ARTICLE 20

SALARY

20.1 Prior to the implementation of Provision 20.5, the salary schedule for bargaining unit employees in Units 2, 5, 7, and 9 shall be found in Appendix E and incorporated in this Agreement by reference. Effective October 1, 2025, assuming the contingency in Provision 20.5 is met, the salary schedule that pertains to bargaining unit employees in Units 2, 5, 7, and 9 shall be the schedule found in Appendix F of this Agreement as modified by mutual agreement.

20.2 Prior to the implementation of Provision 20.5, an employee shall continue to be assigned a salary rate within the salary range or sub-range appropriate to the employee's classification. After implementation, employees shall always be placed on a step appropriate to their classification.

20.3 Employee compensation programs, including the General Salary Increase (GSI), the Salary Structure Adjustment (SSA) and Step Progression, shall be implemented only in fiscal years in which the parties expressly agree to such programs or agree to provide increases in such programs. There are no SSAs during the term of this agreement. There are no Step Progressions during the term of this agreement except those provided pursuant to 20.24 below.

20.4

General Salary Increase (GSI)

a. For fiscal year 2023/2024, effective July 1, 2023, all bargaining unit employees in active pay status (or on leave) as of October 31, 2023 shall receive a GSI of five percent (5%)

   The open range salary scale minimums and maximums for all classifications shall be increased by the amount of the GSI.

   If the CSU agrees to provide another CSU bargaining unit with a General Salary Increase in excess of 5% for fiscal year 2023/2024, then the Union may request to re-open negotiations on Provision 20.4 a. for fiscal year 2023-2024. The request must be made within 60 days of final ratification of such an agreement. A General Salary Increase is understood to be an across-the-board percentage increase, in the same amount, for all employees in that bargaining unit. If the parties cannot reach an agreement regarding the reopener and after the parties complete the statutory impasse procedures under HEERA, Article 6 (Concerted Activities) shall be suspended.

b. For fiscal year 2024/2025, effective July 1, 2024, all bargaining employees in active pay status shall (or on leave) as of that date shall receive a GSI of five percent 5%.

The open range salary scale minimums and maximums for all classifications shall be increased by the amount of the GSI.

The 2024/2025 GSI is contingent upon the State of California's final Budget Act of 2024 containing a new, unallocated, ongoing appropriation to the CSU not less than the 2023 compact allocation of $227 million. While the multi-year compact for 2024 calls for a 5% increase over the 2023 allocation, the 2023 allocation amount will be used for this contingency. The final Budget Act of 2024 has an expected enactment date between June 27, 2024, and September 30, 2024.

If the above contingency is not met then the Union and the CSU shall re-open negotiations on Article 20 (Salary -including salary 2024/2025 and 2025/2026) and Article 21 (Benefits).

If the CSU agrees to provide another CSU bargaining unit with a General Salary Increase in excess of 5% for fiscal year 2024/ 2025, then the Union may request to re-open negotiations on Provision 20.4 b. for fiscal year 2024-2025. The request must be made within 60 days of final ratification of such an agreement. A General Salary Increase is understood to be an across-the-board percentage increase, in the same amount, for all employees in that bargaining unit. If the parties cannot reach an agreement regarding the reopener and after the parties complete the statutory impasse procedures under HEERA, Article 6 (Concerted Activities) shall be suspended.

20.5 Effective October 1, 2025, the CSU will transition employees to a new salary step structure as outlined in Appendix F as modified by mutual agreement.

A. Assuming that the below contingency is met, employees will be placed on a step corresponding to the highest of the following:

1. The salary step that corresponds to the employee's cumulative length of service in their current classification at their current campus (Target Step). Cumulative length of service is defined in the related MOU set forth in Side Letter 4 The placement shall be consistent with the chart in Appendix F. Employees moved to a new classification, as a result of the new classification standards covered in the related MOU set forth in Sile Letter 5, shall retain their cumulative length of service from their prior classification.

