

CSEA Bylaws and Policy File

Part I: Bylaws

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Article I: Name and Principal Office

Section 1. Name

This organization shall be known as the California State Employees Association, hereinafter referred to as the Association.

Section 2. Principal Office

The principal office of the Association is in Sacramento.

Article II: Purposes and Objectives

Section 1. Purposes of the Association

- (a) The Association was formed and exists to further the interests of the current and retired employees of the State of California in connection with their service to the people of the state.
- (b) The Association shall represent organized employees participating collectively in the mutual formulation of wages, hours, working conditions and retirement benefits except and to the extent such representation rights have been transferred to a duly chartered affiliate organization.
- (c) The Association shall serve as the central support system to a federation of related organizations, each representing the particular interests of a class or classes of members united by occupational, collective bargaining, retirement status, or other common interests.

Section 2. Objectives of the Association

The Association is established in order to:

- (a) foster acquaintanceship, cooperation, efficiency, and harmony among state employees and to develop a fuller knowledge among them of the state's organization, functions, and activities;
- (b) encourage and preserve a true merit system in state government;
- (c) promote the welfare of employed and retired state employees in all ways compatible with the public interest, including the support of legislation deemed beneficial and resistance to legislation deemed detrimental to their interest;
- (d) represent those employees for whom it has, or may acquire, lawful authority to serve as majority representative including members and nonmembers of the Association in discussions and negotiations with the state, its agencies and with other employers relating to all personnel and employment matters;
- (e) undertake and perform lawful acts in concert including such acts as pertain to the employment relationship and to mutual aid and protection;
- (f) support the continuity and integrity of government;
- (g) encourage the maintenance of high standards of employee conduct in governmental affairs;
- (h) advocate and defend a just and efficacious administration of laws;

(i) aid in the improvement of government and in the development of the state's resources and the advancement of the state's economy;

(j) inspire and maintain in its members a constant dedication to the principles of constitutional democracy as exemplified in our American form of government;

(k) in all ways render the most effective service to the people of the United States of America and the State of California;

(l) support and promote the independent public employee movement both within and without the Association, including the Association of California State Supervisors, Inc., through programs of education, cooperation, representation, and affiliation, of and among all political subdivisions of the State of California;

(m) represent the interests of its members in all matters relating to the negotiation of wages, hours and all other terms and conditions of employment without regard to sex, race, religious creed, color, national origin, ancestry, age or sexual orientation (except as provided in Government Code Section 18932); and

(n) follow the work, organize and represent employees in the private sector and non-state employment who continue to perform the work formerly carried out in the civil service, for the state universities, or which was public work or publicly funded.

Section 3. Right to Organize, to Negotiate Collectively, and to Represent Members

The Association and its members have earned, and they expect and demand, that government recognize the right of organized employees to participate collectively in the mutual formulation of wages, hours and other terms and conditions of employment for submission by agreement and with bilateral recommendation to the legislature, in all instances where legislative action is constitutionally required and otherwise for settlement through direct agreement or by the aid of fact-finding, mediation, conciliation, arbitration, or such other negotiating techniques as may be mutually acceptable.

Notwithstanding any other provisions of these Bylaws, the Association shall retain the right to represent its members in all matters of labor conflict resulting from the failure of any of the provisions in this section to achieve their desired result, providing however, that all related procedures of the Association and affiliates/divisions have been complied with.

Section 4. Areas of Responsibility

(a) The Association shall be primarily responsible for matters on which it is necessary, advisable, or advantageous to the members of the affiliates/divisions of

the Association to take a common stand to secure the greatest possible benefits for active and retired state employees.

(1) The Association shall have the exclusive responsibility for business services, printing, and personnel management.

(2) The Association shall have the lead responsibility for legal services, legislative and political action, and member benefits, but policy-making authority in these areas shall be shared with the affiliates/divisions.

(b) Each affiliate/division shall be primarily responsible for pursuing those goals and objectives which are particular to its members, as provided in Articles VI and VII.

(1) The affiliates/divisions shall have the exclusive responsibility for contract negotiations, meet and confer sessions, organizing, member recruitment, member representation, training and education, member communications, and research.

(2) Affiliates/divisions shall not enter into any agreement which will adversely affect the benefits of any other affiliate or division members.

(c) The Association and the affiliates/divisions have the responsibility to promptly resolve any area of concern that cannot be met by the parties.

(d) The Association's Board of Directors shall have the authority to offer services that include printing, personnel management, business and legislative services, and membership services, except for representation services, to any non-Association organization it deems advantageous, provided that the board shall consider the following:

(1) that there is no diminution of services to affiliates/divisions; and

(2) that there is no adverse impact on any affiliate/division.

Section 5. Representation of Membership

The Association shall maintain such recognition, registration, or identification as an employee organization as may be required or permitted by law on behalf of the members, chapters, and councils of the Association, and except as otherwise provided by the Board of Directors or the General Council, shall be the representative of the members, chapters, and councils of the Association for all purposes stated in Section 1 of this Article.

Section 6. Supervisory, Management, and Confidential Personnel

The interests of supervisory, management, and confidential personnel shall be provided for by the Association through the Association of California State Supervisors, Inc., in its representation, so far as permitted by law, and such representation shall be accomplished without placing members or the Association in a conflict of interest position.

Section 7. Anti-Discrimination

The Association shall not accept or uphold any form of discrimination against any member on the basis of race, color, sex, religion, national origin, sexual orientation, ancestry, disability (as defined by the Americans with Disabilities Act), age or classification.

Article III: Membership

Section 1. Types

The Association has four mutually exclusive types of membership: active, associate, honorary, and special.

Section 2. Definition of Employee

An employee as defined in these Bylaws is:

Any person employed in any state department or agency, whether civil service or exempt, the University of California, the California State Universities, the California Military Department, and any auxiliary organization of the above; those employed under any public service employment program; any other person employed by a public or private employer; or any others approved by a two-thirds vote of the Board of Directors.

Section 3. Active Members

Active members are:

- (a) represented employees, including those on authorized leave;
- (b) supervisory, management and confidential employees, including those on authorized leave;
- (c) persons who retired from state service under the provisions of a public retirement system and who remain retired from state service; or who are laid off or involuntarily terminated during the duration of their re-employment rights or appeal proceedings for reinstatement; and
- (d) past state presidents of the Association who are not eligible for active membership in an affiliate/division

whose dues for active membership are not delinquent.

Section 4. Associate Members

Associate membership may be extended to those persons who:

- (a) are beneficiaries of deceased members who were active members at the time of death;
- (b) are spouses of active retired state employees who are members of CSEA;

- (c) are on authorized leave of absence from state service who elect not to be active members;
- (d) were members while in state service, have separated from state service, and who are recommended by a chapter for membership;
- (e) were members while in state service and have been laid off from state service;
- (f) are employees of the legislature;
- (g) are not eligible for active retired membership;
- (h) are represented employees of a bargaining unit not represented by any Association affiliate, upon agreement with their exclusive bargaining agent;
- (i) are represented employees of a bargaining unit represented by another employee organization, upon agreement with their exclusive bargaining agent; and
- (j) are non-state public employees and retirees, and upon agreement with their respective organization, if any;

whose dues for associate membership in each respective case are not delinquent.

Section 5. Honorary Members

Honorary membership is limited to the spouse of a deceased president or deceased past president of the Association upon approval of the Board of Directors. All rights and benefits except the right to vote and the right to hold office are available to honorary members. Honorary membership is complimentary and free of any dues or assessments.

Section 6. Special Members

By mutual agreement of the Association and affected affiliates, special membership may be extended to those employees of the State of California who desire to participate in any benefits program offered by the Association, or to such other employees as defined in Section 2 of this Article. Dues for special members are to be set by the Association's Board of Directors.

Section 7. Classes of Membership

- (a) Division of Active Members into Classes

The active membership of the Association shall be divided into mutually exclusive classes as follows:

(1) Civil Service. This class shall include: (i) employees in bargaining units represented by the Association or by an affiliate of the Association which is authorized to assume jurisdiction of such bargaining units; (ii) the non-civil service staff of the Special Schools of the California Department of Education; (iii) other employees for whom the Association or an affiliate obtains representation rights, excluding employees of the California State University System and the non-civil service staff of the California Maritime Academy.

(2) CSU. This class shall include (i) rank-and-file employees of the California State University System, University of California, and Hastings College of Law in bargaining units represented by the Association or by an affiliate of the Association which is authorized to assume jurisdiction of such bargaining units; (ii) the non-civil service staff of the California Maritime Academy; and (iii) auxiliary employees, including, but not limited to, foundation employees and associated student employees not designated as supervisory, managerial, or confidential.

(3) Supervisors. This class shall include active employed members of the Association who are not represented by an exclusive bargaining agent or are excluded from bargaining under existing state employer-employee relations statutes.

(4) Retired. This class shall include all former state employees who are retired and who are, or who become, members of the Association.

A member may not hold membership in more than one class.

(b) Effect of Membership in an Affiliate

As long as there is an affiliate to which a class belongs pursuant to Article VII, Section 3, any individual who is a member in good standing of such class in such affiliate shall automatically be a member of such class in the Association. Such persons shall remain members of the same class and retain all rights thereof if their affiliate surrenders or loses its charter.

Section 8. Effective Date of Membership

Association membership in a class which belongs to an affiliate/division is effective from and after the time a membership application is received and accepted by such affiliate/division. Associate, special and honorary membership is effective when a membership application for such type of membership is received and accepted by the Association, or when a formerly active membership is automatically converted to associate status by occurrence of one or more of the events specified in this Article III, Section 4. Upon the occurrence of any such event, the member affected thereby shall remain an associate member of the affiliate, if any, to which he or she belonged, provided the affiliate's bylaws allow associate membership. If such person recovers

active membership in such affiliate, he or she shall thereby recover active membership in the Association.

Section 9. Dual Chapter/DLC Membership Prohibited

A member of the Association may not hold membership in more than one affiliate/division or chapter/DLC at one time.

Section 10. Membership Rights

(a) Active members have the right to take all actions to be taken by, and enjoy all benefits provided for, the members of the Association, including the rights to vote and to run for elective office in the Association and in the affiliate/division to which each belongs. They also have those additional rights, if any, which may be provided by these Bylaws or applicable law for the class, affiliate/division to which they belong.

(b) Associate members have those rights designated by the Board of Directors except the rights to vote and to hold elective office. If they belong to an affiliate, they also have such additional rights as may be given them by that affiliate, but no affiliate may confer on any person other than an active member in good standing of the Association the right to vote or hold office in the Association or to serve on the Board of Directors of the Association.

