

SETTLEMENT AGREEMENT

This Settlement Agreement (“**AGREEMENT**”) is made between University Professional and Technical Employees - CWA Local 9119 (“**UPTE**”) and THE UNIVERSITY OF CALIFORNIA (the “**UNIVERSITY**”).

RECITALS

A. **UPTE** filed an Unfair Practice Charge, Case No. SF-CE-1156-H, on or about July 24, 2017 (“**ULP**”), before the Public Employment Relations Board (“**PERB**”) alleging that the **UNIVERSITY** violated the Higher Education Employer-Employee Relations Act (“**HEERA**”) by unilaterally imposing changes to the status quo terms and conditions of employment within the scope of representation and retaliating against employees and **UPTE** for exercising protected rights. A Complaint was issued on the **ULP** on March 20, 2018. The **UNIVERSITY** filed an Answer to the Complaint on April 16, 2018.

B. The **ULP** stems from a Unit Modification Order issued by **PERB** on May 23, 2017, adding the Systems Administrator I (7302U), Systems Administrator II (7303U), and Systems Administrator III (7304U) classifications to the **UPTE** TX bargaining unit. The aforementioned System Administrative classifications and the System Administrator III GF (5880) shall hereinafter be referred to as “**Systems Administrators I, II, and III**”.

C. The **UNIVERSITY** challenged the Unit Modification Order, eventually filing a petition for writ of extraordinary relief in the Court of Appeal. The Court of Appeal issued its decision denying the **UNIVERSITY’S** petition on June 25, 2020.

D. For a variety of reasons, since June 25, 2020, the across-the-board increases (hereinafter “**ATB**”) imposed by the University on June 1, 2019 and contained in the TX bargaining unit 2019-2024 collective bargaining agreement (“**CBA**”) have not yet occurred for the accreted **Systems Administrators I, II, and III** classifications.

E. On November 17, 2021, **UPTE** filed a motion to amend the Complaint which was granted on June 21, 2022. The Amended Complaint alleges, among other allegations, that the **UNIVERSITY** has not provided the following under its imposition and the **CBA** to the **Systems Administrators I, II, and III** classifications: 1) June 1, 2019, 3% **ATB**; 2) July 1, 2021, 3.5% **ATB**; 3) January

1, 2022, one-step increase within range for non-probationary career employees; and 4) July 1, 2022, 3% ATB. The University filed its Answer to the Amended Complaint on August 10, 2022.

F. On September 2, 2022, **UPTE** filed a motion to amend the Complaint to include a unilateral change theory. **UPTE's** motion to file a Second Amended Complaint was granted on September 18, 2022. The University was not required to file an Answer to the Second Amended Complaint but nevertheless denies the new allegation.

G. In the interest of promoting harmonious labor relations between the parties and to avoid the uncertainty, inconvenience, and expense of litigation, **UPTE** and the **UNIVERSITY**, have entered into this **AGREEMENT** in settlement of the **ULP**.

THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS HEREBY AGREED AS FOLLOWS:

1. In exchange for the mutual promises set forth herein, the Parties agree to the following, which will be implemented within 120 days of both Parties signing this **AGREEMENT** and **UPTE's** dismissal of the Second Amended Complaint as set forth in this **AGREEMENT**, whichever date is earlier.

2. CBA Compensation Increases. Except as described below, all employees in the **Systems Administrators I, II, and III** classifications who were employed in one of those classifications and eligible for any compensation increase provided in the CBA on the date of that increase, and who remain in the **UPTE TX** unit until the date of distribution, will have their salaries adjusted to reflect those compensation increases. The compensation increases at issue are: 3% across the board (“**ATB**”) imposed by University in June 2019; 3% **ATB** on July 1, 2019; 3% **ATB** on January 1, 2020; 3% **ATB** on July 1, 2020; 3.5% **ATB** on July 1, 2021; a step increase agreed to by the Parties to be valued at 2%, or as set forth below, on January 1, 2022; and a 3% **ATB** on July 1, 2022. These compensation increases total 20.5% and each increase will compound upon previous increases.

a. Eligibility. **UPTE TX** unit members within the **Systems Administrators I, II, and III** classifications who were hired into the **UPTE TX** unit after the date of any increase in the paragraph above are not eligible for that increase. For example, an employee hired in November 2019 would not be eligible

for the 3% **ATB** imposed by University in June 2019 and the 3% **ATB** on July 1, 2019.

b. Steps. The one-step increase agreed to by the Parties in Article 6(b)(5) of the CBA shall be valued at approximately 2% unless a location has agreed to a higher step value as set forth in Attachment A.

