

PURAs present:

Fixing the Recruitment and Retention Problem

CPUC Finance & Administration
Committee

January 13, 2016

PLEASE DIRECT EXECUTIVE DIRECTOR TIM SULLIVAN TO SUBMIT:

- PAY DIFFERENTIAL ANALYSIS FORM,**
 - PAY DIFFERENTIAL SUMMARY FORM, &**
 - PAY DIFFERENTIAL TRANSMITTAL FORM,**
- to CalHR by Monday, February 1, 2016, to exercise the contract right described in SEIU Local 1000 bargaining agreement Clause 11.17 to fix the evident PURA Recruitment and Retention Problem.**

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Clause 11.17

from SEIU Local 1000's Contract

11.17 Recruitment and Retention Differentials (Excludes Unit 17)

- A. Upon approval by the CalHR, a department may provide a monthly recruitment and retention differential to employees.
- B. This differential may be authorized for specific classifications in specific geographic locations or facilities.
- C. A department will provide the Union with notice when a request to provide a monthly recruitment and retention differential is made to the CalHR.
- D. Less than full-time permanent employees and PI employees may receive a recruitment and retention differential on a pro rata basis.
- E. The amount and location of such differentials is neither grievable nor arbitrable.

R&RD form applies after analyzing data to determine that there's an R&R Problem in a classification. Bargaining Unit 1's R&RD clause applies to: AGPAs, SSAs, ASIAs, clerical. Bargaining Unit 4 also has R&R Clause, as does Legal & ALJ Division's union contracts.

Legal relationship between CPUC & CalHR from SEIU Legal Memo

Under California law, the Executive Director, at the direction of the Commission President, is required to “organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the commission’s jurisdiction.” (Pub. Util. Code, §§ 305, 308.) In furtherance of these statutory duties, the Executive Director is authorized to employ staff as he “deems necessary to carry out the provisions of [the Public Utilities Act] or to perform the duties and exercise the powers conferred upon the commission by law.” (Pub. Util. Code, § 309.)

The compensation paid to all employees and officers of the Commission is fixed by the Commission. (*Id.*) Employee salaries set by the Commission are subject only to the approval of the California Department of Human Resources (CalHR), and that is only to the extent that the salary is drawn in whole or part out of state funds. (Gov. Code, § 19825.)

Please direct Executive Director Tim Sullivan to Submit Pay Differential Summary Form, Pay Differential Analysis Form, and Pay Differential Transmittal Form, to CalHR by Monday, February 1, 2016 to exercise the contract right described in SEIU Local 1000 bargaining agreement Clause 11.17 to fix the evident PURA Recruitment and Retention Problem.

History

- Dec 2014: Core team comes together to discuss SEIU Local 1000 bargaining contract clause 11.17 on R&RD
- Decide to gather data to analyze
 - Personal Q&A
 - Surveys show vast agency engagement on the topic
 - Review organization charts
 - List PURAs who left for other jobs & their new salaries
 - Raw data sent to CPUC HR in June of 2015, data can be sent to Commissioners upon request

History Cont.

- Analyze & publish data in Letter to Exec Dir June 2015
- Meet and confer w/ Tim Sullivan and Michelle Cooke in July 2015
 - Learn about “confidential criteria”
 - Receive promise that CPUC HR will **analyze recruitment and retention problem data** and get back to us by Sept 1 2015.
 - Send all raw data to HR
- Meet with PURAs along side SEIU to discuss the tactic of R&RD pursuit.
- Work with PURA management to determine if they are on board with evaluating PURA salaries.
 - Vast support for PURA salary increase, change in PURA overall classification
 - Also support for raises for everyone in the building

History Cont.

