

LBAEE

January 2025 News

UPDATES

- LBAEE wish our members a peaceful and prosperous year during 2025.
- Our Executive Assistant William Stevenson took a new position that prevents him from continue being part of the LBAEE Board. The Association is grateful for his invaluable service and wish him the best on his new endeavors.
- LBAEE appointed Aaron Machado to complete the Executive Assistant term left by William Stevenson.

EXECUTIVE ASSISTANT:



AARON MACHADO

Department: Energy Resources
Bureau/ Division: Oil Operations
Classification: Petroleum Engineering Assoc II
Years with the City: 2 years
AEE previous involvement: Newly appointed

- LBAEE continued discussing with the City the reactivation of the Floor Warden program.
- LBAEE continued conversations with the City during the 2nd Phase of the Charter Amendment Meet and Confer.
- LBAEE continued conversations with Harbor Department about an option of conversion for incumbents of the DCHE II classification.
- LBAEE is starting to organize a Networking Mixer during the Spring. Stay tuned for information.

Unsung Heroes: Public Sector Workers and the American Dream

A December 2024 survey from the nonpartisan Public Policy Institute of California (PPIC) found that only 33% of Californians still believe in the American Dream. The American Dream is a phrase that was popularized during the Great Depression. Historian James Truslow Adams, in his 1931 book, *The Epic of America*, described the sentiment this way:

That dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement.

The phrase captures the idea that if you work hard, you will get ahead. Every person has the freedom and opportunity to succeed to attain a better life. Everyone can achieve success and prosperity through hard work, determination, and individual effort.

The emphasis has always been on achieving upward mobility. This includes obtaining a good education, owning a home, and creating a better life for one's children. More recently, material wealth has become an overriding desire.

In the 1940s through the 1960s, the idea of the American Dream was closely associated with the American middle class. The Federal government adopted economic policies in the wake of the Great Depression known as "the New Deal." These policies help support a broadening of the middle class and create more prosperity for all Americans. Federal laws and programs were created including the Housing Act (1934), the Social Security Act (1935), the National Labor Relations Act (1935), the Fair Labor Standards Act (1938), the G.I. Bill (1944), and Medicare and Medicaid (1965), to name only a few.

The Pew Study: However, since the 1970s, that trend has reversed. In a survey last year, the Pew Research Center looked at government data to identify key trends from 1970 to 2023. The Pew study found that the share of Americans who are in the middle class is smaller than previously. In 1971, 61% of Americans lived in middle-class households. By 2023, the share had fallen to 51%.

Notably, the increase in the share who are upper income was greater than the increase in the share who are lower income. According to the Pew study, the middle class has fallen behind because (1) growth in income for the middle class since 1970 has not kept pace with the growth in income for the upper-income tier, and (2) the share of total U.S. household income held by the middle class has plummeted.

The study also found that several metro areas in the U.S. southwest have high shares of residents in the lower-income tier after adjusting for differences in cost of living.

The PPIC Study: The PPIC is currently led by former California Supreme Court Chief Justice Tani Cantil-Sakauye. The survey published last month found that 52% of Californians do not believe the American Dream is true anymore, and 15% never thought it was true. The study includes the following data:

Demographic	Percentage believing in the American Dream
Republicans	39%
Democrats	32%
Independents	29%
Asian Americans	42%
Whites	32%
Latinos	30%
African Americans	24%
Households making \$80,000 or more	37%
Households making \$40,000 - \$79,000	29%
Households making less than \$40,000	24%

The survey found that Californians are skeptical that the economy will improve anytime soon. Seventy percent of Californians said they believe children growing up today will be worse off financially than their parents. This finding includes strong majorities across demographic groups. Fifty-six percent of those surveyed said the state's near-term economic outlook will be bad.

