



ITEM ID: 2023-236-0

TRANSMITTAL DATE: June 2, 2023

MEETING DATE: June 9, 2023

TO: Executive Committee

FROM: Ilyssa DeCasperis, Chief People Officer

SUBJECT: Change to the Employer Contribution for Health Benefits for Represented Employees

Issue

The adoption of California Public Employees Retirement System (CalPERS) resolutions is required to change the employer contribution for health benefits.

Recommendation

It is recommended that the Committee recommend the Board:

1. Adopt Resolution 23-141 (Attachment A) to change the employer contribution for health benefits for represented CalPERS members who are active Authority employees or retired Authority employees who are not subject to retiree health vesting; and
2. Adopt Resolution 23-142 (Attachment B) to change the employer contribution for health benefits for represented Railroad Retirement Board (RRB) employees who are active Authority employees or retired Authority employees who are not subject to retiree health vesting.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Staff's recommendations contribute to this goal by ensuring that the Authority provides a competitive benefits package to recruit, retain and invest in a qualified and diverse workforce, while looking for ways to reduce the

Authority's liability for such benefits.

Background

On September 23, 2022, the Board approved CalPERS resolutions 22-138 and 22-139, which changed the employer contribution for health benefits to 87.5 percent for all plans and coverage levels, for unrepresented CalPERS and RRB members who are active Authority employees or retired and not subject to retiree health vesting. The effective date of the change was January 1, 2023. Members of the Amalgamated Transit Union (ATU), Local 1277, remained under the previous cost sharing arrangements because their benefits are subject to negotiations, which were in progress at the time the resolutions were approved by the Board.

Discussion

Negotiations between the Authority and ATU have concluded, and the successor Collective Bargaining Agreement (CBA) was approved by the Board on April 28, 2023. Article 21 of the CBA states that the Authority will contribute 87.50 percent and ATU employees will contribute 12.50 percent of the premium for employee and eligible dependents for health benefits. In accordance with Government Code 22892, the employer contribution can be changed by resolution of the governing body of an agency and the change shall be effective on the first day of the second month following the month in which the resolution is received by CalPERS. Therefore, staff recommends the approval of Resolutions 23-141 and 23-142 to change the cost sharing arrangements for health benefits for ATU employees as indicated in Article 21 of the CBA, with an effective date of August 1, 2023, which will be the first day of the second month following the approval of the resolutions.

Budget Impact

The amount for which contract authority is requested is included in the Adopted Operating Budget for FY2023-24.

Next Steps

With Board approval, the Authority will file the resolutions with CalPERS to change the cost sharing arrangements as proposed.

Prepared by: Roxanne Randolph, Senior Manager, Human Resources

Approved by: Ilyssa DeCasperis, Chief People Officer

Attachment(s)

[Attachment A - Resolution \(Represented CalPERS EEs\)](#)

[Attachment B - Resolution \(Represented RRB EEs\).](#)