

THE  
COLLECTIVE BARGAINING AGREEMENT

BETWEEN

FIRST STUDENT

AND

UNITED TRANSPORTATION UNION LOCAL 1741

FOR

OFFICE EMPLOYEES

EFFECTIVE DATES

FROM: AUGUST 1, 2005

TO: JULY 31, 2010

SAN FRANCISCO DIVISION #307

TABLE OF CONTENTS

<u>ARTICLE NO.</u>	<u>PAGE NO.</u>
PREAMBLE.....	1
ARTICLE I – RECOGNITION.....	1
ARTICLE II – UNION MEMBERSHIP .....	1
ARTICLE III – MANAGEMENT RIGHTS.....	2
ARTICLE IV – NO STRIKE / NO LOCKOUT .....	3
ARTICLE V – SENIORITY.....	3
ARTICLE VI – LEAVES OF ABSENCE .....	4
ARTICLE VII – WORK WEEK.....	6
ARTICLE VIII – PERSONNEL RECORDS .....	6
ARTICLE IX – RATES OF PAY .....	6
ARTICLE X – SICK PAY.....	7
ARTICLE XI – PAID HOLIDAYS .....	7
ARTICLE XII – VACATIONS.....	8
ARTICLE XIII – JURY DUTY .....	8
ARTICLE XIV – FUNERAL LEAVE .....	9
ARTICLE XV – HEALTH BENEFITS .....	9
ARTICLE XVI – DISCIPLINE .....	13
ARTICLE XVII – GRIEVANCE AND ARBITRATION.....	14
ARTICLE XVIII –GENERAL CONDITIONS .....	16
ARTICLE XIX – NO IMPLIED WAIVER.....	17
ARTICLE XX – NON DISCRIMINATION.....	17
ARTICLE XXI – DURATION OF AGREEMENT .....	18
ARTICLE XXII – 401K RETIREMENT PLAN.....	18
ARTICLE XXIII –ALCOHOL/SUBSTANCE ABUSE TESTING.....	19
LETTER OF AGREEMENT .....	20
SIGNATURE PAGE.....	21

## PREAMBLE

This Agreement is entered into by and between First Student (hereinafter referred to as "the Company") and the employee organization of the bargaining unit referred to in this Agreement as Local 1741 affiliated with the United Transportation Union (hereinafter referred to as "the Union"). Its purpose is the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work and other conditions of employment.

## ARTICLE I – RECOGNITION

The Company recognizes the Union as the duly designated and sole collective bargaining agent for its employees in the unit deemed appropriate on April 20, 1992 by the National Labor Relations Board, and for all other employees who may be hired by the Company to perform like work as designated by the N.L.R.B. on April 20, 1992; for the purpose of collective bargaining with respect to wages, hours and working conditions covered herein. The Company agrees to meet as mutually agreed upon with the duly elected and accredited officers and members of the Local Committee of Adjustment established in accordance with the Union's International Constitution on all questions related to this Agreement including all grievances and disputes and controversies arising between the Company and its full-time and regular part-time benefits clerk, clerk-typists, accounting clerks, senior accounting clerks, routers, payroll clerks, payroll department employees, driver development and safety clerks, head dispatchers, dispatchers, field supervisors, and charter sales representatives employed by the Company at its 2270 Jerrold Ave., San Francisco, California location and excluding all other employees, driver development and safety supervisors, operations managers, shop managers, guards and supervisors as defined in the Act.

## ARTICLE II – UNION MEMBERSHIP

Section 1 – All employees within the scope of this agreement shall become members of the Union not later than the thirty-first (31<sup>st</sup>) day following the beginning of employment, and remain members in good standing as a condition precedent to continued employment with the Company.

Section 2 – The Company will advise the Local Committee Chairperson and the Secretary of the Local 1741, UTU, by placing in the LCOA mailbox, notice of all employees entering or leaving or being recalled to service within two (2) working days of such event.

Section 3 – The duly authorized representative, and committee persons of the Union may visit the establishment of the Company for the purpose of carrying out and enforcing the terms of this Agreement provided, however that such activity on the part of the representative shall not interfere with the normal and regular operations. The Union shall notify the Company in writing of the names of the duly authorized Union representatives.

ARTICLE II – UNION MEMBERSHIP (continued):

Section 4 – “The Company agrees to check off all dues and assessment levied by the Union on its members, and will deduct same from the members’ wages all such dues and assessments, and will remit same monthly to the Secretary-Treasurer of the Local, provided every member must sign an authorization card, provided it meets all the requirements of the Labor-Management Relations Act, requesting the Company to make such deductions. The Secretary-Treasurer of the Local shall submit to the Company a list of all members and the amounts to be deducted from their paychecks by the Wednesday of the week before the close of the pay period from which the deductions are to be made.”

Section 5 – “The Union indemnifies and shall hold the Company harmless against any and all claims, suits, demands, charges, complaints, or other causes of action, and any related attorney fees, arising out of any action taken or not taken by the Company with respect to this Article.”