(c) Special members have those rights designated by the Board of Directors, except the rights to vote and to hold elective office in the Association. The Association may admit special members who are not members of any affiliate, and any affiliate may admit special members who are not members of the Association. Membership in either does not confer membership or any rights in the other.

(d) All members have the right to express their opinions, criticism, ideas and proposed change(s) as an individual as a matter of freedom of speech and freedom of press. Members shall have the right to protest, to assemble and to organize regarding member concerns, grievances and amendments. However, members shall not have the right to use the name of the Association or collect dues in the name of or on behalf of the Association, without the express authorization of the Board of Directors or General Council, by approval of a simple majority of those voting.

Section 11. Transfer

An active-employed member shall be administratively transferred to the appropriate affiliate/division and/or chapter/DLC of the Association when the member's status changes with respect to work location, job classification or employment. A retired member in good standing may transfer freely from one chapter to another as long as it remains legal to do so. The procedure for transfer will be established by the Board of

Directors. Affiliates/divisions shall take all necessary and lawful action to effectuate such administrative transfers, including the transfer of dues and deduction authorizations, to ensure the member's continuation of membership within the Association and appropriate affiliate/division after such transfer. For actively-employed members who retire from state employment, such administrative transfer shall be to the affiliate/division for the class of retired state employees. Affiliates/divisions shall not create a separate organization for retired state employees, nor for excluded employees.

Section 12. Discipline

Members of the Association who do not belong to an affiliate may be disciplined by three-fourths vote of the Board of Directors in accordance with rules established by the board, subject to applicable law. The Board of Directors shall provide for causes for disciplinary action, notice in writing, right to counsel, specification of charges, types of disciplinary action to be taken, hearing prior to disciplinary action being effective, and right of appeal. Members of divisions may be disciplined by their respective divisions, in matters which do not potentially affect the operation of any other affiliate/division or of the Association as a whole, subject to policies and procedures established by the divisions, and subject to applicable law.

Members of affiliates may be disciplined as provided in the bylaws of their respective affiliates, subject to applicable law. Membership which is terminated by an affiliate shall also be terminated by the Association.

Section 13. Member Grievances

Any member or group of members claiming to be aggrieved by any action of the Association except as limited by Article II, Section 4; Article VII, Section 1; or Article VIII, Section 1, shall have the right to grieve such actions in accordance with procedures established by the Board of Directors.

Members of affiliates claiming to be aggrieved by any action of their own affiliate shall have those rights as may be provided in the bylaws of their respective affiliates, subject to applicable law.

Section 14. Membership Reinstatement

Membership (of those who are not members of an affiliate) which was terminated by the Association under Article III, Section 12, may be restored by a three-fourths vote of the Board of Directors. Membership which was terminated by an affiliate may be reinstated as provided in the bylaws or policies of their respective affiliates, subject to applicable law.

Article IV: Elections and Terms of Office

Section 1. Association Officers

The officers are elected by the delegates at the general session of the General Council from the active members of the Association.

(a) Eligibility for Office

Any active member is eligible for Association office provided that no conflict of interest exists and that prior to the closing of all nominations he/she gives written consent.

(b) Election Procedures

(1) The officers of the Association shall be elected by secret ballot in accordance with rules and regulations established by the Board of Directors.

(2) A majority of members voting, ignoring blanks and write-in votes, is required to decide an election.

(3) If no nominee receives a majority on the first ballot, the nominee(s) receiving lower votes than the top two will be removed from the ballot, before the next balloting.

(4) If there is only one nominee for an office, the presiding officer shall call for a motion to declare elected the unopposed candidate.

(c) Term

The officers of the Association shall be elected for three-year terms.

(d) Recall

Association officers may be recalled in accordance with rules established by the Board of Directors.

Section 2. Affiliate/Division Officers

Affiliate/division officers shall be elected/appointed in accordance with procedures and for terms set by the appropriate affiliate/division.

Section 3. General Council Chapter/DLC Delegates

Election procedures and terms of office for General Council chapter/DLC delegates shall be as set forth in Bylaws Article VIII, Section 3.

Article V: The Chapter/DLC

Affiliates/divisions may organize themselves geographically or otherwise in chapters/DLCs. The boundaries of such chapters/DLCs shall be determined by the affiliates/divisions.

Article VI: Divisions and Bargaining Units

Section 1. Definitions of Divisions

It is recognized that each class constitutes and possesses a community of interest which requires certain unique and distinctive services, activities, and forms of governance. Each class of members shall be entitled to self-government within the Association. Any class which belongs to an affiliate shall be governed by such affiliate; any class which does not belong to an affiliate shall constitute a self-governing division of the Association. The following sections of this Article VI shall apply only to such unincorporated divisions, except that any provision of this article or of any other part of these Bylaws authorizing the division council to take any action shall be deemed, in the case of a class represented by an affiliate, to authorize such action by that affiliate or its duly authorized officers.

Section 2. Composition of Division Councils

Each division shall have a council consisting of active members and include a director and deputy division director(s) which in each case shall be elected in accordance with rules and regulations established by the appropriate division council.

Section 3. Division Council Functions

The respective councils act on behalf of the Association, its officers, members, chapters/DLCs along occupational lines in matters pertaining to the scope of representation under the State Employer-Employee Relations Act or Higher Education Employer-Employee Relations Act or other provisions of law relating to the representation of employees or when acting in regard to matters protecting or enhancing the benefits and annuities of retired state employees. Division councils shall have full authority to specify their own rules and regulations pertaining to all matters, provided they are not inconsistent with these Bylaws.

Section 4. Authority

(a) Each division shall be deemed a self-governing unit of the Association, within the scope of the Association's purposes. The division council of each division shall have the authority to establish and administer all its programs, including but not limited to its membership, training, educational, and recreational programs. Divisions shall not take a political action position which is in conflict with the Association's position.

(b) Each division shall be entitled to set its own budget and establish its own dues and fees. All authority of the Association to establish dues and fees for its members shall be deemed delegated to the respective divisions to which such members belong. Each division shall set and meet its own budget, manage its own finances, and make such payments to the Association as are set forth in the budget of the

Association. Each division shall immediately reimburse the Association and each other division and/or affiliate for any costs and expenses, including attorneys' fees, incurred by them or any of them to defend against or pay any claims, demands or judgments arising out of the debt, obligations, acts, omissions, or any wrongdoing of such division or its agents, including amounts paid in good faith to settle such claims; and the Association shall promptly reimburse each division for any such costs or expenses incurred by such division in connection with claims or demands arising out of the debts, obligations, acts, omissions, or any wrongdoing of the Association or its agents, including amounts paid in good faith to settle any such claims.

(c) The dues and fees payable by the members of each division shall be collected by the Association for the account of such division. Each division shall inform the Association of the amount of dues and fees to be collected from its members on its behalf. The Association may retain any amounts due it pursuant to Section 5 of this article, and shall deposit the balance in one or more accounts controlled by the division, from which only the duly elected officers of such division have the authority to make withdrawals. The Association shall furnish the division at the time of each such deposit an accounting of the monies received, by member and date, and of the amounts retained by the Association, by account. If requested by the division, the Association shall take legal action to collect dues, or to enforce by any legally permissible means the financial obligations of the members of such division.

(d) A division may place a subordinate body such as a chapter/DLC or bargaining unit negotiating committee in trusteeship, in accordance with rules established by the appropriate division for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of the division.

A division may develop rules for the imposition of trusteeship. Such rules must be in accordance with the following: except in an emergency a division may only impose a trusteeship after a hearing; the subordinate body must receive notice of the charges, the time and place for hearing, and the nature of the hearing; and in case of an emergency, the hearing shall be held within a reasonable time after the imposition of the trusteeship.

Section 5. Services to be Provided

(a) Obligation to Provide Services

The Association shall provide to each division and its members all the resources, goods, and services which the Association makes available to any other division,

affiliate, or member, and such additional services as the division requests and the Association is reasonably able to provide, as long as such services are within the purposes and objectives of the Association, as set forth in Article II. Each division shall pay for services rendered at its request, at the rates established in this Section 5.

(b) Price for Services

The price at which the Association shall provide resources and services to the divisions shall be the Association's direct cost therefore. In consideration of the agreement of the Association to make such services available at cost, and the other benefits accruing to the members of a division by virtue of their membership in the Association, each division shall also pay its proportionate share of the Association's indirect costs. A division's share of Association indirect costs shall be payable monthly, and may be deducted from dues the Association collects on behalf of such division. If a division has a positive fund balance with the Association, it may, at its option, apply such fund balance or a portion thereof to reduce its obligations to the Association. (The term "fund balance" means the cumulative account kept by the Association of the difference between (i) the amount of dues contributed by the members of a division, and interest thereon, and (ii) the amounts which such division has been charged for the direct and indirect costs of services rendered to such division by the Association.)

(c) Cost and Cost Allocation Definitions

(1) "Direct costs" shall be those costs which are incurred as a direct result of rendering the services in question and/or can be specifically identified with such services, including, without limitation, the actual cost of goods provided or materials consumed and the direct labor costs of services rendered.

(2) "Direct labor costs" shall be the compensation (including employment taxes) of Association staff members who render services directly to or for the benefit of a division.

(3) "Indirect costs" shall be those which cannot be directly attributed to services performed for any particular division or affiliate.

(4) Indirect costs shall be allocated among the divisions and affiliates in proportion to the direct labor costs incurred by each. An affiliate's or division's "proportionate share" of the Association's indirect costs shall be that percentage of all indirect costs of the Association which is equal to such affiliate's/division's percentage of all direct labor costs collectively incurred by all affiliates/divisions during the same period of time. For every affiliate/division or budgetary organizational unit within a division or affiliate, an affiliate's or division's "proportionate share" of the indirect costs shall be equal to such

affiliate's/division's percentage of direct labor costs in the affiliate/division or budgetary organizational unit within a affiliate/division during the same period of time.

a. Any reasonable doubt about the characterization of any item as a direct or indirect cost shall be resolved in favor of direct cost; and the Association shall endeavor in good faith to collect the information necessary to identify its costs as direct costs to the greatest possible extent.

b. Each affiliate's/division's share of indirect costs may be adjusted by the Association's delegates at General Council to cause the individual cost per member or fee-payer of rank-and-file divisions and rank-and-file affiliates to be equal.

c. The indirect costs for any budgetary organizational unit transferred from a division or affiliate to the Association shall be allocated among the divisions and affiliates in the same manner as before such transfer unless otherwise designated by the General Council delegates.

Section 6. Authority of Bargaining Unit Councils

Division and bargaining unit councils shall have such authority and responsibility to engage in representation or collective negotiations as authorized by state law, except that the bargaining unit councils shall not enter into any agreement which will diminish the benefits or annuities of the retired members. Divisions or councils may utilize assigned staff of headquarters in order to implement their responsibilities.

