



SENIOR VICE PRESIDENT —
BUSINESS AND FINANCE
Human Resources & Benefits

OFFICE OF THE PRESIDENT
300 Lakeside Drive
Oakland, California 94612-3550

June 29, 2007
Delivered by Electronic Mail

Jane McDonald
Director AFSCME 3299
2201 Broadway
Oakland, CA 94612

Dear Jane,

The University of California notices the American Federation of State, County and Municipal Workers, Local 3299 that it intends to engage in 2007 successor negotiations over the UC-AFSCME PCT Agreement in the articles and provisions identified in this letter. The University reserves the right to modify or delete any proposal, and to respond to any proposal opened by AFSCME.

The University proposes to maintain current contract language in the following Articles:

- Article 1 Access
- Article 2 Agreement
- Article 4 Benefits
- Article 5 Contracting Out
- Article 7 Discipline and Dismissal
- Article 10 Health & Safety
- Article 11 Holidays
- Article 12 Hours of Work
- Article 13 Layoff
- Article 14 Leaves of Absence
- Article 16 Management Rights
- Article 17 Medical Separation
- Article 18 Miscellaneous
- Article 21 Nondiscrimination in Employment
- Article 22 No Strikes
- Article 23 Out of Classification Assignments
- Article 24 Parking
- Article 25 Past Practice Not Covered by Agreement
- Article 29 Positions / Appointments
- Article 30 Probationary Period
- Article 31 Reasonable Accommodation
- Article 35 Shift Differential
- Article 37 Staffing Committee
- Article 38 Transfer / Promotion
- Article 39 Travel Reimbursement
- Article 40 Uniforms
- Article 45 Work Rules

The University will propose changes to the following articles, as listed below. Where changes are not proposed, the University proposes current contract language.

- Article 3 Arbitration To clarify the union's responsibility to move forward issues in the arbitration process
- Article 6 Development To delete §E-Career Path and Career Development
- Article 8 Duration A multi-year contract
- Article 9 Grievance Procedure To clarify the union's responsibility to move forward issues in the arbitration process
- Article 15 Leaves of Absence for Union Business
 - To modify the provisions of reimbursed leaves due to the number of requests received and the impact on operations
 - That AFSCME pay the University for reimbursable leave time within a fixed period.
 - Establish a consequence if timely payment is not made.
- Article 28 Personnel Files Language regarding the retention of records for employees who have engaged in specific forms of misconduct
- Article 32 Release Time for Negotiation That AFSCME reimburse UC for the release time of its bargaining team members once the contract has expired
- Article 33 Resignation Language regarding the processes that must be followed when an employee fails to report to work or call in to work for a specific number of days
- Article 36 Sick Leave A Paid Time Off program
- Article 41 Vacation Leave A Paid Time Off program
- Article 42 Wages To increase wages to address market needs and to facilitate recruitment and retention

Neither party has proposed to open the following articles, and they are thereby excluded from the successor negotiations:

- | | |
|------------|---------------------------------|
| Article 19 | Moving Expenses |
| Article 20 | Multiple Appointments |
| Article 26 | Payroll Deductions |
| Article 27 | Performance Evaluation |
| Article 34 | Severability |
| Article 43 | Waiver |
| Article 44 | Work-Incurred Injury or Illness |
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JANE McDONALD

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In order to reach an agreement before the end of September, when the PCT contract is set to expire, the University has provided Ms. Debra Grabelle the following dates as possible bargaining dates, suggesting that negotiations occur in 2-3 day blocks every other week:

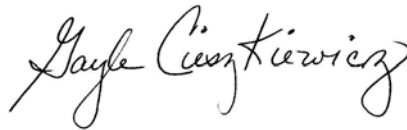
August 2, 3, 6, 7, 8, 14, 15, 16, 17, 23, 24, 27, 28, 29, 30, 31

September 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 28, 29, 30

I have also offered to begin demand explanations in July; I believe it will take two full days for UC and AFSCME to explain the underlying issues behind their demands. I would hope that an early demand explanation period would facilitate and expedite the bargaining process.

I look forward to hearing from AFSCME soon about the scheduling of bargaining dates.

Regards,

A handwritten signature in black ink that reads "Gayle Cieszkiewicz". The signature is written in a cursive, flowing style.

Gayle Cieszkiewicz

Associate Director, Labor Relations

cc: Members, University Negotiating Team - EX
Chief Human Resource Officers
Labor Relations Managers