

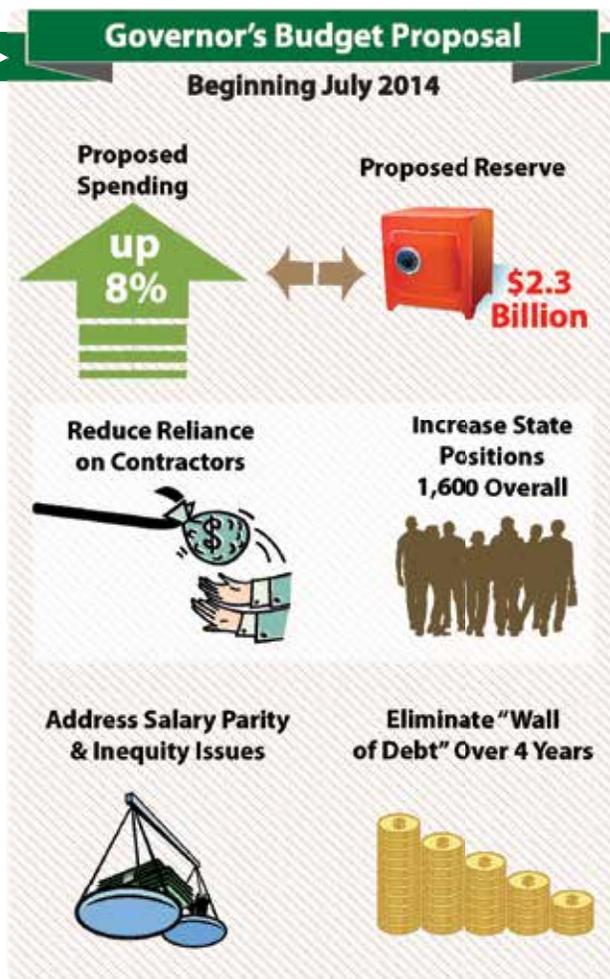
## Budget Surplus With "Fiscal Discipline"

Governor Brown's Budget proposal for the fiscal year beginning in July 2014 reflects an economy that "has dramatically turned around", thanks in part to a "surging stock market" that has generated billions of additional tax dollars. In his proposed Budget and his State of the State speech, he emphasized that the "State's modest surplus must be carefully guarded" and California should "put away your surplus" and practice "fiscal discipline". Although his proposed spending would increase by 8% next year, there would still be a reserve of \$2.3 billion.

The Governor would "reduce reliance on contractors." He noted "the Budget includes numerous proposals that transfer contracted positions to state employees" because "these contracted services can be more costly". Overall, the number of state positions would increase by about 1,600, including a handful of additional positions at DWR and WRCB. Caltrans staffing projections will be determined in the Governor's revised Budget proposal in May.

Without listing a specific dollar or percentage figure, the Budget "also includes funding to address salary parity and inequity issues" for engineering managers and supervisors. PECG is working with the Department of Finance, CalHR, and individual departments to insure that the long-standing pay inequity for PECG-represented supervisors and managers is finally corrected.

The Governor seeks to eliminate the "wall of debt" which is currently about \$25 billion and, in his plan, would be eliminated over the next four years. He would increase transportation funding by \$1.7 billion based on using cap and trade funds, the remainder of the voter-approved Proposition 1B money, and repayment of previous "loans" from transportation funds to the



State's General Fund. Specifics on this will be addressed by the Transportation Agency Secretary and a workgroup, which includes PECG, which has been meeting during the past year.

The Legislative Analyst generally agrees with the Governor's proposal and his plan to submit a rainy day measure to the voters in November to build up a bigger reserve during good economic times. The Analyst also believes that there is a "significant possibility" that revenues will "rise by a few billion" above projections during the next year.

The Administration recently issued a Five-Year Infrastructure Plan. Essentially, it projects \$53 billion in funding for transportation over the next five years. However, about half of that is money for high-speed rail from sources which have not been identified. The plan also identifies \$64.6 billion of deferred maintenance needs in California, with the largest portion (\$59 billion) for roads. As a start,

the Budget would allocate \$815 million to begin meeting critical deferred maintenance needs.

At present, the debt for outstanding infrastructure bonds is \$83.6 billion, with an additional \$34 billion yet to be issued. This means that "roughly one out of every two dollars spent on infrastructure investments goes to pay interest costs." With the Governor seeking to reduce the "wall of debt" facing California, this could trigger an interesting debate with those who advocate borrowing funds from the private sector through public-private partnerships, incurring debts to be paid by future generations.

