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To All County SEIU Represented Staff,

The County has been in active contract negotiations with SEIU, Local 521 since April 2018. After approximately 23 meetings between the County and SEIU, we have been unable to come to terms on a new agreement to provide wage increases and other benefits to SEIU members in Stanislaus County. I wanted to share some thoughts with each of you on the attempts we have made to come to an agreement, and how the negotiations process has unfolded over the past nine months.

The County's Position

One of the most concerning issues coming out of these negotiations is the narrative that County leadership does not support the County workforce and the community you serve. Unfortunately, the bargaining process does not encourage public engagement or debate with the union on each area of disagreement between the parties. We prepared a website (www.stancounty.com/seiufacts) that we will keep updated to provide factual information to the community regarding the status of bargaining. On this site, you will find information regarding the bargaining process, the current proposals from each party, historical staffing data, salary surveys with comparable counties, responses to allegations of unfair labor practices and other pertinent information.

The Bargaining Process

Labor negotiations for public agencies and unions in California are a challenging and arduous process. If you are accustomed to making decisions and completing your work quickly, this process would be very frustrating for you. At its core, the negotiation process requires each party to identify all of the issues they wish to address, and then to trade proposals back and forth with the hope of reaching a tentative agreement to be voted on by the union's members and considered by the governing body, ultimately resulting in a new Memorandum of Understanding (MOU). Key to the success of this process is both parties coming to the table prepared to discuss the issues of concern to their constituencies.

The existing MOU between the County and SEIU Local 521 expired on June 30, 2018. The County also had MOU's with five other unions expiring at the same time last year (AFSCME, County Attorneys, Deputy Sheriff's Association, DA Investigators and Probation Corrections Officers). The County was able to reach agreement with all but one of these groups in late June/early July, which

allowed the Board of Supervisors to adopt these contracts at its meeting on July 17, 2018. One unit, DA Investigators briefly engaged in the County's impasse procedure but ultimately ratified a new agreement by October 2018. The County's overall negotiations strategy was guided by an interest in treating all of its employees fairly and equitably. More detail on the County's negotiations philosophy is available on our website under the link titled Bargaining History Process.

As noted above, preparedness and an ability to fully discuss all issues of interest is central to the bargaining process. During these negotiations, although the parties met five times in April and May 2018, the County did not receive SEIU's initial economic proposal until May 31, 2018, roughly a month prior to contract expiration. In addition, at no time did SEIU commit that it had put forth all of its proposals. From the County's perspective, not knowing whether any new proposals would be submitted represented a significant roadblock in completing the bargaining process. Recognizing that the parties were making very little progress in negotiations which would result in delayed wage increases for employees, the County recommended on several occasions that SEIU agree to use an outside mediator to assist with the process. Mediation is often used as an effective tool for bringing the parties closer together, and has proven valuable in many past bargaining processes, including with SEIU. SEIU negotiators consistently refused mediation between the parties prior to January 2019.

County Proposal

On January 9, 2019, the County issued a Last, Best and Final Offer to the SEIU bargaining team. We understand that the County's last proposal was not ratified during a vote on January 11, 2019. The offer from the County includes 3% wage increases per year for three years for all bargaining unit members, totaling 9%. The offer also includes additional equity-based wage increases for the following classifications:

- 8% - Community Health Worker I/II/III
- 8% - Health Educator
- 4.5% - Mental Health Clinician I/II/III
- 2% - Animal Services Officer I/II
- 2% - Child Support Officer I/II
- 2% - Social Worker III/IV/V

