?

A: The tentative agreement provides 12 unpaid furlough days off, in exchange for an equivalent 4.62% reduction in wages per year, for two years. While this wage reduction impacts base wages, it will not affect one's ability to get a step increase if eligible, nor will it impact pension benefits for anyone who retires in the next two years.

Q: So, the furloughs won't impact my retirement?

A: Correct, while the wage reduction impacts base wages on a temporary basis, it will not impact pension benefits for anyone who retires within one year following the expiration of the new agreement. Like our last agreement with the City, anyone retiring within one year following the agreement period will be made whole.

Q: How much money does 12 days a year save the City? Isn't this a lot less than the 37.5 hour workweek, which was valued at 6.25%?

A: A 12 day furlough (4.62%) will save the city almost the same amount of money (approximately \$110 million in savings from both the general and enterprise funds) as the 37.5 hour workweek because, although it is a smaller percentage of wages, it can be more broadly applied. A large number of city employees were exempt from the 37.5 hour workweek, but can take furlough days.

Q: Does this mean there will be no layoffs?

A: If all Unions vote to ratify the agreement, which they are expected to do, we do anticipate that some layoffs will still occur. However, the cost savings that results from the approximately \$110 million in wage reductions will save hundreds of jobs that would otherwise have been laid off. The parties are working to determine the number of layoffs that will still need to occur.

Q: What if the City is not facing a budget deficit next year or finds new money this year? Why have we tentatively agreed to a 2-year wage reduction?

A: The PEC's independent Economist, former State Finance Director Tim Gage, has largely confirmed the City's revenue and expenditure projections for FY 2010-2011. The economic framework of the tentative agreement assumes a deficit of similar magnitude for the following fiscal year, which he has also validated. However, if revenues dramatically increase and the City's fiscal outlook changes, the 12 day furlough will be reduced to a lower, more appropriate figure.

Q: How does this solve the budget problem? What are the Unions proposing to address the City's chronic waste, overspending, and structural deficit?

A: The PEC is fully aware that the City's deficit far exceeds the amount of money saved by agreeing to 12 furlough days. This is why we have always stressed that any concession by city employees must be part of a comprehensive approach to closing the budget gap. To this end, we are working to finalize a larger agreement with the City that includes a substantial reduction in Personal Services Contracts (PSCs), an improvement to the PSC process to improve the systems that often lead to waste and overspending, and increased efficiencies including the way the City procures products and services. We have also been working with the City to identify ways that savings in Enterprise departments can be potentially used to save jobs and support cross-departmental work, easing the burden on the general fund.

Q: Which Unions are part of the agreement?

A: Close to 30 Unions including our Union (IFPTE Local 21), SEIU 1021, the Probation Officers (DPOA), 15 different Craft and Trades Unions, Fire Firefighters, SEIU RNs, MEA, Operating Engineers Local 3, Teamsters, and multiple TWU units are part of the agreement. However, each Union's membership must vote to ratify the tentative agreement before any reductions in wages will be implemented. As each Union ratifies an agreement including the 12 furlough days, the City's Department of Human Resources will rescind layoff notices related to the 37.5 hour workweek for that group. A small handful of these Unions, including Fire and the Nurses, cannot be subject to a furlough, but have agreed to talk to the City about making similar concessions or give up negotiated COLAs scheduled for the coming year. One Union, the Police Officers Association has not agreed to give anything back to date.

Q: What is left to do before this agreement is finalized?

A: The Public Employees Committee (PEC) needs to finish negotiating the "Central Table" framework and complete the tasks on the check sheet (enclosed). There are several individual Unions that have unique issues that need to be resolved along with the central table issues. There will be meetings this week to move this work along.

Finally, once a comprehensive tentative agreement is reached on the remaining issues, each PEC Union must vote on and ratify the agreement in order for it to be finalized. No agreement will be finalized without a ratification vote of the membership. A schedule of ratification meetings, to take place at worksites across San Francisco, will be posted to Local 21's website at <http://www.ifpte21.org/sfbudgetinfo/>. Additional information about the agreement will be distributed in the coming week, and Union leaders and staff will be available at ratification meetings to answer questions about the agreement.

Stay tuned for more information! Visit <http://www.ifpte21.org/sfbudgetinfo/> for updates and a schedule of ratification meetings in the next week