

CAPSule

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Californians for Retirement Security

CAPS stands with other labor groups and supporters of pension security. We will keep working with the Legislature and Governor to find reasonable and fair solutions to California's budget crisis. But we will oppose any measure that circumvents or seeks to undermine our collective bargaining rights. Breaking promises to state scientists by forcing us to gamble on our future is not the answer. We will enlighten voters with facts. We will oppose politically driven attempts to demolish California's public retirement programs. Here are the facts:



- **Claims that pensions are headed for Armageddon are wrong.** California's major pension funds, CalPERS and CalSTRS, reported their largest investment gains in years for 2010-11. CalPERS posted a 20.7 percent gain, its highest in 14 years. CalSTRS reported a 23.1 percent return, the highest in 25 years. The U.S. Census Bureau reports that the 100 largest public retirement systems grew in this year's first quarter by 10.2 percent from a year earlier, signaling the sixth consecutive quarter of year-on-year gains.
- **Pension-gutting ballot proposals actually will cost taxpayers billions MORE for decades to come.** The Legislative Analyst has determined that two proposed ballot measures to overhaul California's pension system would cost taxpayers at least \$1 billion a year for the next three decades. Shrinking benefits for public workers is bad for the economy.
- **Gold plated pensions are a myth.** The average public pension in California is \$26,000 a year. California retired teachers, who do not collect Social Security, earn an average \$3,300-a-month after an average 27 years in the classroom. Six-figure pensions amount to less than 2 percent of public pensions. Public employee pensions equal just 3 percent of California's budget. Pensions are largely paid for by employee contribution investment income. Public employees pay up to an average of 12 percent of salary into their own retirement.
- **Public employees already are doing their part.** State workers have saved taxpayers \$600 million in pension concessions. More than 200 California cities, counties and local districts have increased employee pension contributions and lowered public costs at the bargaining table. Public employees have foregone raises, endured pink slips and dealt with increased workloads. Public employees support efforts to curb pension system abuses such as spiking and creating pension reserve accounts for bad economic times.
- **Raising the retirement age is unwise.** Studies show that raising the retirement age actually forces more workers to retire early and result in more people using taxpayer funded social services programs such as social security, disability insurance and other benefits. Many public jobs require workers who are physically and mentally at their peak to protect the public.
- **Hybrid plans force workers to gamble with retirement security.** These cost-cutting plans would force millions in this nation's workforce into a retirement plan that has left so many others in the dust when they retire. Hybrid plans amount to a less generous benefit, which will make public service jobs even less attractive. They also likely will cost the state more to administer.
- **Many of the changes in pension-gutting proposals are illegal.** Proposals to take away earned benefits from current workers are fraught with legal "minefields" according to the Legislative Analyst. The state Supreme Court recently issued a ruling upholding workers' rights to vested retirement benefits.

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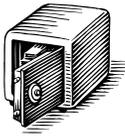
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“Reformers” Want Current Benefits Reduced

Chapman Law Professor Henry Salvatori recently wrote that because California has an entrenched budget deficit, existing contractual obligations can be changed without violating the contracts clause of the US Constitution. He says that changing retirement benefits for current and future retirees is a “reasonable and necessary” course to ensure that everyone gets essential government services.

Salvatori justifies his suggestion by pointing out that pension and health care benefits promised to public employees make up a large part of state and local government debt. He warns that public sector salaries and benefits are the “envy of the world,” yet paying for them forces government to cut back on its mission of providing services to taxpayers. He isn’t the only one. The authors of complex pension initiative measures now circulating for signatures in California would make changes to public pension plans throughout the state, and there are hundreds of such plans. The non-partisan Legislative Analyst last month determined that several provisions of one or both measures would change formulas and benefits promised to current employees and retirees. The LAO predicts that these measures, if passed, will result in lawsuits alleging impairment of contract obligations under the State and Federal Constitutions.

Governor Brown also wants changes, and he has asked the Legislature to enact them. CAPS will argue that it has already reached agreement on a host of “reforms” with Governor Brown, so additional give-backs from state scientists are unwarranted. Absent an exemption for state scientists, there will likely be a push for “one size fits all” reforms. Some changes the legislature could make, and others it can’t. The Legislature could eliminate the purchase of “air time,” (additional service credit), or to add a new retirement “tier” for new hires. CAPS wants these changes bargained, but the legislature has made unilateral changes before when asked by the Governor, and this is one instance where they could very well do it again.



