

To All Contractors and Subcontractors

Re: LAUSD PSA Section 6.4(b)

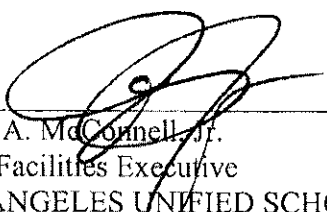
The Los Angeles Unified School District ("LAUSD") Project Stabilization Agreement ("PSA") Section 6.4(b) states:

"Contractors, the Council and the Union recognize the economic impact upon the District and District rate payers of the massive project being undertaken by the District and agree that all parties to this Agreement desire and intend Project Work to be undertaken in a cost efficient and effective manner to the highest standard of quality and craftsmanship. Recognizing the economic conditions, the parties agree that, *to the extent permitted by law*, employees performing Project Work shall not be entitled to any differentials or additional pay based upon the shift or work schedule of the employees. Instead, all employees working on Project Work shall be paid at the same base rate regardless of shift or work schedule worked." [Emphasis added.]

This PSA provision only eliminates shift differential pay if the law does not require shift differential to be paid. When the law requires it, contractors and subcontractors must pay shift differential to their workers on LAUSD projects.

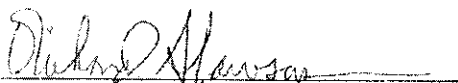
Labor Code section 1770 requires the Department of Industrial Relations Division of Labor Statistics and Research ("DLSR") to issue determinations of the prevailing wage rate that must be paid to workers on public works projects. If a prevailing wage determination for a particular trade contains a shift differential pay requirement, contractors and subcontractors must pay shift differential for workers in that trade.

Please review the DLSR prevailing wage determinations at <http://www.dir.ca.gov/DLSR/PWD/index.htm> to determine when shift differential must be paid.



James A. McConnell, Jr.
Chief Facilities Executive
LOS ANGELES UNIFIED SCHOOL DISTRICT

31 May 06
Date



Richard Slawson
Executive Secretary
LOS ANGELES/ORANGE COUNTIES BUILDING
AND CONSTRUCTION TRADES COUNCIL

May 31, 2006
Date