Section 7. Membership Responsibility

Responsibility for development of membership recruitment and retention programs shall be vested in the division councils.

Article VII: Affiliated Organizations

Section 1. Incorporated Classes

Any class may, upon compliance with the terms and conditions of this article and by the affirmative vote of a two-thirds majority of its General Council delegates, organize itself as a separate corporation, while remaining united in purpose and in action with the Association, and retaining its membership in the Association. Such separate corporation organized pursuant to this article shall be known as an "affiliate" of the Association. Two or more classes may join to form one affiliate, while remaining separate classes within the Association. The Association and its officers and employees shall cooperate in good faith with any class which wishes to incorporate, including, without limitation, assisting in the formation of a new corporation and its application for tax-exempt status, cooperating with capitalization plans for the new affiliate, negotiating a fair and reasonable service contract, and arranging for the assignment of the Association's bargaining agreement and bargaining agency for such class to the affiliate.

Section 2. Eligibility for Affiliation

(a) Organization of Corporation

Prior to receiving a charter as an affiliate, a division must form and organize a non-profit mutual benefit corporation under the laws of the State of California. The articles of incorporation of such corporation shall include the following statement:

"This corporation has been chartered by authority of California State Employees Association, a California non-profit mutual benefit corporation ('CSEA'). If such charter is surrendered to, taken away, or revoked by CSEA, this corporation shall thereupon dissolve. If this corporation is dissolved for such reason or for any other reason or cause whatsoever, all of its assets, after compliance with the applicable provisions of Chapters 15, 16, and 17 of the California Non-Profit Mutual Benefit Corporation Law, shall be distributed to CSEA. The foregoing provisions may not be amended without the written consent of CSEA."

Until such time as the corporation has admitted members, its incorporator shall be the division director of the division whose members are to become members of the proposed affiliate, and its board of directors shall be the division council of such division, who shall hold authority in such corporation as agents for their class. Until such time as the new corporation is organized, the process of organizing and capitalizing it and preparing it for affiliation shall be the responsibility of the division to which the class belongs.

(b) Tax Exemption

No corporation may be granted a charter as an affiliate unless it has been recognized by the Internal Revenue Service as a tax-exempt entity under Section

501 of the Internal Revenue Code, or the Board of Directors of the Association determines that the Internal Revenue Service will probably grant such recognition.

(c) Capitalization

The proposed affiliate must be adequately capitalized, or have a plan for the provision of adequate initial capital. Capital sufficient to provide for the anticipated operating costs of the proposed affiliate for two months shall be deemed adequate.

(d) Service Contract

Prior to receiving a charter, an affiliate shall also enter into a service contract with the Association pursuant to Article VII, Section 6. If such affiliate is to admit as members the members of any division which has a negative fund balance with the Association, such service contract shall also specify the repayment schedule by which such indebtedness is to be repaid. If the proposed affiliate is otherwise eligible for a charter but cannot reach agreement with the Association on such service contract, it shall be deemed to have entered into a contract for services of the same kind and amount, and at the same rates, as it used during the last year it was an unincorporated division, and to have agreed to repay such negative fund balance in no more than 12 monthly installments, and its charter shall thereupon be issued.

Section 3. Charter

The Association shall grant a charter to any class which has voted for incorporation and organized an eligible corporation for that purpose and otherwise complied with Section 2 of this article. The grant of such charter shall constitute such corporation an affiliate of the Association. Such charter shall be evidenced by a written document in such form as the Board of Directors may determine, and shall be executed by the president and secretary of the Association and by the duly authorized officers of the affiliate.

Section 4. Effect of Charter

(a) Affiliates and Members

Upon accepting a charter, an affiliate shall be entitled to all the benefits accorded to affiliates in these Bylaws. It shall be deemed to have admitted as members all members of the class it was organized to represent. Each such person shall be a member of both the affiliate and the Association, and shall have the rights and privileges pertaining to both such memberships.

(b) Dissolving Divisions

The division to which such members formerly belonged shall be dissolved, and shall have no further existence while such affiliate continues to hold such charter. All

functions of such division, and all powers exercised by it, shall automatically be transferred to such affiliate. All existing chapters/DLCs of such former divisions shall be deemed chapters/DLCs of the affiliate, not of the Association, and shall be governed by the articles of incorporation, bylaws, and board of directors of the affiliate. The affiliate may, at its discretion, reorganize, merge, rename, or dissolve any or all such chapters/DLCs.

(c) Removal of Division Directors From the Board of Directors

The division director and deputy division director of the division to be incorporated shall not be removed from the Board of Directors of the Association by the incorporation of the class which their division formerly represented. Instead, they shall be deemed the directors appointed by such affiliate and elected by the class which it represents, respectively, and shall serve in such capacities until the expiration of their respective terms unless they are sooner removed by the persons entitled to do so. Thereafter, the affiliate shall appoint, and its members shall elect, directors as set forth in Article IV.

(d) Binding Effect of Association Bylaws

An affiliate shall be bound by the provisions of the Bylaws of the Association, to the extent applicable, as they existed at the date such affiliate received its charter, and as amended from time to time.

Section 5. Financial Matters

(a) Affiliate Finances

Each affiliate shall set its budget, establish its dues and fees and make any assessments which may be made upon its members according to its articles of incorporation and bylaws. The Association shall have no authority to levy any dues, fees or assessments on its members who belong to an affiliate. Each affiliate shall own and control its own assets, and shall make payments to the Association in the amounts and on the schedule established pursuant to Section 6 of this article. Neither the Association nor any other affiliate shall be responsible for the debts or obligations of any affiliate; and no affiliate shall be responsible for the debts or other obligations of the Association. The Association and each affiliate shall indemnify each other and hold each other harmless from any damages, causes of action, claims or costs, including attorneys' fees and amounts paid in good faith to settle such claims, in connection with the debts and obligations of each such indemnifying party. This obligation to indemnify and hold harmless includes, but is not limited to, the obligation of the affiliate to indemnify and hold CSEA harmless from any damages, causes of action, claims or costs, including attorneys' fees and amounts paid in good faith to settle claims, arising from the actions of any staff member assigned to work for an affiliate pursuant to Article XIII of these Bylaws.

(b) Initial Capitalization

After a class has voted to incorporate, but before it is granted a charter, it shall accumulate the capital necessary to become eligible for such charter. A portion of the dues payable by the members of such class shall be set aside and held in trust by the Association, in a separate account or accounts in the name of the Association as trustee for the members of that class, pending organization of their affiliate and issuance of its charter. The exact amount or percentage so to be set aside shall be established by the division to which such class belongs. A charter shall be issued as soon as the funds so set aside equal the amount required by Section 2 of this article, and the affiliate is otherwise eligible. When a charter is issued to the affiliate to which the members of such class belong, the Association shall disburse to such affiliate the funds held in trust for those members, which funds shall thereupon be considered dues paid by them to their affiliate, and as such, unrestricted general funds of such affiliate. At any time before a charter is granted, the class to be incorporated may, by vote or written ballot of a two-thirds majority of its General Council delegates, cancel its plan to incorporate, and in such event all funds held in trust for that class shall be disbursed to the division to which it belongs.

(c) Preservation of Fund Balances

If any division has a positive fund balance with the Association immediately prior to receiving a charter as an affiliate, the Association shall hold and apply such balance for the benefit of the members of such affiliate. Services rendered by the Association to such affiliate shall be paid for by application of such fund balance until it has been fully used. If any division has a negative fund balance with the Association immediately prior to receiving a charter as an affiliate, it shall be indebted to the Association in the amount of such fund balance, and shall repay the same according to the repayment schedule established pursuant to Section 2 (d) of this article. The term "fund balance," as used in this section, shall have the same meaning as in Article VI, Section 5.

(d) Collection and Remittances

The dues, fees, and assessments payable by each member of any affiliate may be collected by the affiliate or the Association for the account of such affiliate. If collected by the affiliate, any amounts owed by it pursuant to Section 5 of this article shall forthwith be transferred to the Association. If collected by the Association for the account of the affiliate the affiliate shall, from time to time, inform the Association of the amount of dues, fees, and assessments to be collected from its members on its behalf. The Association may retain any amounts due it pursuant to Section 6 of this article and/or Subsection (c) of this Section 5, and shall promptly remit the balance to the affiliate. The Association shall furnish with each such remittance an accounting of the monies received, by member and date, and of the amounts retained by the Association, by account. If requested by the affiliate, the

Association shall take legal action to collect dues, or to enforce by any legally permissible means the financial obligations of the members of such affiliate. The Association shall make remittances to its affiliates as required hereby, notwithstanding any offsetting claim it may have or claim to have, unless and until such offsetting claim has been established by the judgment of a court of competent jurisdiction and such judgment has become final. The obligation of the Association to pay without offset shall be enforceable by the affiliates by a preliminary injunction or other prejudgment court order without having to plead or prove damages.

Section 6. Services to be Provided

(a) Obligation to Provide Services

The Association shall provide to each affiliate and its members all the resources, goods, and services which the Association makes available to any other member, division, or affiliate, and such additional services as the affiliate requests and the Association is reasonably able to provide, provided such services are within the purposes and objectives of the Association, as set forth in Article II hereof. Each affiliate shall pay for services rendered at its request, at the rates established by this Section 6, and within such times and upon such terms as will be established by the service contract between the Association and each affiliate. Unless other terms are agreed upon in such service contract, and except as otherwise provided in Section 5 (c) of this Article, all services shall be paid for in cash within 30 days of invoice.

(b) Price for Services

The price at which the Association shall provide resources and services to the affiliates shall be the Association's direct cost therefore. In consideration of the agreement of the Association to make such services available at cost, and the other benefits accruing to the members of an affiliate by virtue of their membership in the Association, each affiliate shall also pay its proportionate share of the Association's indirect costs. An affiliate's share of such indirect costs shall be payable monthly. The cost and cost allocation definitions by which the provisions of this subsection shall be construed shall be the same as those set forth for divisions in Article VI, Section 5.

(c) Service Contract

The Association and each affiliate shall enter into a service contract every three years, for a term co-extensive with the three fiscal years of the Association that coincide with adoption of the Association budget. No later than 180 days before the end of the then-current service contract, each affiliate shall notify the Association of the kind and amount of services the affiliate needs for the forthcoming three years. The Association shall agree to provide such services, to the extent it is required by this Section 6 to do so and to the further extent that it is reasonably able to do so. Unless otherwise agreed by the parties, the terms of such contract shall be as set

forth in this Section 6 (to the extent applicable). Such service contract, which shall be in writing, shall set forth the nature and amount of all services to be rendered to each affiliate during the forthcoming three fiscal years of the Association. It shall also cover payment terms and any other matters required by this article. The service contract for the forthcoming year shall be negotiated, agreed upon, and signed by the parties at least 120 days before the expiration of the current contract.

