

PECG OBJECTIVES 2010

PECG and its members are committed to the cost-effective use of tax dollars, and the safe, timely delivery of transportation and other infrastructure projects.

Block Unilateral Cuts to State Employee Pay and Benefits

PECG is strongly opposed to the Administration's so-called 5-5-5/10 plan, which calls for the Legislature to unilaterally cut state employee salaries by 5%, double the employee contribution (5% increase) to the PERS retirement plan, and reduce state positions across the board by 5%, including eliminating specially funded engineer positions that provide no General Fund savings and are essential to timely delivery of state infrastructure. If \$7 billion in federal funding doesn't materialize -- something the LAO deemed "not realistic" -- the Administration would seek an additional 5% (total 10%)



pay cut for State employees. The Administration also proposes reduced state employee health plan benefits.

State employee pay, pensions and healthcare are issues that belong at the bargaining table. Unilaterally rolling them back would eviscerate collective bargaining and make it impossible for state employee groups to negotiate fair wages, benefits and working conditions. The Legislature must insist that the Administration bring its proposals to the table and bargain in good faith. To date, 20 months after the expiration of PECG's contract, this Administration has failed to do so.

No-Bid Outsourcing of State Engineering Jobs Wastes Millions

In May 2009, the Department of Finance again revealed that **Caltrans annually wastes over \$100 million a year by unnecessarily outsourcing state engineering work.** Specifically, Finance reported that Caltrans pays \$103,000 annually for a state employed engineer (including salary, benefits, overhead and equipment) at the same time it uses no-bid contracts to outsource over 1,000 engineering positions to consultants at an average cost of \$232,000 a year.



Nevertheless, by relying primarily on state engineers and outsourcing only when necessary, **Caltrans**



delivered 100 percent of the 768 projects scheduled for bid during the 2008-2009 fiscal year, roughly \$4.16 billion in projects. Over the past four years, Caltrans has delivered 99.9 percent of projects on or ahead of schedule.

Pay State Employee Salaries In Full and On-Time



PECG is sponsoring AB 790 (Hernandez/Ruskin) and AB 1699 (Hernandez), **to ensure that state employees continue to be paid their full salaries on-time in the event the budget is not passed** in a timely manner. Due to recent court decisions, if the budget is not in place by June 30, state employees will be subject to being paid federal minimum wage (\$7.25 per hour) or nothing at all. If this were to happen, overnight another 200,000 plus Californians would be unable to meet their most basic financial obligations.

To prevent this economic disaster for state employees and California's economy, please support AB 790 and AB 1699.

Furloughing State Engineers Slows Infrastructure and Job Creation

While the U.S. government and the state seek to fast-track infrastructure projects to spur our economic recovery, California's state engineers -- the people responsible for delivering transportation, water, school, hospital and other infrastructure projects -- continue to face mandatory three-day-a-month furloughs. **State engineer furloughs are slowing project delivery, preventing the creation of good construction jobs, and delaying economic activity essential to California's recovery.**

Ninety-five percent of state engineers are paid out of special funds, so cutting their pay slows down project delivery without helping the General Fund. For that reason,

PECG strongly supports SBX8 29 (Steinberg)



to exempt special funded engineering positions from mandatory furloughs and to get California's economy moving again.

Prevent Further Design-Build and Public-Private Partnership Disasters

Design-build eliminates competitive bidding, allows contractors to inspect their own work, and in every instance in California has greatly increased project delivery costs. In recent years, four design-build projects have wasted \$2.2 billion in transportation funds without expediting project completion in California.

Authorization for ten state highway design-build projects was approved as part of the February 2009 budget compromise. The Legislature and Caltrans must **ensure that those projects go forward with appropriate public oversight and involvement as required in the authorizing legislation**, including competitive bidding and public construction inspection to protect tax dollars and project safety.

To date, because of the use of design-build procurement, lack of public oversight and unfavorable lease agreements, **California has experienced two major public-private partnership disasters requiring public bailouts (SR 91—Orange County and SR 125—San Diego County).**

The 2009 budget package also included expanded PPP authority for state highways. **The Legislature must ensure public agency oversight and involvement as required by the authorizing legislation** in future PPP projects to prevent foreign, multi-national companies and Wall Street investment houses from taking huge profits out of our transportation system, preventing the improvement of public roads, and inflicting outrageous tolls on motorists.

Public agency oversight is the only way to ensure that our history of failed design-build and PPP projects does not continue.

Engineering California's Future

Designing Projects for Today . . . and Generations to Come.

Transportation
Hospitals
Schools
Energy
Water



PECG

The Professional Engineers in California Government (PECG) provides representation in employment and professional matters for 13,000 state-employed engineers, architects, engineering geologists, landscape architects, land surveyors, and related professionals and has done so for more than 40 years.

PECG MEMBERS — COST-EFFECTIVE, TIMELY, QUALITY ENGINEERING AND RELATED SERVICES

PECG members design and inspect California's highways and bridges, ensure that schools and hospitals are safe during earthquakes, and protect our air, water and beaches from polluters — for today and generations to come.

PECG Headquarters:

455 Capitol Mall, Suite 501
Sacramento, CA 95814
916/446-0400 — 916/446-0489 (FAX)
pecg@pecg.org
www.pecg.org

PECG Legislative Advocate:

Aaron Read and Associates
1415 L Street, Suite 1100
Sacramento, CA 95814
916/448-3444 — 916/448-0430 (FAX)
ara@aaronread.com