There are many factors in our analysis for considering equity-based wage adjustments. The County's standards for this process are long-standing and applied consistently across bargaining units. Factors include cost/affordability, studies of wages and benefits in other comparable counties and data on staff recruitment and retention. Typically, the union will initially advance a proposal for equity adjustments and the County will review and respond. Here, the County first received equity analysis from SEIU on June 22, 2018 and did not receive an actual proposal on equity adjustments from SEIU until June 25, 2018, just five days prior to the expiration of the agreement. The County then conducted extensive wage analysis on the requested classifications and bargained with SEIU to develop the above list of classifications for which the County bargaining team recommended additional adjustments. Copies of the wage studies prepared by the County bargaining team are included on the website for each of the above classifications. On December 13, 2018, eight months

into bargaining and six months after contract expiration, SEIU requested that the County analyze an additional 18 classifications to determine whether equity adjustments would be appropriate. The County was clear that completing this analysis would result in significant further delays in the bargaining process. In an effort to reach a conclusion on this issue, included in the County's final offer to SEIU is a commitment to study the additional classifications as soon as ninety days after adoption of a new MOU to determine if any additional equity adjustments should be included in the next applicable budget cycle. This was not the County's preferred path forward but, given the timing of the last set of equity proposals by SEIU, was the only way we could see to resolve this issue without further delaying the bargaining process.

Also included in the County's final offer are improvements to holiday time, on-call pay increases for certain classifications and commitments to work with the union on issues such as caseload analysis. We have also included 18 tentative agreements reached during the bargaining process. Please refer to the website for information on the details and effective dates of specific County proposals. At this time, we are awaiting SEIU's response on the next steps in the bargaining process.

Support for Employees and the Community

A theme that has emerged from this bargaining process is the idea that the County Board of Supervisors have failed to support those most vulnerable in our community, including children, homeless and seniors. When I see or hear something that I may disagree with, I first try to learn more from what I've heard and seek a better understanding. I have tried to do the same in this instance.

Let me clearly state that I believe there are merits to the concerns that many employees have brought forward about the status of our community and the conditions that surround the work of County government. Our employees are on the front lines every day, personally experiencing the successes and failures of our social service systems. Even in a year when our overall caseloads improve and show promise for economic prosperity, there are still countless examples of individuals who struggle to gain a positive foothold for themselves and their families. Our employees live this every day. I appreciate these employees' willingness to share their stories. They are all important. I also appreciate the concerns that have been expressed concerning the bargaining process. No one should ever apologize for wanting acknowledgement and compensation for doing hard work.

I do feel compelled to share my perspective on the work that the County Board of Supervisors does to prioritize those most vulnerable in our community, including children, homeless and seniors. My perspective is based on several factors, the first being my own personal experience working alongside each of them as they work directly in our community to improve the lives of those most vulnerable. I could write pages about the individual personal efforts each Board Member has made to directly impact the lives of those most vulnerable in our community. But I also recognize not everyone has the same exposure to their work as I do.

While not everyone has the opportunity to see firsthand the work that our Board Members do to support the most vulnerable in our community, we all do have the opportunity to review how the Board prioritizes our financial resources, which we bring forward through a very transparent budget

process throughout the year. One quick look at the budget will show that we have increased budget authority for our Department of Aging and Veteran's Services, the County Behavioral Health and Recovery Services Department and our Community Services Agency by \$91.2 million over the last two years. These are the three departments directly serving our children, homeless and seniors. In total, the County spends approximately 46.1% of our \$1.3 billion-dollar budget on health and human service departments, clearly demonstrating a strong commitment to these critical services.

Another concern that was brought forward related to staffing levels and high vacancy rates in SEIU-represented positions. To get a better understanding of these concerns, and how budget increases impacted our staffing levels, I asked CEO staff to look at the largest segments of our population of SEIU employees over the past five years, comparing our average staffing levels in 2014 to those at the end of 2018, and our trends over time. One critical classification series we reviewed is the Social Worker series, which is one of the single largest classifications represented by SEIU and a group of staff who perform some of the most challenging jobs throughout our community every day. A review of our Social Worker classification series shows that we have increased the average number of Social Workers hired and working in Stanislaus County from 135 to 190 employees from 2014 to 2018. That's an increase of 55 additional Social Workers deployed in our County on average each day, or 41%. This is a direct reflection of our efforts to implement a new Social Worker classification series during the term of the last MOU. The average annual wages and benefits for Social Workers increased from \$77,725 in 2013 to \$96,307 in 2017. Average vacancy rates have dropped as well. This was positive work, creating very positive results to benefit the community, our departments and our staff – and is just one example that illustrates the County Board of Supervisors' broad support for our core social services programs.