(d) Change Orders

If an affiliate needs additional services not included in its service contract, the Association shall provide the same, subject to reasonable availability of staff, equipment, and materials, at the Association's direct cost, determined under Subsection (b), above. Unless otherwise agreed by the Association and the affiliate, the payment terms for such additional services shall be net 30 days. If an affiliate wishes to reduce its obligations under its annual contract, it shall notify the Association of specific services to be deleted from the contract. Upon receipt of such notice, the Association shall attempt in good faith to avoid incurring the costs of such services, and the affiliate shall be obligated to pay only for the unavoidable costs of the services specified in its contract. Staff time shall be deemed an unavoidable cost unless it can be avoided by deferring the employment of new personnel or unless additional services ordered by other affiliates/divisions utilize staff time formerly allocated to the affiliate which has requested a reduction in services.

(e) Disputes

(1) Negotiation of Service Contract

The parties shall negotiate in good faith and shall devote their respective best efforts to entering into a service contract by the deadline date. If, despite such efforts, the parties are unable to agree on a new contract by a date no later than 120 days before the expiration of the current service contract, the matter shall be referred to arbitration by, and under the rules of, the American Arbitration Association. The arbitrator or arbitrators in such matter shall be entitled to set all terms of the service contract for the forthcoming contract period, according to the principles established in the foregoing portions of this Section 6. The decision of the arbitrator or arbitrators shall be final and binding on both parties, and shall establish the terms of the service contract between such parties for the forthcoming contract period. If the arbitration award has not been announced before the expiration of the current contract, such term shall be extended from month to month until the matter has been resolved.

(2) Other Disputes Involving Service Contracts

Any other disputes involving the interpretation or enforcement of, or compliance with, this Section 6 or any service contract shall likewise be resolved by

arbitration by, and under the rules of, the American Arbitration Association. The arbitrator(s) shall have authority to declare the rights and duties of any party to any service contract, to award damages for any breach of such contract or for fraud, misrepresentation, negligence or other wrongful act or omission in connection with a service contract, and/or to reform or revise any service contract to comply with the terms of this Section 6. However, the arbitrator(s) shall not order the rescission, cancellation or termination of any service contract. Notwithstanding any other provision of this article, a party which is otherwise entitled to injunctive relief, a writ, or any other prejudgment remedy not available in arbitration may apply for and obtain the same from a court of competent jurisdiction.

(3) General Provisions Regarding Arbitration

All arbitrations shall be held at the principal office of the Association, unless the parties otherwise agree. Each party shall pay one-half the costs and fees payable to the American Arbitration Association, but shall otherwise bear its own costs and attorneys' fees in the matter. Pending the outcome of any arbitration, the Association shall continue to provide services as before, and the affiliate shall likewise continue to pay for them. The Association and each affiliate hereby waive and release any right or claim any of them may have or hereafter acquire to rescind, cancel, or terminate any service contract; the sole remedy for any breach or alleged breach of any service contract, or failure on consideration thereof, or other circumstances which might vitiate such contract, shall be arbitration as set forth above.

Section 7. Membership

Each affiliate may admit as members any and all persons eligible for membership pursuant to Article III, provided each person admitted as an active member is within the description of a class which belongs to such affiliate. If the class or eligibility of any member changes due to promotion, retirement, disability, termination of employment, or any other cause, then such member shall be terminated as a member or assigned to the appropriate affiliate/division, as the case may be. Each affiliate shall promptly notify the secretary-treasurer of the Association of the name, address, chapter/DLC, or other organizational unit membership, voting rights and occupational status of each and every member of such affiliate upon admitting such persons to membership, and again whenever it is reasonably necessary for the purposes of the Association. The affiliate shall also provide the Association with information about such affiliate's chapters/DLCs or other organizational units, if any, including their identity, jurisdiction, mailing addresses, and the names and addresses of their officers. The Association shall provide all such membership and chapter/DLC information to the affiliate when the affiliate receives its charter and again from time to time when needed by the affiliate.

Section 8. Surrender and Cancellation of Charter

(a) Surrender

An affiliate may surrender its charter to the Association after obtaining the vote or written consent of two-thirds of all the voting members of such affiliate, whether or not in attendance at a meeting. Such surrender shall take effect at the end of the current term of such affiliate's service contract with the Association.

(b) Cancellation

The Association may cancel the charter of an affiliate for one or more of the following causes:

(1) Such affiliate is dissolved, suffers the cancellation of its corporate charter by the California Secretary of State, or sells or otherwise disposes of, or agrees to sell or dispose of, all or substantially all its assets, either voluntarily or involuntarily.

(2) Such affiliate amends its articles of incorporation or its bylaws to contain provisions which are incompatible with the purposes and objectives of the Association, and which are likely to lead to acts or omissions which will materially and adversely affect:

- a. The ability of the affiliate to meet its financial obligations to the Association;
- b. The ability of the affiliate to comply with orders of arbitrators or courts;
- c. The ability of the affiliate to comply with its obligations towards the Association under these Bylaws; or
- d. The ability of the affiliate to indemnify the Association through insurance or other means in the event that the affiliate creates an unreasonable risk of liability for the Association.

(3) Such affiliate actually engages in conduct which materially and adversely affects the reputation or effectiveness of the Association by:

- a. Refusing to pay money due the Association;
- b. Refusing to comply with an order of an arbitrator or court;
- c. Refusing to comply with the affiliate's obligations towards the Association under these Bylaws; or

d. Subjecting the Association to an unreasonable risk of liability that cannot be indemnified by the affiliate through insurance or other means.

(c) Procedure for Cancellation

(1) Upon receiving an accusation signed by at least one (1) member of the Board of Directors, together with supporting evidence, that grounds exist for cancellation of the charter of an affiliate, the Board of Directors of the Association shall investigate the matter. The board shall promptly advise the affiliate of the accusation and provide the affiliate copies of the accusation, all supporting evidence and all documents and other evidence received or obtained by the board in regard to the accusation. In conducting such investigation, the board may act by committee of the board, provided that no member of the board who signed an accusation shall be a member of such committee. The board shall permit the affiliate a reasonable opportunity to submit a response to the accusation and the evidence submitted to or obtained by the board in regard to the accusation.

(2) If the board by majority vote determines that grounds for cancellation do not exist, it shall so notify all persons concerned. If the board determines by majority vote that grounds for cancellation probably exist, it shall give written notice of intent to cancel to the affiliate stating the grounds and the facts that the Association is relying upon for such action. If within 30 days of actual receipt of such notice the affiliate requests in writing the opportunity to be heard, the board shall schedule a hearing no sooner than 30 days after the date such request is received. At the hearing, the Association shall present evidence establishing the grounds asserted for cancelling the affiliate's charter. Both parties shall be allowed a full and fair opportunity to cross-examine witnesses and to present evidence and arguments why the affiliate's charter should or should not be canceled. The charter shall not be canceled unless the board finds after notice and hearing as required hereby that grounds for cancellation exist and that it is in the best interest of the members of the Association to cancel such charter. The burden of proof on all issues shall be on the Association. No charter shall be canceled without substantial evidence establishing both the grounds for cancellation and that such cancellation is in the best interests of the members of the Association.

(3) If the affiliate does not request a hearing, does not appear at such hearing, does not undertake necessary corrective action, or does not timely complete action it has undertaken, the charter may be canceled if the board finds, after reasonable and good faith inquiry, that grounds for cancellation exist and that it is in the best interest of the members of the Association to cancel such charter.

(4) No ground for cancellation may be relied upon if it was not set forth in the notice of intent given to such affiliate by the Association.

(5) The vote of the Board of Directors required to cancel a charter shall be two-thirds of the directors then in office.

(6) All hearings conducted under subdivision (c)(2) of this section shall be conducted before a neutral arbitrator selected pursuant to the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the dispute, or pursuant to other arbitration procedures as the Association and the affiliate may determine by mutual agreement. The arbitrator shall preside over the hearing, rule on the admission of evidence and testimony and otherwise conduct the proceedings in a way that is fair and reasonable to all parties and witnesses. Following the close of the hearing, the arbitrator shall issue a written decision whether the affiliate's charter should be canceled on the grounds stated in the notice of intent to cancel the affiliate's charter, whether any grounds so established can be corrected by action of the affiliate and the time within which such corrective action shall be taken, and whether it is in the best interests of the Association to cancel such charter. The arbitrator shall have the further authority to fashion other remedies in place of cancelling an affiliate's charter. The arbitrator's decision shall be submitted to the board and all parties to the arbitration. If the arbitrator finds that grounds for cancellation have been established and that it is in the best interests of the Association to cancel such charter, the board may proceed with the process to cancel the charter of the affiliate as provided for herein or to adopt or reject such other remedies as the arbitrator fashioned, unless the affiliate undertakes and timely completes such corrective actions as the arbitrator shall identify.

(7) By mutual agreement, prior to any hearing under this section, the parties may engage in mediation of the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures or pursuant to other mediation procedures as the Association and the affiliate may determine by mutual agreement.

(8) Unless the Association and the affiliate agree otherwise, the American Arbitration Association's Optional Rules for Emergency Measures of Protection shall apply to disputes arising under this section. A party which is otherwise entitled to a restraining order, injunctive relief, a writ, or any other provisional or prejudgment remedy that would be effective prior to the final resolution of any dispute over the cancellation of an affiliate's charter, may also apply for and obtain the same from any court of competent jurisdiction.

(9) At any time in this process, if the ground for cancellation is one which can be corrected by action of the affiliate, and the affiliate undertakes to do so, then the affiliate shall be given a reasonable amount of time, not to exceed 90 days, to take such corrective action, and its charter shall not be canceled if such corrective action is timely completed.

(d) Other Disciplinary Action

The board shall have the authority to adopt policies for the imposition of other reasonable and appropriate disciplinary action on an affiliate, other than cancellation of its charter, for any of the causes stated in subdivision (b) of this section.

(e) Effect of Surrender or Cancellation

(1) Upon surrender or cancellation of its charter, an affiliate shall immediately dissolve and wind up its affairs. It shall lose all power to admit new members, collect dues, exercise any of its former rights as an affiliate, or carry on any of its business or affairs, except as necessary to liquidate its assets. It shall also lose all the rights of an affiliate under these Bylaws, but shall remain liable for payment of all sums owing under its service contract with the Association as of the date of surrender or termination.

After payment of its lawful debts and obligations (including, without limitation, those to the Association), making reasonable provision for the payment of contingent or disputed claims, and taking such other action as may be required by applicable law, all its remaining assets shall be distributed to the Association.