- Public Comment at Finance & Administration Committee on 12/16/2015
- Cal Gov't Code Sec 6250 Public Records Act Request sent to CalHR for Recruitment and Retention Differential Forms & Submission instruction on 12/10/2015 and 12/28/2015. CalHR responded with requested information.
- Finally, response letter from Tim Sullivan on 12/30/2015 floats an idea for an SF based overall wage change. Letter does not address PURA specific question about Recruitment and Retention Problem or request for SEIU negotiated Differential
- PURAs are pleased that Tim Sullivan is taking active leadership role to ameliorate economic hardships of staff.
- PURAs meet with Tim Sullivan, Liza Dougherty, and Jennifer Torres on 1/4/2016
 - Tim Sullivan praises accurate information submitted by PURAs
 - Confirms that CPUC HR has “read paper and made phone calls” and given data to CPUC Auditor for Workforce audit
 - Despite various touches of PURA and CPUC HR raw data, unable to analyze whether or not PURA has Recruitment and Retention Problem to address
- SEIU mails legal memo to Exec Management and Commissioners detailing obligation to request Recruitment and Retention Problem 1/5/2016

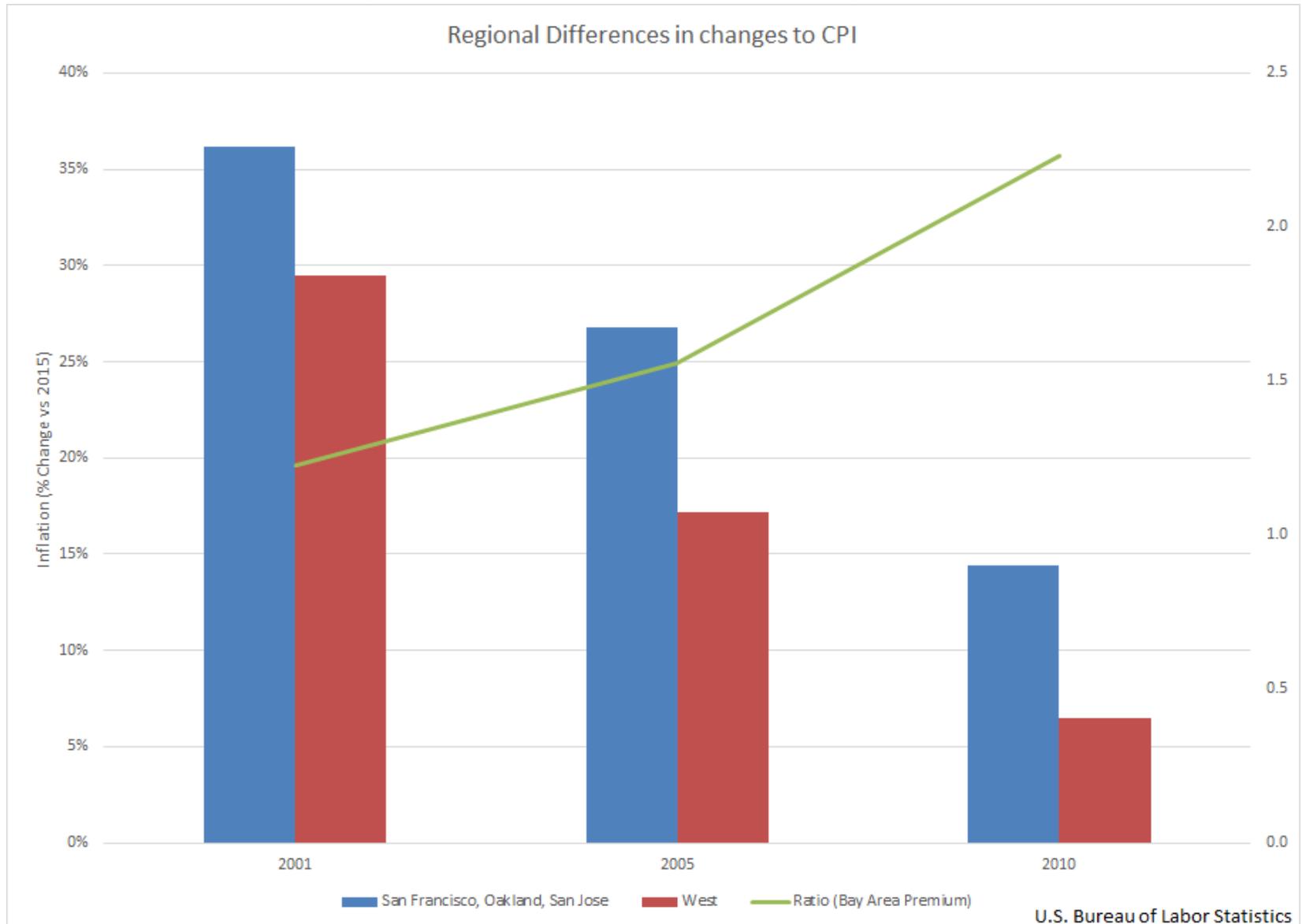
Conclusions and Recommendations

- At minimum, to further the PURA R&RD, please:
