



SUPER INFORMER FOR SUPERVISORS

Professional Engineers in California Government

January 2016

Salary Increases for PECG-Represented Supervisors and Managers Are Included in the Governor's Proposed Budget

Following the PECG rank-and-file negotiated salary increases in the new 2015 – 2018 Memorandum of Understanding, the question became: "What is the salary plan for PECG-represented supervisors and managers?" Governor Brown's recently released proposed State Budget helped answer that question by **including our 5% salary increase.**

PECG held a formal Meet-and-Confer session with the Department of Human Resources (CalHR) on December 1, 2015 – just as CalHR was putting together its recommendations for the Governor's proposed Budget. PECG's proposals included a 5% raise for all PECG-represented supervisors and managers, effective July 1, 2016. Governor Brown's January 7 release of his proposed State Budget for the upcoming 2016-17 fiscal year verified that the Administration agrees with PECG's salary proposal.

The proposed Budget provides for \$220 million for employee compensation and health care increases, including salary increases for all PECG-represented employees. The Budget summary said the costs include

the "collectively bargained salary increases for the state's rank-and-file employees represented by Bargaining Unit 9, which the Administration is extending to state managers and supervisors related to these employees." This covers PECG-represented S09, U09, M09 and E48 employees.



The Governor's Budget includes additional money which may be used for salary increases for others – depending on the outcome of their negotiations. At present, PECG represented employees (and perhaps Highway Patrol Officers) are the **only** employees with a scheduled July 1, 2016 salary increase.

While this is good news, as always, there are additional steps before salaries are increased. The money needs to stay in the State Budget as it passes through the Legislature and reaches the Governor for signature. When it does, we expect CalHR will issue a Pay Letter instructing the State Controller's Office to increase salaries for all PECG-represented employees — supervisors, managers, and rank-and-file — in the July 2016 pay warrants.

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Prefunding of Retiree Health Benefits

The good news is that for current employees, the Administration has not proposed to change retiree health benefits. As part of the overall economic package, the state intends to jointly begin prefunding our retiree health benefits, but not until July 1, 2017, the same time as our rank-and-file colleagues. In his current proposed Budget, the Governor has indicated this issue will continue to be a priority and will be part of labor negotiations with others this spring. His goal is for the state employer and all employees to begin sharing in the prefunding of retiree health benefits.

Last year, Governor Brown labeled the state's obligation to pay retiree health care premiums as an "unfunded liability" of \$72 billion that needed to be addressed. His recently released 2016- 2017 budget summary claims that if nothing is done, the liability will grow to \$300 billion by 2048.

For retired, fully vested employees, the state currently pays toward retiree health care premiums under the "100%/90%" formula on a pay-as-you-go basis. The state contribution is determined by the weighted average of the costs for the four health plans with the most state enrolled employees. For most retirees, this means the



state pays almost the entire premium. For active PECG-represented employees, the state pays 85% of that weighted average as the health contribution by the employer, and 80% for dependents. As current employees, when we retire we will continue to be under the 100%/90% formula, but we will begin paying into the pre-funding of retiree health benefits while we are employed.

Current law provides that effective July 1, 2017, we will pay 0.5% of salary to begin prefunding retiree healthcare. That amount is scheduled to increase to 1% of salary on July 1, 2018 and to a total of 2% on July 1, 2019 to prefund retiree healthcare. The state employer will match that contribution.

A lot will happen between now and then. PECG will seek salary increases for supervisors and managers effective July 1, 2017 (when PECG rank-and-file employees are scheduled to receive a 2% salary increase). PECG will then be back at both the bargaining and meet-and-confer tables to negotiate salaries for 2018 and beyond. If the plan for prefunding retiree health benefits changes in any manner as part of those discussions, the statute could be changed to reflect any agreements.

PECG's Federal Representation Program Continues to Expand

PECG is keenly aware that what happens in Washington D.C. with federal laws, policies and regulations can have a profound impact on our work. For example, federal law provides funding for state projects and federal policies can mandate or encourage the outsourcing of public sector jobs.

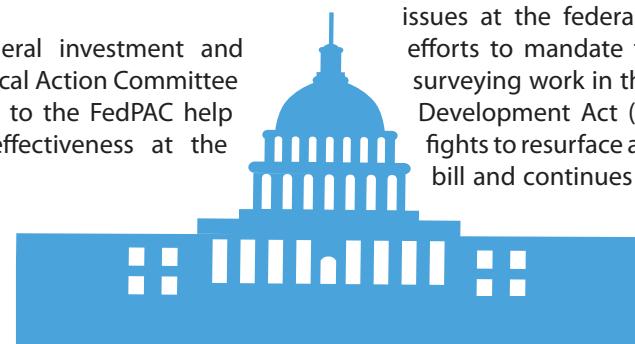
PECG is a founding member and a leader of NASHTU - the National Association of State Highway and Transportation Unions. Founded in 1999, NASHTU represents 38 unions in 20 states and the District of Columbia. NASHTU has annual conferences covering federal policies and various states' experiences with common public sector and transportation issues. Between conferences, NASHTU affiliates lobby their Members of Congress as the need arises.

