

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 7, 2008
POSITION: Support
SPONSOR: Department of Personnel Administration

BILL NUMBER: SB 1496
AUTHOR: R. Ashburn

BILL SUMMARY: Public Employees' Retirement System: Classifications

This bill would clarify the statutory definition of Police Officer and Firefighter (PO/FF) for excluded and exempt employees. This bill would explicitly exclude from PO/FF positions that are in the chain of command over primarily administrative employees. This bill would also allow incumbents who are currently misallocated to positions that will henceforth be excluded to retain their PO/FF designation for the remainder of their employment in those positions.

FISCAL SUMMARY

There are no costs to the state as a result of this bill. The incumbents in the affected positions are already classified as PO/FF and eligible to receive PO/FF retirement benefits. To the extent that some positions revert to miscellaneous over time, there could be related savings, but these will be minimal.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the March 24, 2008 version are minor and do not alter our position.

COMMENTS

The Department of Finance supports this Administration-sponsored bill for the following reasons:

- It clarifies the statutory definition of PO/FF for excluded and exempt employees to include those who are either managers in the direct chain-of-command above rank and file officers and firefighters or who perform internal affairs investigations in or of the Department of Corrections. The state has a compelling need to continue to recruit from rank and file PO/FF employees and to offer PO/FF benefits for these positions.
It explicitly excludes from PO/FF positions that are in the chain of command over primarily administrative employees, including personnel administration, budgeting, public affairs, data processing, information technology, governmental relations, or legal support.
It allows incumbents who are currently misallocated to positions that will henceforth be excluded (i.e., those that are primarily administrative) to retain their PO/FF designation for the remainder of their employment in those positions, but then requires these misallocated positions to revert to the miscellaneous classification when the incumbents terminate employment in the positions.

Currently, there is only one statute that allows the Department of Personnel Administration to designate excluded and exempt state employees classified under the Penal Code as peace officers to receive peace officer retirement benefits from the California Public Employees Retirement System (CalPERS). This

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COMMENTS (continued)

statute is vaguely written and has been interpreted both liberally and strictly in prior years, resulting in inequitable application of the statute.

This bill would clarify Section 20398 of the Government Code to identify those exempt and excluded employees who may be classified as PO/FF for CalPERS retirement purposes.

Analyst/Principal Date Program Budget Manager Date
(0931) K. Martone Diana Ducay

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

**Form DF-43
BILL NUMBER**

AUTHOR

AMENDMENT DATE

R. Ashburn

May 7, 2008

SB 1496

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
9990/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0001
9901/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0494
9901/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0988

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0494	Other Unallocated Special Funds
0988	Various Other Unallocated NGC Funds