

# CAPSule

E-Mail CAPS at: [caps@capsscientists.org](mailto:caps@capsscientists.org)

Website: [www.capsscientists.org](http://www.capsscientists.org)

February 2013, Issue #13-02

## Salary Equity NOW!



CAPS leaders, members and staff converged on the state Capitol on Wednesday, February 13 and met with dozens of state lawmakers from both houses and both parties. The message was uniform: Salary Equity NOW!

To underscore the message, CAPS delivered a complete copy of all the petitions signed by state scientists and others in support of salary equity for scientists. Nearly 1,000 original signatures were delivered and discussed during meetings in nearly 50 offices of State Assembly and Senate representatives.

The CAPS Lobby Day is an annual event designed to kick-off the CAPS legislative program for the year. Working state scientists urge individual state lawmakers—one at time—to support legislation that furthers the employment and professional interests of state scientists.

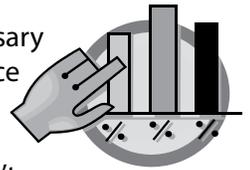
In 2008 the Department of Personnel Administration (now CalHR) issued a written decision increasing salary levels for 14 classifications of state scientist supervisors – an estimated 350 scientists. Yet five years later, the Department of Finance (DOF) has yet to include funding for these statutorily mandated wage increases in the state budget, nor has the DOF provided the Legislature with information about this legal obligation.



This lapse contradicts a May 2011 Court of Appeal decision prompted by a CAPS lawsuit. That decision found that the DOF is statutorily required to provide this salary information to the Legislature for inclusion in the state budget. The Court of Appeal wrote that state law: "...requires Finance to submit to the Committees in the Assembly and Senate which consider

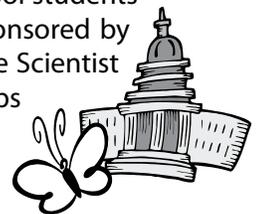
appropriations, and to the Joint Legislative Budget Committee, 'copies of the budget materials submitted to it' by state agencies for Finance's approval. Thus, the Legislature will be informed of the need for additional appropriations to fund the adjusted salaries."

The funding effort by CAPS is necessary because the Department of Finance should have included funding for the "Like Pay Like Work" decision in the Governor's proposed budget. They didn't, so CAPS will seek to convince state lawmakers to include the funding, and then Governor Brown to sign it. For more on this issue, see this link: <http://www.capsscientists.org/Lawsuits/LPLW.htm>.



CAPS will also pursue legislation that turns into law a long-ignored state policy that requires a 10 percent differential between rank-and-file scientists and those who supervise them.

**State Scientist Day 2013** is the subject of a concurrent resolution (not yet numbered) that will recognize the 25th Annual State Scientist Day. For a quarter century, CAPS has sponsored State Scientist Day on the grounds of the State Capitol. This event increases awareness by the public and state lawmakers of the significant contributions made by state scientists. Working state scientists host the event by educating nearly 3,000 elementary school students with fun, hands-on science exhibits sponsored by state agencies and their scientists. State Scientist Day 2013 will be May 15 on the West steps of the Capitol.



**California State Scientists ... Knowledge, Innovation, Protection**

455 Capitol Mall, Suite 500, Sacramento, CA 95814 • (916) 441-2629  
215 N. Marengo Avenue, Suite 185, Pasadena, CA 91101 • (818) 246-0629  
1 Sutter Street, Suite 800, San Francisco, CA 94104 • (415) 861-6343  
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# CAPS Targets Climate Change

CAPS' primary focus is state scientists' pay and benefits. This means bargaining for better pay and benefits, enforcing the labor contract after it's negotiated, and representing scientists everywhere when important decisions are made about pay, benefits and working conditions.

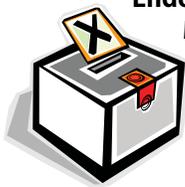


CAPS is guided by a volunteer Board of Directors elected by the members every two years. The CAPS Board meets quarterly to adopt policies and make decisions that guide CAPS. While Board members are elected from throughout the state, Sacramento is where most meetings are held for its central location and cost effectiveness.



The CAPS Board met most recently on Saturday, February 9<sup>th</sup> in Sacramento. One unanimous decision was a declaration of climate change as the most serious threat to the earth's environmental balance. As a general guiding principle, CAPS is committed to supporting the steps necessary to slow or reverse the deleterious effects of climate change. In taking this action, CAPS pledged to work with like-minded organizations and individuals. The CAPS Board also took the following actions.

**Chiang for Treasurer.** The Board endorsed current Controller John Chiang and his bid to become State Treasurer in 2014. This endorsement is being made unusually early, but the CAPS Board felt that if any candidate deserved its support, it is John Chiang. Controller Chiang repeatedly ensured timely and full wage payments to state scientists when then-Governor Schwarzenegger sought to limit paychecks to minimum wage as a strong arm tactic in bargaining.



**Endorsement of Legislative Candidates.** State Assembly Members Norma Torres and Ben Hueso were endorsed in their bid for election to separate State Senate seats.

**CalPERS Elections.** J.J. Jelincic and Michael Bilbrey were endorsed for reelection to the CalPERS Board of Administration. Both candidates were endorsed by CAPS in their successful bids for initial election to the CalPERS Board. CAPS also endorsed CAPS President David Miller for election to the CalPERS "State Member" seat during 2015. That seat is being vacated by George Diehr, who is not running for reelection.



**New Local Rep.** Sacramento Staff Environmental Scientist Lance Salisbury of Fish and Wildlife was approved as a CAPS Worksite Rep. Congratulations Lance, and thanks for your service!

