

CAPSule

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Layoff Plan Offers Real Incentive

Staffing reductions at state agencies are almost always lengthy, painful and costly, especially to the employees affected. A new approach taken by CAPS and state management seeks to change that. CAPS was recently notified of a potential layoff of up to 1800 employees at the State Compensation Insurance Fund during 2012, including Ergonomists and Industrial Hygienists. This became necessary after SCIF lost a large part of its Workers' Compensation Insurance portfolio. SCIF management and CAPS soon reached agreement on a mitigation plan which provides for a substantial incentive payment to state scientists who agree to resign by December 19. The agreement is on the CAPS web page: http://www.capsscientists.org/SCIF_layoff_mitigation.pdf.

The incentive plan pays a lump sum of up to \$48,000 for those with at least seven years of service. It could tip a scientist considering retirement, or prompt a career change that involves a move outside state service. The "catch" is that a decision

on whether to choose the buyout was due December 15. Several scientists likely will choose the buyout option. Those who did not will be subject to the state's regular layoff process, should a layoff be necessary.

This transition payment may provide a means of buying "air time" at PERS, arranging an outside annuity to boost lifetime income, or provide a nice "lifeline" to leave SCIF and begin employment elsewhere. It wasn't possible to qualify by simply transferring from SCIF to some other state agency. Rather, separation from state service was required.

There's no telling what 2012 will hold for SCIF; it's entirely possible that SCIF will not seek the layoff as planned. Employees not accepting this offer will likely all be placed on "surplus" status, which entitles them to be interviewed but not hired for vacancies at other state departments. CAPS doesn't expect the incentive offer to be made again, nor the December 19 deadline extended.



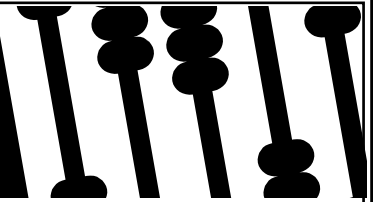
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The DNA of the CalPERS Pension Buck

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A recent update of income amounts through June 30, 2011, shows that CalPERS investments now pay 66 cents of every dollar in pensions paid. In addition to investment income, each dollar paid to CalPERS pensioners comes from two other sources: 21 cents from CalPERS employers and 13 cents from CalPERS members.

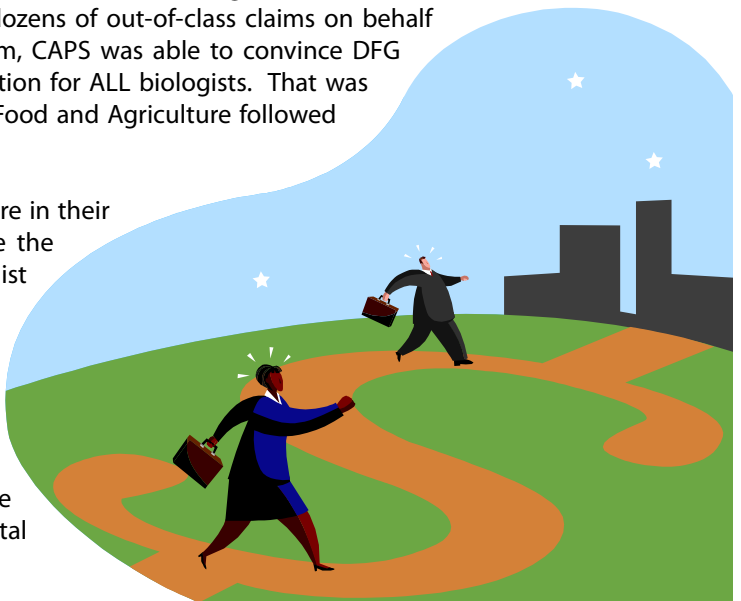
CalPERS pays out approximately \$14 billion in pension benefits each year to retirees and beneficiaries using investment income and cash contributions from employers and members. Investment assets are not sold to generate cash. The fund continues to grow, earning more than \$70 billion since the financial crisis.



Class Changes EXPAND Horizons

Recent classification changes at the state departments of Fish and Game and Agriculture have resulted in salary increases and new career opportunities for hundreds of biologists. The “reallocation” of biologists to the Environmental Scientist series has long been a CAPS objective. After filing dozens of out-of-class claims on behalf of DFG biologists over many years, and winning most of them, CAPS was able to convince DFG management that it was in their interest to make the reallocation for ALL biologists. That was effective September 20. On December 1, the Department of Food and Agriculture followed suit.

It makes a difference for the biologists—up to five percent more in their paychecks. It also means more career opportunities because the ES classification is used far more extensively than the biologist series in state service. There were a few “wrinkles” to the DFG change, with some biologists fearing loss of stature, and some Environmental Scientists suggesting that biologists aren’t assigned broadly enough in their occupational focus to warrant the ES designation. Work assignments continue to be adjusted. In both cases, concerns should be allayed over time. “Biologist” can be used as a working title; and past conversions to ES have resulted in far more advantages in getting quality environmental work done.



Winning Under Duress

BY DAVID MILLER, PRESIDENT

Happy holidays to one and all! I trust this holiday season will bring you a welcome break from your routine.

The last twelve months presented huge challenges to all state scientists. For CAPS, it meant protecting past gains and creating new opportunities. In times like these -- tough times -- it starts with protecting the base: salary, retirement, and health benefits.

I am proud of what we have accomplished over the last 12 months. We finally negotiated a new Memorandum of Understanding. It doesn't achieve nearly what we need -- salary parity -- but it provides security in continuing turbulent times. With ongoing budget deficits and a continuing barrage of criticism from all quarters, stability and security in employment is no small accomplishment.