In 2009, PECG increased its federal investment and program by creating a federal Political Action Committee (FedPAC). Voluntary contributions to the FedPAC help increase PECG's influence and effectiveness at the national level by supporting and electing office holders who support the needs and interests of PECG's members.

PECG recently established a Congressional Outreach Program, designed to strengthen PECG's relationship with California's Congressional Delegation. The program involves meetings with members of Congress in their District Offices where PECG members who are constituents can share PECG's perspectives on policy and federal legislation.

In the last few years, PECG's active role and partnerships have successfully defeated proposals to outsource our work. With our coalition partners, we have convinced Congress to reject proposed mandates for outsourcing our work in the various highway funding reauthorization acts and extensions.

PECG also tracks water, pipeline inspection, and other issues at the federal level. PECG fought and defeated efforts to mandate the outsourcing of engineering and surveying work in the 2014 Water Resources and Reform Development Act (WRRDA). In 2016, we expect those fights to resurface as Congress considers another WRRDA bill and continues to debate federal drought relief bills for California.



Happy New Year to My Fellow Supervisory and Managerial PECG Members!

By Cathrina Barros, Vice President Supervisory

This *SuperInformer* is a way for me to re-introduce myself and to provide an update and some insight on PECG's program for 2016. PECG is a voluntary organization with much of its success attributed to the hard work of your fellow state employees. I'd like to begin by saying thank you to Alan Escarda, the former VP Supervisory, for his hard work over the past three years. Additionally, thank you to the PECG Meet and Confer team, for their tenacity and perseverance over the past several years.

In 2016, the Administration appears to be moving towards eliminating compaction between supervisors and those they supervise. This is a good thing for us. The Governor is agreeing to our proposal for a 5% salary increase for our PECG-represented supervisors and managers on July 1, 2016, the same as the Unit 9 rank-and-file employees.

The Meet and Confer Team is aware that there are still classes that deserve salary adjustments and our meetings with CalHR continue to focus on rectifying those inequities. On December 1, 2015 we reiterated our proposals for all classes that did not receive the full inequity adjustment in 2014. We'll continue to push for these increases in every possible forum.

We've finally overcome some significant hurdles, so I'd like to take the opportunity to share some elements of PECG's program that helps all PECG-represented members and future members! This *SuperInformer* highlights two important components: national engagement and mentoring. PECG has enhanced its federal program because what happens in D.C. affects us in California. Also, PECG has developed a PREP program to help lead students towards careers in PECG related fields. I hope you will find this information interesting and that it provides you with some insight into what PECG does outside of protecting and improving your salary and benefits.

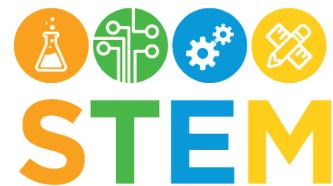
I wish the best for you and your family in 2016. May we all have a happy and prosperous new year!



PECG's 2016 Meet and Confer Team (l-r): Stefan Cajina, Refugio Dominguez, Joe Mello, Alan Escarda, Cathrina Barros, and Mili Lim Stamation

PECG's Support for STEM Education Grows

Have you seen an e-mail seeking volunteers for a local science and engineering fair, an academic decathlon, or a mentoring program? The next time you see such an opportunity, you should consider joining the hundreds of PECG members throughout the state supporting the next generation of engineers, land surveyors, landscape architects, engineering geologists and other professionals. Your local PECG Section leaders have more detailed information and can help match you up with these opportunities.



PECG is also engaged in a pilot project to bring the American Association of State Highway and Transportation Officials (AASHTO) educational programs to California. The AASHTO "TRAC" and "RIDES" programs and related bridge building competitions are designed to bring hands-on activities to young people to introduce and inspire transportation and engineering careers. PECG's Preparing Readiness for Engineering Professions (PREP) program looks forward to bringing these education activities, as well as educational programs related to water, the environment, and other areas where PECG members work, to as many students as possible.

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DO YOU HAVE A COLLEAGUE WHO IS NOT A MEMBER OF PECG?

The benefits of PECG representation are received by all, but not supported by all! PECG is influential only if our supervisory and managerial membership is strong. It is no coincidence that the Governor's proposed State Budget includes a salary increase **only** for PECG-represented supervisors and managers. This is because of the work PECG does on your behalf. Thank you for your membership and encourage your colleagues to join PECG today!

