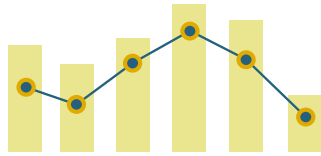


CAPSule

E-Mail CAPS at: caps@capsscientists.org

Website: www.capsscientists.org

May 2016, Issue #16-05



Secure Choice

Isn't the Answer for Public Employees



Unfortunately, critics of public sector pensions have begun using a new tactic to undermine secure, defined retirement programs for public employees: enroll everyone instead in the Secure Choice Program when it becomes available. California's pioneering "Secure Choice" Program would promote greater retirement savings for millions of private sector employees but it isn't a replacement for the retirement security of scientists, teachers, firefighters and other public employees. Here's why it's a bad idea.

» California is leading the nation with the creation of Secure Choice, a new program designed specifically for low wage **private** sector workers. The purpose and intent of Secure Choice is to provide the bare minimum retirement security for those who currently have almost nothing. Criticism of the assertion that all public workers should be enrolled in Secure Choice, and that CalPERS and CalSTRS pensions should be abolished, is just another cynical attempt to undermine retirement security in California.

» These are the exact same private sector critics, backed by Wall Street, that have obliterated retirement security for private sector workers. Their actions are why millions of Californians are retiring into poverty — if retiring at all.

Comparing Secure Choice with public pensions earned by scientists, teachers, firefighters, school employees, health care workers and other public workers is like comparing apples to grapefruits. They are two extremely different approaches to retirement security for completely different sectors of workers.

» Secure Choice is designed for private sector workers with no other retirement plan, with a median wage of \$23,000, and to employers with 100 or fewer workers. It's meant for the 7.5 million Californians who work for employers without any retirement plan in the private sector — not for public workers that have already negotiated their retirement security.

» Secure Choice is a start toward building retirement security for all. The program is *not* designed to replace other retirement security programs that either private or public sector employers have in place and are part of *negotiated overall compensation*.

» The premise for the critics' argument is that pensions of public workers are "paid by taxpayers." The truth: *just 22 percent of every pension dollar is paid for by public employers*. The remainder is paid by employees themselves and from the investment dollars of CalPERS.

» Critics of public pensions also state that teachers and other public sector workers "pay a bit less than 10 percent" of their pensions. Not so. For CalPERS, it's 13 percent (median). For many teachers covered by CalSTRS, it is 10.25 percent. And for many local police and firefighters, it's even more. This represents billions of dollars that public workers are paying for their retirement security — a figure that has increased during the past several years of renegotiated contracts where public workers are paying more for their retirement.

» Public workers typically received lower pay than similar jobs in the private sector. That's why their retirement plans are part of their overall compensation that is negotiated through bargaining. The Secure Choice Program offers employees the option of contributing part of their *paycheck* — 2 to 5 percent — toward their retirement.

» A recent independent study for CalSTRS by the University of California, Berkeley found traditional defined benefit plans "benefit an overwhelming number of lifetime educators who are well-positioned to benefit from a traditional pension" and that a switch would "sharply reduce the retirement income security of teachers." Putting teachers and many other public workers who do not receive Social Security into the Secure Choice Program would mean a substantial reduction of the benefits they've earned.

» Another study from the National Institute on Retirement Security notes: "A misperception persists among some that defined contribution (DC) plans 'save money' when compared with traditional pensions. However, several states that switched to DC plans have experienced a much different reality over time. Indeed, a recent NIRS analysis of the economic efficiencies of defined benefit (DB) plans reconfirmed that pensions deliver the same amount of lifetime income for about half of the cost of providing the lifetime income from a typical DC plan."

Please visit www.LetsTalkPensions.com

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

100 Pine Street, Suite 750, San Francisco, CA 94111 • (415) 861-6343

CAPS Insurance • (415) 958-1344



2016 CAPS GRANTS!

CAPS' Benefits Committee is chaired by Eureka CAPS District V Director (and CDFW ES) Rebecca Garwood. The Committee awards FOUR \$300 professional development grants to CAPS members each quarter. ANY CAPS member can apply for a CAPS grant via the CAPS webpage: www.capsscscientist.org. Congratulations to these grant recipients for the *second* quarter of 2016:



STAFF TOXICOLOGIST ANDREW GORDUS OF CDFW IN FRESNO will use his grant to attend the Wildlife Disease Association's 65th Annual International Conference at Cornell University in upstate New York during August 2016. Over 300 wildlife professionals and students from around the world are expected to attend.