 - Support CPUC Internal Audit Unit’s Report finding that the CPUC needs an “HR Executive who possess the authority and high-level analytical staff to lead an agency-wide approach to workforce planning, recruitment, employment development, and succession planning on an ongoing and consistent basis. The anticipated results will allow the CPUC to:
 - Plan for the agency’s workload and staff resources needed to perform well;
 - Identify and justify an appropriate level of resources for budgeting and legislative oversight;
 - Initiate and manage formal proceedings at the Commission level with the involvement of an appropriate number of staff who possess the skills and abilities to complete proceedings in a given timeframe;
 - Identify the agency’s capability to undertake new legislative Commission initiatives;
 - Maintain needed capabilities within the agency as normal staff turnover and attrition occur;
 - Attract, develop, and retain capable staff.”
 - See CPUC’s Internal Audit Unit’s Report on *Workforce Planning, Career Development and Succession Planning*, page 42.
- Unclear if Commission plans on addressing PURA Recruitment & Retention Problem
- Please direct Exec. Dir. Tim Sullivan to submit the Recruitment & Retention Differential forms

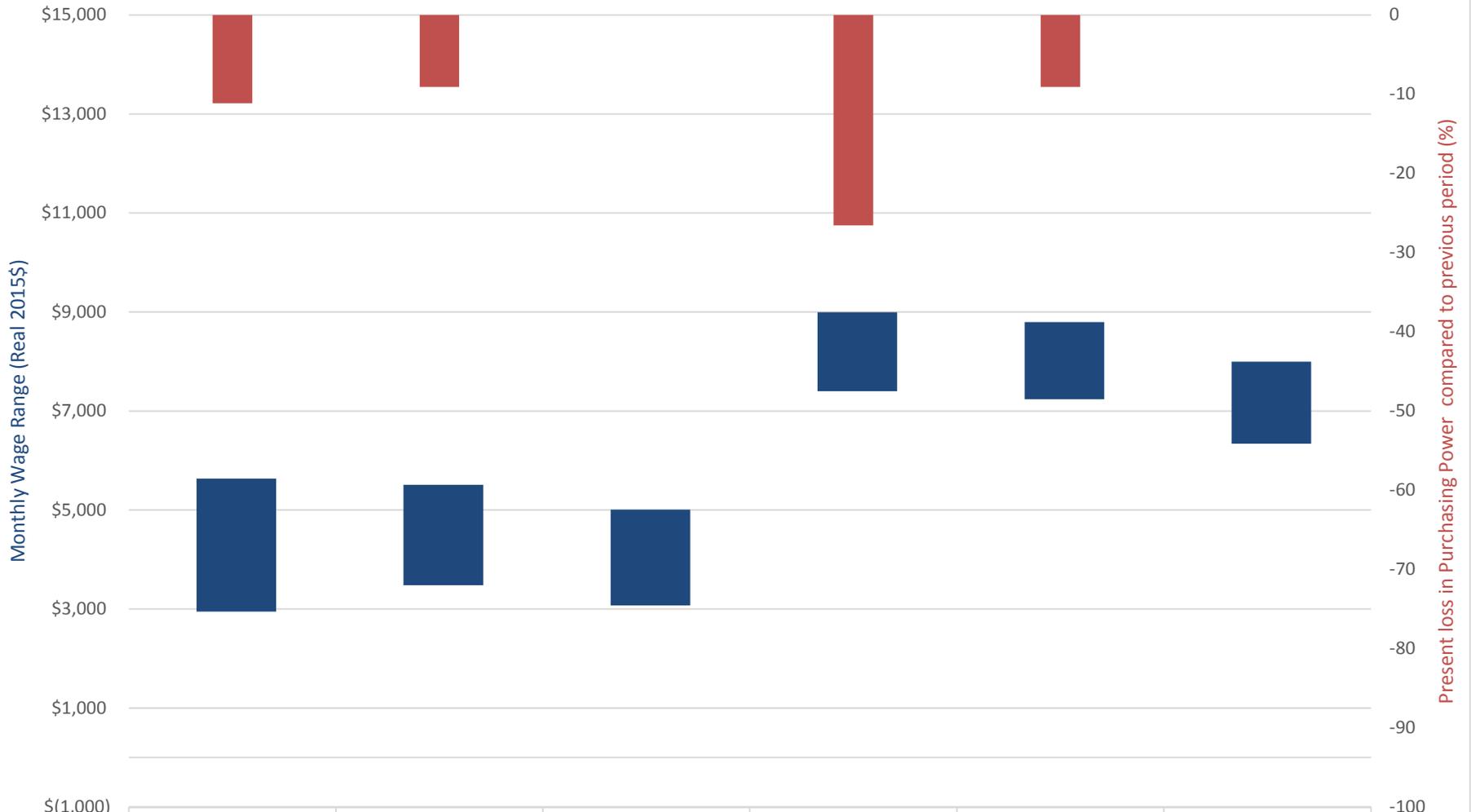
Process for Attaining R&RD for PURAs (and other classes)