The next meeting is scheduled for May 18th at Sacramento's Downtown Plaza Holiday Inn, beginning at 9:00 a.m. The meeting schedule is listed on the CAPS webpage: [www.capsscientists.org](http://www.capsscientists.org). All members are welcome. The minutes of any meeting are available to any member upon request.

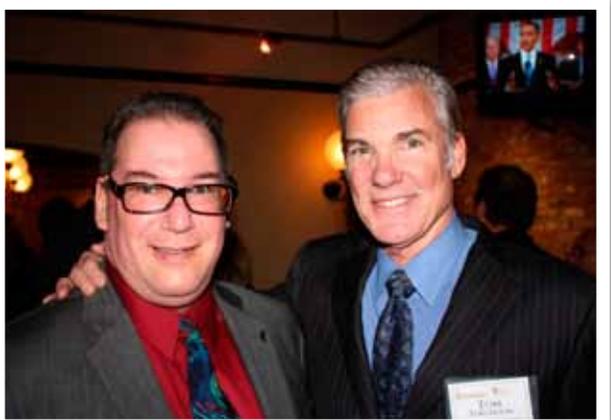
# 2013 CAPS Lobby Day



Speaker John A. Perez (right) with CAPS leaders Rachel Broadwin (left) and Patty Velez



OSPR Administrator Tom Cullen and Deputy Administrator Yvonne Addassi (right) with CAPS leaders Patty Velez (left) and Valerie Chenoweth-Brown



State Schools Superintendent Tom Torlakson (right) with CAPS President David Miller



# Why San Bernardino Matters

By David Miller, President

With Governor Brown's pension "reform" in place, one might think that CalPERS is safe from attack. Think again!

That's because the City of San Bernardino (SB or "City") has quit making monthly pension payments to CalPERS for City employees. SB is a city of about 200,000 east of Los Angeles. It contracts with CalPERS to administer a pension plan. The City sets the benefits and pays for them; CalPERS administers the plan on contract, just like it does for state employees, and for hundreds of other cities, counties and special districts. SB filed for Chapter 9 bankruptcy last August. Wikipedia says SB is the poorest city of its size in California, and the second poorest city in the US, behind Detroit. The court has yet to rule on whether SB is even eligible for Chapter 9 bankruptcy protection.

CalPERS is opposing SB's bankruptcy bid, and rightly so. No California city has ever unilaterally suspended payments to CalPERS. So this is a test case about whether financially strapped cities, counties and special districts can suspend pension payments because they are broke. Currently, pension obligations are not only FIRST in line for payment, but have a separate line that requires FULL payment. San Bernardino is testing this.

The City has help—not to pay its bills—but rather to avoid them. They have hired an outside consulting firm at a cost of nearly \$1 million for strategic advice on its bankruptcy. These consultants aren't putting the interests of city employees first—pensions are being framed as just another "creditor." There's much at stake: if the bankruptcy is found to include pensions, city employees could be left with just a fraction of the retirement benefits they were counting on.

If SB wins, it won't take long for other CalPERS contractors to use the same tactic to escape their own long term obligations. It would spread like this winter's flu. Pension obligations tend to be one of the larger debt numbers for just about any public entity, so the temptation will be great. The cities of Stockton and Vallejo have struggled with their own serious financial difficulties, but neither city has discontinued pension fund payments to CalPERS—at least not yet.

This is a huge threat to the long term fiscal health of CalPERS. It has indirect implications for the "Miscellaneous" retirement plan that covers state scientists. Sure, bankruptcy in San Bernardino won't immediately doom our retirement plan, but the precedent is dangerous. Should the State Legislature overspend and incur a new round of huge budget deficits, what prevents a future Governor from considering this same strategy to balance the budget?

Most public entities that contract with CalPERS for retirement plans have acted responsibly. They have negotiated benefit changes rather than impose them. But a few want to slash and burn. Take for example former Los Angeles Mayor Richard Riordan, who recently failed in his bid to put a measure before Los Angeles voters a plan to convert the city's retirement plan to a 401(k)-style savings program. As that city's financial problems deepen, why not just forego a vote by the people and simply declare bankruptcy? Let city employees fend for themselves!

As reprehensible as such a strategy may sound, some elected representatives clearly would do it. That is why CAPS has urged CalPERS to take every legal measure available to prevent San Bernardino or any contract agency from renegeing on their pension obligations.

I'm committed to the long term health of CalPERS. I have twice run for a seat on the CalPERS Board of Administration. I intend to do so again. I want to see CalPERS thrive—and avoid the high profile embarrassments that have plagued it in recent years.

There is unanimous support among your elected CAPS leaders to ensure that CalPERS stays independent and financially sustainable. We expect CalPERS to deliver timely pension and health benefit payments for decades to come. We stand ready to make certain it does.



*“...there are still those who would seek to undermine CalPERS...”*

## *In This Issue*



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# twitteriffic!



Last year CAPS launched a Twitter page at [www.twitter.com/capsscientists](http://www.twitter.com/capsscientists), where members and the public can get instant information from CAPS. If you already have a Twitter account, just click the "Follow" button on our page to get updates from CAPS in your Twitter feed. If you don't have a Twitter account, simply click the "Join Today" button. All you have to do is set up a user name and password and provide an email address and you can follow CAPS too!

An added feature allows you to get our updates sent to your cell phone in the form of a text message. Go to "settings" and click on the "mobile" tab to add your phone number, and then turn the alert on for CAPS on your "Following" page. If you're having problems or have questions about the Twitter page, send us a direct message on the page. If Twitter is blocked at work, just check us out when you get home tonight! Again the address is easy to remember: [www.twitter.com/capsscientists](http://www.twitter.com/capsscientists).

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