ARTICLE III – MANAGEMENT RIGHTS

The Company retains, solely and exclusively, all the rights, powers and authority which it exercised or possessed prior to the execution of this Agreement, except as specifically amended by an express provision of this Agreement. Without limiting the generality of the foregoing, the rights, powers and authority retained solely and exclusively by the Company and not amended by this Agreement include, but are not limited to the following:

To manage, direct and maintain the efficiency of its business and personnel; to manage and control its facilities, equipment and operations; to create, change, combine or eliminate jobs and operations in whole or in part; to discontinue work for economic or other reasons; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote, demote, suspend, discharge and maintain the discipline and efficiency of its employees; to layoff employees; to establish operating standards, schedules, schedules of operation and work load; to specify or assign work requirements and require overtime; to assign work and decide which employees are qualified to perform work; to adopt reasonable work rules and rules of conduct, appearance and safety and penalties for violation thereof, and to amend these rules from time to time; to determine the type and scope of work to be performed and the services to be provided; to determine the methods, processes, means and places of providing services; to adapt, install or operate new equipment or operations; to determine the location and relocation of operations and to effect technological changes; Nothing contained in this Agreement is intended or shall be construed as a waiver of any of the usual inherent and fundamental rights of management, whether the same has been exercised heretofore or not.

## ARTICLE IV – NO STRIKE / NO LOCKOUT

Section 1 – NO STRIKE: The Union agrees that as long as this Agreement is in effect, none of its members who are employees of the Company will participate in any strike called for any purpose whatsoever.

Section 2 – INCLUDED PROHIBITIONS: The prohibitions of this section shall apply whether or not:

- (a) The dispute giving rise to the prohibited conduct is subject to arbitration;
- (b) Such prohibited conduct is in protest of an alleged violation of any state or federal law.

Section 3 – UNION OBLIGATION: The Union agrees that in the event that any of its members engage in a strike in violation of this Article, it will publicly inform all union members that such actions are a violation of the Labor Agreement and that such actions should cease and desist.

Section 4 – DISCIPLINE: Any employee who participates in any activity prohibited by Section 1 of this Article shall be subject to discharge; provided, however, that such employee shall have recourse to the grievance and arbitration procedure of this Agreement.

Section 5 – NO LOCKOUT: The Company agrees that there shall be no lockout of employees by the Employer during the term of this Agreement.

Section 6 – THIRD PARTY PICKET LINE: The Union agrees to give the Company seventy-two (72) hours notice prior to sanctioning a picket line. The Union agrees to confer with the Company during that period to attempt to work out a plan so that the services it provides the District will not be interrupted. However, this shall in no way obligate any Union member to cross any picket line, nor subject any member to discipline for refusing to cross a sanctioned picket line.

## ARTICLE V – SENIORITY

Section 1 – Seniority of employees covered by this Agreement shall commence on hire date in the San Francisco Division.

Section 2 – Except as specifically provided for in this Agreement, an employee's seniority shall have no bearing upon any decision involving the employee, nor shall it be consideration in the administration of any aspect of this Agreement.

Section 3 – All position vacancies or new positions shall be posted and current employees of this bargaining unit given preference in filling these positions, if qualified.

Section 4 – Summer Staff Layoff: Employees can volunteer to be laid off at any time. The Company will determine how many volunteers, if any, may be laid off at any given time.

## ARTICLE V – SENIORITY (continued):

Section 5 – The size of the workforce may be reduced for any reason pursuant to the Management Rights Clause. Normal seasonal layoff shall be defined as one that is for the purpose of Spring, Summer, or Christmas vacation. The Company shall, in any reduction of the work force in a given classification, place employees on layoff in inverse order of seniority, within their appropriate group operations or office; provided, however, that the remaining employee must be fully qualified to perform the work of a displaced employee. Such laid off employee may bump a junior employee within their appropriate group, whose work the laid off employee is fully qualified to perform. Employees who are to be laid off within their appropriate group may exercise the option to bump into any position previously held prior to the layoff, provided they have the seniority to do so.

Section 6 – As work becomes available the Company shall recall employees in the reverse order of layoff subject to the criteria provided in Section 1 and 4 of this Article.

Section 7 – An employee shall be considered as probationary for ninety (90) calendar days, during which time he or she may be terminated without recourse to the grievance and arbitration procedure provided in Article XVIII of this Agreement. At the end of said probation, an employee shall be considered a non-probationary employee with seniority having accrued from the first day of his assignment as a bargaining unit employee.

Section 8 – A current seniority roster shall be posted by the Company and revised if changes occur. The roster will include original date and classification and dates an employee changed classifications. The seniority date to be used will be the employee's original seniority date.

Section 9 – An employee's Company seniority shall be broken and he shall be considered terminated under the following conditions:

- (a) Discharge;
- (b) Resignation or other termination of service by voluntary act of the employee;
- (c) Layoff of twelve (12) months;
- (d) Accumulation of total leave of absence time in excess of that allowed under Article VI of this Agreement;
- (e) Failure to report to work as scheduled, without just cause, from a leave of absence, a vacation, or a layoff.

## ARTICLE VI – LEAVES OF ABSENCE

Section 1 – Seniority shall continue to accumulate during a leave of absence, except during a personal leave of more than thirty (30) days.

Section 2 – An employee may be granted a leave of absence without loss of seniority. This will be limited to three (3) months in any twelve (12) month period provided the employee makes written application to the Company for such leave of absence. In such cases, an employee must furnish the Company with a written Medical report prior to commencing such leave and at least every thirty (30) days thereafter, otherwise leaves will be subject to cancellation.

ARTICLE VI – LEAVES OF ABSENCE (continued):

Section 3 – Employees requesting personal leave of absence shall notify the Company as far in advance as possible. The Company may grant personal leaves of absence for a period of time up to twelve (12) consecutive weeks or twelve (12) aggregate weeks within a twelve (12) month period. The Company shall not deny properly submitted and written personal leave requests without cause. Employees returning from personal leave of absence shall give the Company at least fourteen (14) days notice of date of return.

