

# INFORMER

#3, February 2009

Professional Engineers in California Government

## FURLOUGHS, BUDGETS, AND THE "L" WORD

The **first Furlough Friday** occurred on February 6 amid some confusion regarding who was working, who wasn't, what state facilities were locked, which were open to the public, and so forth. A Sacramento Superior Court judge ruled that the Governor has authority to impose the furloughs, which PECG has appealed. Meanwhile, DPA and department managers scrambled to figure out how to do it, where to do it, and who would be affected.

Some PECG members chose to work that day, even though they were furloughed, due to the urgency or volume of their workload. Many received favorable media and public reaction for their willingness to get the job done as needed. In some areas, such as Sacramento, which has a high percentage of state employees among the workforce, small businesses reported heavy economic losses due to the furloughs of state employees and their general reluctance to spend money in the face of a pay reduction.

The other Constitutional Officers – State Controller, State Treasurer, etc. – refused to furlough their employees because they are not under the Governor in the Executive Branch. The Governor filed suit to try to force them to do so. About 15,000 employees would be affected by the outcome of that action.

The Legislature continues to try to find a solution to the **\$42 billion shortfall** in the General Fund over the next 18 months. Caltrans announced the need to stop payment on construction contracts, which could bring them to a halt unless a budget solution is adopted very quickly. State Controller John Chiang had previously announced that many of the state's obligations, including income tax refunds, would be delayed as he is running out of money to write checks.

On February 10, the Governor announced that he would send out

**layoff notices** to 20,000 General Fund employees **if a budget solution is not adopted** by the Legislature by February 13. The Governor says he needs to ultimately lay off 10,000 employees in order to save money and the notifications need to be sent now because the process takes several months.

There should be little or no direct impact on PECG members, as more than 95% are paid through Special Funds not affected by the layoff notices, but vacant positions in those Special Fund agencies (such as Caltrans) will probably be held open to absorb affected employees in General Fund positions. The Governor said he will not send out the layoff notices if the Legislature adopts a budget plan which he approves, although he had previously said he wouldn't need to lay off employees if the furloughs were implemented.

As this is written, the Legislature has not yet adopted a package of bills to resolve the budget problem but all indications are that they are very near agreement. Thus far, the sticking point has been the refusal of legislative Republicans to agree to any form of tax increase as part of the solution and the Governor's insistence on addressing items outside the budget process (such as design/build and public-private partnerships) at the same time. This has made it impossible for legislative Democrats to obtain the two-thirds vote required in the Legislature and the Governor's signature on any solution.

Meanwhile, **Congress and President Obama** continue to wrestle with a federal economic stimulus program in the \$1 trillion range.

**To hear regular updates** on all these topics, call the PECG telephone hotline at (800) 403-2845 or, in Sacramento, (916) 446-PECG, or go to the PECG website at [www.pecg.org](http://www.pecg.org).

### PECG'S WEB SITE ADDRESS: [www.pecg.org](http://www.pecg.org)

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# Where Do I Get the Latest Info?



The Informer is mailed to all PECEG members once or twice per month. However, events sometimes move far more quickly on issues of concern to PECEG members. What's the best way to get the latest information?

PECEG's "Hotline" is just a phone call away. Simply call (800) 403-2845 or, in the Sacramento area, (916) 446-PECEG. This telephone message on current issues of interest is updated at least once per week.



The PECEG website at [www.pecg.org](http://www.pecg.org) includes everything from the Hotline

message and Weekly Updates to newspaper articles, information on PECEG-sponsored insurance programs, PECEG's documentaries, the Unit 9 MOU, PECEG Officers, and special sections on current issues, such as furloughs, supervisors' pay raises, and an e-mail link to the PECEG office. For specific questions, you can call any of the PECEG offices in Sacramento, Los Angeles, and San Francisco.

PECEG is always here to serve you, the members, whether you need representation on a particular issue

or simply have a question or need more information.

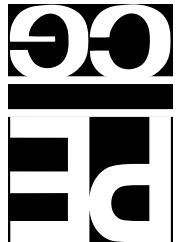


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