

# CAPSule

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January 2015, Issue #15-1

## Governor Proposes State Employees Pay More For Retiree Health Care

It's no secret that the unfunded liability for funding the promised health care to state retirees is currently pegged at about \$72 billion. That's the most recent estimate from the State Controller's Office, and this unfunded liability has steadily risen over the years because the state of California has never pre-funded this promised benefit.

Health benefits for state retirees are paid for on a "pay-as-you-go" basis. This is in contrast to retirement benefits, which are funded in advance through a combination of monthly contributions by the state employer and employees, and return on investments—all managed by CalPERS.

Governor Brown on January 5 told a joint session of the State Legislature during his inaugural address that it's time to further draw down long-standing state debt. He said that he will ask state employees for their help by having them pay a larger share of rapidly rising retiree health obligations. This came as no surprise to CAPS because Governor Brown had previously said he intended to address the unfunded liability of providing health care to state retirees in his 2015–16 proposed state budget.

CAPS President David Miller had this response: ***"CAPS looks forward to working with Governor Brown in the year ahead. California taxpayers rely on state scientists to ensure public health, protect natural resources and prevent air and water pollution. Taxpayers deserve excellence in public service, and that includes the best science. We will consider all proposals from the Governor, including how to best address the long-standing problem of unfunded liability for state retiree health benefits. We will ask him to provide salary equity for ALL state scientists."***

It makes good fiscal sense to pre-fund all benefits for retirees. In the case of health benefits, the state hasn't done so, presumably for lack of money. CAPS has anticipated that state management would eventually want to pre-fund health benefits, and ask active employees to make a contribution. Three other state bargaining units already have agreements in place that set aside modest amounts of contributions by both the state employer and employees to pay for retiree health benefits. CAPS is satisfied with the current practice which has retirees and the state employer making proportional monthly contributions for retiree health care.



Nevertheless, the CAPS Bargaining Team expects to see a proposal from CalHR during upcoming salary negotiations that reflects Governor Brown's intentions on pre-funding retiree health care.

When Governor Brown released his proposed state budget on January 9, he included sufficient funding for the July 1, 2015 3% general salary increase, but did not include funding for state scientists' salary increases beyond that modest increase. There was no additional funding to fully implement salary equity for all

state scientists as he did for some state supervisory scientists last summer. That was no surprise to CAPS. Any such increase is typically included in the May budget revision after contract bargaining concludes. Salary negotiations will commence with CalHR in the coming weeks. The CAPS Bargaining Team is seeking salary equity increases for **ALL** Rank-and-File state scientists.

California State Scientists ... Knowledge, Innovation, Protection

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# Encapsulations...



**Member In Need.** On New Year's Eve morning, DTSC Environmental Scientist (and CAPS member) Dylan Clark and his family were involved in a vehicular accident with a semi-truck as they traveled to Oregon. Although Dylan and his wife Stephanie sustained what was reported as minor injuries, some of their children sustained major injuries and were airlifted from the scene of the accident to a nearby hospital in Oregon. Dylan's grandfather has started an online campaign to raise funds to assist in the family's recovery. If you wish to contribute, please go to this site: <http://www.youcaring.com/medical-fundraiser/preston-ethan-juan-and-their-family-s-road-to-recovery/286106>



**New Mileage Reimbursement Rate.** CalHR has released the 2015 personal vehicle mileage reimbursement rate in accordance with CAPS MOU Section 6.1. Effective January 1, 2015, the mileage reimbursement rate for all state employees is **57.5 cents per mile** (CPM). This corresponds with the Federal Standard Mileage Rate. The state's mileage reimbursement rate has corresponded directly with the maximum allowable federal rate for the last several years at the insistence by CAPS that state scientists not be required to subsidize the state's work while traveling on state business. That is exactly what was happening when the state's mileage reimbursement rate was stuck over time at absurdly low levels. Lodging reimbursement continues to be below market rate even after the recent modest increase in reimbursement levels. Lodging reimbursement in three Bay Area counties actually went *down*, something that can't easily be reconciled with the actual reimbursement rates for commercial lodging facilities throughout the Bay Area.



