



2009 Fourth Quarter Report

Date: November 27, 2009
From: Kyle Birch, Secretary
Subject: Quarterly Section Report

The SLO Section's Director and President attended the PECG corporate meeting in Las Vegas, NV in October of 2009. Information from that meeting was shared at the SLO Section members quarterly lunch meeting. It was held Tuesday October 27, 2009 from 11:45 to 12:30 in the Manzanita Room at the Atoll Building, 1150 Laurel Lane, San Luis Obispo, CA.

Major topics of discussion were:

State Budget Deficit - Based on recent surveys the current state budget deficit is estimated at \$7.4 billion for the 2010/2011 Fiscal Year. Additionally, it is anticipated that the state will lose another \$1.0 billion due to the current tax deficit.

Budget Impact on Employees – The current three furlough days will continue, however, the additional 5% pay reduction that the governor proposed has been lifted. Since a 2009/2010 budget was adopted early the threat of Federal Minimum Wage payments to employees was not an issue for 2009/2010. However, if a budget fails to pass for the next fiscal year it is likely that the legislature will try to implement Federal Minimum Wage for all state employees.

Furlough Lawsuit Appeal – PECG continues to wait for a decision on their appeal against the lower court ruling that allowed for the furlough of state employees.

Grievance Filing – PECG's grievance against the DPA citing violations of the PECG MOU with regard to "normal work hours" being 40 hours per week is still pending. DPA is apparently taking the position that they will not arbitrate any PECG grievances, even though the Unit 9 MOU requires arbitration and state law requires DPA to continue to give effect to the provisions of PECG's 2003-08 MOU.

There has also been a grievance filed related to the most recent salary survey. According to the latest survey, seasoned range D's are lagging by 4.1% and range B's & C's are lagging 3.1%. This salary survey is not a comparison of public engineers to private engineers, rather it is a comparison among public engineers (i.e. cities, counties, government agencies, etc.).

Additionally, a grievance has been filed and is still pending in regards to the loss of two state holidays (Columbus Day & Lincoln Day).

Do Furloughs Save Money? – Two new reports document the fallacy that the furloughs are saving the State and the taxpayer money. "The High Cost of Furloughs" from the Center for Labor Research and Education at UC Berkeley concludes that the taxpayer only gains 12 cents on the dollar for the three-day furlough and would actually receive greater benefit if the furloughs are reduced to one day. Additional side effects of the furloughs are the loss of private sector jobs, such as 4,100 in Sacramento County, and a loss of federal income for employees funded from that source.

Another study by the California Senate Office of Oversight and Outcome entitled "Furloughs in Round-the-Clock Operation: Savings are Illusory" document such furlough impacts as additional costs, future liability, complicated operations, and hardships for employees and their families.

Collective Bargaining – Hearings are currently underway in regards to seniors/supervisor pay raises. It appears that the seniors/supervisors have a good case, but the dilemma is allocation of funds in such an economic climate.

Communications – A number of recent articles and news clips have gone after State employees as being a cause of the budget crisis. That being said it is very important that State employees continue to strive to do their best and inform the public of all that we do.

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