2. The closest (higher) salary step to their current salary.

3. Current pay rate for any employee whose current salary is higher than the top step of their classification.

B. If the below contingency is not met, then employees will be placed on the closest (higher) salary step to their current salary, and the union and CSU shall re-open negotiations on Article 20 (Salary) and Article 21 (Benefits).

Placement on the Target Step of the new salary structure is contingent upon the State of California's final Budget Act of 2025 containing a new, unallocated, ongoing appropriation to the CSU not less than the 2023 compact allocation of $227 million. While the multi-year compact for 2025 calls for a 5% increase over the 2024 allocation, the 2023 allocation will be used for this contingency.

The final Budget Act of 2025 has an expected enactment date between June 27, 2025 and October 15, 2025.

Salary Structure Adjustment (SSA)

20.6 An SSA is a percentage increase applied to all steps within a classification.

Step Progression

20.7 Step Progression is the movement from an employee's current salary step to a higher salary step. To be awarded a Step Progression, an employee must have received a final performance evaluation with an overall rating of satisfactory or better. If their most recent final performance evaluation is more than 12 months old, they shall receive the step progression.

Shift Differential

20.8 An eligible employee who is assigned by the Appropriate Administrator to work and works four (4) or more hours between 6 p.m. and midnight (exclusive of overtime) shall be paid a shift differential of one dollar and thirty-five cents ($1.35) per hour for the employee's entire shift.

20.9 An eligible employee who is assigned by the Appropriate Administrator to work and works four (4) or more hours between midnight and 6 a.m. (exclusive of overtime) shall be paid a shift differential of two dollars and thirty cents ($2.30) per hour for the employee's entire shift.

20.10 An eligible employee who is assigned by the Appropriate Administrator to work and works a shift that begins between 6 p.m. and midnight and continues for at least four (4) hours beyond midnight shall be paid a shift differential in accordance with provision 20.9. Such hours shall be exclusive of overtime.

20.11 An eligible employee who is assigned by the Appropriate Administrator to work and works a shift that includes hours between 6 p.m. and 6 a.m. but is not assigned enough hours to qualify for the shift differential described in provisions 20.8, 20.9, or 20.11 above shall receive:

a. A shift differential of one dollar and thirty-five cents ($1.35) per hour for all hours worked between 6 p.m. and midnight.

b. A shift differential of two dollars and thirty cents ($2.30) per hour for all hours worked between midnight and 6 a.m.

20.12 All non-exempt employees who are assigned by the Appropriate Administrator to work and works a shift as defined in provisions 20.8, 20.9 and 20.10 are eligible to receive a shift differential.

20.13 Employees regularly assigned by the Appropriate Administrator to work a shift eligible for shift differential shall receive the shift differential while on vacation, sick leave, holidays, and other paid time off.

Pay Plans

20.14 Probationary, permanent, and temporary employees with an appointment in 12 month increments shall be eligible to request participation in the 10/12 or 11/12 pay plan. The assignment of an eligible employee into the 10/12 or 11/12 pay plan and the yearly schedule shall be by mutual agreement of the Appropriate Administrator and the employee. Employees shall have the ability to request participation in the 10/12 or 11/12 pay plan for a period of twelve consecutive (12) months, with a right to return to the 12/12 plan, if specified in that request to participate. Employees can request to renew an appointment to the 10/12 pay plan or 11/12 pay plan on an annual basis. Final approval by the President is required prior to employee participation in the 10/12 or 11/12 pay plan.

20.15 A 10/12 or 11/12 pay plan yearly schedule shall provide that the appropriate period of time in work status and non-work status shall be scheduled within one (1) year.

20.16 A yearly schedule for an employee in the 10/12 pay plan program shall normally be five (5) consecutive pay periods in work status, followed by one (1) pay period in non-work status, or ten (10) consecutive pay periods in work status, followed by two (2) consecutive pay periods in non-work status. A yearly schedule for an employee in the 11/12 pay plan program shall normally be eleven (11) consecutive pay periods in work status followed by one (1) pay period in non-work status.