Section 4 – Any Union official requiring a leave of up to sixty (60) days due to Union business shall be granted the same by the Company upon written request. Any Union official requiring a leave of absence that exceeds sixty (60) days may be granted the same by the Company upon written request. In the event a Union official is off of work for more than sixty (60) consecutive days, the Union shall reimburse the Company for the cost of the individual's health care premiums beyond the 60<sup>th</sup> consecutive day.

Section 5 – Emergency leave will be granted by the Company on receiving notice in writing from the employee. Emergency leave will be limited to no more than five (5) days, at which time the employee may apply for personal leave. Emergency shall be defined as important disruption in the employee's life, such as but not limited to, death in the family, serious illness in the family, etc.

Section 6 – Military Leave: The Company and the Union agree that they will comply with all federal and state laws regarding Veteran's re-employment rights.

Section 7 – Blood Bank Leave: A reasonable number of employees, with the approval of management, will upon request, be granted a personal leave without pay for the p.m. portion of their work day, for the purpose of donating blood to an established blood bank account or the purpose of contributing to a direct transfusion for hospital usage.

Section 8 – The Employer and the Union agree to be bound by the Federal Family Medical Leave Act. The employee will be granted a leave of absence pursuant to the eligibility requirements provided for in the Act.

Section 9 – In order to accommodate those employees who are or will soon be eligible for social security benefits, the Company shall make available to two (2) senior employees per year, a Pre-Retirement leave. Employees who meet the criteria of (1) sixty years or more of age, and (2) five years or more of seniority, may bid on such positions by written request. There shall be one position offered between January 1<sup>st</sup> and June 30<sup>th</sup>, and one position offered between July 1<sup>st</sup> and December 31<sup>st</sup>. Seniority shall prevail in the award of these bid positions. There shall be no loss of seniority while on pre-retirement leave. Employees on pre-retirement leave shall receive full benefits for the period worked, with the option to self-pay health and life insurance benefits during the leave period. Vacation accruals will not occur while on this leave.

ARTICLE VII – WORK WEEK

Section 1 – “The regular work week shall be defined as Monday through Friday and shall consist of five (5) consecutive days of eight hours of work time each day.”

Section 2 – “Non-paid lunch hours may be thirty (30) minutes or one (1) hour duration, as requested by the employee but depending on the operational needs.

Section 3 – “All time worked in excess of eight (8) hours in any given work day or forty (40) hours in any given work week shall be paid for at the rate of time and one half the employee’s regular hourly rate of pay. All time worked in excess of twelve (12) hours in any one work day shall be paid at the rate of two (2) times the employee’s regular hourly rate of pay. Overtime shall be assigned on a rotational basis consistent with Company operations.”

ARTICLE VIII – PERSONNEL RECORDS

Section 1 – “Upon request by an employee, authorization will be granted for the employee, at a time convenient to the employee and the Company, to examine his/her personnel record.”

Section 2 – “At the time an item is placed in the employee’s file, a copy will be given to the employee. The employee will be allowed to place in his/her personnel file, their explanation, and/or response.

Section 3 – “The Company will not release any information in an employee’s personnel file to outside sources other than date of employment unless legally required to do so, or if authorized in writing by the employee.”

ARTICLE IX – RATES OF PAY

Section 1 –

Eff. Date	TM / Hd. Disp.	Disp./ Payroll	Routing Clk.
August 1, 2010	\$22.74	\$21.73	\$20.70
August 1, 2011		Greater of 2% Inc. or CPI	+ .50 Cents Hr
August 1, 2012		Greater of 2% Inc. or CPI	+ .50 Cents Hr
August 1, 2013		Greater of 1.5% Inc. or CPI	+ .75 Cents Hr
August 1, 2014		Greater of 1.5% Inc. or CPI	+ .75 Cents Hr

Section 2 – Employees shall be paid on a bi-weekly basis either:

- (1) every other Friday at the Division, or
- (2) by direct deposit to a bank account at the employee’s request.

Section 3 – Split shift differential will be paid to one dispatcher per day if requested by management.

- Shift premium will be \$1.00 per hour.



## ARTICLE X – SICK PAY

Section 1 – Employees who are on the seniority roster as of the date of ratification shall retain all previously accrued sick pay. Effective on that date, sick pay shall accrue at the rate of eight (8) hours for each full calendar month of active employment. Paid time off does not accrue when the employee is on leave of absence or temporary layoff.

Section 2 – The maximum accrued sick pay shall be ninety (90) days. The sick pay accrual ceases once the maximum is reached; however, if sick pay is used by the employee, the accrual resumes upon the employee's return to active employment until the maximum is once again reached.

Section 3 – Sick pay is intended for use by employees who are absent from work because of illness or injury which requires confinement at home or in a medical institution. It may also be used for pressing personal business which cannot be conducted outside of normal hours. It shall not be used for any other purpose.

Section 4 – Sick pay shall be paid out on an hourly basis at the employee's current rate of pay. It shall be integrated with either State Disability or Workers Compensation payments whenever applicable.

Section 5 – Employees placed on indefinite layoff shall be permitted to withdraw up to ten (10) days of accrued sick pay.

## ARTICLE XI – PAID HOLIDAYS

Section 1 – Non probationary employees will be granted time off with pay for the following holidays:

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Day before Christmas
- Christmas Day
- Floating Holiday

Section 2 – The floating holiday may be taken on a day designated by the employee with the approval of management. The request for such holiday must be made in writing at least two weeks prior to the day requested.

