

State of California

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: July 17, 1998
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THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers

FROM: Department of Personnel Administration
Office of the Director

SUBJECT: Exempt Compensation Program for July 1, 1998

CONTACT: Dave Combies, Personnel Management Analyst
(916) 324-0434, CALNET 454-0434
FAX: (916) 327-1886
OFFICE VISION: DPA(DACOMBIE)
INTERNET: DAVECOMBIES@DPA.CA.GOV

On June 10, 1998 the Department of Personnel Administration released a memorandum to managers and supervisors regarding "Negotiations Update" which provided some details on the excluded compensation package being developed. As a result, we have had some inquiries regarding the compensation package for exempt (noncivil service) officers and employees.

The compensation changes and benefits in this package are contingent upon successful passage of budgeted funds and legislation that is required for implementation.

A very brief summary of the exempt compensation package including S03 and M03 classes (Department of Education Special School positions) is as follows:

- Three percent increase effective July 1, 1998.
- Consolidated health/vision/dental benefits with increased State contributions to cover health premium increases effective January 1, 1999.
- Modified first tier retirement plan as an option for second tier retirement plan members providing similar benefits as the Public Employees' Retirement System's first tier plan.

- Special adjustments effective November 1, 1998 of 10 percent for those supervisors and managers at the Special Schools in the Department of Education who directly supervise Unit 03 classes and where there is a need to maintain a salary differential. THESE INCREASES WILL OCCUR EVEN IF THERE IS NO AGREEMENT WITH THE UNIONS FOR THE SALARY INCREASES FOR REPRESENTED EMPLOYEES.

In addition, we are reviewing other benefits such as reinstatement of the vacation buy-back program for supervisors and managers.

It is our goal to implement these benefits and reforms as soon as possible after legislation is passed and the package is completed and approved. Hopefully, this will allow implementation on July 1, 1998 unless otherwise specified. I will send you more specific information regarding this compensation package when it is approved.



David J. Tirapelle
Director