A game changer would be changing benefits promised to current employees and retirees, however. Using a budget deficit to justify the changes won’t make it right, legally or morally. If this was an option, government would change contractual obligations all the time. The reason they can’t is the contracts clause of the US and state Constitutions. These constitutional provisions exist to prevent a party to a binding long-term contract from vacating it when the cost becomes inconvenient.

This isn’t the time to renege on promised retirement and health care benefits. Unfortunately, there are plenty of so-called experts who would have policy makers and voters do that very thing. If they do, one result will be expensive and time-consuming lawsuits. Long established court precedent requires contracts to be honored.

CAPS is taking this threat seriously. There are forces at work determined to lower retirement and health benefits you were promised in retirement. Safeguarding these benefits will remain a top priority for CAPS in the legislature and, if necessary, in court.

EnCAPSulations...



Keep LA Lab in LA. Every state scientist deserves to perform his or her work in a modern, safe, secure facility. In contrast, the Environmental Chemistry Lab located on Temple Street in downtown Los Angeles is an old, dilapidated facility, but it provides essential lab services to clients throughout Southern California. It houses scientists from the Department of Toxic Substances Control and the Department of Public Health. CAPS has filed many health and safety complaints over the years which resulted in upgrades to ventilation and other equipment. The high value work of the lab has kept it open in spite of considerable seismic and other safety deficiencies. Most recently, the DTSC has floated the idea of transferring the LA Lab and its functions to the Bay Area. Relocation to the Bay Area would disrupt the affected scientists, and even subject some to layoff. It would also disadvantage the Los Angeles constituents it serves. Consequently, at CAPS’ request, Los Angeles State Senator Kevin deLeon recently requested that DTSC Director Debbie Rafael upgrade the lab or find a new site in Los Angeles, rather than move it to the Bay Area. He pointed out the high rate of unemployment in Los Angeles, and the additional economic problem the loss of jobs would cause the Los Angeles economy. Finally, Senator deLeon emphasized the essential scientific functions performed by the lab, noting that Southern California is best served by maintaining the lab in Los Angeles. CAPS fully backs Senator deLeon in his request, and will continue to advocate for continued operation of a multi-purpose lab in Los Angeles. It should be either relocated to another suitable site in Los Angeles, or the current site subjected to a major renovation.

State of the State. Governor Brown’s budget was released in early January and he gave his State of the State Address on January 18. That budget now goes before various budget committees. It will be refashioned in the coming months to a budget that must pass by a majority vote before it goes back to the Governor for review and signature. A majority, not two thirds, of legislators are needed to pass a state budget. That has made all the difference and likely means that, combined with real loss of income to legislators in the event of a delayed budget, that a new era of on-time state budgets has arrived.



CAPS Legislative Priorities for 2012. Four words: Like Pay Like Work. CAPS will press legislators to fund the 2008 administrative ruling by the Department of Personnel Administration. That ruling called for restoring salary equity between 14 state scientific and equivalent engineering classifications. That can only happen with funding approved by the state legislature and the Governor. CAPS will also be working to protect against erosion of retirement and health benefit programs now serving state scientists and all state employees. Governor Brown’s 12-point pension reform plan threatens the long term viability of these plans with proposals for a mandatory “hybrid” plan for new hires, increased retirement contributions, higher retirement ages and a longer vesting schedule for health benefits.



Getting Things Done

by David Miller, President

My top priority as your president is to achieve salary parity. That means making reality Like Pay Like Work for scientists working with state engineers, and providing for an equivalent wage rate for all other scientists. Because mine is a two year term, I intend to accomplish this during the next two years.

There's no better time for good things than the present.

Second, I will spare no effort or expense protecting promised retirement benefits for current employees and future state scientists. Other important issues have my attention, but these by far take precedence.

Many of you are nearing retirement and can't wait on the prospect of future raises. As your President, I can't either. Although I don't plan on retiring any time soon, we have all waited far too long to get our salary needs justly addressed. This won't be easy.

