

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into by and between the State of Rhode Island and the

Council 94  
AFSCME

WHEREAS, the State of Rhode Island is contending with a fiscal crisis of historic proportions characterized by diminishing tax revenues, projected substantial annual budget deficits and extremely high unemployment; and

WHEREAS, there exists a dispute between the Unions and the State in which the Unions contest the legal and contractual authority of the State to implement Executive Order 09-20, and in which the State denies the alleged lack of authority in this regard; and

WHEREAS, without in any way conceding their respective positions, the parties hereto are desirous of avoiding the extensive and costly litigation that would ensue if a resolution is not reached, and are further desirous of implementing a plan to avoid shutdowns and/or layoffs of employees and to resolve the dispute between the parties in an amicable fashion, and to facilitate more harmonious and cooperative relationships between the State, the Unions and employees.

NOW THEREFORE, in the best interests of the parties and to avoid an interruption of State services to the citizenry, on this 27 day of September, 2009, it is hereby agreed by and between the State of Rhode Island and the Council 94 AFSCME that the Collective Bargaining Agreements/Memoranda of Settlement for the period of July 1, 2008 through June 30, 2012 remain unchanged except as follows:

No Layoff, Shutdowns or Pay Reductions:

The State agrees that there shall be no layoffs, shutdown, furlough, or pay reduction days, other than those pay reduction days referenced herein, through June 30, 2011.

Settlement Agreement and Consent Decree:

Upon execution and ratification of this Memorandum of Agreement, the parties will jointly cause the terms of this Memorandum of Agreement to be reduced to a consent decree and jointly request approval and entry of that decree(s) in the Supreme Court action entitled Council 94, et al. vs. Carcieri et al., Case Nos. Council 94 AFSCME (Union/Case Nos.).

The Unions will formally withdraw any and all grievances filed directly or indirectly related to EO-09-20 with prejudice. The parties also agree that the consent decree will include language that indicates that the parties agree that the consent decree is an amicable resolution of disputed positions and that nothing therein shall be considered an admission of liability.

Pay Reduction FY 2010:

All employees shall receive eight (8) one day pay reductions (each one equivalent to ten percent (10%) of the bi-weekly total salary rate, excluding overtime) to be effective in each of the payroll periods during fiscal year 2010 as designated below:

|   | <b>Pay Period</b> | <b>Paycheck</b> |
|---|-------------------|-----------------|
| 1 | 9/27/09-10/10/09  | 10/16/09        |
| 2 | 10/25/09-11/7/09  | 11/13/09        |
| 3 | 11/22/09-12/5/09  | 12/11/09        |
| 4 | 12/20/09-1/2/10   | 1/8/10          |
| 5 | 1/17/10-1/30/10   | 2/5/10          |
| 6 | 2/28/10-3/13/10   | 3/19/10         |
| 7 | 3/28/10-4/10/10   | 4/16/10         |
| 8 | 4/25/10-5/8/10    | 5/14/10         |

Employees so affected will be entitled to accrue one and one quarter (1.25) additional days of paid leave (for a maximum of 10.0 days) in each of the payroll periods identified above. This leave will accrue to part-time employees on a pro rated basis.

Employees may request to discharge this additional paid leave (Pay Reduction Leave "PR") commencing with any payroll period following the payroll period in which it was earned. These requests shall not be unreasonably denied. Employees may elect to carry no more than four (4) PR days solely for cash payment only upon termination from State service due to retirement, voluntary termination or death. Said cash payment for those days shall be at the employee's total pre-reduction hourly rate in effect for the pay period of 9/27/09-10/10/09 (paycheck of

10/16/09), regardless of when the cash payment is made. All other pay reduction leave accruals provided for in this agreement shall have no cash value whatsoever.

Balances of accrued vacation, sick and "deferred vacation" (a.k.a. Sundlun Days) leave shall be paid at the pre-reduction rate of pay to employees who terminate or retire from State service during a salary reduction period.

Employees completing their in-service training incentive credits during a salary reduction period will be awarded the appropriate salary adjustment based on the pre-reduction rate of pay.

Salary Increase Delay:

The three percent (3%) across the board salary increase, which would otherwise be effective July 1, 2010, shall not be effective until January 2, 2011.

Pay Reduction FY 2011:

All employees shall receive four (4) one day pay reductions (each one equivalent to ten percent (10%) of the bi-weekly total salary rate, excluding overtime) to be effective in each of the payroll periods during fiscal year 2011 as designated below:

|   | <b>Pay Period</b>   | <b>Paycheck</b> |
|---|---------------------|-----------------|
| 1 | 1/2/2011-1/15/2011  | 1/21/2011       |
| 2 | 1/30/2011-2/12/2011 | 2/18/2011       |
| 3 | 2/27/2011-3/12/2011 | 3/18/2011       |
| 4 | 3/27/2011-4/9/2011  | 4/15/2011       |

Employees so affected will be entitled to accrue one and one quarter (1.25) additional days of paid leave (for a maximum of five (5) days) in each of the payroll periods identified above. This leave will accrue to part-time employees on a pro rated basis.

Employees may request to discharge this PR commencing with any payroll period following the payroll period in which it was earned. These requests shall not be unreasonably denied.

Employees may elect to carry no more than four (4) PR days solely for cash payment only upon termination from State service due to retirement, voluntary termination or death. Said cash

payment for those days shall be at the employee's total pre-reduction hourly rate in effect for the pay period of 1/2/2011-1/15/2011 (paycheck of 1/21/2011), regardless of when the cash payment is made. All other pay reduction leave accruals provided for in this agreement shall have no cash value whatsoever.