20.17 Variations of a normal yearly schedule may be approved by the President, except that a variation of a normal yearly schedule shall not provide for a period of time in non-work status that requires advance payment of salary. Variations may include, but shall not be limited to, a movement from work status to non-work status at times other than the beginning of a pay period or patterns other than the normal yearly schedule, such as "6-1:4-1" or "7-1:3-1." Some variations of a normal yearly schedule may require delayed adjustments in salary payments.

20.18 Withdrawal from participation in the 10/12 or 11/12 pay plan and return to a twelve (12) month annual work year may be requested by an employee in accordance with

campus procedures. The Appropriate Administrator may request an employee on the 10/12 or 11/12 pay plan return to a twelve (12) month annual work year. In both instances, the employee and the Appropriate Administrator shall attempt to reach mutual agreement regarding the request. In the absence of mutual agreement, the President shall make a final determination as to the approval or denial of such requests. The President may return an employee to a twelve (12) month annual work year. When the employee's request to return to a twelve (12) month annual work year is approved, the employee shall be returned to the twelve (12) month annual work year within three (3) months of the approval. When the University determines the employee should be returned to a twelve (12) month annual work year, the employee shall be provided written notice three (3) months prior to such a return.

20.19 An employee participating in the 10/12 or 11/12 pay plan shall receive their (10 month or 11 month) annual salary in twelve (12) salary warrants and appropriate benefits on a twelve (12) month basis.

20.20 An employee on the 10/12 or 11/12 pay plan shall accrue sick leave, vacation, and seniority during the full twelve (12) month period. An employee on the 10/12 or 11/12 pay plan who is not in work status on the day a holiday is officially observed shall not be entitled to the holiday.

20.21 Ten (10) or eleven (11) months of service by an employee in the 10/12 or 11/12 pay plan shall constitute one (1) year of service for employment status matters, Merit Salary Increase, and retirement.

20.22 Approval or denial by the President of employee requests pursuant to provisions 20.14 and 20.18 shall be based on operational need and shall not be unreasonably denied. This provision shall not be subject to the Grievance Procedure.

20.23 Employees in classifications listed in Appendix A as 10-month employees may request conversion to the 10/12 Pay Plan.

Additional Increases

20.24 Campuses may award salary increases or one-time bonuses for any reason from campus funds, at any time. These awards may also be requested by the employee. However, in no case may an additional increase cause an employee's salary rate to exceed the maximum of the range on the salary schedule or top step of the employee's classification. Such awards are solely at the discretion of the President and shall not be subject to the Grievance Procedure.

Bonus Plans

20.25 A bonus is a lump sum payment that is not a permanent increase to the base salary of the individual and may be granted at the discretion of the President. A bonus may be awarded at any time and may be used for a variety of salary adjustments including, but not limited to the following:

a. Performance recognition of a bargaining unit employee shall be in the form of a bonus, in the case of bargaining unit members who have reached the top of their classification salary range or sub-range in the salary schedule in Appendix E. These bonuses shall be from campus funds. Prior to issuing any bonus awards under this section, the performance criteria must be written and made known to employees prior to the performance period.

b. A recruitment bonus may be offered to a candidate as an inducement to commit to employment with the CSU. If the candidate does not complete the probationary period, the bonus must be returned to the CSU.

c. A retention bonus may be awarded to an employee for staying with the CSU and who is in a position in a classification that is critical to the ongoing operations of the CSU, or is in short supply in the labor market, and/or is a difficult to recruit for classification. The requirements for the retention bonus must be in writing. The minimum time period that an employee must commit to stay with the CSU in order to receive a retention bonus is twelve (12) months.

d. A critical skills bonus may be awarded to an employee who possesses and uses skills that are necessary and critical to the ongoing operations of the CSU. The employee must be actively using the skills in order to receive the bonus.

e. An individual or group performance bonus may be awarded for exceptional performance and/or in recognition of additional workload. Prior to issuing an award under this provision, the performance criteria must be written and made known to employees prior to the performance period.

f. The decision of the President, made in accordance with this provision, regarding the award of a bonus shall be final and shall not be subject to Article 7, Grievance Procedure.

g. The bonuses in sub-provisions (a) through (e) shall be campus funded.