3. Offsets. The Parties recognize that some employees in the **Systems Administrators I, II, and III** classifications received increases since May 23, 2017. Up to 5% of any increases, excluding equity or promotional increases or any other increases besides merit increases, received by employees since May 23, 2017, shall be used to offset the compensation increases in paragraph 2.

a. Example: Employee received a 3% merit increase in fiscal year 2017, 4% merit increase in fiscal year 2018, and no merit increase in FY 2019. The employee's 3% merit in fiscal year 2017 would fully offset the 3% increase imposed by the University in June 2019 and 2.0% of the 4% merit increase in fiscal year 2018 would offset the 2.0% of the 3% **ATB** on July 1, 2019. This employee would therefore receive salary increases totaling 15.5%, not including compounding.

4. Lumpsum Backpay. Eligible employees in the **Systems Administrators I, II, and III** classifications will also be issued a lump sum payment for the compensation increases set forth in paragraph 2 for the period of time between June 2019, and the date of payment, and said lump sum payments are pensionable. All said employees discussed in this paragraph in nonexempt positions will also receive a lump sum payment for the overtime true-up payments on the overtime hours worked between June 2019 and the date of payment, and said lump sum true-up payments are not pensionable.

a. Interest. The University shall pay simple interest on the lumpsum backpay amount of 6%. For example, if the lumpsum backpay amount is \$10,000, the interest payment would be \$600.

b. Employees Who Left Bargaining Unit to Become Systems Administrator IV's. Employees in the Systems Administrators I, II, and III classifications on or after May 23, 2017, who subsequently became Systems Administrator IVs before the effective date of this Agreement, shall be eligible for a lumpsum backpay amount. The lumpsum shall be based on the applicable

compensation increases set forth in paragraph 2. In calculating the lumpsum, the University shall be entitled to the 5% offset, as described in paragraph 3.

c. Clarification of “Eligible employees”. Eligible employees for purposes of the lumpsum backpay set forth in paragraph 3 of the Agreement shall include David Griffith, a former employee Systems Administrator 2 at the University of California at San Diego. Any lumpsum backpay amount owed to Mr. Griffith shall be provided to his heir(s) and/or estate, as defined by law.

5. **Special Provision for Eligible Retired Systems Administrators I, II and III**: For purposes of this section, “eligible Systems Administrator I, II, III Retirees” are those Systems Administrators I, II, and III who meet the eligibility criteria set forth in paragraph 2 of this Agreement and who were confirmed to have retired from University service in a Systems Administrator I, II or III classification between May 23, 2017 and the effective date of this Agreement. Eligible Systems Administrator I, II and III Retirees shall be entitled to the lumpsum backpay set forth in paragraph 4 above for those compensation increases they would have received between May 23, 2017 and their retirement date. The lumpsum backpay for these retirees is subject to a 5% offset of any merit increases received by the employee between May 23, 2017 and the date of their retirement.

Effective no later than 180 days from the date the UC Retirement Administration Service Center receives all employee and employer contributions, plus interest, a reevaluation of the retirees’ retirement calculations will be done according to processes and procedures of RASC and/or the UCRP Plan Administrator, and, according to this reevaluation, retroactive retirement payments and confirmation of said payments will be provided to affected members, if applicable.

If UCRP determines, in its re-evaluation, that any inference of illegality may be drawn from making said payments, the parties shall meet and confer to resolve any issues.

6. Miscellaneous Terms.

a. Union dues shall not be deducted from any of the lump sum payments described in paragraph 3 and 4.

b. All lump sum payments and increases described in paragraphs 2 and 3 for eligible employees who are on an unpaid leave of absence shall be implemented and paid upon the employee's return to work.

c. Any required employee contributions for the University of California Retirement System ("UCRS") shall be deducted from the lump sum backpay payment in paragraph 4.

d. UCLA. Employees employed in non-bargaining unit Programmer Analyst positions on or before July 1, 2020 that were mapped into the **Systems Administrators I, II, and III** classifications at the University of California at Los Angeles campus between July 2, 2020 and October 31, 2022, shall be eligible for the 3.0% **ATB** on July 1, 2020 and the 3.5% **ATB** on July 1, 2021, offset by any merit increases received by employees in 2020 and 2021.

