

CIPMA-HR

Channel Islands Public Management Association – Human Resources

September 2008

Message from the President

I would like to thank all of you for allowing me to serve as your President for 2008-2009. This past July, as President-Elect, I was given the opportunity to attend the IPMA-HR Leadership Conference for Chapters and Regions which was held in Arlington, Virginia. About a week prior to the Conference, I was quite surprised when I received a book entitled *The Seven Measures of Success at work* one day along with a welcoming letter from IPMA-HR that requested I carefully read the book before the Leadership Conference. At the Conference itself, I participated in a brainstorming exercise with seven other tables of leaders in training. Needless to say, everyone present learned a lot and I would recommend that continuing to provide this learning experience to future presidents is well worth it. In closing, I look forward to the year ahead and using some of the ideas that IPMA-HR has given me. May you all have a wonderful Autumn and I hope to see you at the next meeting.

Dee Emami

Certified Corner

As an HR professional, you're well aware that career advancement usually happens to those individuals who demonstrate competency, proficiency, and an ongoing commitment to their profession. Career advancement brings with it added respect from your peers, recognition from your superiors, and a sense of accomplishment

that creates a new professional demeanor—an inner self confidence. Certification is the mark of excellence that you carry with you everywhere you go.

As your professional association, IPMA-HR offers professional certification DESIGNED SPECIFICALLY for the field of public sector human resources. The competency-based IPMA-HR designations are internationally recognized and will give you the added edge that will help elevate your own career.

IPMA-HR offers certification programs for HR “generalists” (the IPMA-Certified Professional (IPMA-CP)) and for HR “specialists” (the IPMA-Certified Specialist (IPMA-CS)), and are open to all HR professionals with at least one year of public sector HR experience.

Kick start your career today through IPMA-HR professional certification. It's a great time to get started and give your career that added boost that will help you grow professionally, gain added respect, and move your career to the next level.

For more information, visit the [IPMA-HR Web site](#), or phone (703) 549-7100.

Member Announcements

If you have anything you would like to include in the CIPMA-HR newsletter, please send an email to Patty.Booker@ventura.org.

Upcoming Events

October 18-22

[IPMA-HR International Training Conference](#)

Flamingo Hilton
Las Vegas, Nevada

November 13, 2008

**Webinar: Benchmarking Survey—
Employee Engagement**

Contact Carrie Hoover by e-mail at
choover@ipma-hr.org for more information

Worker Misses FMLA Cut-Off by 1.2 Hours

In the case *Antoinette Pirant v. United States Postal Service (USPS)*, Docket No. 07-1055, the Seventh Circuit ruled that a 1.2-hour shortfall in the hours required for Family and Medical Leave Act (FMLA) coverage is sufficient to bar an FMLA claim.

On September 4, 2008, the court ruled that Antoinette Pirant failed to meet the minimum hours requirement to be considered an eligible employee for FMLA purposes. At the district court level Pirant argued that the 1.2 hours (or .2 hours as the amount of time is in dispute) is *de minimis* and that the court should ignore it. She dropped this argument on appeal and the Seventh Circuit said that she was right to drop this argument because the law is clear that only employees who have worked at least 1,250 hours in the preceding 12 months are eligible for leave. The time records are not disputed.

Pirant's claim arose out of her January 4, 2002 termination—her fifth—and final termination from her job as a mail handler for the USPS. In each of the prior times occurring in 1994, 1995, 1999 and 2000, she was able to convince her supervisors to reduce the termination to a suspension. All the terminations were for the same reason—

poor attendance. She also received two suspensions, one in 1997 and another in 2000 for the same reason.

Her final termination was the result of a March 2001 last-chance agreement, whereby she would be fired for any conduct or attendance problems. She was fired in August 2001, and in September received a termination notice effective October 28, but she received an extension until December 10. On October 5, she was asked by her supervisor to clock out two hours early for insubordination. On December 5 she was absent and she later provided a doctor's note that she had been absent because of an arthritic knee.