(2) The class of members which belonged to such former affiliate shall retain their membership in the Association, and shall constitute a division pursuant to Article VI, with all the rights and duties thereunto pertaining. The benefit and the burden of the service contract between the affiliate and the Association shall inure to such division. All dues and fees formerly required by such affiliate from its members shall be the dues and fees they are required to pay to such division until such division changes them. Any money or property received by the Association from the dissolved affiliate shall be held for the benefit of, and delivered to, such division.

(3) All chapters, bargaining unit councils and occupational councils, and other subordinate units which were organized and in existence within such affiliate as of the date its charter was surrendered or canceled shall become chapters, bargaining unit councils or occupational councils, respectively, of the Association and of such division. Any subordinate bodies of organizational units authorized by such affiliate and not contrary to the Bylaws of the Association shall be preserved as subordinate bodies or organizational units of such division.

(4) The persons who constituted the Board of Directors of the former affiliate immediately before the surrender or cancellation of its charter shall be the division council of the division until such time as a regular division council can be duly elected. The officers of the former affiliate shall continue as officers of the division. Each officer who represented the affiliate on the Association Board

of Directors shall continue to represent the division on the Board of Directors of the Association until the expiration of his/her term, unless he/she is sooner removed from office by vote of the members of such division.

(5) Nothing herein contained shall be construed to prevent the class which belonged to such former affiliate from incorporating again, after complying with requirements of Section 2 of this Article VII.

Section 9. Other Affiliations

The Association, may from time to time, enter into affiliation agreements of various kinds with other employee organizations, on such terms as may be approved by the Board of Directors and ratified by the General Council, but such affiliation shall not constitute any person or group an affiliate for purposes of this Article VII except upon compliance with all the provisions of this article.

Section 10. Political Action

Affiliates may establish their own political action committees independent of the Association's political action committee. CSEA and each affiliate has the right to support or oppose a political candidate, proposition, initiative, legislation or ballot measure of its choice.

Article VIII: General Council

Section 1. Purposes

All the voting rights of the active members, except the right to elect delegates, shall be exercised by and through their delegates. An assembly of delegates for the purpose of exercising this voting power and the group of delegates selected for such purpose, are either or both, referred to as the "General Council." All matters required to be approved by the members, or which may be acted upon by the members, shall be voted upon by the General Council with the same effect as though voted upon by all the voting members which each delegate represents. All rights of membership other than voting rights are reserved to the individual members themselves. This section applies to actions taken at General Council, or by a written vote of General Council when it is not in session, and does not apply to matters upon which a division or affiliate is voting.

Section 2. Membership Roll

The membership roll of delegates to General Council, limited to active members of the Association, is determined at each session, and consists of:

- (a) delegates and alternates elected by chapters/DLCs. Each chapter/DLC shall be entitled to elect one delegate for each 200 members then belonging to such chapter/DLC or major fraction thereof, except that no chapter/DLC shall have less than two delegates. A chapter/DLC may provide in its bylaws that the person elected chapter/DLC president will be one of that chapter's/DLC's delegates to General Council. In such case, the candidate consent statement and the election ballots shall indicate that the person elected will serve in both capacities and such elections shall be held in accordance with standards applicable to the election of chapter/DLC delegates. The delegates referred to above shall be known as chapter/DLC delegates;
- (b) members of the outgoing Board of Directors;
- (c) one officer from each affiliate/division who is not already a delegate by virtue of (b) above, determined by the affiliate/division; and
- (d) past state presidents who are currently members of the Association.

Section 3. Record Date for Delegate Elections

- (a) The number of delegates to which a chapter/DLC is entitled shall be based on the number of active members in good standing in the chapter/DLC 120 days before the general session of the General Council.

(b) Notwithstanding other provisions in this section, a chapter/DLC acquiring a charter after the date fixed for delegate apportionment and more than 30 days before the convening of General Council is entitled to one delegate.

Section 4. Delegate Elections and Terms

(a) Elections

(1) Chapter/DLC Delegates and Alternates

All elections of chapter/DLC delegates shall be by secret ballot. All chapter/DLC members shall be given a fair and equal opportunity to run for delegate, to nominate others, to campaign for themselves or others, and otherwise to communicate with other chapter/DLC members about such vote.

Those candidates who are not elected delegates shall be placed on a list of alternate delegates in order of votes received.

If a chapter's/DLC's elections do not result in the election of a full delegation, or if subsequent vacancies in the delegation occur, and there are insufficient alternate delegates to fill the positions, or if the chapter/DLC has no alternate delegates or has an insufficient number of alternate delegates, it may hold additional elections until it has elected a full delegation and/or sufficient number of alternate delegates.

All such secondary elections must be completed at least 31 days prior to the opening session of General Council. The cost of additional elections shall be borne by the chapters/DLC.

Affiliates shall establish specific procedures for elections of their chapter/DLC delegates. The Association's Board of Directors shall establish specific procedures for election of chapter/DLC delegates from divisions, and for election of delegates from those affiliates who do not establish their own procedures.

(2) Other Delegates

Statewide officers shall be elected by secret ballot in accordance with the other provisions of these Bylaws.

Unless another provision of these Bylaws establishes the procedure for electing those who will serve as General Council delegates by virtue of holding an office in any affiliate/division or subordinate body thereof, they shall be elected as set forth in this paragraph. Such elections shall be by secret ballot. All persons qualified to hold the office to be filled shall be given a fair and equal opportunity to run for such office and to communicate with the electorate about the election.

All persons entitled to vote in the election shall be given a fair and reasonable opportunity to nominate candidates for it and to communicate with other voters about the election. Each affiliate/division may adopt detailed rules of procedure, consistent with these Bylaws, for the conduct of such elections among its members.

(b) Terms

(1) Chapter/DCL Delegates

General Council chapter/DLC delegates have three-year terms, beginning at the opening ceremonies of General Council and continuing until their successors are installed.

(2) Past State Presidents

Past state presidents shall serve as delegates for life as long as they remain members in good standing.

(3) Other Delegates

Statewide officers shall serve as delegates for the terms of such offices as set forth elsewhere in these Bylaws.

Unless another provision of these Bylaws establishes a specific term for those who will serve as General Council delegates by virtue of holding an office in any affiliate/division or subordinate body thereof, such term shall be as set forth in the Bylaws and/or written policies of the appropriate affiliate/division. In the absence of any other term provision, such term shall be for two years and until a successor has been elected and assumed office, in the year 2009 and thereafter these other delegates shall be elected for three-year terms.

Section 5. Delegate Vacancies

(a) Chapter/DLC Delegates

(1) Vacancy

A vacancy in a chapter/DLC delegation to General Council exists by virtue of the resignation, death, disability, or removal of a delegate, or failure of a chapter/DLC delegate who does not serve as such by virtue of being chapter/DLC president to attend a session (or part of a session) of the General Council.

(2) Filling of Chapter/DLC Vacancy

When a chapter/DLC has a vacancy in its delegation to the General Council, the chapter/DLC shall fill the vacancy with an elected chapter/DLC alternate in order of the number of votes received by each alternate, and certify such alternate delegate to the secretary-treasurer of the Association.

(3) Alternate for a Delegate

An alternate who fills a vacancy serves and is known as a delegate for the remainder of the term for which such delegate was elected.

(4) Alternate for a Chapter/DLC Officer

An alternate replacing a delegate who is a delegate by virtue of being a chapter/DLC president, serves only for the duration of the general session, or of any special session from which the chapter/DLC president is absent, and the chapter/DLC president serves at all other times and until the convening of the next session of the General Council.

(b) Other Delegates

A vacancy exists by virtue of the resignation, death, disability, or removal of a delegate. Any vacancy in the office that gives delegate status to a person other than a chapter/DLC delegate shall also create a vacancy in such person's position as a delegate. Any such vacancy shall be filled automatically by the successor, if any, to such office, and may not be filled in any other way.

Section 6. Accreditation of Delegates

(a) Chapter/DLC Delegates

At each general session of General Council, the Credentials Committee shall accord membership to those chapter/DLC delegates, and chapter/DLC alternates who present credentials signed by the president and secretary of their chapters/DLCs. If the chapter/DLC has no secretary, the credential may be signed by another elected chapter/DLC officer. In the absence of an elected chapter/DLC officer, the credentials may be signed by an affiliate officer.

(b) Other Delegates

Delegates who are not chapter/DLC delegates shall be accorded membership by the Credentials Committee upon presentation of credentials signed by the president and secretary-treasurer of the Association.

Section 7. Removal

(a) Chapter/DLC Delegates

Any chapter/DLC delegate may be removed for cause by the vote of a majority of the chapter/DLC members at a regular or special meeting of the chapter/DLC. All chapter/DLC members shall be given a fair and reasonable opportunity to communicate with other chapter/DLC members about the matter, and the delegate(s) subject to removal shall be given reasonable notice of the proposed action and opportunity to be heard by the members. The vote shall be by secret ballot. Affiliates shall establish specific procedures for removal of their chapter/DLC delegates. The Association's Board of Directors shall establish specific procedures for removal of chapter/DLC delegates from divisions, and from affiliates that do not establish their own procedures.

Chapter/DLC delegates may also be removed as delegates for cause by the Board of Directors upon petition by the Executive Committee.

(b) Delegate Status as Result of Other Elective Office

Except as provided below, delegates other than chapter/DLC delegates are removed by action of removal from the office that gives them delegate status.

(c) Past Presidents

Past presidents of the Association, who retain active membership in the Association, may be removed as delegates for cause, by the Board of Directors on petition of the Executive Committee. Removal of delegate status does not deprive a past president of the office of past president.

Section 8. Recall

Any chapter/DLC delegate may be recalled. Affiliate(s) shall establish specific procedures for recall of their chapter delegates. Any affiliate that does not establish specific procedures for recall of chapter/DLC delegates shall follow the procedures established by the Association for the divisions. The Association's Board of Directors shall establish specific procedures for recall of chapter/DLC delegates from divisions.

Section 9. Duties of Delegates

Delegates, delegates-elect, and delegates-designate to General Council are encouraged to attend meetings of General Council committees. Delegates shall attend all sessions of General Council, consider General Council resolutions, and act upon the business of General Council in accordance with the best interest of their chapters/DLCs and the Association. Delegates shall assist their chapters/DLC in understanding and implementing the actions of the General Council.

Section 10. Franchise

Only members of the General Council may vote in the General Council. Each member of the General Council is entitled and limited to a single vote on each issue. All General Council subject committee chairpersons shall during the duration of the respective committee reports have the right to make motions for the committee and speak on resolutions being reported by that committee. The rights of the subject committee chairperson shall be limited to the above unless the subject committee chairperson is a member of the General Council.

