

**MEMORANDUM**

**TO:** PERSONNEL MANAGEMENT LIAISONS

**DATE:** December 29, 1994  
**REFERENCE CODE:** 94-74

**THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:**

Labor Relations Officers  
Personnel Officers

**FROM:** Department of Personnel Administration  
Classification and Compensation Division

**SUBJECT:** Mid-Management Reduction Issues

This memorandum contains discussions of two issues related to the mid-management reduction plans that have caused concerns in departments.

**NOTICE OF PERSONNEL ACTION (NOPA)**

The first issue deals with the NOPAs that have been received by supervisory or managerial employees who voluntarily demote to rank-and-file classes and are assigned new Collective Bargaining Identifier (CBID) codes of E01 through E21. Such an employee becomes rank and file for collective bargaining purposes when the demotion is effected, and the employee is subject to union dues or fair share payments if either is included in the appropriate Memorandum of Understanding. The new CBID code is assigned in order to red circle the benefits of the demoted employee.

Unfortunately, the State Controller's computer program automatically prints the following statement on NOPAs for every CBID code beginning with the letter "E": "For collective bargaining purposes, you have been designated as excluded as defined in G.C. Section 3513." This statement does not apply to employees assigned CBID codes of E01 through E21. The State Controller's Office (SCO) has notified us that it would not be cost effective to modify the system to distinguish between these new CBID codes (E01 through E21) and the original "E" CBID codes to which the statement does apply.

Each personnel office should modify the NOPAs by hand or attach an explanation such as the attachment to this PML memorandum.

**RED CIRCLED BENEFITS**

The second issue deals with the red circling of managerial or supervisory benefits for employees who demote to rank-and-file classes. The original intent was to freeze the benefits exactly as they were when the employee demoted. This meant that any future increases or modifications of benefits received by managerial or supervisory benefits would not apply to employees whose benefits were red circled. The original intent is consistent with the way that salaries are red circled or frozen; however, benefits are not as easily frozen as salaries are and problems arise. For example, if the State contracts with a new provider for an insurance benefit that replaces and enhances an existing benefit, what does the employee whose benefits are frozen receive, since the original plan is no longer in existence?

In order to eliminate this problem, managerial and supervisory employees who voluntarily demote to rank-and-file classes, and whose benefits are red circled as part of the mid-management reductions, will receive current and new benefits of managers or supervisors. In other words, in 1998 a former supervisor who demoted in 1994 as part of the mid-management reductions, and whose benefits were still red circled, would be entitled to the benefits being received by supervisors in 1998.

Please contact your Classification and Compensation Division analyst at the Department of Personnel Administration if you have any questions about this memorandum.



Mike Vargas  
Staffing Reduction Coordinator

Attachment

cc: Supervisory Employee Organizations

**MEMORANDUM**

**TO:** Employees Assigned CBID Codes  
E01 through E21

**DATE:**

**FROM:** Department of Personnel Administration  
Classification and Compensation Division

**SUBJECT:** Collective Bargaining Status

The Department of Personnel Administration (DPA) developed the Collective Bargaining Identifier (CBID) codes E01 through E21 as part of the system to enable departments to offer red circle benefits to employees who demote as part of the mid-management reductions that were implemented by DPA and the Department of Finance. The purpose of the red circled benefits was to enable employees impacted by the mid-management reductions to remain "whole".

The E01 through E21 CBID codes may be offered to employees who demote or transfer from managerial or supervisory classes to rank-and-file classes. When such a demotion occurs, the employee becomes a rank-and-file employee. The number following the letter "E" indicates which bargaining unit your rank-and-file class is in. For example, if you are assigned E09, your class is assigned to Bargaining Unit 9.

The letter "E" was selected for use by the State Controller's Office (SCO) to identify employees receiving red circled benefits because their data processing program would not accept new letter codes. The cost of modifying the program to accept new letter codes was too high to be justified. The letter "E" in connection with CBID codes normally reflects employees who are excluded from collective bargaining. When SCO prints Notices of Personnel Action (NOPA), the program automatically includes the following statement with ALL "E" codes, including the new E01 through E21 codes: "For collective bargaining purposes, you have been designated as excluded as defined in G.C. Section 3513." SCO cannot eliminate this statement without expensive system modifications.

This statement should be disregarded on your NOPA if you have been assigned an E01 through E21 CBID code. You are a rank-and-file employee for collective bargaining purposes.

If you have any questions, please call \_\_\_\_\_.

