

SPEND STATE INFRASTRUCTURE DOLLARS EFFICIENTLY

Hire Engineers and Stop Outsourcing

PECG strongly believes that state infrastructure (transportation, water, energy, health care, and education facilities) **funding must be spent efficiently and cost-effectively.**

To cost-effectively deliver the infrastructure projects taxpayers expect, state departments and agencies **should hire cost-effective state engineers and related professionals** instead of wasting money on outsourcing. Just as one example, Caltrans currently **wastes over \$115 million each year** by awarding no-bid contracts to outsource **nearly 1,200 engineering positions to consultants at a rate that is over \$100,000 more per year than hiring a state engineer** to perform the same work.

The State needs to hire cost-effective state engineers and stop wasteful outsourcing.

In a 2023-24 budget change proposal, Caltrans reported that a **Caltrans project delivery position costs \$185,000 per year**, while a consultant performing the same work is **budgeted at \$287,000 annually.** At that time, Caltrans also indicated the cost of outsourcing is actually much higher – the department added **eleven additional outsourced engineering positions** in the fiscal year at a cost of over **\$1 million per position.**

Other state departments and agencies also continue the wasteful practice of outsourcing state engineering work at costs that are often two or three times more than hiring state staff.

PUBLIC-PRIVATE PARTNERSHIPS (P3s)

In the Public Interest

PECG has long opposed P3s because they have proven to **waste critical tax revenue**, allow **contractors to inspect** their own work, and often **leave taxpayers on the hook** to cover cost overruns or buy out failed projects. Due to the many failures, California's P3 legislative authority expired in 2017. However, that has **not stopped multi-national corporations and privatization profitters** from continuing to advocate for the return of P3s. That would be a mistake, but if the state considers reauthorizing P3s, **common sense public interest protections must be built into** the legislation:

- Construction inspection and other key functions** must be performed by the responsible public agency to protect public safety.
- A **cost-benefit analysis** should be performed prior to awarding a P3 contract.
- Non-compete provisions** that prevent safety and other improvements to adjacent state highways must be prohibited.
- Existing **transportation revenues must not be used** to make availability or other payments to private concessionaires.

These measures will **help to protect the interests** of Californians and ensure that state and federal tax revenues are not wasted.

San Francisco's Presidio Parkway P3 was "more than two years late and \$208 million over budget," according to the Sacramento Bee.

PECG RETURNS TO BARGAINING TABLE

Amid Shortage of Engineers

PECG **returns to the bargaining table this year** to negotiate a new Memorandum of Understanding (MOU) in the midst of a **shortage of engineers and related professionals** in our state and throughout the country. With an influx in recent years of billions of federal infrastructure dollars and California's own expanded investments in transportation, water, and energy, the **competition for engineers has only grown more intense** as state and local governments seek to deliver public works projects as soon as possible.

In fact, a recent study found that over **one-third of U.S. engineering positions in the public and private sectors go unfilled** each year for lack of qualified candidates. Another finding: the U.S. will need to generate **400,000 new engineers each year** to meet demand.

In this highly competitive job market, the State must **provide competitive wages and benefits to recruit and retain** state engineers, land surveyors, architects, geologists, air pollution specialists, and the countless other professionals represented by PECG. This is the only way the State can cost-effectively design and inspect California's infrastructure, ensure the safety of our schools, hospitals and workers, and protect our air, land and water.

PECG's current **MOU expires on June 30, 2025.** When a successor agreement is reached, PECG would **appreciate legislative support** for the bill to approve the MOU.



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 on employment and professional issues for over 15,000 state-employed engineers, engineering geologists, land surveyors, architects, landscape architects, and related professionals.

PECG MEMBERS

**Cost-Effective, Timely, Quality Engineering
and Related Services**

PECG members design and inspect California's infrastructure, improve air and water quality, and develop clean energy and green technology – for today and generations to come.

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