

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS                      DATE: June 25, 1996  
REFERENCE CODE: 96-029

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Labor Relations Officers  
Personnel Officers

FROM: Department of Personnel Administration  
Classification and Compensation Division

SUBJECT: Mid-Management Reductions

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The Mid-Management Reduction Program conducted from January 1, 1994 through June 30, 1995 resulted in the reduction of nearly 1,850 managers and supervisors.

The Department of Personnel Administration (DPA) has continued to stress the advantages of flatter organizations and has encouraged departments to pursue such structures wherever feasible. Numerous departments are currently planning to move in this direction and have requested assistance in implementing their plans. The Legislature is also interested in flatter organizations in State departments and has discussed establishing a mandatory statewide ratio of managers/supervisors to workers. It appears that this issue will not fade in the immediate future.

During the Mid-Management Reductions, DPA developed a system to red circle the benefits of mid-management employees who demoted. This was a critical step to induce incumbents to demote without having to implement the time-consuming, costly layoff process. Departments have requested that DPA reinstitute the red circle benefit process to assist in their current reorganizations.

DPA will approve the red circling of the benefits of managers and supervisors when the following two conditions are met:

1. A manager or supervisor demotes to a rank-and-file class; and
2. The managerial or supervisory position is abolished or reclassified to a rank-and-file class.

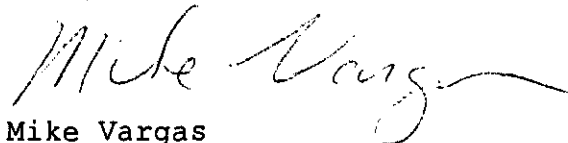
The following Collective Bargaining Identifier (CBID) Codes will be used to effect the red circled benefits:

1. CBID Code E77 - exempt managers who demote to rank-and-file classes
2. CBID Code E67 - exempt supervisors who demote to rank-and-file classes
3. CBID Codes E01 through E21 - nonexempt managers and supervisors who demote to rank-and-file classes

Managers and supervisors whose benefits are red circled will be entitled to any future enhancements to the managerial or supervisory benefit packages.

Any manager or supervisor will be eligible for the red circled benefits if the two conditions in this memorandum are met and he or she will continue to receive the benefits until he or she returns to a manager or supervisor class or leaves the appointing power who requested the red circle. If the manager or supervisor leaves the appointing power and moves to a different appointing power the continuation of red circled benefits will be permissive.

Please contact your assigned Classification and Compensation Division analyst at DPA, if you have any questions.



Mike Vargas  
Program Manager