STAFF TOXICOLOGIST NATHALIE PHAM OF OEHHA IN SACRAMENTO will use her grant to attend the Society of Toxicology's 2016 annual meeting in New Orleans where she will present current work by the Office on the use of data from high throughput toxicology testing and participate in scientific sessions that provide job required training.



VETERINARIAN MAUREEN LEE DUTRA OF CDFW IN TULARE will use her grant to attend the United States Animal Health Association's Western State's Meeting

on Foot and Mouth Disease preparedness. The meeting is in Sun River, Oregon during May 2016. FMD is one of the most worrisome disease agents. Britain had a disastrous outbreak 15 years ago, resulting in the death of some 10 million sheep and cattle, and an estimated cost of \$16 billion. It could be introduced either accidentally or purposefully, as a form of biological warfare.



ENVIRONMENTAL SCIENTIST KIMBERLY TENGARDJAJA OF THE STATE WRCB IN SACRAMENTO will use her grant to pay for half of the publication charges for her research paper titled "Brief Fish Dispersal in the Hawaiian Archipelago: Comparative Phylogeography of Three Endemic Damsel-fishes." This research paper discusses how genetics was used as a tool to analyze how populations of coral reef fishes are connected throughout the Hawaiian Islands and how this relates to the management of marine protected areas.

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

JUNE 1 DEADLINE FOR DEPENDENT SCHOLARSHIP APPLICATIONS



With college costs continuing to rise, CAPS is doing its small part to help state scientists and their families. Any CAPS member with a dependent in college, or bound for college NEXT fall, may apply to CAPS for one of several \$500 cash scholarships. Please get your application in by June 1. Unfunded submissions from last year remain eligible this year.

The number awarded this year will depend on the number of applicants and availability of funds. To get an application, and to see last year's winners, go to the CAPS web page: <http://capsscscientists.org>. This is for CAPS MEMBERS ONLY! If you aren't yet a CAPS member, or you know someone who should be, apply online for CAPS membership: <http://capsscscientists.org/contact/application/>.

Since 2000, CAPS has contributed over \$130,000 to the professional development of its members and to help members' dependents with college costs. None of these funds came from dues and fees. Instead, the funding was made possible by the conversion of the Pacific Standard Insurance company from membership-based to publicly-held. Pacific Standard continues to underwrite the group term insurance program that covers all CAPS members. It was the CAPS leadership at the time that set the funding aside for professional development and scholarship awards.



1999

By Patty Velez, President

A new challenge faces CAPS every day: how best to protect the gains we've made, and how can we best achieve even more. Salary equity is our biggest and most visible goal, but there are many others. As I reflect on CAPS' body of work since I began serving as a leader, I urge everyone not to forget from where we came. Understand and hopefully appreciate that many of the great benefits we now enjoy resulted from past efforts.

The April 21 death of recording artist Prince shocked his many fans, including me. It got me thinking about his huge pop hit 1999, which was released in 1982. During 1982, the year 1999 looked far off in the future. But today, 1999 is just a glint in the rearview mirror. Nevertheless, I remember 1999 as the start of what became many years of great significance for CAPS and all State Scientists. Many of us continue to benefit from gains made those many years ago. Many are things we often take for granted, and some have since been modified, but all are gains we worked hard for.

STATE SCIENTISTS RECEIVED THEIR FIRST SALARY INCREASE IN FIVE YEARS. All State Scientists received a 5.5% salary increase in their May 1999 paycheck, the first salary increase in over four years. The increase reflected the first agreement between the Davis Administration and CAPS for an interim contract. A subsequent agreement provided an additional 9%, after years of receiving nothing from Governor Wilson. ***Lack of salary growth during the "Wilson years" set back State Scientists and most state employees for years to come.***

THE ENRICHED TIER 1 FORMULA WAS IMPLEMENTED. All State Scientists were converted to a new first tier retirement formula of 2.5% at 63, plus voluntary conversion of those in the Tier 2 retirement plans to Tier 1, with a payback for prior service of up to 180 months. All of this was made possible by Senate Bill 400 (Burton/Ortiz), signed by Governor Gray Davis and supported by CAPS. This huge gain was applied retroactively.

TIER 2 TO TIER 1. CAPS promoted the transfer of State Scientists enrolled in the Miscellaneous Tier 2 retirement plan to the more generous Tier 1 program. Many State Scientists had been forced into the Tier 2 plan when initially employed in order to save the state money. Scientists who wisely took advantage of the conversion will benefit for the remainder of their lives.

DELTA DENTAL LEGAL FEES REIMBURSED. CAPS received a check for \$13,000 from the state of California as reimbursement for its legal fees in pursuing the Delta Dental reimbursement for CAPS members and all state workers. The litigation began in 1996 when CAPS discovered that DPA had been overcharging employees for Delta Dental premiums. CAPS won the case, and plan participants—thousands of them—all received their reimbursement check.