Section 3 – Employees required to work on an observed holiday shall receive one and one half (1 ½) times their regular rate of pay for all hours worked.

ARTICLE XI – PAID HOLIDAYS (continued):

Section 4 – Except for employees on vacation, an employee must be at work on his/her last scheduled work day preceding the day of the holiday observance and his/her first scheduled work day following the day of the holiday observance, in order to be entitled to holiday pay.

ARTICLE XII – VACATIONS

Section 1 – All employees within the scope of this Agreement shall, after one (1) year’s service, be entitled to the annual vacation pay, predicated upon the length of service with the Company as follows:

<u>Years of Service</u>	<u>Maximum Days</u>	<u>Eligible Days</u>
1 – 7	10	.83
8 – 14	15	1.25
15 or more	20	1.67

Section 2 – During the first year of service, employees shall be eligible for five days of paid vacation after completing six months of continuous service.

Section 3 – Employees eligible for a paid vacation shall complete the appropriate form prior to the beginning date of their vacation and submit it to their supervisor for approval. If due to operational needs of service, the number of employees on vacation at a given time is restricted, then seniority shall prevail as to whose request(s) is granted.

Section 4 – An employee may not receive pay in lieu of vacation. However, employees leaving the service of the Company shall reserve all unused vacation pay at their current hourly rate.

Section 5 – Office employees will take vacation each year. Vacation accrual shall not exceed 35 days at any time. Upon ratification, a pay out will be made to all office staff who have over 35 days.

ARTICLE XIII – JURY DUTY

Section 1 – “The Company shall pay the employee for any time lost while on jury selection, provided the employee turn in the court appearance certificate and jury fee, if any, before the Company will compensate the employee for the time lost, regardless of the length of time the employee is required to serve on jury duty. All holidays for which the employee is otherwise eligible shall also be compensated.”

## ARTICLE XIV – FUNERAL LEAVE

Section 1 – When it is necessary for an employee to be absent from work because of the funeral of the employee’s spouse, parent (step-parent), child (step-child), grandparent, grandchild, sibling (step-sibling), mother-in-law, father-in-law, or unmarried domestic partner (in compliance with the San Francisco Ordinance on domestic partners), the Employer will grant three full days of Funeral leave with a guarantee of full pay. Domestic partners shall be eligible for funeral benefits without regard to sexual orientation. Also, in case of out of state funeral attendance, the Employer will grant five (5) days of funeral leave with a guarantee of full pay.

Section 2 – To be eligible for funeral pay, the employee shall have previously included said relative’s name and/or unmarried cohabitating partner’s name, and his/her relationship to the employee on the survey form.

## ARTICLE XV – HEALTH BENEFITS

Section 1 - All benefits in this Agreement shall be extended to all eligible employees covered by this Agreement. In the event that health coverage is not in force due to an administrative error by the Company, the Company shall cover the cost associated with its error.

In the event that any of the health insurance plans that are in effect during the life of this Agreement are cancelled, the Company will make its best effort to replace that plan with a similar plan that is available through a commercial carrier at a commercially competitive rate. In the event that a health insurance plan that is designated by this Agreement is cancelled, any employee enrolled in that discontinued plan will be allowed to enroll in any other plan that is designated by the labor agreement. The Company will notify the Union immediately upon learning of such cancellation and within fourteen days thereafter, either party will have the right to serve notification of its intent to reopen this section, only, of the Collective Bargaining Agreement for the purpose of addressing this occurrence through good faith bargaining in an effort to reach a mutually agreeable resolution.

Section 2 - The Company shall maintain medical and Life Insurance payments whenever an employee is on a work-related disability for up to eighteen (18) months. Such payments shall be maintained by the Company for a period of twelve (12) months whenever an employee is on a sick, maternity, or disability leave which is non-work related. Such payments shall be maintained by the Company for nine (9) months whenever an employee is on a child care leave.

This section becomes effective with the ratification of this Agreement. If an employee is on a leave of absence as referenced in Section 3, at the time of ratification, the time limits for that leave of absence and medical contributions will begin effective upon ratification of this Agreement.

Section 3 - Life Insurance. The Company shall provide a Life Insurance Program covering each eligible employee with \$25,000 of life insurance. This coverage shall be on a twelve (12) month basis and such payments for employees will extend through furlough, normal seasonal layoffs, and Holidays as well as the school term.

ARTICLE XV – HEALTH BENEFITS, (Continued):

Section 4 - Health. Employees performing service will have the following option concerning group health insurance.

1. Medical Insurance
  - a. Kaiser V Group #7614, or;
  - b. First Plus Medical Insurance Plan
2. Dental Insurance
  - a. Blue Cross Prudent Buyer Dental Plan 5000 or its equivalent, or;
  - b. Dental Net Plan 550 or its equivalent.
3. Vision Insurance  
VSP Vision plan

This coverage shall be on a twelve (12) month basis and will extend through furlough, normal season layoffs and holidays, as well as the school term unless indicated differently in provisions of this Agreement. The parties agree that Pacific Care will remain in place through September 30, 2010. Effective October 1, 2010 First Plus Medical Plan will replace Pacific Care Option 1

Section 5 - Employees may elect to make the required contributions with pre-tax dollars if and as provided by Section 125 of the Internal Revenue Code. In addition, beginning January 1, 2011 employees may participate in the First Student Flexible Spending Account . The Company will administer the programs.