Section 11. Resolutions

(a) A resolution intended for consideration by the General Council must be in writing and in duplicate. Each resolution whose adoption would entail an expenditure of Association funds must contain an estimate of probable cost to the Association. Resolutions are submitted as follows:

(1) when signed by 50 or more active members of the Association, or by any delegate of General Council, delegate-elect, or delegate-designate to the General Council, or proposed by a chapter/DLC, or any subject or procedural committee, division council or bargaining unit council at any officially convened meeting and delivered to the headquarters office of the Association at least 60 days prior to the convening of the next general session of the General Council;

(2) when proposed by any subject or procedural committee or bargaining unit council at any officially convened meeting, or signed by 20 or more delegates of General Council, or delegates-elect and delegates-designate to General Council and delivered to the headquarters office of the Association before 12 noon of the 15th day preceding the convening of the General Council;

(3) when presented by or signed by any member of the General Council and introduced prior to adjournment of the General Council, with an accompanying statement identifying the vital interests of the Association involved in the subject of the resolution and why the matter may not await the next General Council, and approved for consideration by the Rules Committee. Any resolution not approved for consideration by the Rules Committee may be appealed to the General Council when the Rules Committee gives its report. The proponent shall be given an opportunity to present an argument supporting the request for consideration of the resolution at this General Council and the resolution may be accepted by a two-thirds vote of the General Council;

(4) when proposed by the Board of Directors, or by an affiliate/division council at any time.

(b) The headquarters office shall cause a copy of each resolution submitted under Subsection (1) to be mailed to each delegate, delegate-elect and delegate-designate at least 30 days prior to the convening of the General Council; and shall cause a copy of each resolution submitted under Subsection (2) to be mailed to each delegate, delegate-elect and delegate-designate at least 10 days prior to the convening of the General Council.

(c) A resolution which names or alludes to any individual or any Association member or member of Association headquarters staff in language that will be deleterious to that person's character and reputation shall be withheld from publication by the president. The president shall immediately notify the proponent in writing of the intention to withhold the resolution and the reasons therefore, and the proponent shall have 10 days from the date of such notice within which to resubmit the resolution amended so as to delete the deleterious portions therefrom. In the event no amended resolution is received or an amended resolution that has been submitted timely is still unacceptable in the opinion of the president, he/she shall refer the resolution to the Board of Directors for affirmation of the action by a two-thirds vote at their next meeting. The proponent of the resolution shall be given timely notification of the president's action prior to the board meeting. If the president's action is affirmed, the resolution shall be set aside without further consideration and the proponent so notified.

(d) Unless the resolution contains language to the contrary, all resolutions adopted by General Council shall become effective and acted upon accordingly, at the adjournment of General Council.

Section 12. Induction

(a) Members of the Board of Directors are installed as the last order of business at General Council.

(b) If it becomes necessary to install an officer and General Council is not in session, the installation shall be conducted by the Association's president as the first order of business at a Board of Directors meeting. However, the board member shall assume his/her duties upon appointment or election.

(c) Installation of affiliate/division officers shall be in accordance with affiliate/division rules.

Section 13. Expenses

The authorized expenses of members of the General Council occasioned by their attendance at any session of the council are paid by the Association or affiliate/division as appropriate.

Section 14. Voting Between Sessions

When a vote of the General Council is required between sessions, and does not amend the Bylaws, the board shall formulate the question and cause it to be stated clearly and legibly on the ballot which shall have spaces for "yes" "no" votes, and which shall state the date on or before which and the place to which the ballot must be returned. The Board of Directors shall provide means for identification of the voter consistent with the secrecy of the ballot.

Approval of the question shall be valid only when the total votes cast constitute a quorum at the General Council and the number of "yes" votes equals or exceeds a majority of the votes cast. The ballot shall state the number of responses needed to meet the quorum and that a majority of the votes cast is needed for approval of the question. If the matter to be voted on is a Bylaws amendment, it must comply with the appropriate provisions for amending the Bylaws.

Section 15. General Council Acts

Acts of the General Council in conflict with the provisions of these Bylaws are void.

Article IX: Committees

Section 1. General Council Committees

In the General Council there are the following committees:

(a) Subject Committees:

- (1) Association Bylaws, Policies, Procedures and Programs
- (2) Member Benefits
- (3) Fiscal

(b) Procedural Committees:

- (1) Rules
- (2) Credentials
- (3) Sergeant-at-Arms
- (4) Election Tellers
- (5) Courtesy
- (6) Nominations
- (7) Arrangements

Section 2. Other Committees

(a) Committees other than General Council committees and division committees of the Board of Directors are established by a majority vote of the General Council, the Board of Directors, or affiliates/divisions.

(b) Board Appointed Committees:

The Board of Directors may create other committees from time to time to hold hearings and make recommendations to it concerning programs and issues of interest to the Association. Additionally, the following committees shall serve the board between sessions of General Council:

(1) Fiscal Committee

The Fiscal Committee shall prepare the proposed budget for the Association and provide ongoing fiscal oversight. The Fiscal Committee shall be comprised of one representative from each affiliate. The Board Secretary-Treasurer will chair the Fiscal committee meetings.

Alternate committee members may attend all committee meetings and may substitute in the event of the absence of the committee member for whom they are the alternate. Alternate committee members shall have all the voting rights

of the member for whom they are substituting. Each affiliate/division have one vote on matters before the committee.

(2) Member Benefits Committee

Between sessions of the General Council, the General Council Member Benefits Committee shall serve the Board of Directors and shall be responsible for insurance, retirement, other benefit programs, and related matters.

(3) Association Bylaws, Policies and Procedures Committee

Between sessions of the General Council, the General Council Association Bylaws, Policies and Procedures Committee shall serve the Board of Directors and shall be responsible for the reviewing of and recommending action on the Bylaws, policies and procedures of the Association.

(4) Human and Civil Rights Committee

The Board of Directors shall establish a Human and Civil Rights Committee to educate and to inform all members about the needs and concerns of its people and the general populace.

(5) Women's Committee

The Board of Directors shall establish a Women's Committee to educate and to inform all members about the needs and concerns of women in the Association, state service and in the general populace.

Section 3. Line of Responsibility

Nothing in this article affects the rights and powers of the Board of Directors as declared in Article XVIII. Between general and special sessions of the General Council, all committees, except those of the affiliates/divisions, are responsible to the Board of Directors, and shall keep the Board of Directors currently informed of their aims, findings, and objectives; during general sessions, and special sessions, they are responsible to the General Council.

Section 4. Appointments

Affiliates/divisions will nominate all persons who are to be considered for an appointment to an Association standing committee as a representative of the particular affiliate/division.

Section 5. Composition and Tenure

Members of committees in Sections 1(a) and 2(a) are appointed from the active membership of the Association. Members of committees in Section 1(b), except for the Election Tellers Committee, are appointed from the membership of the General Council of the general session in which they will serve. The president and each affiliate president or division director shall certify with the Credentials Committee three members to serve on the Election Tellers Committee. Such appointee shall be an alternate delegate or any member in good standing who is already present at General Council. Committee appointments terminate in any event at adjournment of the general session next succeeding appointment and acceptance, except that if an emergency arises between the close of General Council and the first meeting of the Board of Directors following General Council, the prior committee with its members may be reinstated to consider the emergency matter.

Section 6. Duties of General Council Subject Committees

It is the duty and prerogative of each committee listed in Section 1 (a) to:

- (a) formulate a program of aims and objectives in its respective field and through resolutions, present such programs to the General Council at the next session;
- (b) receive and analyze, during sessions of General Council, resolutions which are referred to it, and to prepare amendments;
- (c) recommend to the General Council actions on each resolution; and
- (d) consider such other matters as the board or president may refer to it between sessions of the General Council.

Section 7. Duties of General Council Procedural Committees

- (a) It is the duty and prerogative of each committee listed in Section 1 (b) to initiate appropriate resolutions for referral to General Council.
- (b) The Credentials Committee determines the eligibility, through proof of election or otherwise, of each prospective member of General Council.

Article X: Political Action

Section 1. Political Endorsements

The Board of Directors shall have authority to adopt rules and standards in the name of the Association for the support of or opposition to political candidates, political appointments, propositions, initiatives, legislation or ballot measures, and any such rules and standards shall be reasonable and commensurate with the aims, objects, goals, fiscal limitations, and in the best interests, of the membership, the affiliates/divisions and the Association.

Article XI: Dues and Fees

Section 1. Annual Dues and Fees

The annual dues and/or fees payable by members of affiliates/divisions shall be as set by their respective affiliates/divisions.

(a) Subject to minimum dues set forth below, annual dues and/or fees for the Association's members shall be:

(1) for members assigned to a division, the amount set in accordance with the division's policy. If a division has not adopted policy in this area, the division's dues and/or fees shall be the amount set by a two-thirds affirmative vote of the delegates of that division; and

(2) for members not assigned to a division or affiliate, the amount set by the Board of Directors.

(b) Minimum dues for each division shall be the amount set by their Association's respective delegates to meet that division's obligations for payments to the Association's central support budget, except that a division may temporarily suspend dues for a member who is in non-work status.

Section 2: Voluntary Political Action Contributions

Notwithstanding any other provision relating to dues and fees, members may voluntarily add to their dues or make a cash contribution that is to be used exclusively for political action activities under rules and regulations established by the Board of Directors. Members may "opt out/in" of this contribution, and/or otherwise increase/decrease the amount of their individual monthly contributions upon written notice to the Association.

Article XII: Financial Operations of the Association

Section 1. Budget

The Board of Directors of the Association shall have the sole authority to adopt and amend the budget of the Association. This budget shall include the appropriate authorizations and funding for all services. The Association shall not make any commitments or expend any of the funds or other assets of the Association except in accordance with the Association's budget (including any amendments). No amendment to the budget may reduce the level of services to any affiliate or division without the consent of the Board of Directors of the affiliate or the division council, as applicable. A copy of the budget and any amendments shall be promptly provided to:

- (a) Each of the affiliates and divisions; and
- (b) Any Active member upon the written request of that Active member to the General Manager of the Association.

Section 2. Reserves

There is established an emergency reserve for use by the Board of Directors to meet the cost of unforeseen emergencies or extraordinary programs. The reserves shall be funded by cash, and the Board of Directors shall include in each budget the amount to be transferred to the reserve. Withdrawals from the emergency fund may be made by a two-thirds vote of the Board of Directors.

Section 3. Investment of Reserve Funds

The Board may:

- (a) deposit reserve funds in institutions whose deposits are insured, up to the limit of insurance;
- (b) invest such funds in United States government securities;
- (c) invest such funds in major California banks' certificates of deposit;
or
- (d) authorize investment in a manner other than described above, if it is to the benefit of the Association and consistent with sound business practice by two-thirds vote.

