



To: The CCPOA Board of Directors

October 8, 2010

From: The CCPOA Executive Council

Subject: California State Budget

The California Legislature passed the State Budget early this morning. Members of the CCPOA Executive Council and the CCPOA Legislative Division held an all night vigil in the State Capitol during this process. We were successful in keeping the “pension reform” as written from achieving the required two-thirds votes for passage. However, in the early morning hours the Legislature gutted another bill, loaded the pension reform into that bill and passed it with a simple majority vote.

Considering the fiscal state of the state we made it quite clear, as we have all along, that we were more than willing to agree to pension reform and possible concessions in return for our work place rights (an MOU). The legislative leadership either would not or could not stand up to the Governor on behalf of the men and women in this profession.

This budget deal comes on the heels of record-breaking delays in budget negotiations. We are aware that all of you wish to know exactly what this budget means to you, your families and your careers. Unfortunately information is sketchy at best at this time.

The Legislative Analyst’s Office (LAO) released a report today on general fund budget, which lists the 2010/11 budget reductions. In the area of employee compensation the LAO reports a savings of 1.6 billion dollars. The LAO states that the cost savings will stem from recent agreements with unions as well as \$600 million from “future union agreements *or other administrative actions.*” Again no specific details have been released as to what those other administrative actions may be.

Additionally the budget calls for a 5% decrease in hiring, \$200 million in reductions to the state inmate population, a change to the inmate to staff ratio as well as a \$1.1 billion cut to the Federal Receiver.

However, the Supervisor and Manager picture is much clearer. Yesterday, October 7, 2010 the Governor issued Executive Order S-15-10 regarding exempt employees. The order calls for Supervisors and Managers, except for units 5 and 8, to take the same cuts that were agreed to by SEIU in their tentative MOU, i.e. one PLP (self directed furlough) day a month for 12 months,

the savings achieved from furloughs July 1 through October 31, and for the employee to pay an additional 3% into their retirement. As well as the pension roll back to pre 1999 levels. In our case this is the 2.5 @ 55 formula.

Of concern to most of you affected by this Executive Order is the language that states if you are “hired” after November 1st you are subject to the new formula. We are seeking written clarification from DPA as to what they mean by hired, as we interpret it to mean the date you joined the department not a subsequent promotion date. The last portion covering appointments is quite clear; if you are *appointed* after November 1st you are subject to the new formula.

As more specific information is announced in the coming week we will update you further.