On appeal of her termination, she argued that she should be credited the two hours for the suspension on October 5 and that she should be credited for time spent putting on gloves, her uniform shirt and shoes. The district court and the Seventh Circuit rejected her arguments. Pirant had numerous opportunities to follow internal procedures to appeal the two-hour suspension but she did not do so. Because of her failure to pursue a formal challenge to the suspension she was left with only an "unsubstantiated subjective belief" that the suspension was wrongful.

The court also rejected her claim that she should be credited for the three to five minutes she spent each shift putting on her gloves, uniform shirt and shoes prior to starting work. Whether or not preliminary activities such as putting on gear or uniforms is compensable is covered under the FLSA, and the court said that the law and prior court decisions make it clear that this time is not compensable.

IPMA-HR HR Bulletin September 12, 2008

City Fiscal Conditions Take a Turn for the Worse

Citing a perfect storm of rising home foreclosures, declining home values, and spiraling costs, such as the increasing cost of health care premiums, the [National League of Cities](#) (NLC) released its annual report on city fiscal conditions, which finds a troubling list of developments that will likely affect the financial health of cities over the next several years.

NLC's report, [City Fiscal Conditions in 2008](#), found that the decline in property tax revenues (3.6 percent from the prior year, in inflation-adjusted terms) is having an impact on the fiscal health of local governments. Unlike the previous economic downturn in 2001, when property tax revenues were able to buffer the effects of declining income and sales tax receipts, the weak housing market is likely to affect city budgets until 2010.

Moreover the report found that other sources of revenue are headed downward as well, with sales tax receipts declining by 4.2 percent and income tax revenues expected to decline by 3.3 percent in inflation-adjusted dollars in 2008 compared to 2007.

As a result, 64 percent of city finance officers surveyed expect cities to have a harder time meeting fiscal needs in 2008, and 79 percent forecast even bigger problems ahead in 2009.

“Even if economic conditions improved immediately, the nation's cities are likely to be realizing the effects of the current downturn through 2010,” said Michael A. Pagano, coauthor of the report and dean of the [College of Urban Planning and Public Affairs at the University of Illinois at Chicago](#). “The sharp decline in property tax receipts erodes a critical buffer that has helped cities through economic downturns for the last three decades.”

On the spending side, increases of 3.0 percent in 2007 were met with flat or declining revenues, according to the report. Taken together, city finance officers project a budget gap of 2.8 percent in 2008, with revenues declining by 4.3 percent and spending declining by 1.5 percent in inflation-adjusted dollars over 2007.

The areas affecting city budgets the most heavily include prices and inflation (including energy prices), which were identified by 98 percent of respondents. Increases in infrastructure (85 percent) and public safety spending (83 percent), and employee-related costs for wages (95 percent), health care (86 percent), and pensions (79 percent) were also cited as budget-busters.

To meet budget shortfalls, half of the cities responding (49 percent) have increased fees, while 28 percent have increased the number or types of fees and 23 percent increased the level of impact and development fees.

Regionally, cities in the West are being hit hardest, with 74 percent of finance officers stating that their cities are worse off in 2008, followed by cities in the Midwest (67 percent), Northeast (61 percent) and the South (53 percent). The situation also varies depending upon local tax authority. Finance officers in cities reliant upon the property tax were most likely to say their cities are worse off (75 percent), compared to cities that utilize a mix of sales and property taxes (60 percent), or cities that use a mix that includes a local income tax (52 percent). The pessimistic assessment is registered regardless of city size. Sixty-nine percent of the nation's largest cities reported a lessening ability to meet needs, 68 percent for cities with populations 100,000-299,999, 65 percent for cities 50,000-99,999, and 61 percent for cities with populations under 50,000.

“Cities have implemented creative solutions for making do with less, while managing their budgets responsibly in the face of legal requirements that they be balanced annually,” said Donald J. Borut, executive director of the National League of Cities.