Realizing the American Dream: The study found that Californians overwhelmingly believe that strong unions are necessary to help more Californians realize the American Dream. Seventy percent said they support the right of workers to organize. This includes 87% of Democrats, 68% of Independents, and 57% of Republicans. Eighty-three percent of the study participants said they think it is important for workers to organize to keep

employers from taking advantage of them. This includes 92% of Democrats, 79% of Independents, and 67% of Republicans.

The study participants also believe that increased government funding for job training (79%) and childcare programs for lower income working parents (75%) are necessary.

The study participants worry that AI will lead to fewer jobs (50%). They also worry about housing costs (24%). For those making less than \$40,000 a year, the figure of those who worry about housing costs jumps to 42%. More data is available at www.ppic.org

The Role of Local Government Employees: In California, local government employees have played an integral role in shaping the conditions that allow residents to realize the American Dream.

Public works departments manage projects that keep roads and public transportation systems functional and safe, provide clean drinking water, and implement refuse and recycling programs. Planners, engineers, and environmental staff help promote sustainable development and ensure communities remain livable for future generations. Staff also run programs that provide access to affordable housing and outreach to the unhoused population. Public safety personnel protect lives and property and respond to natural disasters like earthquakes and forest fires.

As many were reminded during the pandemic, all California public employees are classified as Disaster Service Workers under Government Code §3100 and may be called upon to serve the needs of the public in the event of an emergency. These efforts and more not only improve the quality of life for the public and for the community but also create jobs and stimulate local economies, providing pathways to the American Dream.

The Role of Public Employee Organizations: In addition to their vital role of serving the public, California's local government employees have a long history as trailblazers in advocating for and advancing workers' rights. Most local government employees have formed and are members of a union (defined as "employee organization" under state law). Public employee organizations engage in collective bargaining to secure fair wages, benefits and working conditions for their members. This includes competitive salaries, reasonable working hours, paid leave, holidays, quality healthcare coverage, and pensions. These efforts help promote good middle-class jobs. Successful bargaining also

sets benchmarks that influence private-sector labor practices, contributing to a more equitable workforce overall.

Historically, unions have set the standard for wages, especially among jobs that do not require a college degree. Most union members today are employed by a city, county, state, school district, or special district. According to data from the Bureau of Labor Statistics, the union membership rate for public sector workers is five times higher than for private-sector workers. About 29% of the 14.4 million union members nationally live in just two states – California (2.5 million) and New York (1.7 million). The Bureau of Labor Statistics data also shows that union members have higher earnings than nonunion workers.

Local government jobs in California are a significant source of economic stability, particularly during periods of economic uncertainty. These positions offer reliable employment and benefits, often serving as a pathway to the middle class. This is especially so for women, minorities, and other underrepresented groups.

Giving Back to the Community: Local government employees also contribute to their communities by spending their earnings and paying sales taxes at local businesses. Under current revenue sharing between the state and local governments, cities get a larger percentage of brick-and-mortar sales whereas the state gets a larger share from online sales. Over the last decade, online sales have increased significantly while brick-and-mortar sales have mostly held steady or declined. Many local government employees also own homes in communities where they work and pay property taxes, which help support schools and other local services. Property taxes are mostly shared between the county and local cities and school districts. For most local public agencies, sales taxes, property taxes, and utility taxes make up most of the revenue that is used to provide local public services that the middle class depends on to thrive. The revenue may also include some state or Federal grant money, but the overwhelming share of the revenue comes from residents who, in many cases, also happen to be local government employees.

Conclusion: Although Californians are pessimistic about attaining the American Dream, the path forward to broadening the middle class is straightforward. This includes strong support for unions and other government policies that support the middle class, such as housing and child-care. Local government employees in California are indispensable to realizing the American Dream. The efforts of public employees ensure that communities

receive the vital public services that are necessary for individuals, families, businesses, and other organizations to thrive. Public employee organizations help secure fair wages and benefits for their members. This also helps serve as a benchmark for pay and benefits for other workers in the community.

