

# CAPS Offers Alternatives to Layoff

On December 3, Governor Schwarzenegger announced to the media that his administration is planning layoffs as a way to make ends meet. In answer to a question about the latest stalemate over a budget fix, the governor said:

*"I think the longer we wait the more we will have to lay off people from government. And I think because of the delay now, we are almost, I think, forced -- as a matter of fact, we are going to have a meeting as soon as I come back from Philadelphia about that, how many people we need now to lay off in order to make ends meet. So it gets worse very quickly. It's like an avalanche, that it gains momentum. And that's what we're in right now, so it's a real crisis."*

On December 10, the CAPS Bargaining Team met with state negotiators and asked for specifics about the planned layoffs. The DPA negotiator appointed by the governor claimed to have no knowledge of any specific plans. Instead, he claimed that state appointing authorities are being urged to prepare for dire fiscal circumstances. State Controller John Chiang has warned that the state could run out of cash as early as late February 2009.

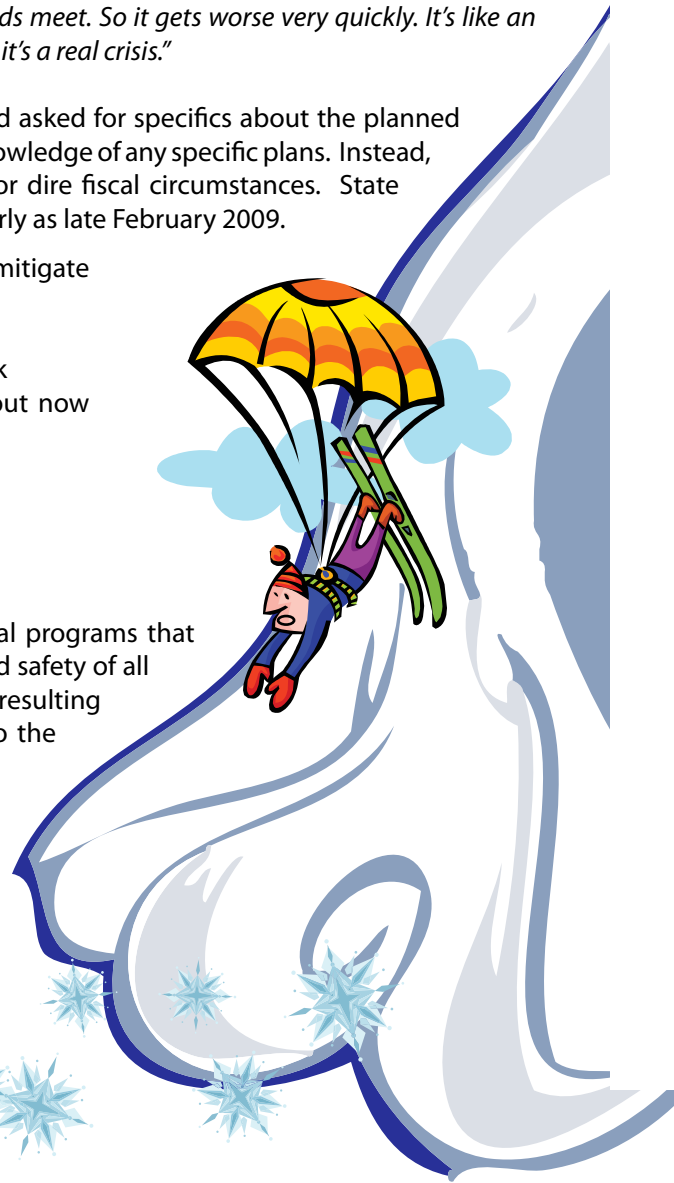
The CAPS Team urged the state to consider taking immediate steps to mitigate layoffs, including:

- Terminating All Costly Personal Services Contracts for Scientific Work
- Offering Early Retirement Incentive(s) such as the employee buyout now being offered by the City of Sacramento
- Offering Voluntary Reduced Work Schedules
- Offering a Personal Leave Program
- Offering Alternate Work Schedules such as 4/10s and 9/80s

The CAPS Bargaining Team again objected to the state's neglect of essential programs that protect the environment, public health and other areas vital to the health and safety of all Californians. CAPS predicted that the prospect of unpaid furloughs and the resulting pay cut would prompt a wave of retirements and actually increase costs to the state due to the cashing out of large banks of unused leave credits.

For a complete list of proposals made by CAPS, go to the CAPS webpage: [www.capsscscientists.org](http://www.capsscscientists.org).

The next bargaining session will be scheduled for January 2009. CAPS remains committed to protecting the jobs of state scientists and to ensuring a living wage and reliable benefits.



# Minimum Wage Case Still Pending

Can Governor Schwarzenegger force state scientists (and all state employees paid hourly) to receive the federal minimum wage when a state budget isn't in place? That is the question in a case brought by the governor to force State Controller John Chiang to abide by what the governor believes is necessary to comply with a 2003 State Supreme Court decision.

The case brought by the governor was filed in Sacramento Superior Court. It was transferred to the federal courts after CAPS and other employee representatives pointed out the federal legal issues in the case. The time it took to finish all these machinations was long enough to finally see a state budget get enacted, so the issue was moot for this year. The governor, however, isn't letting the case go away. His legal team seems determined to have the courts rule on whether employees must be paid no more than the federal minimums during a budget deadlock.