Section 4. Fiscal Year

The “fiscal year” of the Association is from January 1 to December 31, inclusive.

Article XIII: Headquarters

Section 1. General Manager

The Association shall employ a general manager who shall be the chief administrator of the staff of the Association.

- (a) The general manager shall be employed under the terms of a contract.
- (b) The general manager shall be subordinate and directly accountable to the president for carrying out the policies and programs of the Association. The general manager may be dismissed by the president. He/she shall be relieved of his/her duties immediately upon dismissal by the president. Concurrence of a simple majority of the officers and affirmation by the Board of Directors is required for the dismissal to become permanent. Affirmation by the board requires a majority vote of those board members present and voting, a quorum being present.
- (c) In case of a vacancy the president, with the advice of the Executive Committee, shall appoint a general manager subject to affirmation by two-thirds of the Board of Directors, pursuant to a vote of those present and voting, a quorum being present.

Section 2. Association Employees

(a) The employees of the Association are designated members of the headquarters staff. The purpose of the headquarters staff is to provide service and support to the affiliates/divisions. The Association shall maintain staff levels sufficient to permit the affiliates/divisions to obtain all services required by Article VI, Section 5 and Article VII, Section 6, respectively. If requested by an affiliate/division, the Association shall assign certain designated employees to spend their full time or a specified portion of their time serving such affiliate/division in a capacity which it specifies, provided such assignment is within the scope of the Association's purposes. Other employees of the Association shall be made available as needed to provide services to the affiliates/divisions on request. It shall be the duty of the staff to provide services to the affiliates/divisions on request. It shall be the duty of the staff to provide satisfactory central support services to the affiliates/divisions.

(1) Upon an affiliate's request, the Association shall delegate the responsibility for hiring, directing, evaluating and firing of staff assigned to the affiliate. Notwithstanding such delegation of responsibility, such staff shall remain employees of the Association and the Association shall remain their employer.

(2) In the event that a majority of the Association's Board of Directors believes that the conduct of an Association or affiliate employee has been egregious and warrants immediate termination and the affiliate or Association general manager disagrees, the matter will be put before an arbitrator whose decision shall be final and binding on the Association and the affiliate.

(b) The Association shall at all times employ a division manager for each division and an affiliate coordinator for each affiliate, to coordinate the work of the Association and its central support staff on behalf of such affiliate/division, respectively. The incumbent of each such position shall: act as liaison between the Association and the elected leadership of such affiliate/division; supervise and direct all Association staff who are assigned to work full time or a majority of their time for such affiliate/division; be responsible for assuring that all services required by such affiliate/division are rendered in a timely, effective and courteous manner; and have a duty of loyalty and good faith to both the Association and such affiliate/division. If any division manager or affiliate coordinator repeatedly fails to perform the duties of such position in a manner satisfactory to the affiliate/division to which he or she is assigned, the Association shall replace him or her with a satisfactory individual.

Section 3. Staff Collective Bargaining

The Association's responsibility and authority to participate and act in good faith in collective bargaining with the recognized organization representing the majority of the members of headquarters staff on all matters relating to wages, hours, and terms and conditions of employment shall be delegated to a negotiating committee comprised of two (2) representatives from and selected by each affiliate/division and two (2) representatives selected by the president.

(a) The Association president shall appoint the chair of the negotiating committee, who shall have the responsibility to convene the committee and chair its meetings and caucuses.

(b) The negotiating committee shall select and appoint one or more persons to act as chief spokesperson(s) in negotiations.

(c) The negotiating committee shall seek to reach consensus on decisions, if possible, but will act by majority vote if necessary.

(d) The negotiating committee is authorized to reach agreements with the recognized organization representing Association employees, provided, however, that all such agreements are tentative and are subject to ratification by the Association's Board of Directors.

All proposed contracts negotiated and reached by the negotiating committee shall be reported to the Board of Directors by the chair of the negotiating committee. After review such contracts are subject only to ratification or rejection by the Board of Directors.

Section 4. Staff Benefits

(a) The Board of Directors shall provide for salaries and benefits for the members of headquarters staff and shall execute the implementing contract or contracts.

(b) The funds for executing the provisions of this section shall be provided for in the Association budget presented to the General Council except that nothing herein declared shall authorize the Board of Directors to enter into any system or contract which creates or which in a future event might create a liability on the part of the Association in excess of the amount previously budgeted by the General Council for expenditures during the existing budget period.

Section 5. Special Consultants

The president, subject to confirmation by the Board of Directors, is authorized to employ such special consultants as may be required in the administration of the Association, subject to the financial ability of the Association.

Section 6. Contracting for Services

The Board of Directors is authorized to enter into contracts for providing information and services to the Association.

Article XIV: Limitations

Section 1. Incompatible Acts

No officer of the Association, member of the Board of Directors, chapter/DLC, affiliate, committee, agency, or member shall take any action which is incompatible with the objectives of the Association.

Article XV: Meetings

Section 1. Board of Directors

- (a) The board shall hold at least two meetings annually.
- (b) General meetings of the board may be called by the president upon at least 20 days' written notice to each board member or by call of two-thirds of the members of the board on 15 days' written notice to each such member.
- (c) Special meetings of the board may be called by the president or by the majority of the Board of Directors, upon five days' written notice, and are limited to consideration of the matters specified in the call. The time and place of such meeting is to be determined by the president.
- (d) In a situation deemed to be an emergency by the Association president, the board may take action by unanimous written consent or may meet by conference telephone or similar communications equipment. Action by written consent and telephonic meetings shall meet the requirements set forth in applicable law.
- (e) Except for action which could have been taken in closed session pursuant to Section 3 of this Article XV, action taken by written consent or at a telephonic meeting shall be valid only until the next open session of the Board of Directors, at which time the board must affirm the action in order for it to continue to be in effect.
- (f) Action which could have been taken in closed session pursuant to Sections 6 and 7 of this Article XV, does not require affirmation. It must be reported out at the next open meeting.

Section 2. Executive Committee

Meetings are called by the president or upon written request of five members. The time and place of each meeting is designated by the president.

Section 3. General Council

The General Council meets:

- (a) in general session in September, October or November on dates and at places selected by the board in 2009 and every three years thereafter.
- (b) in special session:
 - (1) on call of the president upon at least ten days' written notice to each delegate;

(2) on written demand of two-thirds of the chapters/DLCs, or two divisions, or two affiliates, or one division and one affiliate, addressed to the president, who shall fix a place of meeting and time not less than 30 days distant.

In either case the call to a special session must specify the subject(s) on which action by the General Council is sought, and the subject(s) not germane may not be considered. Unless the context clearly indicates otherwise, a "session" of the General Council means the aggregate of the meetings of the General Council between the call to order and final adjournment.

Section 4. Quorum

(a) Board of Directors

A quorum of the Board of Directors exists when three-fourths of its members are present.

(b) Executive Committee

Five members constitute a quorum.

(c) General Council

A quorum at the General Council is present if two-thirds of the delegates are present. Unless the context clearly requires a different interpretation, a "vote of the council," or similar phrase, means the will of the council declared by oral or other means by those members of the General Council in attendance and voting, a quorum being present. Thus a two-thirds vote is a decision effected by two-thirds of those members of the General Council in attendance and voting, a quorum being present.

Section 5. Open Meetings

Except as noted below, meetings or hearings at which official actions are taken, including but not limited to, meetings or hearings of the General Council, Board of Directors, Executive Committee, officers, committees and divisions, units, councils, and subgroups thereof shall be open to all members of the Association.

Section 6. Closed Meetings - Mandatory

Meetings or hearings at which any of the following matters are being considered shall be closed:

(a) litigation matters;

(b) matters involving privileged relations such as attorney-client or doctor-patient;
and

(c) the employment, suspension or dismissal of an Association employee.

Section 7. Closed Meetings - Optional, When in Best Interest of the Association

Meetings or hearings at which any of the following matters are being considered or conducted may be closed when the interest of the Association so dictates:

(a) representation appeals;

(b) the suspension, discipline, or dismissal of any officer or member from Association membership;

(c) grievances;

(d) legislative matters;

(e) consideration of the identification, election, or purchase or sale of real property;

(f) confidential financial information;

(g) negotiation, modification, or termination of contracts; and

(h) collective bargaining negotiations with the staff union.

Section 8. Minutes of Closed Meetings

The minutes or record of closed meetings shall indicate when and for what purpose the closed meeting was held and shall further state that no other matters were considered.

Section 9. Attendance at Closed Meetings

Attendance at a closed meeting of the Board of Directors shall be limited to: the member(s) of the body; alternate deputy division directors; CSUEU vice president for representation; SEIU Local 1000 vice president for bargaining; ACSS alternate director at large and the CFO of the CSEA Retirees, Inc.; staff and other individuals who have pertinent information and whose presence is determined to be necessary by the presiding officer, subject to disaffirmation by the body. Attendance at all other closed meetings is limited to: the member(s) of the body holding the meeting; statewide officers; and staff and other individuals who have pertinent information and whose presence is determined to be necessary by the presiding officer, subject to disaffirmation by the body.

Section 10. Pledge of Allegiance

All meetings of the Association shall be opened with the Pledge of Allegiance to the flag of the United States, if the flag is displayed in the meeting room.

Article XVI: Amendments

Section 1. General Council in Session

When General Council is in session, these Bylaws may be amended or repealed and new Bylaws adopted by a two-thirds vote of those delegates present and voting in accordance with the Rules of General Council and Robert's Rules of Order (newly revised) in that order.

Section 2. General Council not in Session

(a) Procedures

When General Council is not in session, an amendment or repeal can only be initiated by resolution of the Board of Directors. The Board of Directors shall inform the members of the General Council of the proposed amendment and designate a person to write an explanation. The proposed amendment(s) must be mailed to the members of General Council and shall include explanations and shall notify the members they have the right to submit supporting and opposing arguments.

(1) Supporting and opposing arguments, if received at headquarters office within 20 days from the date the Board of Directors mailed or published information to members of the proposed amendment(s), shall be reproduced and mailed with the ballots.

(2) Thirty days from said date of mailing or publication of information, headquarters staff will mail ballots to members, mailing all such ballots on the same day.

(3) The Board of Directors shall fix a time and place for the opening and tallying of ballots and for the announcement of the vote.

(b) Mailing of Ballots and Approval Requirements

The amendment(s) contained in the resolution of the Board of Directors is/are affirmed and adopted if two-thirds of those ballots returned are in the affirmative, provided two-thirds of the ballots mailed must be returned to constitute a quorum for the vote. To facilitate such expression, the Association's general manager shall mail to the members of the General Council appropriate ballot forms, together with the pros and cons of the issue at hand.