“There is, however, only so much cities can do when faced with the macro-economics of a housing market in crisis, flat revenues and soaring health care and energy costs. It’s time we recognize that we must support strong cities if we are to expect to benefit from a healthy, growing economy. Federal and state policies need to support local economies if we want to improve the national outlook.”

The City Fiscal Conditions Survey is a national mail survey of finance officers in U.S. cities. Surveys were mailed to a sample of 1,055 cities, including all cities with populations greater than 50,000 and, using established sampling techniques, to a randomly generated sample of cities with populations between 10,000 and 50,000. The survey was conducted between April and June 2008. The 2008 survey data are drawn from 319 responding city finance officers, for a response rate of 30.2 percent. The responses received enable NLC to generalize about all cities with populations of 10,000 or more.

IPMA-HR HR Bulletin September 19, 2008

Two Employment Laws Expected to Pass Prior to Adjournment

Congress is expected to adjourn for the year later this month, but before leaving Washington, D.C., lawmakers are expected to finish work on the Americans With Disabilities Act Amendment Act (ADAAA) and mental health parity legislation.

On September 17, 2008, the House of Representatives passed the ADA Amendments Act. President Bush has expressed his support for the legislation that

overturns several Supreme Court cases narrowing the definition of a disability. Under the ADAAA, a disability will be considered in its untreated state, so a diabetic who functions normally with insulin would be protected under the law. The ADAAA also broadens the “regarded as” provision but states that employers do not need to make accommodations under this prong of the law and that it does not apply to temporary disabilities.

On September 16, Senate leaders announced agreement on a tax and energy package that includes funding for mental health parity legislation (H.R. 1424, S. 558). House and Senate leaders reached a compromise on mental health parity legislation in June 2008.

The compromise requires health plans to offer the same benefits for mental health as they do for other medical conditions but it does not require health plans to cover mental health. The compromise does not include a controversial provision in the House bill that would have required health plans to cover all mental illnesses listed in the *American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders, 4th Edition (DSM-IV)*.

The mental health parity legislation is expected to be costly; nearly \$4 billion over 10 years, and funding has been an issue. The Senate’s action on September 16 may help push the bill toward passage but a final agreement must be worked out with the House.

IPMA-HR HR Bulletin September 19, 2008

Average Salary to New College Grads Climbs 7.6 Percent

BETHLEHEM, Pa. – Despite negative trends in many parts of the economy and the general economic gloom reported in the national media, the college Class of 2008 ended the year on a positive note, according

to results of a new survey conducted by the [National Association of Colleges and Employers](#) (NACE).

Survey responses revealed that 94 percent of all disciplines had increases to their average starting salary offers. In fact, the average starting salary offer to all college graduates in the *Fall 2008 Salary Survey* is up 7.6 percent to \$49,224.

“One force driving the overall increase in the average salary offer to *all* college graduates is the strong demand for and low supply of technical graduates,” said Marilyn Mackes, NACE’s executive director.

For example, the average salary offer made to this year’s group of computer and information sciences graduates is up from \$51,992 to \$58,677—a healthy 12.9 percent increase. In addition to demand for these graduates, the offers made by computer and electronics products manufacturers may have contributed to the large increase; these employers made a fair number of salary offers that exceeded \$70,000.

Falling in line with computer and information sciences graduates are engineering graduates, another collection of highly sought-after candidates. The average salary offer to these graduates rose 6.6 percent, from \$53,710 to \$57,250. The average salary offer to chemical engineering graduates grew by 7.7 percent to \$63,773. The news was also good for computer engineering graduates, whose average salary offer topped out at \$60,280, a 7.8 percent increase.

But graduates in the technical disciplines weren’t alone in commanding higher starting salaries.

As a group, business disciplines posted increases across the board, and the overall average salary offer to these majors was up 5.7 percent over last year’s average of \$44,287, to \$46,800. Business administration/management majors saw a solid increase of 6.7 percent to their average

salary offer, raising it from \$43,256 to \$46,171, and economics majors saw a 6.9 percent increase to their average salary offer, which now stands at \$51,062. Meanwhile, the average salary offer to accounting majors increased 3.7 percent to \$48,020.