CAPS strongly opposed the Governor's executive order that would have lowered the paychecks of state scientists and all state employees to the federal minimums, and is taking every measure possible to ensure that state scientists get paid in full and on time.

Part of this effort will be to once again introduce legislation that would make the payment of state employees subject to a "continuous" appropriation. This would ensure that employees would get paid in full and on time unless the state runs out of cash. CAPS is convinced that failure of the legislature to pass such a bill in the past indicates a widely shared desire in the state capitol for state employees to have a big stake in efforts to pass a state budget on time.

This case will be heard in Sacramento Superior Court during early 2009.

## EnCAPSulations...



**Like Pay For Like Work.** Depositions of witnesses from both the Department of Finance and the Department of Personnel Administration were held on Friday, December 5, 2008. This likely concludes the formal discovery process.

When the transcripts become final, CAPS will return to the Sacramento Superior Court and seek a determination that state scientists are entitled to the salaries as determined in the April 28, 2008 Like Pay for Like Work decision and a ruling that those increases be paid. We expect a court ruling in early 2009.

**CalPERS Takes Hit on Returns.** Like pension funds everywhere, the huge CalPERS nest egg has shrunk markedly during the latest market down-turn. CalPERS reports that its portfolio has lost 31.1 percent of its value since peaking last fall, a stunning \$81.4 billion drop. The Dow Jones Industrial Average has dropped 39.8 percent during the same period.



The good news is that pension benefits for CalPERS members are guaranteed. To ensure that there is enough money to fund retirements, CalPERS can require employers to pay more when needed. Employees help too: they contribute from 5 to 7 percent of their salaries toward retirement. CalPERS says it may ask for more

money from the state starting in July 2010 and from local government employers starting in July 2011. If CalPERS continues to sustain losses, employer rates will increase. If CalPERS finishes the year in positive territory, employers could even see their pension obligations reduced.

**CAPS Members-Only Benefits on Web Page.** CAPS members can take advantage of many member benefits on the members only section of the CAPS web page. The page requires the current password, which CAPS changes periodically. The secret password for MEMBERS ONLY is now "winter."



**College Scholarships for Dependents of CAPS Members.** CAPS awards several \$500 scholarships annually to dependents of CAPS members. To qualify, the CAPS dependent must be enrolled in an accredited university or community college (but not a vocational school) and complete the application. No family may receive more than one CAPS scholarship per lifetime. All applications are due in the CAPS office by Monday, June 1, 2009. All selections will be made in June. These scholarships are not funded by CAPS dues or fees. For more information and an application, go to the CAPS web page: [www.capsscientsists.org](http://www.capsscientsists.org).



# Fiscal Armageddon, Here We Come

*By Patty Velez, President*

I haven't been able to agree with Governor Schwarzenegger on much lately.

He wants to impose pay and benefit cuts that would save little but rather would further undermine the viability of science programs in state government. We strongly oppose this one-sided plan.

He says he needs to lay off an ever increasing number of those who work in government due to the failure of the state legislature to balance the budget. We will oppose layoffs.

Most recently he speaks of a "financial Armageddon" should the legislature continue to fail to act. I prefer to call it a looming train wreck, but on this one we are essentially seeing the same thing: very ugly and financially painful consequences for millions of Californians unless the legislature and the governor can reach a compromise.

As usual, the minority Republicans remain staunchly opposed to any kind of tax increase, and Democrats say they will oppose further cuts. So the train wreck is right on schedule, even if the exact date for the collision is not certain. State Controller John Chiang predicts that the state will run out of cash in February, and Treasurer Bill Lockyer warns that state funded infrastructure projects are in danger of being brought to a grinding halt.

It's hard to see a happy ending. The recession continues to depress government revenues at all levels. Decision makers are ideologically deadlocked, so a complete shut down of state government becomes a distinct possibility.

In the midst of all this, CAPS has its eyes, and all its resources, firmly on keeping state scientists whole. So far, we have successfully opposed furloughs and benefit cuts. We can't keep the governor from laying off scientists, but we CAN point out that it would do little to improve the budget because nearly 80 percent of scientists are paid from Special Funds. We have offered meaningful alternatives that mitigate layoffs and save money.

Be assured that CAPS will continue to fight for the rights of all state scientists, and to preserve the scientific programs that are essential to maintaining a high quality of life in California.



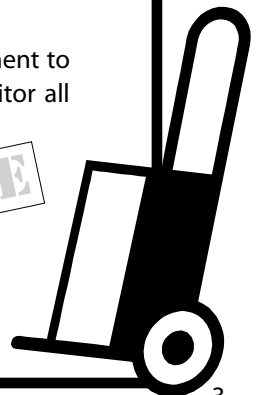
## CAPS Leads DWR Relocation Talks

When a state department decides it's time to relocate a large group of scientists, it's a good time for CAPS to get active and make sure the move is employee-friendly. CAPS can't prevent the move, but it can help to smooth any rough edges.

So when the Department of Water Resources in Sacramento decided to move several offices from downtown Sacramento to West Sacramento, CAPS leaders and staff organized a site tour and meetings with management to address areas of concern, including a shuttle for employees, bike lockers, security measures, air quality, and employee break room facilities. The relocation will occur in December and January.

CAPS is encouraged by the receptiveness of DWR management to its suggestions. The CAPS meet-and-confer team will monitor all agreements, work to obtain a shuttle, and meet as required in the future.

**HANDLE WITH CARE**



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*CAPS Wishes You  
and Yours a Joyous  
Holiday Season!*



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