- At June 2015 meeting with Executive Director & Deputy Executive Director, PURAs were told that the criteria for attaining the R&RD was “confidential.”
- Cal Gov’t Code Sec 6250 Public Records Act Request sent to CalHR requesting Recruitment and Retention Differential Criteria, Forms & Submission instruction on 12/10/2015 and 12/14/2015
- Response Received 12/11/2015 and 12/28/2015

The premium to live in the Bay Area has expanded in recent years.



Inflation-Adjusted Wages ***decreased*** nearly 10% in a decade, or greater since the Energy Crisis.



	2001	2005	2015	2001	2005	2015
■ High Range	\$2,689	\$2,030	\$1,937	\$1,594	\$1,558	\$1,658
■ Low Range	\$2,948	\$3,481	\$3,073	\$7,403	\$7,237	\$6,338
■ Loss in PP	-11.1	-9.1		-26.6	-9.1	

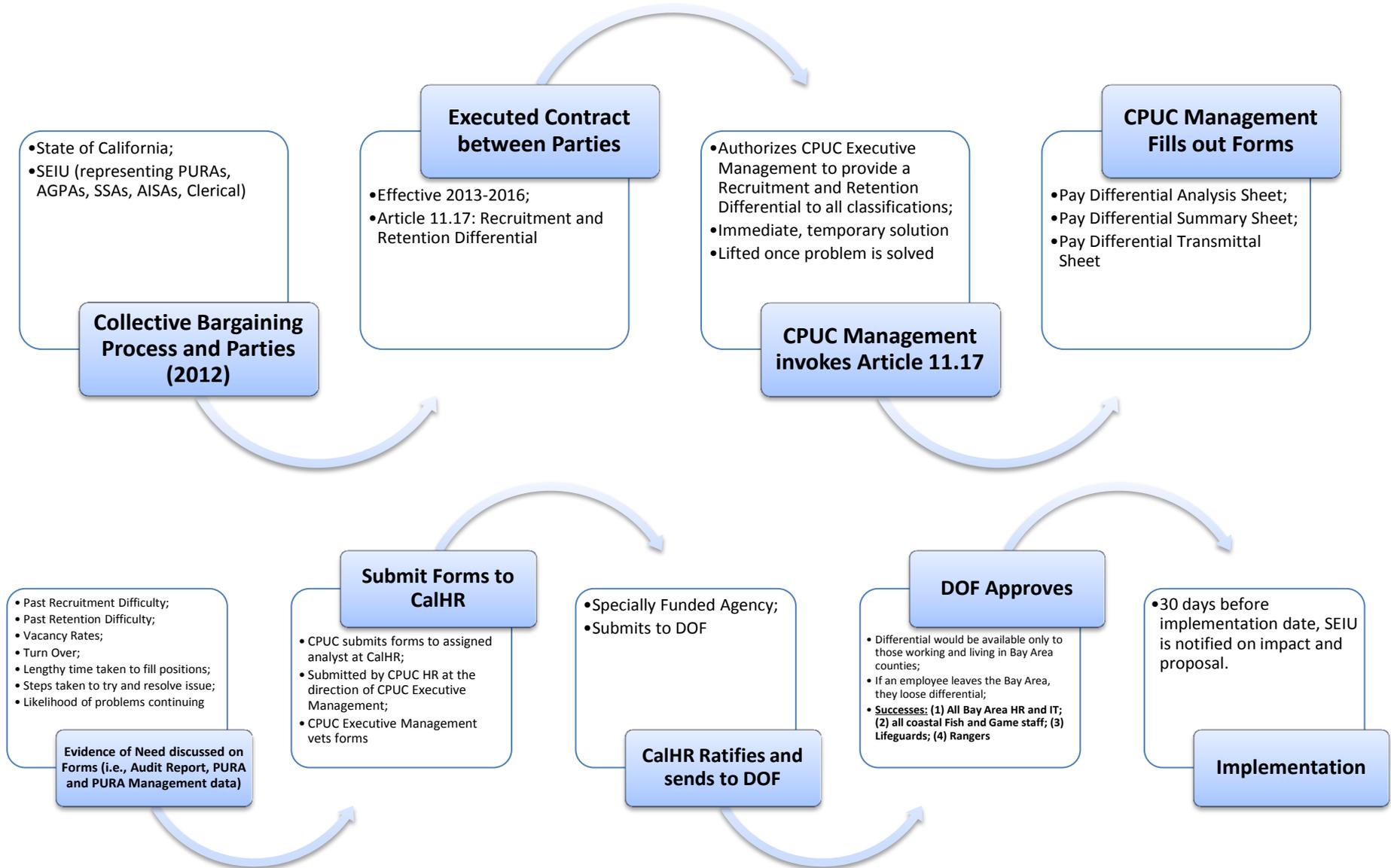
Comparable analytical work at Local & Federal Agencies earns from 6% to 60% more than a PURA V.

Agency	Classification	Monthly Wage		Index PURA V = 1
		Low	High	
City of Santa Clara	Senior Power Analyst	\$ 9,857	\$ 12,752	1.59
U.S. EPA Region IX	GS 13	\$ 8,235	\$ 10,705	1.34
City of Alameda Power	Utility Energy Analyst	\$ 7,533	\$ 9,157	1.15
CA Energy Commission	Energy Specialist III	\$ 7,953	\$ 9,033	1.13
City of Palo Alto Utilities	Compliance Technician*	\$ 6,950	\$ 8,500	1.06
CA Public Utilities Commission	PURA V	\$ 6,338	\$ 7,996	1.00

* Requires high school diploma

Entry level SFPUC analysts earn 57% more than PURA I

Process for invoking a Recruitment and Retention Differential from Current, Effective Contract



Source: State of California BU Contract and Public Records Act Requests to CalHR

Cal Govt. Code section 6250 Public Records Act Requests sent to CalHR on December 10 and December 14, 2015; responses received on December 11 and December 28, 2015

FORM 1 for All Classifications

(Core Value – Open Communication & Transparency)

Department of Personnel Administration
 Classification and Compensation Division
PAY DIFFERENTIAL TRANSMITTAL
 DPA-742 (REV. 11/2006)



Requesting Agency

Department: _____
 Employee Organization: _____
 LRD: _____
 Other: _____

Type of Pay Differential Request

- Establish Abolish
 Revise Pay Program Review

Reason for Pay Differential (Check all that apply)