The final line in the Governor's State of the State Address was: "We will build for the future, not steal from it."

**PECG HEADQUARTERS**

(916) 446-0400  
 455 Capitol Mall, Suite 501  
 Sacramento, CA 95814

**PECG LOS ANGELES**

(818) 500-9941  
 215 N. Marengo Avenue, Ste 185  
 Pasadena, CA 91101

**PECG SAN FRANCISCO**

(415) 861-5720  
 1 Sutter Street, Suite 800  
 San Francisco, CA 94104

**PECG INSURANCE INFO**

(415) 956-1344

**FAX**

Headquarters  
 (916) 446-0489  
 Los Angeles  
 (818) 247-2348  
 San Francisco  
 (415) 861-5360

**PECG TOLL FREE NUMBERS**

Sacramento  
 (800) 338-1480  
 Los Angeles  
 (888) 980-7324  
 San Francisco  
 (800) 924-5575

**VISIT PECG ON THE WEB@**

[www.pecg.org](http://www.pecg.org)



# RESOLVING WORKSITE ISSUES

While contract bargaining, state budgets, elections, lawsuits and legislation are “big picture” items which receive considerable attention and publicity, a significant part of PECG’s representation efforts include individual, small group, and worksite issues and problems that arise. The following are a few recent examples.

■ The Governor plans to transfer the functions of the Drinking Water Program from the Department of Public Health (DPH) to the Water Resources Control Board. PECG successfully addressed the major concern of more than 150 affected PECG members by receiving a commitment that **existing DPH offices will remain open** to continue to service the program without transferring employees to other locations. PECG is also continuing to work with CalHR regarding implementation of the **deep class** (Range A through D) for **Sanitary Engineers**.

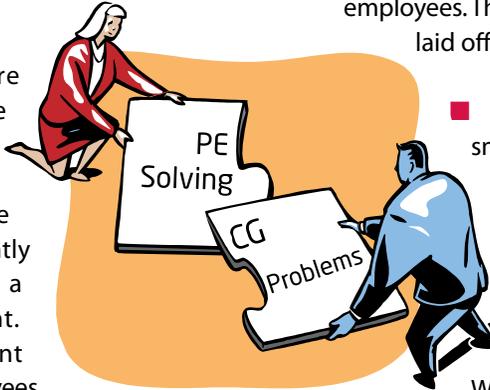
■ More than 50 PECG members were affected by a 12 to 16 month closure of the Caltrans Kearny Mesa Lab in San Diego for seismic retrofit and other renovations. Employees whose **temporary work location** is significantly distant from the existing lab receive a state car or mileage reimbursement. Travel time in excess of their current commute is compensable. Also, employees who are transferred to the downtown District office will return to the lab when the retrofit work is completed.

■ 14 engineers were scheduled to be **mandatorily transferred** from Southern California (primarily Orange County) to Sacramento as a result of consolidation of a research program. After meeting and conferring with PECG, it was agreed that the mandatory transfers would be delayed

and available positions in Southern California would be offered to those employees who did not wish to relocate to Sacramento.

■ The California Department of Corrections and Rehabilitation (CDCR) has undergone substantial **layoffs** due to court orders and other factors. PECG, CalHR, and CDCR negotiated an agreement which protects the employment rights of PECG-represented CDCR employees. Thus far, of all state employees who have been laid off, only two are PECG members.

■ PECG regularly represents individuals or small groups of employees with problems such as alternate work schedules, travel expense reimbursement, parking, range changes, MSAs, reasonable accommodation, etc. Career-threatening circumstances are sometimes involved. For example, an employee was fired and filed an appeal. While waiting for his due process appeal hearing, he retired so he could maintain his health insurance and receive some income. The state then withdrew the adverse action but **refused to reinstate** the employee because he had retired. PECG went to court on his behalf and obtained a ruling that the state can't use an employee's retirement to eliminate his appeal of a discharge. The state was ordered to reinstate the employee with back pay.



If you're a PECG member with a work-related problem or issue that you can't resolve with your supervisor or local management, contact any of the three PECG offices (Sacramento, San Francisco, or Pasadena) for assistance.

Return Service Requested

6455 Capitol Mall, suite 501, Sacramento, CA 95814

Professional Engineers in California Government

# INFORMER



Prst First Class  
U.S. Postage  
PAID  
Permit No. 2182  
Sacramento, CA