Balances of accrued vacation, sick and "deferred vacation" (a.k.a. Sundlun Days) leave shall be paid at the pre-reduction rate of pay to employees who terminate or retire from State service during a salary reduction period.

Employees completing their in-service training incentive credits during a salary reduction period will be awarded the appropriate salary adjustment based on the pre-reduction rate of pay.

Voluntary Leave Without Pay:

An employee may also voluntarily request leave without pay subject to his/her supervisor's approval. Employees who make such a request shall not accrue any additional days of paid leave for electing voluntary leave without pay.

Reorganization, Elimination or Consolidation of Functions:

Through June 30, 2011, the parties agree that an Appointing Authority (Agency Director/Head) has the right to transfer an employee between programs under his/her authority and/or, with the approval of the Director of Administration, transfer an employee from one agency to another due to transfer, reorganization, elimination or consolidation of functions, programs, units, divisions or departments within the Executive Branch subject to the following:

The union recognizes the State's right to transfer, reorganize, eliminate or consolidate functions, programs, units, divisions or departments within the Executive Branch.

Upon issuance of a memorandum from the Director of Administration setting forth the rationale necessitating said action, the State shall notify the respective Executive Director/Key Union Official at least fifteen (15) calendar days in advance of notification to bargaining unit members of its intention to transfer, reorganize, eliminate or consolidate functions, programs, units,

divisions or departments.

The Union and the State shall meet within this fifteen (15) day period to discuss proposed alternatives. The Union shall be given access to pertinent information related thereto. The Union cannot grieve the inability of the parties to agree to the transfer, reorganization, elimination or consolidation of functions, programs, units, divisions or departments.

The affected employee and the union shall receive at least thirty (30) days written notice of the transfer unless extenuating circumstances are demonstrated by the affected employee. Provided, however, in no event shall the notice period be more than sixty (60) days.

The State agrees to offer available transfer assignments as identified by the State to the affected employee(s) based on primary seniority. The affected employee may:

1. Elect the available transfer assignment or
2. Displace the least senior employee in his/her classification in his/her current Division on the basis of primary seniority, if available.
3. Should there be no least senior employee in his/her classification in his/her current Division on the basis of primary seniority, then the affected employee may elect to displace the least senior employee in his/her classification in his/her current Department on the basis of primary seniority, if available.
4. The employee so displaced shall accept the transfer assignment offered by the State.
5. If there is no employee with less primary seniority in his/her current Division or Department, the affected employee shall accept the transfer assignment offered by the State.

The parties acknowledge that, for the limited term of this Agreement, the terms set forth above shall be in lieu of the provisions of the collective bargaining agreement that address layoff and bumping, job abolishment, reassignment, transfer, consolidation or reorganization.

The State shall recognize primary seniority of employees for the purpose of vacation scheduling and overtime assignments within the unit/location assignment.

No employee shall sustain a reduction in wages, hours or health benefits as an accompaniment to such transfer assignment.

When an affected employee is transferred, he/she will remain in his/her respective bargaining unit until the employee vacates the position. When an employee's position is vacated for any reason, including but not limited to resignation, retirement, discharge, death or promotion, the State may post the position. Said positions that are posted by the State will be posted in the following manner:

- a) In accordance with the seniority provisions of the collective bargaining agreement applicable to the transferred employee;
- b) The posting shall reflect the salary information of the collective bargaining agreement covering that classification at that Agency/Division and include language advising of the provisions set forth in sections a above and sections d and f below.
- c) Copies of such postings will be provided to the union covering the transferred employee and to the union covering that classification at that Agency/Division;
- d) Upon appointment, the position and the employee newly filling the position will be assigned and accreted to the collective bargaining unit covering that classification at that Agency/Division and the position will thereafter remain within that collective bargaining unit and the parties will work cooperatively to file the necessary documentation with the Labor Board;
- e) The employee's primary, secondary and State seniority shall all be determined in accordance with collective bargaining agreement covering that classification at that Agency/Division;

- f) If there are no qualified applicants for the position within the time limit contained in the applicable collective bargaining agreement covering the transferred employee, the vacant position will be filled in accordance with the collective bargaining agreement covering that classification at that Agency/Division;
- g) In no event shall the State change the bargaining unit affiliation of any affected employee except as described herein; and
- h) In no event shall the State's decision not to post a position be used as a subterfuge to evade these limitations.

Effect on Retirement:

The effect of this Agreement on retirement contributions is governed by RIGL 36-10-10.4.

Ratification:

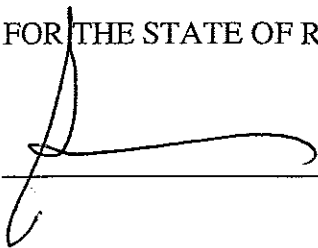
This Agreement is subject to (a) union membership ratification no later than October 2, 2009 and (b) approval by the Governor of Rhode Island, or his designee.

The undersigned agree to recommend ratification and approval of this Memorandum. Absent such ratification, the proposal set forth herein shall be null and void.

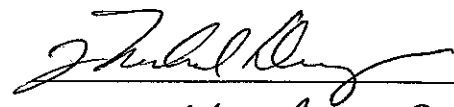
This Agreement shall take effect upon ratification and shall be effective through June 30, 2011.

FOR THE STATE OF RHODE ISLAND:

FOR THE UNION:




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Subject to the approval of  
the President of the State  
Conference Board of Council 94