



CSLEA ALERT

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Lobbying efforts kick into high gear

Pressing a gun on the temple of state employees is not bargaining in good faith

It's only a month old, but already 2010 is shaping up to be a year to forget, and five is becoming the unluckiest number of all for state employees.

On January 8, Gov. Arnold Schwarzenegger unveiled his Fiscal Year 2010-2011 budget calling for an end to furloughs but at a cost of a 5-percent cut in pay, a 5-percent increase in employees' retirement contributions, and a 5-percent reduction in the payrolls of state agencies.

Furthermore, should Uncle Sam not come across with \$7 billion requested by California, another round of 5-percent payroll reductions would be triggered.

On January 29, 2010, CSLEA lobbyists Coby Pizzotti and Craig Brown outlined the effects the 5-percent cuts and additional retirement contributions will have on members in testimony at the Senate Budget Committee's hearing on public safety. Joining CSLEA were fellow bargaining units:

- California Association of Highway Patrolmen
- California Association of Professional Scientists
- California Attorneys, Administrative Law Judges and Hearing Officers in State Employment
- California Correctional Peace Officers Association
- California Department of Forestry Firefighters
- Professional Engineers in California Government
- Service Employees International Union

All the representative bargaining units testified to the same affect that the unilateral moves the governor is proposing breaks all the rules of collective



CSLEA lobbyists Craig Brown, left, and Coby Pizzotti, right discuss member issues with Sen. Mark DeSaulnier of the Budget Committee.

bargaining. Salaries and benefits belong in one place, CSLEA testified, and that is at the bargaining table. But when the governor says he will go directly to the Legislature to get what he wants, it is like putting a gun to the heads of state employees. Where is the good faith in that?

Sen. Gloria Negrete-McLeod, who chairs the Business and Professions Committee, pointed out that because of the furloughs, many boards and commissions are falling behind on case loads. CSLEA agreed, testifying to the licenses that are being delayed, the investigations that are taking longer to complete, and the cases that are backlogging, just within Unit 7 job classifications.

Furthermore, the cost is also being borne by the public. Now that there are 36 days a year less for state employees to work on cases, licensees are paying for one year's worth of regulation but receiving only 10 months and three weeks of service. In essence, the furlough program is giving

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an upper hand to the bad actors in the industries the state regulates, creating a dysfunctional form of deregulation. CSLEA also told lawmakers it was supportive of any attempts to find dedicated-revenue

sources for the DNA crime labs and other Department of Justice law-enforcement programs. This is the time of year CSLEA ramps up its lobbying efforts by calling on its affiliate presidents and members to be ready to testify.

Los Angeles Times

January 25, 2010

Schwarzenegger's budget plan puts unions in cross-hairs

Schwarzenegger's proposals would cut the size of the union workforce, reduce pay, shrink future pensions and roll back job protections won through collective bargaining ... Schwarzenegger also wants to permanently lower state workforce salaries by 5% without returning to the bargaining table with public-sector unions



January 28, 2010

"The state is profoundly screwed up, and anybody who thinks they got an idea, I would say, 'Give me a call, I'd like to listen to it.' Because I can tell you we're in for blood, sweat and tears over the next four years no matter who runs."

-- Attorney General Jerry Brown

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- Governor's latest budget proposal seeks 5 percent cuts here, there, everywhere

CalPERS starts education effort about public employee pensions

CSLEA members urged to be part of the voter information campaign

There is no time to waste. Every CSLEA member needs to help educate the public about the pension system you are under, to counter and correct some of the wild misperceptions that are out there stoking the flames of voter backlash.

According to a Field Poll, 60 percent of the public supports capping public employee pensions, 56 percent support replacing the current system with a 401k plan, and 51 percent would make current pension setting formulas less generous.

“The two most important points to make,” says CSLEA President Alan Barcelona, “are: **1. We don’t get Social Security. Our retirement comes from the state. And, 2. Those huge retirement packages that the media keep reporting and the voters keep getting angry about are for management, not rank-and-file.** It always amazes me that more people don’t know those two simple facts.”

Rank-and-file have no ability to spike their pensions, says Craig Brown, CSLEA lobbyist and former state finance director, it is the managements of municipal, county, and state government which can fiddle with compensation packages.

A Helping Hand from CalPERS

The California Public Employee Retirement System (CalPERS) is now helping with the education process by hosting programs designed to get the facts about pensions out on the table.

CSLEA Senior Legal Counsel Larry Friedman attended the first program in Sacramento on January 29. He was joined by about 300 representatives of labor, state and local government, and the public.

A spirited exchange between a union lobbyist and the governor’s jobs czar was one of the highlights. David Low from the California School Employees Association challenged the notion that current benefit levels are unsustainable. He argued that the governor is incorrect by citing a massive increase in the state’s pension contribution.

He attributed the incorrect view to looking at a snap shot taken during bad economic times versus a more accurate time-lapse picture, the latter of which would more accurately show that the state’s percentage of pension costs has risen and fallen over time in conjunction with investment returns.

A CalPERS chart provided to participants showed that for state safety members, the state’s contribution rate has fluctuated between 6.8 percent and 22 percent. Interestingly, we are not presently at the record high rate.

Panelists representing all groups seemed to favor a negotiated resolution to the issue. They did not have confidence in the likelihood of a legislative solution. They were unanimous in opposition to allowing the matter to be resolved by initiative.

There was also near unanimous support for the current Defined Benefit system over Defined Contribution plans. The experts cited statistics showing that returns for Defined Contribution (401 k) Plans lagged behind those earned by Defined Benefit plans. Moreover, the speakers noted that 401k plans were devised to supplement private pensions and/or Social Security. They were never intended to replace public pensions.

All the panelists attacked the abuses of the current system, including spiking. This term generally refers to methods of illegally manipulating the reporting of compensation with the intent of increasing a member’s retirement benefit. All parties seem to understand that abuses of the system will only anger the public and contribute to a phenomenon known as “pension envy.” This is a feeling by people who have no pensions that public employees should be as bad off as they are.

CSLEA is committed to preserving your retirement benefits. We will continue to monitor the debate and contribute our views. The next CalPERS program will be held on February 12, 2010 at the Los Angeles Convention Center.



Recent Highlights

Alan discusses break in poverty-crime link

In the last 10 years in California, violent crime has dropped by 36,000 incidents, while the population has increased by nearly 4 million. The trend shows that the cops are doing their job in getting the bad guys off the streets. But Mac Donald warns, "The recession could still affect crime rates if cities cut their police forces and states start releasing prisoners early."

It would stand to reason that if crime has dropped that dramatically over the last decade, the prison population would shrink as well. But not so. In fact, the prison population has not increased or decreased much in 10 years, and the reason is recidivism. Seventy-percent of people who go to prison are repeat offenders, refusing to live by society's standards, and they are generally locked up for violating their parole—not for not having a job.

In summation, crime is caused by the criminally minded, not by economic conditions. Now would be good time for the state of California to place more of a premium on the dozens of law enforcement agencies it has under its wing.

Alan takes issue with Willie Brown

That he would scribble the words "job security for life" while most state employees were taking their third furlough day seems not to have occurred to him. Nor would I expect him to see the irony of his remarks shortly afterward, when Gov. Arnold Schwarzenegger called for a 5 percent payroll cut, a 5 percent pay reduction, and a 5 percent increase from state employees into their own pensions. But in gradually extending "pay and benefits to private-sector levels," Brown and his "friends in labor" not only did right by state employees, they also did right by the people of California, especially in the areas my association represents—the men and women in public safety and consumer protection.



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