Similarly, graduates in the liberal arts disciplines fared well. As a group, liberal arts grads realized a 12.2 percent increase in their average offer, raising it from \$32,717 to \$36,715. Within specific disciplines, English majors posted an 11.1 percent increase, raising their average offer to \$35,453. Visual and performing arts graduates also saw a double-digit increase to their average salary offer, which rose 16.2 percent to \$35,073.

NACE will release hiring projections for the college of Class of 2009 in mid-September and the first report on starting salary offers to the Class of 2009 in January 2009.

The [National Association of Colleges and Employers](#) (NACE) has been a source of information about the employment of college graduates since 1956.

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Employment-Based Health Coverage: Trend Is Down In Recent Years, but Stable Over a Longer Period

WASHINGTON – Employment-based health insurance coverage for the nonelderly population (under age 65) of the United States has been on a rollercoaster ride in recent years, with the trend headed downhill in recent years but still roughly constant since 1994, according to a study released today by the nonpartisan [Employee Benefit Research Institute](#) (EBRI).

In 2007, 62.2 percent of the nonelderly population had employment-based health benefits, unchanged from 2006, says the study, published in the [September 2008](#)

[EBRI Issue Brief](#). Overall, the percentage of the nonelderly population with health insurance coverage increased slightly to 82.8 percent in 2007. Employment-based health benefits are by far the dominant source of health insurance in the United States, providing coverage for more than 162 million people under age 65.

The EBRI study focuses solely on the nonelderly population because this group can receive health insurance coverage from a number of different sources, and because Medicare covers nearly all of the elderly population (age 65 and over). The estimates presented in the EBRI study, while based on Census Bureau data, differ from those published by the Census because of EBRI's focus on the nonelderly.

While the percentage of the nonelderly population with employment-based health benefits was unchanged from 2006 to 2007, this should not be viewed as an indicator of things to come, the EBRI study notes. Unemployment is higher in 2008 than in 2007, meaning that fewer individuals will have access to health insurance through a job, and gas and food prices are higher, meaning that more individuals will have to choose between health insurance and basic necessities.

In the last half-dozen years, the percentage of individuals with employment-based health benefits decreased from 68.4 percent in 2000 to 62.2 percent in 2006, though compared with 1994, the percentage of individuals with employment-based health benefits is largely unchanged, the study says.

“For the most part, the percentage of workers with coverage either from their own employer or from someone else’s employer has been remarkably stable, considering what has happened with the cost of providing health benefits and the fact that fewer small employers offer coverage,” writes Paul Fronstin, author of the study and

director of the EBRI health research and education program.

The study notes the post-2000 period has seen a weaker economy, with the unemployment rate increasing from four percent in 2000 to six percent in 2008. In addition, increases in the cost of providing health benefits continued to outpace increases in worker earnings, in some years by a factor of four or five. The result: the post-2000 period has experienced an erosion of employment-based health benefits in contrast to the pre-2000 period.

In tracing earlier history, the study notes that from 1994 to 1997 the percentage of working adults with employment-based health benefits held steady at roughly 73.5 percent. During that period, the cost of providing health benefits to employees was flat. Then, from 1997 to 2000, the percentage of working adults with employment-based health insurance increased from 73.6 percent to 74.9 percent. The increase in the percentage of individuals with employment-based health benefits from 1997 to 2000 has several explanations, the study says. A strong economy and low unemployment rates caused more employers to provide health benefits in order to attract and retain workers, and also may have resulted in more workers being able to afford health insurance. The expansion in employment-based coverage occurred even though the cost of providing health benefits to workers was increasing faster than inflation, a trend that accelerated in 1999 and 2000.

[EBRI](#) is a private, nonprofit research institute based in Washington, D.C., that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions.

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