## **CAPS Travel Reimbursement Case Heads For Mediation.**

CalHR prevailed at the trial court in its attempt to overturn Arbitrator Catherine Harris' award in the CAPS arbitration over travel reimbursement claims. CAPS appealed the trial court decision to the Third District Court of Appeal. At issue is whether the higher lodging and meal allowances authorized to other bargaining units should be paid retroactively to CAPS members who travelled while on state business prior to October 2014. The case has been placed into the mediation program while the parties attempt to reach a mutually beneficial resolution. If CAPS attorneys cannot find common ground, it will be argued before the Court of Appeal.



## **Environmental Scientist Reporting Structure.**

CAPS filed a Merit Issue Complaint with the State Personnel Board (SPB) alleging that the Department of Fish and Wildlife in mid-September improperly authorized a change in reporting structure that adversely affects Senior Environmental Scientist Specialists. Since then the CDFW posted job vacancies for Environmental Scientist supervisors who will supervise the work of Senior Specialists. CAPS in response requested that CalHR intervene and stop CDFW from proceeding with these hires until the CAPS complaint is resolved. CalHR hasn't responded, so CAPS will continue to pursue this complaint with the SPB. The change at the CDFW is noteworthy because it implements a major change to the reporting structure for the largest classification of state scientists. It has ramifications for the Reclassification and Pay Project, which is where this change should be discussed.

# More CAPS Grants!



CAPS proudly awards 16 professional development grants to CAPS members annually. These \$300 grants are awarded in batches for each quarter. CAPS does this because state departments don't do enough to support scientists' professional development. ANY CAPS member can apply for a CAPS grant via the CAPS webpage: [www.capsscientists.org](http://www.capsscientists.org). Congratulations to these grant recipients for the first quarter of 2015:



## **Environmental Scientist Christine Callinan of the Department of Water Resources in West Sacramento**

will use her grant to offset costs in attending the 35<sup>th</sup> annual meeting of the Society for Environmental Toxicology and Chemistry during November 2014. The SETAC North America 35th annual meeting was a five-day event where more than 2,300 scientists, assessors, regulators and managers gathered to discuss emerging research, regulatory developments and the latest methodologies in environmental toxicology and chemistry.



## **Environmental Scientist Cynthia Catton of the Department of Fish and Wildlife in Bodega Bay**

will use her grant to offset costs in attending the 107th annual meeting of the National Shell Fisheries Association in Monterey during March 2015. Ms. Catton will present a talk on the status of northern abalone in California as it is being considered for an endangered species listing.



## **Environmental Scientist Reagen Marie O'Leary of the Department of Fish and Wildlife in Fresno**

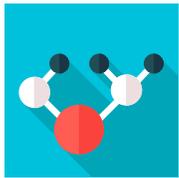
will use her grant to partially fund her attendance at the California Native Plant Society's 2015 Conservation Conference in San Jose during January 2015. This conference will enable Ms. O'Leary to stay abreast of the latest information critical to plant conservation and help her better advise regional staff on botanical issues.



## **Research Scientist I Kolbi Parrish of the Department of Public Health in Sacramento**

will use the CAPS grant to offset costs in attending the Western Users of SAS Software Conference in San Jose during September 2014. Parrish uses SAS to monitor, manipulate and analyze HIV Protection data for quality assurance monitoring and evaluation purposes.

*Note: the CAPS Grant program is independent from the two days of professional development earned by every state scientist annually in accordance with Section 15.3 (G) of the CAPS MOU.*



# SCIENCE *without* SUPERVISING

## BY DAVID MILLER, PRESIDENT

Many years ago I volunteered to become a CAPS Local Rep because I was dedicated to a career in public science. CAPS was the only voice dedicated exclusively to promoting science as a long-term career objective for rank-and-file state scientists. That meant expanding the career paths for state scientists so that we aren't forced by financial circumstances to take on the administrative duties of supervision and management instead of doing what most of us do best: SCIENCE!

We achieved a partial breakthrough last summer with implementation of the CAPS Like Pay For Like Work litigation. Governor Brown finally funded it. It meant salary increases of between 28% and 43% for most state scientific supervisors, but it didn't extend to ALL state scientific supervisors, nor has it been implemented for rank-and-file state scientists. It's no secret that the CAPS Bargaining Team seeks to have salary equity implemented for ALL state scientists.

