

FACT SHEET: AFSCME CONTRACT NEGOTIATIONS

BACKGROUND

The University of California has presented the American Federation of State, County and Municipal Employees union with a comprehensive and competitive last, best, and final offer that meets their original demand of \$25 an hour and a 5% wage increase. The offer comes after 15 months of bargaining between UC and AFSCME, during which UC presented substantial offers over 27 negotiation sessions, demonstrating significant financial concessions and meaningful economic progress. After 11 months of not responding to UC's offers, AFSCME only recently presented a counterproposal, offering 29.5% instead of 31% in wage increases over a three-year contract.

UC's last, best, and final offer is projected to raise AFSCME salaries to more than \$3 billion by the end of the proposed five-year contract. It represents an increase of nearly 600 million in wages since the end of the last contract and is \$123 million higher than UC's initial offer made in February 2024.

UC LAST, BEST AND FINAL OFFER

UC's LBFO includes:

- ✓ Annual across-the-board wage increases of 5% in 2025, 4% in 2026, and 3% in 2027, 2028, and 2029, with each year building upon prior increases, resulting in 19.3% total increases over the contract term.
- ✓ Eligible employees would also receive step increases of approximately 2% each year from 2026 through 2029, which, along with ATBs, result in total wage increases of 29% over the contract term.
- ✓ In conjunction with the above increases, 7,689 AFSCME-represented UC employees will see their hourly pay increase to a minimum of \$25 per hour by July 2025.
- ✓ Added Juneteenth as a paid holiday, bringing the total paid holidays to 14, and expanded vacation and sick leave. December 24 would be a premium-pay holiday. The proposal would provide premium pay for six of the 14 paid holidays.
- ✓ Monthly health insurance premium credits of \$75-\$125 to reduce costs for those who elect Kaiser HMO or UC Blue and Gold HMO. If accepted, many AFSCME-represented UC employees will have access to \$0 health care premiums.

PROPOSED HOURLY WAGE INCREASES FOR TOP SX UNIT JOB FUNCTIONS

Job Function Description	Current Median \$/hr rate	Year 1	Year 2	Year 3	Year 4	Year 5	% increase
Custodial and Housekeeping	23.29	25.00	26.25	27.30	28.39	29.53	21.99%
Food Services	29.30	30.76	32.30	33.59	34.93	36.33	19.33%
Facilities Management	32.18	33.79	35.48	36.90	38.37	39.91	19.33%

PROPOSED HOURLY WAGE INCREASES FOR TOP EX UNIT JOB FUNCTIONS

Job Function Description	Current Median \$/hr rate	Year 1	Year 2	Year 3	Year 4	Year 5	% increase
Ambulatory Care Clinics or Ctr	39.62	41.60	43.26	44.56	45.89	47.27	19.33%
Clinical Support Services	36.04	37.84	39.35	40.53	41.75	43.00	19.33%
Patient Support Services	37.39	39.25	40.82	42.05	43.31	44.61	19.33%

2025 HEALTH INSURANCE COSTS WITH MONTHLY CREDITS

Pay Band 1	Self	Self + Child(ren)	Self + Adult	Family	% decrease over 2024
Kaiser HMO \$100 monthly offset	\$0.00	\$0.00	\$20.26	\$49.16	-80%
UC Blue & Gold HMO \$100 monthly offset	\$8.66	\$94.38	\$205.90	\$290.91	-38%
Pay Band 2					
Kaiser HMO \$75 monthly offset	17.31	\$90.97	\$210.74	\$277.33	-20%
UC Blue & Gold HMO \$75 monthly offset	82.84	\$207.34	\$339.80	\$463.24	-21%

Nearly 97% of UC's AFSCME-represented employees are in Pay Band 1 (full-time salary rate of \$71,000 or less) or Pay Band 2 (full-time salary rate of \$71,001-\$140,000.)

SIGNIFICANT AND FINAL OFFER DESPITE FISCAL UNCERTAINTY

Like all higher education institutions, the University of California is facing financial uncertainty following the new administration's actions and the proposed 8% cut to state budgets. During these uncertain times, UC's LBFO demonstrates to these critical team members that it is listening to their demands and that it values their service. It also provides a clear signal to AFSCME that UC has provided its final and best offer in these ongoing negotiations.

AFSCME'S CONTRACT PROPOSALS

- \$25 an hour wage plus an additional 5% raise retroactive to March 15, 2023, plus annual wage increases of 8.5%, 7.5% and 7.5% beginning in 2025
- Freezing health premiums and co-pays for AFSCME-represented UC employees at 2024 rates despite increases to health care costs borne by the institution and the rest of the UC community.

- A multi-million-dollar discretionary fund, with no public oversight or legal requirements, that AFSCME claims it would use to provide their members with housing assistance funds.
- Ability to accrue as many as 48 vacation days per year and cash out up to eight weeks of vacation leave annually, which would increase the vacation accrual for AFSCME members to a rate higher than all other represented employees and provide them with a cash-out benefit that no other employees receive.
- AFSCME's complete proposals would cost UC over \$1 billion in expenditures at a time when the UC system is facing significant budget reductions.

STRIKE ACTIVITIES TO DATE AND HISTORY

AFSCME's May 1 systemwide strike will be the fourth strike for a total of six strike days during this cycle of successor contract negotiations. The union's first strike was in late November 2024. Ongoing and intermittent strikes impose significant financial consequences on both sides: the University system sustains millions in daily losses, while AFSCME members sacrifice their wages. Unfortunately, this methodology isn't new for AFSCME, who stated during negotiations that they intend to strike and has a history of filing unfair labor practice charges and striking as soon as their contracts expire. During the previous contract negotiations, AFSCME went on strike six times.

UNFAIR LABOR PRACTICE CHARGES

Unfair Labor Practice charges are a standard tool for either employers or unions to file with the Public Employment relations Board (PERB). AFSCME has recently filed ULPs based on unsubstantiated allegations of bad faith bargaining. Filing an Unfair Labor Practice charge merely initiates a judicial process and does not represent any determination of misconduct by the University.

HIRING FREEZE CONCERNS

Like higher education institutions nationwide, UC faces financial uncertainties and implemented a system-wide hiring freeze on March 19, which locations are adapting to their specific circumstances. We've clearly communicated to all stakeholders, including AFSCME, that this freeze preserves our commitments under existing collective bargaining agreements. While we believe our current agreements address the negotiable effects, we remain open to collaborative discussions about any additional impacts. We've extended this invitation to AFSCME and look forward to working together when they're ready to meet.

HOUSING AND COST OF LIVING CONCERNS

We recognize many UC community members, including AFSCME members, face housing affordability challenges. We're actively collaborating with statewide partners to develop comprehensive solutions benefiting all staff. Further, our generous wage offers provide employees with financial flexibility, allowing them to spend their money on their most critical needs.