

CSLEA ALERT

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Budget crisis, contract negotiations await May 19 election *Sacramento slows down until voters decide on six ballot initiatives*

All of the measures on the May 19 Special Election ballot were placed there by the Legislature as a part of the February budget agreement. Some of the compromises that were reached are constitutional revisions requiring voter approval. Unfortunately, a large portion of the public views this special election as a “passing of the buck” or as the Legislature failing to make the tough choices and relying on the voters to do the heavy lifting. This sentiment is reflected in a Field Poll below. On Page 3 are brief summaries of the propositions on the May 19 Special Election ballot.

The summaries explain what each proposition will individually do; but it is important to keep in mind that they were passed as a collective deal and are necessary to help fix the budget hole. When the budget compromise was approved, the Legislature was facing a \$42 billion revenue shortfall over the next 18 months. Assembly members and Senators struggled to pass a budget that included tax increases, budget cuts and borrowing to close the revenue hole; however, at the end of the first quarter the Legislative Analyst predicted the state general fund would fall \$8 billion short of state obligations.

This new deficit places an increased importance on the passage of the May 19 propositions as they are necessary to simply maintain the current status quo of the \$8 billion shortage. Simply put, if the ballot initiatives fail, the state will be in a \$16 billion quagmire as of May 20, with deeper cuts, additional furloughs, and layoffs for some state employees certain to follow.

What would voters cut?

When asked how the state should solve its budget deficit, 67 percent of voters said mostly through spending cuts; 23 percent said through tax increases, according to Field Poll conducted April 16 through 26. Ten percent were undecided. Undecided voters also make up the balance in the chart below.

	Cut	Don't Cut		Cut	Don't Cut
State prisons	59	38	Mental health programs	31	66
State parks	51	47	Higher education	31	67
State roads	43	54	Child care programs	30	66
Public transportation	43	55	Healthcare for low income	26	72
Environmental regulations	40	56	Public schools	25	73
Water storage	31	63	Law enforcement and police	23	74

Budget, poll story from Page 1

A recent Field Poll (Page 1) indicated that voters were very unhappy with the idea of raising taxes to balance a future budget shortfall. Instead, they preferred cuts in state spending. When asked, however, what should be cut, the electorate could agree on only two of 12 program areas. Fortunately, only 23% of the voters believe law enforcement should be cut.

Oddly, voters overwhelmingly believe that state prisons and corrections should be cut, yet law enforcement and police (which corrections should fall under) is what the public wants cut least. Speaking through the Field Poll, voters are clearly not pleased with tax increases, but they cannot seem to make up their mind about how to close the budget hole that could potentially be as large as \$16 billion.

The legislature battled for 90 plus days to come up with a solution to the largest budget deficit in California history. Legislators absolutely did not want to raise taxes or cut vital programs, but they agreed that it was simply impossible to close the budget gap through cuts or taxes alone. The \$42 billion deficit forced a compromise of increased taxes, spending cuts, and borrowing from other revenue sources. Apparently, the poll indicates that the voters don't want to raise taxes but don't know what to cut either.

UPDATE

Court gives DPA deadline on retirement challenge

On January 28, 2009, the Department of Personnel Administration filed yet another appeal in the litigation over whether the enhanced 2.5% @55 retirement benefit is required to be applied to service rendered prior to July 1, 2004.

But the DPA attorney handling the arbitration subsequently left for another state agency, forcing DPA to ask the Third District Court of Appeal for an extension, which was granted extending the deadline for filing to June 15.

CSLEA will then have 30 days in which to file its opposition brief, and DPA will then have 20 days in which to file a reply brief. The full story on whether DPA is in breach of its contractual obligations can be read on the CSLEA Web site at www.cslea.com

Ballot Initiative Summaries

Proposition 1A: State Finance—Increases state tax revenues by roughly \$16 billion from 2010 through 2012. It will increase the required amount of money set aside in the state's rainy day reserve fund in order to decrease the continual ups and downs in state spending over time.

Proposition 1B: Education Finance—Requires supplemental payments to local school districts and community colleges to address budget cuts from recent years past. The annual payments begin in 2011 and are funded from the state's Budget Stabilization Fund until the total has been paid.

Proposition 1C: California State Lottery—Allows \$5 billion of borrowing from future lottery profits. Debt-service payments on the lottery borrowing and higher payments to education would likely make it more difficult to balance future state budgets; however, the impact would be lessened by potentially higher lottery profits and the ability for additional lottery borrowing.

Proposition 1D: Budget Act of 2008. California Children and Families Act: Use of Funds: Services for Children—Provides General Fund savings of up to \$608 million in this fiscal year and \$268 million annually by temporarily redirecting (to the General Fund) existing tobacco tax money to health and human services for children, including services for at-risk families, services for children with disabilities, and services for foster children. Temporarily allows the redirection of existing money to fund health and human service programs for children 5 years old and under.

Proposition 1E: The Mental Health Services Act: Proposition 63 Amendments—Provides the state General Fund a savings of about \$230 million annually for two years by redirecting a portion of Proposition 63 (Mental Health Funding) funds to an existing state program in place of state General Fund support. Reduces the funds available for Proposition 63 community mental health programs.