Advocacy for state scientists — all public employees — is more challenging than ever. We've been vilified, portrayed as selfish and overcompensated. These are all mean-spirited lies, intended to tear us down and shift blame from those who caused or exacerbated the most protracted economic slump in recent history. Through it all, state scientists have served the people of California with determination and dedication, protecting public health, natural resources and the environment. Unfortunately, running that painful gauntlet of criticism caused many to firm up or even move up their retirement plans. Those of us with many years of work ahead know that accolades for our toil will likely be few and far between. The years of battle with the Schwarzenegger Administration and our many critics have made the challenge of getting things done all the more difficult.

The CAPS members who work on your behalf are volunteer state scientists. These are the elected CAPS Board members and appointed local reps, among others. Over the years, I have spent hundreds of hours of my own time — vacation, CTO and personal leave — doing CAPS business. We receive no salary. Rather, we are reimbursed for our out-of-pocket expenses by CAPS based on the state's reimbursement schedule. CAPS Board members may also request a modest stipend for attending CAPS meetings. However, serving on the CAPS Board is not about money. If it was, we would be better off using vacation days selling Amway or holding bake

sales instead of doing CAPS business. Rather, CAPS is a labor of love and commitment to service that is shared by those few CAPS officers, directors, local reps and other volunteers who seek to make employment better for all state scientists.

As state scientists, we are trained in one or more scientific specialties, not labor relations and lobbying. So we get extensive help from our staff consultants and advocates. They do much of the heavy lifting when it comes to professional representation. They also provide us with invaluable advice and assistance to help us make key decisions. Many of you have received advice and assistance from our staff on a troubling work related issue. It is good to know that in tough times experts are just a phone call away—from someone with training and experience in representation, rather than a fellow scientist who is subject to pressure and retaliation

by management. CAPS may not win every case, but we will fight hard on your behalf. You can depend on CAPS to be there with you every step of the way.

CAPS is a dynamic, ever changing organization. Our activities are governed by a variety of state laws, including the Dills Act, which governs state employee relations. Internally, our activities are governed by the Board of Directors, which follows Bylaws and a Policy and Practice Manual. These are evolving documents that touch on the high points of our procedures and activities. They can now be found on the CAPS webpage in the "members only" section.

CAPS operates as efficiently and economically as possible. The dues paid by state scientists are among the lowest paid by any state employee. In fact, as a percentage of salary, I believe our dues are the lowest paid by any state employee group. We are able to do this in part because your elected CAPS Board members are volunteers. We keep our expenses down while focusing on the employment issues of greatest importance to you, our members. Under my tenure as your president, you can depend on CAPS to keep that steady focus—on your paycheck, your retirement, health and other benefits, your working conditions and your employment security. Along the way, plan on doing your part to help out. It will take some effort by all of us to keep what we have and achieve further gains. Thanks for you membership, your participation, and your support!

"CAPS is a labor of love and commitment to service..."

Like Pay Like Work



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First Quarter CAPS Grants



Every three months, CAPS awards a \$300 professional development grant to each of four state scientists. The award is based on applications submitted by CAPS members which highlight endeavors to promote individual professional development. CAPS grants are completely separate from the two days professional development leave earned by state scientists annually based on the MOU. You can learn more about the CAPS Grants program here: www.capsscientists.org. There are far more applications than grants available, so CAPS

retains each application for two selection cycles to ensure maximum consideration. Congratulations to the first quarter winners:

Environmental Scientist Erick Burres of the Water Resources Control Board in Long Beach will use his grant to attend the 2012 National Monitoring Conference and River Rally in Portland, Oregon. Burres will both present material and facilitate at the conference.

Staff Environmental Scientist Cynthia LeDoux-Bloom of Water Resources in West Sacramento will use her grant to offset the cost of delivering a workshop at the American Fisheries Society meeting in Seattle, Washington during 2011.

Public Health Microbiologist II Mahtab Shahkarami of Public Health in Richmond will use the CAPS grant to attend the 2012 annual meeting of the American Society for Microbiology in San Francisco.

Environmental Scientist Michael Walgren of State Parks in San Simeon will use his grant to fund required fire training related to prescribed burning.

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