Section 6 - Domestic Partners and the children of Domestic Partners within the definition of dependents for medical care shall be included in medical coverage provided by Kaiser or First Plus Medical Plan. Such definition of Domestic Partners and the children of Domestic Partners shall be defined by the insurance carriers (Kaiser and First Plus). To qualify for and maintain eligibility, Domestic Partners and children of Domestic Partners must satisfy all conditions and provisions required by the carrier offering coverage.

Section 7 – MEDICAL

For the Plan Year effective October 1, 2010, the employee monthly contribution toward medical premiums will be as follows:

	EE Only	EE + 1	EE + Family
Kaiser	\$15.00	\$24.00	\$30.00
First Plus Medical	\$15.00	\$24.00	\$30.00

Effective October 1, 2010, the Pacific Care Plan shall be eliminated and replaced by the First Student First Plus Plan Medical Plan. The employee will continue to make the contributions as set forth in the table above.

ARTICLE XV – HEALTH BENEFITS, Section 7 (Continued):

For each year thereafter the following contribution caps will apply:

Employer Cap for Benefit Contribution Increases	
October 1, 2011	Up to 20%
October 1, 2012	Up to 20%
October 1, 2013	Up to 20%
October 1, 2014	Up to 20%

Section 8 - DENTAL AND VISION

Dental and Vision coverage shall be provided for the employee only. Dependents may be eligible for Dental and Vision coverage, however, the additional premium cost shall be borne entirely by the employee. Dependent claims experience will be separately tracked and premiums will be rated accordingly. Such premiums shall be paid by payroll deduction. July and August dependent premiums must be prepaid in June (before Summer furlough). Employees must complete one year of service in order to be eligible to cover dependents.

It is further agreed that for the term of this Agreement the Company will pay the entire employee only premium for employees electing Prudent Buyer Dental Plan 5000, or Dental Net Plan 550. In addition, effective October 1, 2010 the Company will replace the Vision Plan (Eye Med) with the VSP Vision plan. The company agrees to provide VSP vision care @ 100% for employees. The employee will pay full cost for any dependents.

Maintenance of the dependent Dental and Vision coverages is contingent upon acceptable availability from providers and underwriters. Participation and/or claims experience could necessitate benefit changes.

Section 9 - New Employees Upon beginning employment, the Company will provide the applicable premium per month per employee as outlined above, towards Group Medical Insurance under the following eligibility rule: If employees enter employment on or prior to the fifteenth (15th) of any month, they will be covered the month following, if employed after the sixteenth (16th) of the month, they will be covered the second (2nd) month following their employment. Terminating employees will be covered the month of termination.

Section 10 - Eligibility for Health Benefits Employees recalled from indefinite layoff, and employees returning from personal leaves of absence of more than one calendar month shall be provided Group Health Insurance as outlined above, upon returning to service. The following eligibility rules shall apply: If employees begin working on or prior to the tenth (10th) of any month, they will be covered for that month, if they begin after the tenth (10th), they will be covered the month following. Employees leaving the service of the Company because of: termination, indefinite layoff, or personal leaves of absence of more than one calendar month, will be covered for the month in which they leave service. However, any employee laid off indefinitely in the month of June, will be covered for July and August. The Company will notify

ARTICLE XV – HEALTH BENEFITS, Section 10 (Continued):

the Union and any affected drivers, in writing, of its intention to discontinue payment of a Bus Driver's health and life insurance premiums before coverage is actually terminated. In the event a dispute arises over a driver's eligibility, the Company will continue coverage until the matter is settled through the Grievance Procedure. All such grievances will go directly to the Appeal Stage and the time limits for initial presentation shall be waived. If determined the employee is not eligible, the employee will refund the payment to the Company.

Section 11 - The Company will consider requests for information from the Union for pertinent information regarding Health and Welfare Benefits if the Union can demonstrate relevance and if that request is in compliance with employee privacy concerns and HIPPA laws.

Section 12 – The employer shall have the right to request and receive medical verification from any employee that is absent for more than two days during a school year or if the employer has reason to believe that the employee's absence is not excused.

**Opt-Out Health Benefits Program Payment**

Beginning effective October 1, 2010 the Opt-Out benefit will be available to all eligible employees who voluntarily decline to enroll in offered First Student Medical Insurance available to all eligible bargaining unit employees if they meet the below eligibility requirements.

1. Employees must be active employee on October 1, 2010, holding a bid position of the most recent bid period.
2. Employees must have been enrolled in a First Student Medical Insurance plan for at least 1 year during the previous 6 years.
3. Employees not enrolled in a Medical Insurance Plan in the 2009 – 2010 plan year but were enrolled in a Medical Insurance plan within the previous 6 years will only be eligible for the single employee opt out payment of \$2000.00.
4. Employees hired on or after October 1, 2010 may elect to receive Opt-Out payments.
5. Employees are eligible for the Opt-Out benefit if they sign and acknowledge that they will not be eligible to later enroll themselves or dependents into any Medical Plans during the following enrollment year except as noted below under Loss of Insurance. Employees may in subsequent years elect to enroll in an offered Medical Plan and forego the Opt-Out benefit. For example, if the employee elects to Opt-Out for the 2011 benefits year they could enroll in plans for 2012 and forego the Opt-Out Benefit.
6. Employees must remain eligible for Medical Insurance to participate in the Opt-Out program. Employees seeking to receive the Opt-Out benefit for spouses or eligible other dependents must provide proof that the dependents meet the Company's benefits qualification criteria. Employees who are not eligible for spouse or other dependents coverage will be eligible for the individual only plan Opt-Out benefit.
7. Employees are eligible for the Opt-Out benefit if they can provide the Company with employer or plan confirmation of coverage under another plan such as: a) Spouse's/partner plan (other than a First Student Inc Plan), b) private plan, c) plans

**Opt-Out Health Benefits..** continued

offered through a second employer (e.g. another job providing health benefits) or; d) a retiree or government/military health plan.