(c) Canvassing of Ballots

The secretary-treasurer, at a time and place designated by the Board of Directors, in the presence of one or more witnesses, shall canvass the ballots which are

returned. To be counted, the ballots must be marked and received in headquarters office within 30 days of such mailing.

Section 3. Effective Date

(a) General Council in Session

Amendments adopted at a regular or special session of General Council become effective upon the adjournment of General Council.

(b) General Council Not in Session

Amendments adopted when General Council is not in session become effective on the next business day following the ballot count.

Article XVII: Supremacy of the Bylaws and Parliamentary Authority

Section 1. Supremacy of Bylaws

These Bylaws shall be the supreme law of the Association, subject only to the Articles of Incorporation and the provisions of the laws of the State of California and the United States of America. Any inconsistent provision of the Policy File, or contrary act of the General Council, the Board of Directors, affiliates/divisions, or the officers, employees, or agents of the Association is void.

Section 2. Parliamentary Authority

Robert's Rules of Order, latest edition, is the authority governing proceedings in meetings and conferences of the Association, board, and officers, so far as they are not in conflict with these Bylaws and adopted rules.

Article XVIII: New Governance Structure for the Association

Section 1. Creation of a New Class of Membership

CSEA (also referred to as the “Association”) shall have a new class of membership called Affiliate Entity Members. The Affiliate Entity Members shall consist of four (4) members: SEIU Local 1000; California State Retirees; CSU Employees Union; and the Association of California State Supervisors.

Section 2. Change in Voting Rights of Active Members; General Council Meetings

The Active members shall have the following voting rights, through the vote of their delegates, as a separate single class:

- (a) to approve any amendments to the Bylaws; and
- (b) the right to vote on the dissolution of the Association.

Other than the above two rights, the Active members shall have no other voting rights.

The General Council shall only meet when a special session of the General Council has been called by the Board of Directors.

Section 3. Voting Rights of Affiliate Entity Members

The Affiliate Entity Members shall have the right to designate the Directors of the Association as set forth in Section 4 below. The Affiliate Entity Members shall not have the right to vote on the matters in the above Section 2 or any other matters, except that the Affiliated Entity Members, voting together as a separate class, shall have the right to vote on all other matters which cannot be exclusively exercised by the Board of Directors under the California Nonprofit Mutual Benefit Corporation Law or these Bylaws.

Section 4. Number of Directors and Election of Directors

The Association shall have eight (8) Directors. Each Affiliate Entity Member shall designate two (2) Directors. Each Affiliate Entity Member shall be entitled to remove either or both of its Directors with or without cause and to fill any vacancy(ies) for its Director(s). Each Affiliate Entity Member shall determine its own internal procedures for designating two (2) Directors.

Section 5. Election of Officers; General Manager

The Association shall initially only have the following officers: Chair and Secretary/Treasurer. The Board may create additional officers. The Board of Directors shall elect the Chair of the Board and all other officers of the Association, who shall all serve at the pleasure of the Board of Directors. The Chair and Secretary/Treasurer may not be associated with the same Affiliate Entity Member. The Board of Directors shall

engage the General Manager of the Association, who shall serve at the pleasure of the Board of Directors, subject to the terms of any written agreement. The General Manager shall be the chief executive officer of the Association if designated by the Board of Directors; and, in the absence of such designation, the Chair shall be the interim chief executive officer. The General Manager shall not be a Director.

Section 6. Powers of the Board of Directors

(a) To the maximum extent permitted by law, the Board of Directors shall have the right to vote on all matters except for the right to vote on matters as stated in Sections 2 and 3 above. The Board of Directors shall have the right and power to conduct the activities and affairs of the Association and to exercise all corporate powers of the Association.

(b) Except as set forth in Section 6(c) below, the approval by at least five of the Directors present and voting at a meeting at which a quorum is present shall constitute approval of the Board, provided that at least one of the Directors designated by each Affiliate Entity Member shall have approved the action at the same meeting.

(c) If a matter was approved by at least five Directors in Section 6(b) but did not pass due solely to the no votes or failure to vote of the Director(s) designated by a single Affiliate Entity Member (“Blocking Director(s)”) (“Failed Matter”), the Directors voting for the Failed Matter (the “Majority Directors”) may invoke the Board Dispute Resolution Process by sending a written notice signed by all of the Majority Directors to the Blocking Director(s) with copies to the Association’s General Manager and the Affiliate Entity Member who appointed the Blocking Director(s). To be timely, the written notice must be delivered to the applicable parties within 30 days of the vote on the Failed Matter (“Board Dispute Resolution Notice”). The Board Resolution Process shall be as set forth in **Exhibit A**.

(d) If, as a result of the process described in Section 6(c), there has been a Pro Majority Arbitration Finding, then the approval by five of the Directors present and voting at a meeting at which a quorum is present shall constitute approval of the Board as to such matter.

Section 7. Repeal of Current Board Composition; Removal of all Current Directors

Article IV, Section 1 is repealed. The Active members and the affiliates/divisions shall remove all of the current Directors of the Association upon the earliest of (a) 20 calendar days after General Council or (b) the date an Affiliate Entity Member designates such Director's replacement; provided that no Director's term may be extended beyond the term for which they were elected. However, if an Affiliate Entity Member designates the same person as a current Director, the person would continue to serve as a Director.

This Amendment shall take priority over the Current Bylaws. Any conflict between the Current Bylaws and this Amendment shall be resolved in favor of this Amendment. In order to give full effect to this Amendment, any conflicting provision of the Current Bylaws shall be deemed amended or repealed to the extent necessary, and the Bylaws as so amended herein are hereby ratified.

This Amendment shall be effective upon the adjournment of the 67th General Council in accordance with Article XVI, Section 3 of the Current Bylaws.

EXHIBIT A

BOARD RESOLUTION PROCESS

The Board Resolution Process referred to in Article XVIII, Section 6(d) of the Bylaws consists of the following:

1. Facilitation Process

1.1 Facilitation Meeting. Within 60 days of the Board Dispute Resolution Notice, at least one Director appointed by each Affiliate Entity Member and any Blocking Director(s) shall meet with a mutually agreeable Facilitator or, if the Directors cannot agree, with a Facilitator selected by the Board to see if the Directors can reach a mutually acceptable resolution of the Failed Matter. The [applicable] Directors shall meet with the Facilitator as follows (“Required Facilitation Time”):

1.1.1 Until there has been a mutually agreeable resolution; or

1.1.2 For as long as the Directors present mutually agree.

1.2 Facilitation Rules. The following rules shall apply to the facilitation process:

1.2.1 The Facilitator shall be a person experienced in facilitations that has been professionally compensated for his or her facilitations’ services and shall be independent of the Association, the Directors, the General Manager and the Affiliate Entity Members.

1.2.2 The Association shall pay all of the costs of the facilitation process.

1.2.3 If the Required Facilitation Time lapses without a solution acceptable to all of the Directors, the Majority Directors (by the written request of each Director making up the Majority Directors) or any Blocking Director may either

(a) Request Mediation under the Mediation Process in Section 2 below; or

(b) Proceed to Arbitration under Section 3 below.

1.2.4 If the Blocking Director(s) fail to participate in the facilitation, the Majority Directors (by the written request of each Director making up the Majority Directors) may either

(a) Request Mediation under the Mediation Process in Section 2 below; or

(b) Proceed to Arbitration under Section 3 below.

2. Mediation Process

2.1 Mediation under AAA Commercial Mediation Procedures. If the Directors are not able to reach a mutually acceptable resolution of the Failed Matter and Sections 1.2.3 or 1.2.4 above apply, the Majority Directors on the one hand and a Blocking Director or Blocking Directors on the other hand agree to try in good faith to resolve the Failed Matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. The Majority Directors or the Blocking Director(s) may terminate the mediation at any time by notice to the Majority Directors or Blocking Directors as applicable.

2.2 Costs of Mediation. The Association shall pay the costs of the Mediation.

2.3 Request for Arbitration. If the Mediation is terminated without a satisfactory resolution, then either the Majority Directors (by the written request of each Director making up the Majority Directors) or any Blocking Director may request Arbitration of the Failed Matter under Section 3.

3. Arbitration Process

3.1 Matter to be Arbitrated. The sole matter to be arbitrated shall be the following issue, which shall be decided by the Arbitrator as either “yes” or “no”¹:

Did the Blocking Director(s) in voting on the Failed Matter or in failing to vote act in accordance with the standards in Sections 7231 and 7231.5 of the California Corporations Code for the taking of actions by a director of a California Nonprofit Mutual Corporation (“Director Standards”), which in short provide for:

- Performing his or her duties as a director in good faith;
- Performing his or her duties in a manner the director believes to be in the best interest of the Association; and
- Performing his or her duties with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances?

3.2 Best Interest of the Association. For avoidance of doubt, the Arbitrator shall interpret the best interest of the Association to mean the Association as an entity without regard to the separate interests of the Affiliate Entity Members or any division of the Association.

3.3 Consent to Arbitration. Each Director by virtue of being a Director and each Affiliate Entity Member by virtue of being an Affiliate Entity Member agrees to the Arbitration Process in this Exhibit A, Section 3 when appropriately requested and

¹ A “no” finding shall be treated as a Pro Majority Arbitration Finding under Article XIX, Section 6(c) of the Bylaws of the Association.

shall sign any additional documents reasonably requested by the Board to further document this consent. The arbitration under this Exhibit A, Section 3 shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

- 3.4 Remedies.** The Arbitrator may only enter a finding of whether the Blocking Director(s) did or did not meet the Director Standards and shall have no authority to enter other remedies, including damages or equitable relief (other than for the costs of the arbitration as set forth in Section 3.5 below).
- 3.5 Costs of Arbitration.** Neither the Association nor any individual Director shall be required to pay any of the costs of the Arbitration or be subject to any damages. If the Arbitrator finds that the Blocking Director(s) met the Director Standards, the Affiliate Entity Member who appointed the Blocking Directors shall be treated as the prevailing party. If the Arbitrator finds that the Blocking Director(s) did not meet the Director Standards, the Affiliate Entity Members who appointed the Majority Directors shall be treated collectively as the prevailing party. The Arbitrator shall award to the prevailing party all of its costs and fees. As used herein, "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees. If the Affiliate Entity Members who appointed the Majority Directors are found to be the prevailing party, their reasonable fees shall only include the attorneys' fees of one set of attorneys acting on behalf of the Majority Directors as a group.
- 3.6 Qualifications of Arbitrator.** The Arbitrator shall be a retired judge of any of the state courts of California.
- 3.7 Location of Arbitration.** The Arbitration shall be held in Sacramento, California.
- 3.8 Governing Law.** The Arbitrator shall apply California law and with respect to Section 3.1 above, California's Nonprofit Mutual Benefit Corporation Law.

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