7. **UPTE** will dismiss with prejudice the unfair practice charge and the operative Complaint in PERB Case No. SF-CE-1156-H within seven (7) days after the implementation discussed in paragraph 1 is executed fully and correctly.

8. Neither party admits any wrongdoing, contract or statutory violation, or liability on the part of any party by entering into this **AGREEMENT**.

9. The scope of this **AGREEMENT** is limited to the **ULP** and the Complaint and Amended Complaint that issued on the **ULP**, only, and shall not establish or be deemed to establish a precedent with respect to any other current or future dispute between **UPTE** and the **UNIVERSITY**. This **AGREEMENT** may not be used as evidence in any other proceeding of any nature between the **UNIVERSITY** and **UPTE**, other than a proceeding to enforce this **AGREEMENT**. This **AGREEMENT** does not establish, nor may it be deemed to establish, the meaning of any provision of Article 5 of the CBA between the parties, nor does this **AGREEMENT** constitute a waiver of either party's rights under the CBA. The sole inference that may be drawn from the existence of the **AGREEMENT** is that the parties wished to avoid the expense and uncertainty of litigation.

10. This **AGREEMENT** represents a full and complete resolution of the claims and disputes between the parties in connection with any compensation increases due to employees in the **Systems Administrators I, II, and III** classifications since the date of their accretion.

11. The parties represent that they have read and understand the terms of this **AGREEMENT** and that they are authorized to execute this **AGREEMENT** on behalf of their principals.

12. **UPTE** and the **UNIVERSITY** agree to bear their own attorneys' fees and expenses incurred in connection with this matter.

13. The **UNIVERSITY** has made no representation about and takes no position on the tax consequences of this **AGREEMENT**. **UPTE** has had an opportunity to discuss the potential tax consequences of this **AGREEMENT** with **UPTE's** own counsel.

14. This **AGREEMENT** is made and entered into in the State of California and shall in all respects be interpreted and enforced in accordance with California law.

15. This **AGREEMENT** may be amended only by a written instrument executed by all parties hereto.

16. The parties agree to do all things necessary and to execute all further documents necessary and appropriate to carry out and effectuate the terms and purposes of this **AGREEMENT**.

17. This **AGREEMENT** has been drafted by legal counsel representing the **UNIVERSITY**, but **UPTE** and **UPTE's** counsel have fully participated in the negotiation of its terms. **UPTE** acknowledges that **UPTE** has had an opportunity to review and discuss each term of this **AGREEMENT** with legal counsel and, therefore, the normal rule of construction, which is that any ambiguities in the document are resolved against the drafting party, shall not be employed in the interpretation of this **AGREEMENT**.

18. The parties to this **AGREEMENT** declare and represent that no promise, inducement or agreement not herein discussed has been made between the parties and that this **AGREEMENT** contains the entire expression of agreement between the parties on the subjects addressed herein.

19. This **AGREEMENT** shall bind the heirs, personal representatives, successors, and assigns of each party, and it shall inure to the benefit of each party and their respective heirs, successors, and assigns.

20. This **AGREEMENT** may be executed in counterparts. The execution of a signature page of this **AGREEMENT** shall constitute the execution of the **AGREEMENT**, and the **AGREEMENT** shall be binding on each party upon that party's signing of such a counterpart. In the event that any signature is delivered by electronic signature (i.e., via DocuSign), facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic signature, facsimile, or ".pdf" signature page were an original thereof.

WHEREFORE, THE PARTIES HAVE VOLUNTARILY EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

[Signatures: Dan Russell, President

Danica Li, Counsel for UPTE

Letitia Silas, Executive Director

Allison Woodall, Deputy General Counsel]

ATTACHMENT A

[STEP CHARTS]

Tentative:

- UCI: 2%
- UCSF: 3%
- UCM: 2%
- UCSD: 2%
- UCSC: 2.5%
- UCOP: 2.5%
- UCLA: 2.25%
- UCB: 2.3%
- UCD: 2%
- UCSB: 2.4%
- UCR: 2.2%