- Working Condition Negotiation
 Special Competencies Classification Proposal
 Other (describe) Recruitment/Retention

Class Information

Impacted/Subject Class(es)	Schem Code/Class Code	CBID	# of EES Impacted	Pay Diff Requested	Pay Diff Recommended
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Are the subject classes used only by your department?
 Yes
 No If no, provide the other user department(s): _____

Funds

Does request require expenditure of unbudgeted or supplemental funds?
 Yes If yes, attach Form 137
 No If no, explain: _____

Contact Information

DPA Contact/Requester _____ Phone Number () - _____
 Departmental Personnel Officer _____ Date _____

For DPA Use Only

Recommendation: Date
 Denied Analyst: _____
 Approved (See "Pay Diff Recommended" column) Program Manager: _____
 Compelling (Implement now if funds available.) Labor Rel. Officer: _____
 Effective Date: _____ Executive Office: _____
 Hold for consideration with next pay program.

FORM 2 FORMS for All Classifications (Core Value – Open Communication & Transparency)

Department of Personnel Administration
Classification and Compensation Division
PAY DIFFERENTIAL ANALYSIS
DPA-740 (REV. 11/2006)



INSTRUCTIONS: Respond to each of these questions and return with the signed transmittal to assigned DPA analyst.

Basis For Request

Describe the reasons which support the establishment, revision, abolishment, or continuation of a Pay Differential. Describe the purpose, specific conditions, or circumstances that warrant the type of Pay Differential requested (e.g., special license or certificate, bilingual skills, work location, etc.)

Comparable Pay Differentials

Identify existing or related Pay Differentials. Discuss historical or current classification relationships. Discuss potential impact on other classes if Pay Differential approved.

Pay Differential Summary Sheet

Complete Pay Differential Summary Sheet or "draft" Pay Differential proposal. If necessary, provide an explanation and/or justification for the criteria and applicable conditions regarding the Pay Differential.

FORM 3 FORMS for All Classifications

(Core Value – Open Communication & Transparency)

Department of Personnel Administration
 Classification and Compensation Division
PAY DIFFERENTIAL SUMMARY SHEET
 DPA-741 (REV. 11/2005)



General Information

Title of Differential _____		Effective Date (1 st of Pay Period) _____
Class _____	Department _____	
_____	_____	
_____	_____	

Criteria

Pay Differential Details

If applicable, should pay differential be: Pro Rated: <input type="checkbox"/> Yes <input type="checkbox"/> No Flat Rate: <input type="checkbox"/> Yes <input type="checkbox"/> No Subject to Qualifying Pay Period: <input type="checkbox"/> Yes <input type="checkbox"/> No	Please indicate if all time bases and tenures are eligible: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Rate (Indicate old and new rates where applicable)

Calculation Details

Subject to PERS Deduction: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Inclusion in rate to calculate the following benefit pay:	
Overtime <input type="checkbox"/> Yes <input type="checkbox"/> No	IDL <input type="checkbox"/> Yes <input type="checkbox"/> No
EIDL <input type="checkbox"/> Yes <input type="checkbox"/> No	NDI <input type="checkbox"/> Yes <input type="checkbox"/> No
Lump Sum Vacation/Annual <input type="checkbox"/> Yes <input type="checkbox"/> No	Sick Leave <input type="checkbox"/> Yes <input type="checkbox"/> No
Extra Hours <input type="checkbox"/> Yes <input type="checkbox"/> No	Other: _____

Response to Questions about R&RD:

- 1) Yes, CPUC could send in the same exact forms for all classifications under Bargaining Unit 1 upon analysis and conclusion of data showcasing that there is an R&R problem to solve.
Bargaining Unit 4 also has the same clause.
- 2) Yes, other unions have negotiated their own version of the R&RD clause (ex. Legal/ ALJ).
Further research/ PRAs might be helpful to determine exact process for to pursue.

How do you Eat an Elephant? One Bite At A Time

3 FORMS AND THAT'S IT!

Please direct Exec. Dir. Tim Sullivan to submit those 3 forms on behalf of the PURAs to CalHR!