Proposition 1F: State Officer Salary Increases—Prohibits state elected officials from receiving a salary increase in years when there is a budget deficit.

CSLEA Site Visits



CSLEA held two site meetings with its California Organization of Licensing Registration Examiners (COLRE) affiliate on April 29 at Vesuvio's restaurant in Santa Clara and on April 30 at the Round Table Pizza restaurant in Burlingame. Top photo from left to right: COLRE Vice President Bernadette Gonzales, Tracy Chau, and Sandra Unra. Middle photo from left to right: Gonzales, Marcos Puentes, David Tran (standing), and Linda Becer. Bottom photo clockwise: Sheriee Borela, Shabana Buksh, CSLEA Site Representative Richard Cota, Gonzales, and Ram Chand.

CSLEA Political Action Committee out in force at California Democratic Party Convention



As it does with both parties, the CSLEA Political Action Committee was out in force for the California Democratic Party convention in Sacramento in April, meeting key lawmakers and making the case for the membership. The PAC Committee worked the hallways, attended caucus meetings, listened to general session speeches, and pressed the flesh at dozens of receptions.

“Nothing can match a face-to-face meeting with a legislator for effectiveness,” said CSLEA President Alan Barcelona, “not a phone call, e-mail, letter or fax. Our PAC Board gave up a weekend with family to work a convention on behalf of our members, and make no mistake, work is what these conventions are. On behalf of the entire CSLEA family, I want to sincerely thank them.”

PAC Board members and political staff attending and educating legislators about the needs of CSLEA members were:

- CSLEA President Alan Barcelona
- CHP-PSDA President Tina Brazil
- Former CACI President Laura Campos
- AMVIC President Richard Carrillo, CSLEA senior vice president
- CARII President Bruce Hotchkiss, CSLEA Unit B vice president
- Julia Marin, CSLEA political affairs coordinator
- Coby Pizzotti, legislative and political liaison
- CALEE President Ricardo Sanchez, CSLEA controller
- CAFDI President Jon Spencer
- COLRE President Francine Toth

In the large photo above, from left to right, Carrillo, Brazil, Senate President Darrell Steinberg, Hotchkiss (behind Steinberg), Assembly Speaker Karen Bass, Campos, and Sanchez. Photos, clockwise, Assemblyman Tom Torlakson, left, and Barcelona, right discuss CSLEA issues; newly elected California Democratic Party Chairman and former Senate President John Burton (in red scarf); U.S. Secretary of Labor Hilda Solis (turquoise dress) meets with PAC Board members in bottom photo.

DPA answers furlough questions from state employees

Q. Do I have to use my furlough hours in the same month they count against my paycheck?

A. In March 2009, DPA revised the Furlough Program. You can now save furlough hours and take them at any time, subject to supervisor approval.

Q. Can I cash out my furlough hours if I don't use them?

A. No. You must use your furlough hours. You can't cash them out.

Q. How does the furlough affect alternate work schedules?

A. DPA has provided information to Personnel Offices, including a sample 2009 calendar for alternate work schedules.

Q. Will the furlough affect my salary?

A. Your salary range will remain the same. However, you will not be paid for the 2 furlough days.

Q. Can I use leave credit such as vacation time to avoid taking furlough time?

A. No. You can't substitute other leave for your furlough time.

Q. Can I use furlough hours before they're accrued?

A. No. you must accrue furlough hours before you can use them, the same as with vacation or any other accrued leave.

Q. Do furlough hours count toward "hours worked" for overtime purposes?

A. No.

Q. Will the furlough affect my benefits?

A. Benefits remain the same. The furlough doesn't affect payouts for unused leave, service credit, health, or dental benefits.

Q. Does the furlough impact Social Security?

A. No. To estimate your Social Security benefit, use the Detailed Calculator on the Social Security website.

Q. How does the furlough affect my Savings Plus Program account?

A. See the furlough – Savings Plus Program page.

Q. Can I stop or change the FlexElect deduction for my Medical Reimbursement Account?

A. Yes. See your personnel office regarding changes to your supplemental life insurance. (Note: the State will continue paying the premium for basic group term life insurance for all eligible employees.)

Q. Can I stop participating in the Voluntary Personal Leave Program?

A. Yes, employees in the VPLP can cancel participation in that program, even if they haven't met the 12 month minimum.

Q. Can furlough hours be used in increments?

Yes.

Q. Can employees use furlough hours in lieu of sick leave?

A. With the supervisor's approval, when an employee has a sick leave balance of zero, the employee can substitute other leave. Current practice and the various bargaining unit contracts and implemented terms allow this. The supervisor cannot deny a reasonable request to substitute leave under these conditions.

For example, an employee can substitute vacation, compensating time off, personal leave program, personal holiday, or holiday leave. Similarly, with the pre-approval of the supervisor, an employee can use furlough hours in lieu of sick leave if all other leave has been exhausted.

Q. Are Merit Salary Adjustments affected by the furlough?

A. No.