Making this a reality has been a lot harder than I first imagined. Unlike some other occupations, where supervision and management is a natural and desirable career path progression, science and scientists are different breeds. We most often chose our educational path based on a scientific specialty, not something we wanted to do for a few years, then morph into a supervisor or manager. That's not to diminish the importance of effective scientific supervision or management, but it's simply not what most of us signed up for.

*"We achieved a partial breakthrough last summer with implementation of the CAPS Like Pay For Like Work litigation."*

It's not just about the money. It reflects the need to compensate state scientists fairly, and to establish career paths that empower public scientists to continue down a science path without the need to supervise others.

The conflict between the desire to do science and the pressure to promote in order to make more money is represented most recently in the decision by state management to have senior scientists report to first line supervisors, rather than Environmental

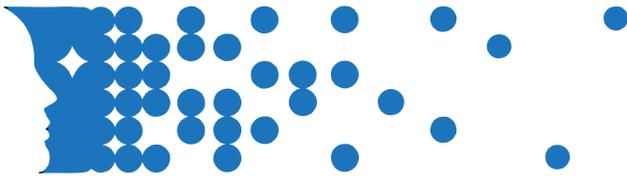
The state's classification and pay structure wasn't designed with scientists in mind, and it's proven very difficult to change. What we still have is a classification and pay structure with a relatively short-term horizon for rank-and-file work, one that "tops out" at a much lower level than should be available for scientists seeking a long career in our field.

Program Managers or the equivalent. It has been happening at DTSC over the last several years, and recent action by the Department of Fish and Wildlife suggests that the practice is becoming more pervasive.

Those of you with many years in state service know exactly what I'm talking about. Senior tech positions are few and far between and most Seniors "topped out" years ago. The only practical way for rank and file scientists to progress in the pay scale is to become a supervisor. Supervisory slots are limited in number, and until recently, the extra money wasn't enough to warrant the change in work.

The state classification structure should allow state departments to encourage and reward senior scientists. Some state departments are better than others in identifying and implementing these opportunities. I believe that more and better science is a benefit to all stakeholders, not just people who live in California but the public and private resources that have no voice. Performing science without supervising people is critically important, and CAPS will continue to articulate that need as part of the Reclassification and Pay Project.





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CAPSule (ISSN 10446230) is published monthly by the California Association of Professional Scientists, 455 Capitol Mall, Suite 500, Sacramento, CA 95814. Periodicals Postage Paid at Sacramento, CA. POSTMASTER: Send address changes to: 455 Capitol Mall, Suite 500, Sacramento, CA 95814-2483.

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## Retirement Security Paramount



CAPS has spent countless hours and resources defending a secure retirement based on a defined-benefit for state scientists and all public employees. CAPS leaders and representatives work hard to ensure the sustainability of CalPERS as the trusted institution to deliver promised retirement health benefits to retired state scientists and all of its 1.6 million members.

One reason that the CalPERS retirement program remains relatively secure and sustainable over the long term is its investment performance over time. Critics like to contend that CalPERS' long-term obligations can't be met with its assumed return rate of 7.5%. Or that the market will generate returns that high over time. After all, the markets crashed with the 2008 recession, and the CalPERS unfunded liability ballooned as a result. CalPERS depends on market returns to pay for the lion's share of promised retirement benefits. Those markets have more than fully recovered. Last fiscal year, for example, CalPERS earned 18.4 percent, far in excess of its assumed investment return rate. Most pension experts consider a pension fund to be adequately funded if it has 80% of the funding it needs to meet future pension demands. CalPERS is 77 percent funded as of last June 30, an increase from 70% just one year prior to that.

Critics continue to throw barbs at CalPERS, saying its promised pension benefits are "unsustainable." Well-funded, vocal detractors are working to undermine every public retirement program nationwide. So CAPS tracks important news on retirement issues in California and throughout the country. You can review the latest information about retirement issues near and far, courtesy of CAPS and Californians for Retirement Security, right on the CAPS webpage: [www.capsscientists.org](http://www.capsscientists.org).