It is essential to support and invest in the local government workforce. Understaffed departments, outdated resources, and burnout among workers impacts the quality of services that are provided and the infrastructure needed to support the middle class. The success of local government workers and the American Dream go hand in hand. Sustained investment in public services is essential. This includes fair compensation, adequate resources, and ample opportunities for professional development. Recognizing and valuing the contributions of public sector workers is equally important, as their work often goes unnoticed despite its profound impact on society. By recognizing the contributions of public employees and addressing their needs, California can continue to uphold the ideals of opportunity and progress that defines the American Dream.

News Release - CPI Data!

The U.S. Department of Labor, Bureau of Labor Statistics, publishes monthly consumer price index figures that look back over a rolling 12-month period to measure inflation.

2.7% - CPI for All Urban Consumers (CPI-U) Nationally
2.4% - CPI-U for the West Region
3.2% - CPI-U for the Los Angeles Area
2.4% - CPI-U for San Francisco Bay Area (from October)
1.1% - CPI-U for the Riverside Area
2.6% - CPI-U for San Diego Area

Questions & Answers about Your Job

Each month we receive dozens of questions about your rights on the job. The following are some GENERAL answers. If you have a specific problem, talk to your professional staff.

Question: What is the reason and the basis for taxing money used to pay health premiums in retirement? For active employees, the portion of the health premiums paid by the employee are deducted from their paycheck before taxes. This reduces taxable income, and the amount of taxes paid. Years ago, we asked CalPERS why health premiums are not deducted from our pension checks in retirement on a pre-tax basis. They said health premiums are deducted from the pension checks after taxes (assuming you are enrolled in a PERS health plan). They did not give any reasoning. Can you explain?

Answer: Employee contributions to health insurance premiums are often made through an employee benefits plan known as a cafeteria plan or premium-only plan. This is what allows the wages used by the employee to pay for the insurance to be considered pre-tax, meaning that amount is not treated as taxable income.

This arrangement and these employee benefit plans do not apply to retirees. Therefore, the pension system cannot reduce the amount you contribute out of your pension check to cover health insurance premiums on a pre-tax basis.

However, retirees may still be able to deduct their cost for health insurance premiums if they itemize their taxes. See Schedule A on your Form 1040. With the tax reform under the first Trump presidency, the standard deduction and the amounts that can be itemized changed. The result was that many people in California who used to itemize now just take the standard deduction. If the amount you itemize (including health care costs) exceeds the standard deduction, you might benefit by itemizing. You would get a tax benefit at the time you file your taxes, not as part of your regular monthly pension checks.

Question: The City is changing the way we receive our paystubs. In the future, it is probably how they are going to have us submit leave requests, adjust direct deposits, change dependents, etc. But for now, the notice simply says that the City will no longer be distributing physical paystubs on payday. We will need to make an account, login, view it digitally, and download the paystub if we need it. We already get our check through direct deposit. I want to continue to receive a physical copy of my paystub. I don't have access to a computer to login, I am not tech savvy enough to do it on a phone, and I do not

have access to a printer here at my worksite. Is there a law or regulation about digital enhancements and placing the "burden" on employees? Does the City have to accommodate me by issuing a physical paystub?

Answer: There is no law that requires the City to provide the paystub in a physical format as opposed to a digital one. There are Labor Code provisions regarding the payment of wages and itemized wage statements. However, Sections 200 – 219 and Section 226 (the main one regarding what goes on paystubs) do not apply to local public agencies. Even if they did, those provisions do not specifically require the wage statement to be printed by the City. For example, 226(a) says a “copy” includes a computer-generated record, and 226(b) says the cost of reproduction may be charged to the employee.

The City should work with any employees who do not have access to a City-provided computer or printer. There should be a location where the employee can log-in and print it using City-provided equipment. You can question HR as to how you and other employees without access to a City-provided computer or printer can obtain this important personal bi-weekly information.