20.26 For non-exempt employees, all bonus awards must be based on a percentage of the annual gross salary.

<u>In-Range Progression</u>

20.27 a. An increase within a salary range for a single classification or within a sub-range of a classification with skill levels is referred to as an In-Range Progression. When the President, the President's designee, or Appropriate Administrator determines that an in-range progression should occur, the salary shall increase by at least three percent (3.0%).

b. An in-range progression may be granted for reasons that include, but are not limited to:

- Assigned application of new or enhanced skill(s);
- Retention;
- Equity;
- Performance;
- Out-of-classification work that does not warrant a reclassification;
- Increased workload;
- New lead work or new project coordination functions given to an employee on an on-going basis by an Appropriate Administrator where the classification standard/series do not specifically list lead work as a typical duty or responsibility; and,
- Other salary related criteria.

c. Where an employee has been notified in writing that the employee's in-range progression was denied solely due to a lack of funds, upon the employee's request, the employee's in-range progression application shall be re-evaluated in the following fiscal year.

d. A request for an in-range progression review may be submitted by the employee or manager. A management initiated request for an in-range progression may cover more than one employee. Employee initiated in-range progression requests shall be submitted to the Appropriate Administrator before being forwarded to Human Resources. An employee shall not submit a request for an in-range progression prior to twelve (12) months following receipt of a response to any prior in-range progression requests. If an administrator has not forwarded the request to Human Resources within thirty (30) days, the employee can file the request directly with Human Resources.

e. In-range progression review of employee requests shall be completed within ninety (90) days after the request is received in Human Resources. If an employee receives a denial of request for an In-range Progression under this Article, then the campus shall provide the employee with a written reason for the denial.

f. Each campus shall develop guidelines and procedures for an in-range progression consistent with this Article.

The decision of the President, made in accordance with this provision, regarding the award of an in-range progression shall be final and shall not be subject to either Article 7, Grievance Procedure or Article 8, Complaint Procedure.

g. Funds for in-range progression may come from campus funds, and/or total settlement costs resulting from bargaining between the parties on salary matters.

h. No in-range progression request shall be accepted after December 31, 2024. All in-range progression requests submitted by December 31, 2024 shall be processed.

i. Provision 20.27 shall be eliminated effective June 30, 2025. The elimination of this provision is contingent upon the placement of employees pursuant to Provision 20.5.A.

Salaries for Classifications with Skill Levels and Sub-ranges

20.28 The following provisions shall apply to employees appointed or assigned to classifications with skill levels and sub-ranges:

a. Within each salary range for such a classification, sub-ranges with specified minimum and maximum rates or salary steps are defined for each skill level.

b. Employees shall be appointed or assigned by the President to a salary within a sub-range for the applicable skill level within the classification based on the requirements of the position and an assessment of the employee's qualifications and skills by the President. This provision shall not be subject to the grievance procedure.

Salary Stipends

20.29 An employee shall receive a monthly salary stipend when assigned by an Appropriate Administrator to temporary project coordination or lead work functions. These supplemental work assignments are to be made in writing and must have a specific beginning and ending date.

20.30 At the decision of the Campus President or designee, an employee may receive a monthly stipend when (1) assigned, for a limited period of time, additional work or special projects over and above their regularly assigned duties or (2) required to maintain contact with their campus outside of their normal working hours on a regular basis. Remote contact shall include telephone, cell phone, wireless data access device, remote monitoring of any hardware or software device, and/or email notification regarding the status of a campus system.

20.31 The following provisions shall apply to the awarding of a stipend under provision 20.29 and 20.30, above:

a. The stipend is paid on a month to month basis for the duration of the work assignment.

b. The stipend shall be a minimum of three percent (3%) of the base monthly salary rate to be paid on a monthly basis.

c. The decision of the Appropriate Administrator, made in accordance with this article regarding the supplemental assignment specified in provisions 20.29 and 20.30 above shall be final and shall not be subject to Article 7, Grievance Procedure.

Red Circle Rates

20.32 A red circle rate is a salary rate that is above the maximum of the salary range or top step of the employee's classification for a class or sub-range for a skill level which may be granted by the President when an employee moves to a class or skill level that has a lower salary range or top step.