I read the news. Many employers in and out of government are ordering layoffs. Two state departments, Corrections and the State Compensation Insurance Fund, are undergoing massive staff reductions, and I expect we'll be seeing more in the near future. Yet in the midst of these tough times, hundreds of state scientists actually received a pay INCREASE. Biologists at the Departments of Fish and Game and Food and Agriculture were recently allocated to the Environmental Scientist series and subsequently received a salary increase of up to five percent. CAPS was pivotal in making this happen. We hope to achieve similar moves for other members in the coming months.

We won a key court victory on the holiday take away. That case is on appeal but, like the furlough lawsuit, we have a solid legal argument.

State scientific programs were battered but haven't sunk. We are all working harder with fewer resources. So far our programs remain largely intact. There are some major exceptions, such as State Parks, where 70 parks are set for closure. Earlier this month, another round of major budget reductions (trigger cuts) were announced, in response to lower than expected tax receipts. This one-sided approach to balancing the budget is counterproductive. Unless voters approve Governor Brown's tax measure -- right now a strong majority supports his proposal -- we can expect ongoing structural deficits. What I can't support is changing our retirement plan into a 401(k)-style savings option in exchange.

Another win for CAPS members was election of new leadership for a two-year term. The campaign was lively, but in the end, everybody got their say and you, the CAPS members, decided the outcome. Thanks again for your confidence in my leadership.

Perhaps our biggest accomplishment has been maintaining our CalPERS retirement plan and retiree health benefits. Yes, we had to accept an increased contribution for retirement, but the basic defined benefit formula remains intact and health benefits for retirees is unscathed. The attacks will be ratcheted up in 2012, but so far, so good.

In spite of the adversity, this is truly a time to be thankful. There is surely much more to be accomplished, but together we stood firm during 2011. Next month I will outline my vision for the coming year.

In the meantime, I wish you a restful holiday and a bright new year.

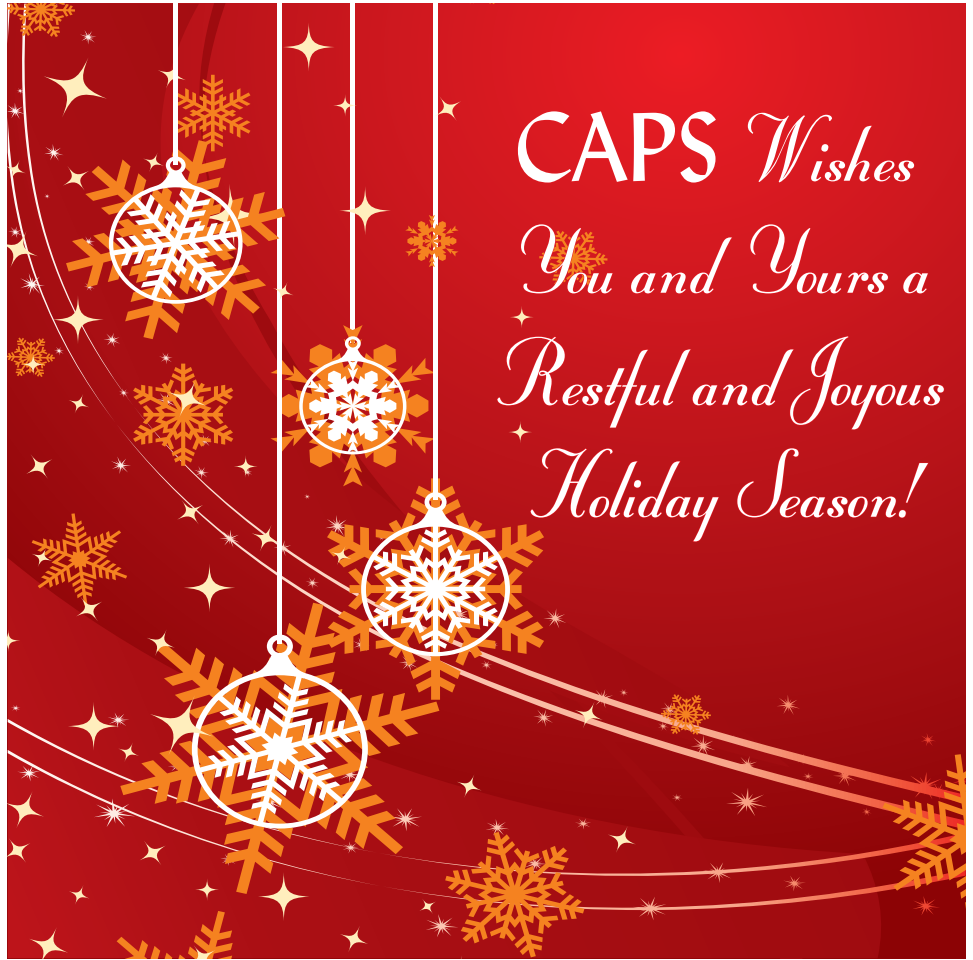
Feel free to contact me at any time: dmiller@capsscscientists.org.

*“In spite of the adversity,
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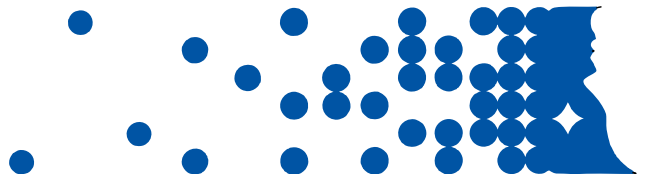
In This Issue

- ❁ *Layoff Plan Offers Real Incentive*
- ❁ *The DNA of the CalPERS Pension Buck*
- ❁ *Class Changes Expand Horizons*
- ❁ *Winning Under Duress, by David Miller, President*



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