8. The Company reserves the sole right to evaluate the economic viability of this plan annually. This plan will be in effect for a minimum of two (2) years to establish viability. The Company will furnish the Union data to establish viability. If in the employer's sole opinion this plan is not financially viable, notice will be given to the union of the termination of this plan.

**Loss of Insurance:** If the employee suffers a plan qualifying event and loses the alternative health insurance coverage during the Opt-Out year, the employee will be eligible for coverage under the First Student plans but they must repay any prorated benefit payments, on a full month basis, for the periods they are to be covered by First Student Medical plan. The repayment shall begin by payroll deduction beginning the month benefits start and repaid by the end of applicable benefits year.

**Benefit:** All participating active employees shall receive the benefit payment by November 30<sup>th</sup> of the benefit year less any applicable state or federal taxes. New employees hired after this date and who elect the Opt-Out program will receive their prorated payment from the benefits eligibility date on the following November 30<sup>th</sup>.

<b>Single Emp -</b>	<b>\$2000.00</b>
<b>Emp + Spouse</b>	<b>\$2500.00</b>
<b>Emp + 1 Child</b>	<b>\$2500.00</b>
<b>Emp + Partner</b>	<b>\$2500.00</b>
<b>Emp + Children</b>	<b>\$3500.00</b>
<b>Adults + Children</b>	<b>\$3500.00</b>

**ARTICLE XVI – DISCIPLINE**

Section 1 – “The Company retains the right to discipline and discharge employees for just cause, provided that in the exercise of this right the Company will not act in violation of the terms of this Agreement. Complaints that the Company has violated this paragraph may be taken up through the grievance procedure.

Section 2 – Except as stated in Section 3, before an employee may be terminated or suspended, at least two warnings must be given to that employee under the progressive disciplinary system. Where appropriate, one of the warnings may be verbal warning, however at least one warning must be a written warning. Complaints that the Company failed to discipline or discharge employees for just cause may be taken up through the grievance procedure.

## ARTICLE XVI – DISCIPLINE (Continued)

Section 3 – In case of insubordination, theft, or other offense serious enough to require immediate action, the Company may suspend the employee until such time as the Company completes its investigation. If it is determined that the employee was not at fault, then he/she will be compensated for all time lost.

Section 4 – In all hearings, an employee shall be permitted to have an authorized Union Representative present, and have witnesses appear in his/her behalf; also, submit signed statements by others not present, and question any witness giving testimony at the hearing. A copy of any verbatim transcript of the hearing taken by one party or the other shall be furnished to the other party.

Section 5 – Should the decision of the General Manager, in the previous mentioned sections, be reversed within the grievance procedure, or be rescinded by the Company at a later date, the Company agrees the employee shall be reinstated to their former position without loss of seniority, and will be paid wages lost, and the employee's file will not reflect such suspension or discharge. However, if mutually agreed that the employee was partially responsible, the parties may mutually agree upon a reduction of penalty and upon what, if any portion of back pay, should be restored.

Section 6 – The Company retains the right to make reasonable rules and regulations, not in conflict with this Agreement, as it may from time to time deem best for the purposes of maintaining order, safety, and/or effective operation of the Company's business, and following seventy-two (72) hours advance written notice thereof to the Union and the employees, to require compliance therewith. It is understood that the Union accepts no responsibility for the establishment of such rules, or for additions to or changes in such rules. Complaints that the Company has violated this Section may be taken up through the grievance procedure. It is further understood that the Union may propose revisions or amendments to such rules and upon mutual agreement with the Company, they shall be implemented.

Section 7 – Disciplinary action in the employee's personnel file which is twelve (12) months old or older will not be used against the employee for future discipline, except and unless the infraction is for the same or similar offense. If the infraction is for the same or similar offense then discipline older than twenty-four (24) months will not be used to support future discipline.

## ARTICLE XVII – GRIEVANCE AND ARBITRATION

Section 1 – GRIEVANCE DEFINED: A grievance shall be defined as a claim by an employee or by the Union that the Company has violated a specific, written provision of this Agreement. Only an employee covered by this Agreement or the Union may file a grievance under this Agreement.