STATE SCIENTIST DAY. The 11th annual event was held at the West steps of the state Capitol on May 12.

DEPENDENT SCHOLARSHIP FUND ESTABLISHED. CAPS used over \$150,000 it received from the conversion of the Pacific Standard Insurance Company from membership-based to publicly-held as a means to award professional development grants to CAPS members and scholarships to the dependents of CAPS members.

COLLEGE DEGREE REQUIREMENT. The SPB agreed in principle to require all future State Scientists to have a college degree at the behest of CAPS. Prior to this December hearing, SPB rules allowed someone to transfer into a Unit 10 classification without a college degree, but to substitute relevant "experience," or to be within 10% of the salary range.

ENVIRONMENTAL SCIENTIST CLASSIFICATION ADOPTED. On October 1, 2001 the Environmental Scientist classification replaced Environmental Specialist. The new "deep class" required those in the ES series to serve only one probationary period and progress more smoothly through the range.

AB 619 REACHES GOVERNOR'S DESK. This CAPS – sponsored bill authored by Assembly Member Howard Wayne (D – San Diego) would require all future State Scientists to have a four year degree from an accredited university in a scientific discipline. The bill was ultimately vetoed, with an agreement from the SPB to implement the requirement administratively.

CALEPA TELEWORK AGREEMENT. CAPS negotiated a comprehensive telework policy for scientists working at CalEPA.

RURAL SUBSIDY BOOST. CAPS negotiated a rural area subsidy for CAPS members living in rural areas with limited access to HMO health care. The benefit was up to \$1,500 per fiscal year.

CÉSAR CHAVEZ HOLIDAY. Governor Gray Davis signed SB 984 (Polanco, D-LA) implementing the César Chavez holiday for state employees.

MEMORIAL FUND STARTED BY CAPS. Nearly \$5,000 was raised by CAPS in a Memorial Fund to benefit the children of State Scientist Fernando Felix and his wife who were killed in a traffic accident in Mexico on June 16, 2000. Their two young children were also severely injured in the accident.

CAPS SUPPORTS OIL SPILL READINESS. CAPS supported legislative efforts during 1990 that ultimately resulted in legislation creating the Office of Oil Spill Prevention and Response.

CAPS SUPPORTS DOMESTIC PARTNER BENEFITS. CAPS helped pass and implement Assembly Bill 26, authored by Assemblywoman Carol Migden (D-San Francisco), which extended domestic partner benefits to state employees.



CALIFORNIA ASSOCIATION OF PROFESSIONAL SCIENTISTS

● 455 Capitol Mall, Suite 500
Sacramento, CA 95814

PRESORTED
FIRST-CLASS MAIL
U.S. Postage
PAID
Permit No. 420
Sacramento, CA

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.

In This Issue

- *Secure Choice Isn't the Answer for Public Employees*
- *2016 CAPS Grants*
- *June 1 Deadline for Dependent Scholarship Applications*
- *1999, by Patty Velez, President*

ENCAPSULATIONS



More on Professional Development Leave. It's widely known that Section 15.10 of the CAPS MOU provides State Scientists with two days per fiscal year for professional development. The activity is at the employee's discretion and can be used in 15 minute increments. The two days earned each fiscal year can't be carried over — **they must be used by June 30.** Scientists on an **alternate work week**, such as a 4/10 or 9/8/80, likewise get two full days. According to the CalHR document that spells out the details, "the value of the PDD is based on the employee's time base at the time of usage." Any scientist experiencing a problem should contact CAPS.



Health Plan Changes Coming. CalPERS will soon be negotiating with all of the health plan providers for rates and coverages for 2017. Providing more alternatives to employees currently covered by Blue Shield NetValue will be one of their priorities. As always, there will be an open enrollment period later this year to give you an opportunity to change providers or coverage once you know what the options and premiums will be. CAPS will keep all members informed as more information becomes available.



SCIENCE FAIR

White House Science Fair. For each of the past five years, President Obama has hosted his own Science Fair at the White House. Students brought their robots, rockets, solar-powered cars, and many other projects, where he has honored these students the same way he honors winners of the Super Bowl. On April 13, 2016, the President hosted his sixth and final White House Science Fair. Student projects tackled some of our nation's greatest challenges, from combating climate change to uncovering new ways to fight cancer to discovering ways to reach farther beyond our atmosphere as part of the Mars generation. A spokesman said that "...we look toward a future where they'll be the scientists, engineers, mathematicians, and innovators who stand to change the world."