- Forms are the criteria for success for requesting R&RD from CalHR
- CalHR will advocate for CPUC at DoF b/c CPUC is *constitutional entity* and our relationship with CalHR is unique.

Executive Director Responds

Dear PURAs:

Thank you for providing the Commission with information on employee turnover in the Public Utilities Regulatory Analyst ranks and for bringing issues related to compensation of employees to the attention of the Commission. Thanks also for the information that you have provided concerning the levels of compensation for comparable analyst jobs available at the SF PUC and for the information concerning the rising costs of housing in the San Francisco Bay Area.

Let me apologize for the tardiness of my response. Although the matters that you raise are of critical importance to the Commission, as a new Executive Director, I had to seek guidance from California Department of Human Resources (CalHR) and the Commission's Human Resources office before I could respond.

Our Human Resources office agrees that the cost-of-living is rising rapidly in the San Francisco Bay Area and state salaries are failing to keep pace with these rising costs. Our work shows that this is affecting not only those who serve the state of California as Public Utilities Regulatory Analysts, but also other employees in other classifications at the Commission.

In response, I have directed our Human Resources office to reach out to CalHR about this situation which affects state workers employed in the San Francisco Bay Area. Since PURAs, as well as many other Commission employees, are in represented bargaining units that are about to begin bargaining, it is propitious that you have raised this issue at exactly this time. The Commission will be working with CalHR through the collective bargaining process with the hope of resolving this issue. I plan to write CalHR to ensure that they know the importance of improved compensation for San Francisco-based state employees.

In summary, although bargaining matters must go through CalHR, the Commission, as an employer, is dedicated to promoting the public interest and will make every effort to bring the wage and compensation issues affecting state employment in the SF Bay Area to their attention.

Thank you again for your attention to this matter.

Timothy Sullivan
Executive Director
California Public Utilities Commission
415-703-3808

GEO PAY IS IMPORTANT TOO!

- If CPUC pursues geographic pay differential for SF gov't staff, helps with general problem of competitiveness and R&R overall.
 - Housing prices have increased to \$4500/ 2bedroom
 - PURAs pay 50%+ take home pay to real estate
- No one can live and work in the Bay Area
- The geo-pay solution, without a defined process, should be pursued at all costs AFTER Submitting Procedurally Appropriate R&RD Forms to solve R&R problem determined by PURA data analysis.

Important to Note

and in response to anyone who says
that they can't support PURA R&RD
w/o supporting other people....

- The R&RD solves an R&R problem which must be proved via analysis of R&R data in a class!
 - This R&RD solution can be replicated using the same methodology for several other classifications at the CPUC
 - Other unions for other areas in the CPUC also have R&RD clauses: ALJs, Legal, etc.
 - 1) read your contract
 - 2) find your clause
 - 3) collect and analyze your personnel data
 - 4) PRA CalHR for the forms
 - 5) fill out and submit the forms to CalHR
- R&RD is NOT a geographic pay increase --- WE 100% SUPPORT A GEO PAY INCREASE TO DEAL WITH THE GEO DIFFERENCES BETWEEN SF AND ANYWHERE ELSE.

Don't waste time considering Sacramento as an alternative:

- Any time spent considering moving to Sacramento is time not spent solving real problems
- Kicks the can down the road a year
- *Nothing could change for years*
- Would utilize the time and energy of MANY state employees and likely would not work
 - Unions likely would not approve
- Word on the street is that various management-level staff would quit first
- Waste of time, red-herring argument!

Closing

Please direct Exec. Dir. Sullivan to submit the 3 forms
to CalHR
by Monday Feb. 1.

PURAs can and will assist Exec. Dir. Sullivan to fill out
the forms and hit the deadline.

Together, this can be a win for everyone at the CPUC.

PURAs want to build a relationship that is positive,
collaborative and supportive to further the ultimate
goals of this agency for the ratepayers of California.

Thank you

- Please don't hesitate to reach out if we can provide more information.