ARTICLE XVII – GRIEVANCE AND ARBITRATION (continued):

Section 2 – GRIEVANCE PROCEDURE: The grievance procedure provided herein shall be the sole and exclusive remedy for an alleged grievance under this Agreement and the result achieved through the application of this procedure shall resolve a grievance for all purposes. The following procedures shall apply in all cases:

- (a) The specific steps provided for throughout this Article, as well as the time limits for each, are intended by the parties to be followed strictly in all cases, except where the parties shall agree in writing to delete or to add steps or to extend specific time limits. Any failure by the grievant or the Union to comply with the specific steps and time shall result in the grievance being barred for all purposes.
- (b) STEP ONE: A grievance shall be taken up at the first step by the grievant in writing with his immediate supervisor not later than five (5) working days after the grievant first knew or could reasonably have known of the facts giving rise to it. The supervisor shall respond in writing within five (5) working days of receipt of the grievance. Failure of the Company to respond within five (5) days shall result in the suspension of all issues of timeliness at subsequent stages of the grievance.
- (c) STEP TWO: The Division Manager shall schedule a grievance hearing not later than ten (10) working days after receipt of the written request for review under paragraph (b) above, or at his option, may hear the grievance at the next scheduled grievance meeting with the LCOA. A grievance filed at this step must have been properly filed in STEP ONE and it must be filed not later than five (5) working days after the supervisor's response in STEP ONE. The Division Manager shall respond in writing within five (5) working days of receipt of a timely STEP TWO grievance. Failure of the Company to respond within five (5) days shall result in the suspension of all issues of timeliness at subsequent stages of the grievance.
- (d) STEP THREE: Mediation – If a grievance or dispute which had been processed in conformance with the Grievance Procedure set forth in this Agreement is not satisfactorily settled by written answer of the Division Manager as provided in this section, the Union may submit the matter to Mediation by sending notice to the Company within thirty (30) days of receipt of the Division Manager's answer to said grievance that the Union desires the matter submitted to Mediation. Within two (2) days from the date of notice by the Union to the Company for Mediation, the Company and the LCOA shall jointly request the State Mediation and Conciliation Service to mediate the grievance or dispute. The jurisdiction and authority of the Mediator of the grievance or dispute and any opinion and/or award shall be confined exclusively to the interpretation of the explicit provision (s) of this Agreement or issue between the Union and the Company and shall not be binding on either party.

ARTICLE XVII – GRIEVANCE AND ARBITRATION (continued):

Section 3 – GRIEVANCE ARBITRATION: If the grievance is not resolved in the written response provided for in STEP THREE and if the Union has processed the grievance in strict adherence with the express time limits in this Article, the Union may file for arbitration. Such filing must take place not later than ten (10) working days after the first (1<sup>st</sup>) regular Union meeting held after the date on which the written response from the Mediator is due under STEP THREE.

- (a) The arbitrator shall be appointed by the Company and Union by whatever means both agree to or from a panel of arbitrators requested from the Federal Mediation and Conciliation Service. If a panel is obtained from the Federal Mediation and Conciliation Service, selection shall be made within fifteen (15) working days of receipt of said list, with the order of striking being determined by lot.
- (b) The arbitrator shall have no authority to:
  - (1) Add to, delete from, amend, or in any way disregard any of the terms of this Agreement;
  - (2) Accept for submission any issue other than a factual question as to whether or not a specific, written provision of the Agreement has been violated by the Company;
  - (3) Accept for submission or render an award in a grievance in which the specific procedures of this Article, including the express time limits at each step, have not been adhered to;
  - (4) Fashion a remedy in any grievance which back pay is awarded retroactively for more than ten (10) working days prior to the date on which the grievance was filed.
- (c) The compensation of the Arbitration shall, in all cases, be borne by the moving party.

ARTICLE XVIII – GENERAL CONDITIONS

Section 1 – FLEXIBILITY: The Union agrees for itself and on behalf of its members that the Company must enjoy flexibility of operations and, therefore, may utilize an employee to the degree that no employee's compensated time shall be wasted.

Section 2 – SOLE AGREEMENT: This Agreement constitutes the sole and entire existing Agreement between the parties and supersedes all prior agreements, commitments and practices, whether oral or written, between the Company and the Union and between the Company and any of its employees covered by this Agreement, and express all obligations of and restrictions imposed on the Company. Additionally, both parties agree to be bonded by any and all applicable laws.

ARTICLE XVIII – GENERAL CONDITIONS (continued):

Section 3 – WAIVER OF BARGAINING DURING TERM: Notwithstanding any provision of this Agreement, the parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties are set forth in this Agreement. Therefore, the Company and the Union each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter specifically referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated and signed this Agreement. However, both parties agree to bargain regarding any new work that properly falls within the bargaining unit as deemed appropriate by the National Labor Relations Board on April 20, 1992.

Section 4 – GENDER: Throughout this Agreement the masculine shall alternate with the feminine and the singular shall become the plural.

Section 5 – AMENDMENT/WAIVER: This Agreement is subject to amendment, alteration or addition only by subsequent written agreement between and executed by the Company and the Union; any oral statement or oral agreements shall be of no force or effect whatsoever.

Section 6 – SEPARABILITY: If a provision of this Agreement is held to be illegal or unenforceable at law by a court of competent jurisdiction, such provision shall be deemed invalid, but all other provisions not so illegal or unenforceable shall continue in full force and effect. In such an event, the parties shall meet promptly to negotiate a new provision to replace that which has been rendered invalid.

ARTICLE XIX – NO IMPLIED WAIVER

Section 1 – If at any time the UTU of the Company shall elect not to assert its right under any provision of the Agreement in the event of a breach hereof, such lack of action in this respect shall not be construed as a continual waiver of any right under the provision of this Agreement.

ARTICLE XX – NON DISCRIMINATION

Section 1 – There shall be no discrimination, harassment, interference or coercion of any applicant, trainee, employee, or rehire, active or non-active for any reason prohibited by applicable Local, State, or Federal Law including age, citizenship, color, race, national origin, political or religious beliefs, sexual orientation, union affiliation, or union related activities.