It is also the employee’s responsibility to verify that their pay is correct. Errors can be made. If that is the case, it is best to catch the error as soon as possible.

The other law to consider is the Myers-Milias-Brown Act, which is your state bargaining law. If the change in practice amounts to a change in terms and conditions of employment, the City must notify the employee organization and allow for bargaining over any identifiable impacts. The change to only digital paystubs may not qualify, but a change in how leave requests are handled could be subject to negotiations.

Question: How is overtime handled for our bargaining group? For example, if I receive a call or text outside of my normal work hours, how are those hours accounted for? Is it automatically 2 hours pay at time-and-one-half? What if I must report back to work on-site for an hour or two? What compensation do I receive?

Answer: Your MOU should identify how overtime is handled for your bargaining unit. If you are receiving calls or texts outside of normal work hours, and you are required to take immediate action by responding to these messages outside of normal work hours, then you should

report that time on your timesheet. The time is compensable under the Federal Fair Labor Standards Act (FLSA) for non-exempt employees. The time is compensable under the FLSA regardless of whether you must go to a worksite, or you can handle the work remotely.

The FLSA does not mandate a minimum callback amount, but it is not uncommon for the MOU to require a minimum, such as two hours pay when the employee must report back to a worksite. For example, an MOU might state that employees who are called back to report to a designated worksite outside of normal working hours are provided with a minimum of two hours pay at the overtime rate. This would mean that even if you report to a worksite for one hour, you will receive two hours pay at the time-and-one-half rate. This MOU benefit sets a minimum amount. If you work more than two hours, you would be paid for the time worked. This would likely be at the overtime rate, assuming you worked over 40 hours in the workweek. Otherwise, the time is paid at straight time until the 40 hours is reached. Any hours over 40 for that week are then paid at the overtime rate.

Time spent driving to the worksite is typically not compensable under the

FLSA, but it may be under the MOU. Employees who are exempt under the FLSA are not entitled to additional pay under the law, but the MOU may provide for additional pay, paid leave, or the ability to flex their schedule. Refer to your MOU for the specific overtime benefits.

Question: Our agency is revising job descriptions. They are proposing changes that would consolidate positions in different divisions into a single, unified job classification with one common job description. Duties and other specifications have also been generalized, resulting in vague descriptions that arguably describe the work, but do not differentiate between work done by other positions. What potential challenges could arise from these vague titles and descriptions? What steps can we take to prevent this from happening?

Answer: Job descriptions should clearly identify the scope of work and list the essential functions. A job description should also include the knowledge, skills, and abilities required to perform the job. Establishing and changing job descriptions are subject to meet and confer.

If positions in different divisions are truly the same, it might not be objectionable to include them under a unified job description. However, the specific duties the position performs in each division should be clearly listed in the job description. Each division that uses the position should have a different list on the unified job description for the work that will be performed by the position when employed in that division. That way there is no dispute as to the nature of work that should be performed at each location where the position is used. The job description should be detailed so that employees are not directed to work outside of their assigned scope of work. It should also be clear so applicants who are applying for the position know what will be expected of them in that role.

The main challenge of having vague titles and descriptions is that it might allow the employer more flexibility to assign employees to work outside of their classification, to assign employees work in a higher classification without providing additional compensation, or to assign work interchangeably between divisions without any acknowledgement of which division the position is assigned to work in. This could lead to employees being assigned too much work or being

assigned work that they are not trained to perform. It could also lead to negative performance evaluations, performance improvement plans, or potential disciplinary action for poor work performance. Finally, it could lead to positions not being compared correctly in a compensation study. This could lead to positions being paid lower than they should be based on how similar positions are compensated in other comparable agencies.

The best way to address this is for the employee organization to negotiate over establishing the job descriptions as well as any proposed changes to the job descriptions. The employee organization can raise its own concerns as well as those of its members. The goal should be to help the agency understand the need for more focused job descriptions.