20.33 An employee whose class is abolished and who moves to a class or skill level that has a lower salary range or top step as a result of implementation of a new classification shall be granted a red circle rate.

20.34 If a red circle rate is granted, the employee shall retain the salary currently being paid (or a lesser salary rate up to twenty-five percent (25%) that is above the maximum salary rate or the top step of the lower class or skill level) and shall remain at that salary rate until the maximum salary rate or the top step of the lower class or skill level equals or exceeds the red circle salary rate or until the authorized time period for maintaining the red circle salary rate expires, whichever occurs first.

20.35 During the period of time an employee's salary remains above the maximum salary rate or top step for the class, the employee shall not receive further salary increases, including, Additional Increases or General Salary Increases, except in cases of promotion while on a red circle rate.

20.36 Red circle rates shall not exceed twenty-five percent (25%) above the maximum of the salary range or the top step of the class or skill level to which the employee is moving. An employee may retain a red circle rate for up to five (5) years.

20.37 Red circle rates shall not be authorized for an employee when:

a. an employee, for personal convenience, requests voluntary demotion;

b. an employee is demoted for cause other than for medical reasons or disability accommodation. When an employee is demoted for medical reasons or disability accommodation a red circle rate shall be granted.

20.38 An employee who was compensated at a salary rate that is above the maximum or the top step prior to a permanent separation will not be entitled to a red circle rate upon the employee's return to work. Also, the authorization for a red circle rate shall be canceled if the employee refuses two (2) bona fide offers of appointment to a position at the campus in a class or skill level in the same occupational group, at the same timebase and at a salary level equivalent to the original class or skill level from which the employee was moved.

A. Employees who are above the top step of their classification as a result of the initial implementation of the step structure contained in Appendix F shall be

red circled, but they shall be exempt from the 25% limitation in Provisions 20.34 and 20.36, and from the 5 year maximum in Provision 20.36.

Emergency Pay

20.39 When the President has declared a state of emergency at a campus, in exchange for the performance of emergency work by bargaining unit employees outside of their normal assignment, and at a time when those employees would, subject to the approval of the University, otherwise have been able to use administrative leave, the following emergency pay will be provided.

Non-exempt personnel required to return to or remain at work shall receive emergency pay of an additional one-half (½) hour for each hour worked up to forty (40) hours per week. Hours worked in addition to forty (40) hours per week shall be paid at time and one-half (the inclusion of the phrase "an additional" is for the purpose of clarification only).

An exempt employee who is required to work on a day or days declared as a state of emergency at a campus, who would otherwise have been able to use administrative leave, shall receive equivalent informal time off at such time(s) as agreed upon by the employee and the Appropriate Administrator.

Underpayment of Wages

20.40 In the event an employee believes that the employee has been underpaid, the employee shall notify their Appropriate Administrator, in writing, as soon as possible after the underpayment occurs. The memorandum should contain the following information, if known: the affected payroll period, the amount of the underpayment and the reason for the underpayment. The Appropriate Administrator shall review the facts and provide a written recommendation along with the affected employee's memorandum to the payroll supervisor within ten (10) work days of receipt of the written request. If the Appropriate Administrator and the payroll supervisor agree that an underpayment has occurred, they shall immediately notify the affected employee and issue a check for the full amount of the underpayment as soon as practicable, but no later than thirty (30) days after the employee submitted the memorandum to the immediate supervisor. In any event, whether or not an underpayment is found, the employee shall be notified within fifteen (15) work days of the decision.

Information Reports

20.41 The name, classification and campus of each recipient of an increase effective July 1, of each year (to include the GSI described in provision 20.4, if applicable), In-range progression (described in provision 20.27) together with the salary as of June 30th and the dollar amount of each increase awarded each recipient, shall be reported annually to the CSUEU systemwide office no later than ninety (90) days following the implementation of such increases. The reports shall be in electronic

format and shall identify the increases by category: GSI, Step Progression, SSA IRP, and shall include expenditures from all funds.