ARTICLE XXI – DURATION OF AGREEMENT

This Agreement shall be in full force and effect from August 1, 2010, until and including July 31, 2015 and shall continue in force thereafter from year to year unless either party shall have given sixty (60) days written notice to the other of its desire that same terminate or be amended on July 31st succeeding such notice.

ARTICLE XXII – 401K RETIREMENT PLAN

Section 1 – 401-K Plan:

- (1) Eligible employees shall be defined as employees at least twenty-one (21) years of age with at least one year of service (at least one thousand hours of work) within the bargaining units covered by the Office Employees Agreement.
- (2) The Plan shall become effective January 1, 1995 with Company contributions and employee payroll deductions beginning on that date.
- (3) The Company shall pay for the administration of the Plan.
- (4) Participants shall be defined as those eligible employees who have made a contribution to the Plan.
- (5) Entry into the Plan shall be permitted on the first day of the calendar quarter after completing one year of service.
- (6) Plan Funding: The Plan will permit employee pre-tax deferrals and Company matching on a monthly basis as follows:

Employee Contribution	Company Contribution
1%	0.5%
2%	1%
3%	1.5%
4%	2%
5%	2.5%
6% +	3%

Section 1 – 401-K Plan (continued)

- (7) The Plan will permit rollover contributions.
- (8) Vesting: The Company matching contributions are subject to the following vesting schedule.

Years of Service:	1	2	3	4	5
Percent Vested:	20%	40%	60%	80%	100%

- (9) Forfeitures will be used to reduce Company contributions.

ARTICLE XXII – 401K RETIREMENT PLAN, continued

- (10) Hardship withdrawals are permitted utilizing IRS guidelines.
- (11) In-Service withdrawals are permitted only after age 59 ½.
- (12) Distributions: Distributions must begin no later than the April 1 following the year the employee attains age 70 ½. If a participant receives a taxable distribution (including a withdrawal) of any part of their vested account, the distribution may be subject to a 10% penalty tax.
- (13) The Company shall fund the matching contributions to the Plan on a monthly basis.
- (14) The Company shall have absolutely no obligation to make any contributions to the Plan or to provide any funds to the Plan or to any employee or to participate in any fashion in the administration of the Plan at any time after it no longer provides school bus service to the San Francisco Unified School District under its current or a successor revenue contract.

ARTICLE XXIII – ALCOHOL/SUBSTANCE ABUSE TESTING

Section 1 – Field Supervisors (Transportation Managers) will be subject to the same Company Alcohol/Substance Abuse Policy that governs the drivers.

LETTER OF AGREEMENT

AGREED

BETWEEN

FIRST STUDENT

AND

UNITED TRANSPORTATION UNION, LOCAL 1741

FOR

OFFICE EMPLOYEES

The parties agree to the following with regard to Article IV (No Strike / No Lockout), Section 4:

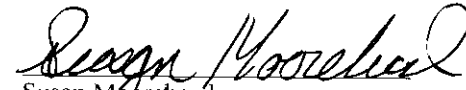
1. It is the Union's understanding that the Company will take immediate action to terminate employees who violate this Section of the Agreement.
2. It is the understanding of both parties that the reference to discharge does not imply the Union's agreement that such disciplinary action is always appropriate.

In witness whereof, the parties hereto have hereunto set their hands this 30th day of September, 2010.

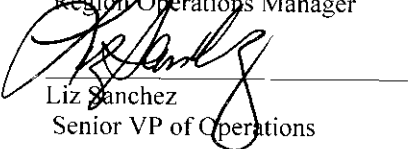
**FOR THE COMPANY:**



Larry Rodriguez  
Director Labor Relations – West

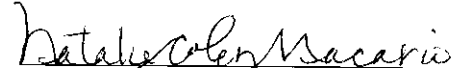
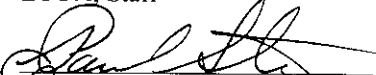
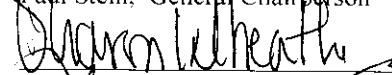


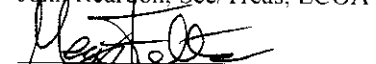
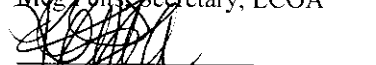


Susan Moorehead  
Region Operations Manager


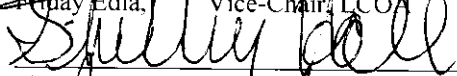
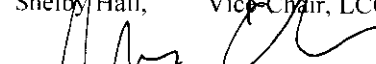
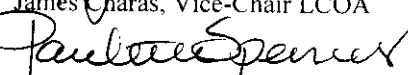
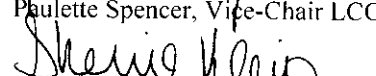


Liz Sanchez  
Senior VP of Operations

**FOR THE UNION:**

  
Natalie Colen Macario, Vice-Chair  
LCOA, Staff  
Paul Stein, General Chairperson  
Sharon Wheatley, Local President,  
Vice Chair LCOA  
Lois Correa, Local Vice President,  
Vice Chair, LCOA  
John Reardon, Sec/Treas, LCOA  
Meg Felts, Secretary, LCOA  
Keva Knox, Vice-Chair, LCOA

David Kush, Vice-Chair, LCOA

  
Friday Edia, Vice-Chair, LCOA  
Shelby Hall, Vice-Chair, LCOA  
James Charas, Vice-Chair LCOA  
Paulette Spencer, Vice-Chair LCOA  
Sherry Klein, Vice-Chair LCOA