We have placed all of the staffing numbers for the largest segments of our SEIU-represented classifications for you to review on the website. This data represents approximately 66% of the SEIU-represented workforce. Among the information included, you will find total allocated and filled positions by month for a period of five years, along with summary charts showing the average number of employees and vacancies each year. Some data shows positive trends, while some data shows negative trends. Certain of these negative trends, including those related to Mental Health Clinicians and Community Health Workers, informed our proposals for equity adjustments for those classification series. In terms of positive trends, the data shows that (i) actual staffing for Behavior Health Specialists has increased from 84 to 94, or 10%, (ii) Professional Librarian staffing is up 27% and Librarian Assistants staffing is up 72%.

While we have done well in some areas, we certainly acknowledge that there are areas for which we need better solutions. As an example, our Child Support Department is administered by the County at the local level but is funded through State and Federal funds. This department has struggled with flat funding from the State for the last 16 years. Our leadership in Child Support, at the direction of and with the full support of our Board, has worked tirelessly to address this concern at the State level, and they continue to fight for a fair share of funding to support our community. We were very pleased to see that Governor Newsom has proposed a positive step to address this issue starting next fiscal year but much work remains to be done to ensure these changes are approved in the State

budget process. We can understand the stress and frustration felt by employees working in this type of funding environment.

As another example of an area where we want to see improvement, our data shows that, for certain classifications, including the Community Health Worker and Mental Health Clinician series, while we have added allocated positions, we have been unable to recruit enough employees to fill those additional positions. Data shows that although we have added 15 Mental Health Clinician positions over the last five years, we are averaging almost the same number of employees on staff over that same period of time. To prioritize and address these recruitment issues, the County included equity-based wage increases for Mental Health Clinicians and Community Health Workers throughout the term of our next agreement.

Some of you may work in those specific areas of the organization that have experienced high turnover, and your frustrations are heard and recognized by County leadership. We also recognize that our unemployment rates are at a record low for our region and staffing vacant positions has become a constant challenge for all employers within our community. Our department heads and human resources leaders are very open to working on any specific areas of turnover that impact our ability to deliver quality services to our community, recognizing that we all have the same goal for creating a stable workforce in all areas of the County.

Going Forward

I have observed several disheartening moments in this negotiations process. Union leaders have made numerous attempts to unfairly disparage the Board of Supervisors and the County bargaining team, frequently misleading our workforce and promoting a narrative inconsistent with the facts. As the CEO of this organization, I have significant concerns with the emerging division of our workforce. While many staff have chosen to have their voices heard on a picket line, numerous SEIU-represented staff members have chosen to report to work and serve our community each day. Whatever choice each individual makes, it is my hope that we can show respect for each other's personal decisions and avoid the divisive messages that have been shared with the County.

Stanislaus County is a continuous improvement organization, which means that our leadership team understands that we will always have areas in which we can perform better. We owe it to our community and to our staff to never stop searching for ways in which to improve. In doing so, we will continue to seek facts and share data with our community to acknowledge those areas in which we have improved as an organization, and those areas that require new strategies for consideration. This applies not just to those departments working closely with our staff represented by SEIU, but to all departments throughout the organization.

I will end by noting even in this environment of difference and disagreement, I still maintain a sense of ongoing optimism for our organization and our future. I remain confident that we will reach an agreement with SEIU, just as we have in the past. While our differences may seem insurmountable, they are not. We do not know when this will be resolved, but I believe it is a shared interest that the sooner we can reach resolution, the better. Whatever divisions that have occurred in our workforce will also pass, and hopefully quickly. We rely on each other every day. We need each other. The

challenges of our community are real. Every person in this organization is critical for us to face those challenges. We don't build widgets here, we build community. A community that hundreds of thousands of people rely upon. We can't build our best community without being our own best community. I hope that is something that we can all stand behind without any disagreement.

Thank you for taking the time to read this and for your ongoing support and dedication to the community we serve.

Sincerely,



Jody L. Hayes
Chief Executive Officer

Cc: Board of Supervisors
Department Heads
Human Resources Managers