

CALIFORNIA CORRECTIONAL SUPERVISORS ORGANIZATION

January 8, 2010 - Weekly Update

Governor's State of the State Address Overview and 2010-11 Budget Proposals: Go to the CCSO web page at ccsonet.org and check out the News page, where you can click on the video to hear the Governor's entire speeches of the State of the State Address and the 2010-11 Budget Proposals.

2010-11 BUDGET PROPOSALS

Highlights of the 2010-11 Budget Proposals to close the \$20 Billion deficit:

- 1) End on June 2010 Furloughs (14% reduction currently will end)
- 2) 5% pay cut effective July 1, 2010
- 3) 5% additional employee pension contribution
- 4) 5% reduction of state workforce (payroll cap)
- 5) Renegotiate contracts for healthcare employees to save \$152 million
- 6) California needs to get back from the federal government the \$7 billion owed the state
- 7) Cut \$1.2 billion from CDCR budget

Note: CCSO had a conference call meeting with DPA Director Julie Chapman today, January 8, 2010 over the proposals and will continue communicating with DPA. CCSO asks members for reactions to the proposals. CCSO will analyze the proposals and commence with scheduling meetings.

STATE OF THE STATE ADDRESS

The Governor cites that in 2009 California's economic growth declined 2.8% but tax revenues decreased 8 times that much.

144,000 taxpayers pay for almost 50% of all personal income taxes. 38 million Californians rely on 144,000 people for their schools, fire protection, health care, public safety and other services. Schwarzenegger wants tax reform and he wants the legislature to look at reforms proposed by the Tax Reform Commission that was praised by the Wall Street Journal.

Thirty years ago, 10% of general fund went to education and 3 % went to prisons. Today, 11% goes to prisons and 7 ½% go to education. Governor is proposing a constitutional amendment so that California does not spend a greater percentage of money on prisons than on education.

Proposes saving billions of dollars a year by allowing private prisons to compete with public prisons.

California spends \$50,000 per prisoner compared to the ten largest states that only spend \$32,000.

Federal judges are not taking over prison health care as is happening in California.

Under the Clinton administration, California received 94 cents on the dollar from the federal government. Today California receives 78 cents; whereas, Texas gets 84 cents, Pennsylvania gets \$1.07; Alaska gets

\$1.84 and New Mexico get \$2.03 from the federal government. California wants a fair and equitable distribution of federal dollars to states.

Federal government is not even funding 50-50 split of the costs of undocumented immigrants. The federal government controls immigration policy and border security. Therefore, they need to fund the majority of cost.

California is owed billions of dollars by the federal government for various programs and wants the money owed us.

Rejects President Obama's health care reform because it will increase even more costs to states that are already struggling economically. Health care reform has become a "trough of bribes, deals, and loopholes."

State pensions increased 2,000% in the last 10 years while revenues only increased 24%. The pension fund will have to be funded by taxpayers in some way. Current employees under the existing pension plan will not be affected. BUT he wants the legislators to reform the pension plan for future state employees.

Furlough Update: Superior Court, County of Alameda, Judge Roesch on December 29, 2009 filed a Writ of Mandate on Governor Schwarzenegger, State of California, DPA, State Controller John Chiang, CDCR, DMH, and CDJJ to comply with the court ruling on December 17, 2009. The Writ cites:

"WHEREAS, the Court has determined through its Order Granting Petition for Writ of Mandate, filed on December 17, 2009, that Respondents have failed to perform their legal duties as described therein;

NOW, THEREFORE, Respondents ARNOLD SCHWARZENEGGER, CALIFORNIA DEPARTMENT OF PERSONNEL ADMINISTRATION, JOHN CHIANG, CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION, CALIFORNIA DEPARTMENT OF MENTAL HEALTH, and CALIFORNIA DEPARTMENT OF JUVENILE JUSTICE, and their officers, wardens, agents, servants and employees, are hereby commanded to:

- (1) Perform all acts necessary to immediately and prospectively pay all employees in State Bargaining Unit 6, as well as correctional sergeants and lieutenants, their full salaries in cash or cash equivalent at the end of each pay period for all hours worked during each preceding pay period, without reduction, and at rates delineated for such classifications in the current State of California Civil Service Pay Scales, as set and required by, inter alia, Government Code sections 19824 and 19826(b) and Labor Code sections 223 and 1171 et seq."**

Note: The State of California is still pursuing, to date, an appeal and a "stay" on Judge Roesch's court ruling. In addition to the CCPOA ruling, Judge Roesch ruled to stop furloughing thousands of state workers who are members of three big public sector unions, including Service Employees International Union Local 1000, offering them a huge legal victory as 2010 begins. Judge Frank Roesch said the governor's reliance on the state's Emergency Services Act to order three furlough days a month, triggering pay cuts of almost 15 percent, was flawed and illegal. Schwarzenegger press secretary Aaron McLearn said the administration will appeal, and predicted furloughs will continue until the cases are resolved. **CCSO recommends to members to follow the existing furlough schedule until the Supreme Court makes the final decision.**

403(b) Tax Deferred Audited: The state's 403(b) tax sheltered annuity program was audited on January 1, 2009 and the results provided eligibility to participate in this 403(b) program. Eligibility to participate in this plan requires that an employee must perform services for an education organization. An "education organization" is described under Internal Revenue code section 170(b)(1)(A)(ii). It is an institution, which normally maintains a regular faculty and curriculum and has a regularly enrolled body of students in attendance at the place where its education activities regularly take place. The legal opinion of this audit determined that employees at CDCR and DMH must be in classifications identified as a teacher or vocational instructor to be eligible for a 403(b) plan.

Therefore, effective December 2009 pay period, the payroll deduction for the 403(b) plan was cancelled for some existing participants classified as: S01 at CIW and Administration; S06 at ASP, CSP-Corcoran, CSP-Sacramento, CTF, Administration, DVI, MCSP, Paroles, R.A. McGee, SQ and VSPW; S12 at RJD, SQ; S15 at CIW, CMC and MCSP, and S17 employees at DVI and Patton.

If you are an affected employee who has had this 403(b) plan cancelled and have questions contact Lisa Callaghan at 916-327-3923 Personnel/Payroll Services Division.

**In Memory
of
Clarence G. Van Hoose
1968-2010**

Sgt. Clarence G. Van Hoose died at his home, on Thursday January 7th, after waging a long battle with cancer. Clarence Van Hoose was employed as a Sergeant at the California Men's Colony and was respected by all who knew him at CMC. All of us at CCSO send our sympathy to Stacey L. Van Hoose and their family. Rest in Peace Sgt. Clarence G. Van Hoose (1968-2010).

T a k e C a r e a n d B e S a f e !