



# INFORMER

#6, April 2009

Professional Engineers in California Government



## Federal Funds to Stimulate California

The Legislature has passed a package of bills which will allocate about **\$15 billion** in Federal Stimulus Funds for everything from unemployment benefits and Medi-Cal to **transportation, wastewater treatment, and other** infrastructure projects.

The package would allocate about \$2.6 billion in additional federal funding for highway projects, plus more than \$1 billion for transit. Nearly \$1 billion of highway money will be directly allocated by Caltrans for safety and rehabilitation projects under the SHOPP program and to fund Proposition 1B construction projects which had been facing delays.



Proposition 1B was the \$20 billion bond measure which was approved by the voters in 2006. The State Treasurer recently encountered problems in selling the bonds due to California's economic problems. The passage of the State Budget in February finally enabled Treasurer Bill

Lockyer to sell more than \$6 billion in various State bonds (for infrastructure and other purposes) in late March.

The other highway transportation funds will be controlled by regional and local agencies but much of that money will be expended on state highway projects as well.

A key provision of the bill which authorized the allocation of funds is legislative intent that recipients of the money at all governmental levels "ensure government oversight and management of the contracting process to ensure taxpayer funds are spent wisely; contracts are not wasteful, inefficient, or subject to misuse; unnecessary no-bid and cost-plus contracts are avoided; and contracts are awarded according to the best interest of California taxpayers."

These "policies and principles" have been consistently applied to construction contracts but the opposite has been true when government outsources engineering and related services. The new law presents yet another obstacle to those who would waste

tax dollars by awarding overpriced, no-bid contracts to private firms at twice the cost.

Under the category of "It Didn't Take Long", the Legislative Analyst has already projected a potential **\$8 billion budget shortfall** next year, just weeks after the Legislature and Governor thought they had resolved the \$42 billion hole. The problem, once again, is the continuing deterioration of the economy, resulting in lower-than-anticipated tax revenue.

The Budget deficit could get even worse, depending on the outcome of six ballot measures (Propositions 1A through 1F) on the **Special Election** ballot on May 19. Taken as a group, the measures will generate an additional \$16 billion by extending recent tax increases for another year or two; install a State budget cap in future years; and shift some money around. It would also authorize borrowing \$5 billion from future State lottery proceeds. On one hand, these measures are intended to generate additional revenue to prevent budget problems from getting worse in the next few years; on the other hand, they would cap future State expenditures, reducing flexibility to deal with programs and problems in future years.

On a final positive note, the federal government has allocated \$8 billion for **High Speed Rail** projects. With voter approval of the \$10 billion Bond Measure last fall, California is in good position to get at least some of those matching funds. The California High Speed Rail Authority has repeatedly stated their intentions to ask Caltrans to assist in the construction inspection and other aspects of those projects.



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# PECG LEGISLATIVE DAY -- AND EVENING!



PECG's past, current, and future Corporate Presidents Roger Barnes, Mark Sheahan and Shabbir Ahmed met with Assemblymember Warren Furutani (second from left) as he receives PECG's 2008 Legislator of the Year Award in his Capitol Office.

Each year, PECG leaders from around the State come to Sacramento for a day to meet with their legislators to make or renew friendships and discuss issues of mutual interest and concern. On March 3, meetings were held with 62 legislators and their key staff in their Capitol offices to talk about furloughs, funding, freeways, the future, the economy and the environment.

In the evening, dozens of legislators, staff, administration officials, and members of boards and commission joined PECG leaders and members at a legislative reception under the Capitol Rotunda in a more relaxed, informal atmosphere. The Legislature just completed a solution to the \$42 billion State General Fund Budget deficit, so the evening was a short break before launching into trying to solve another \$8 billion dollar-plus shortfall caused by the economic downturn. PECG will continue to work with the Administration and the Legislature to resolve these and other problems in the coming months.



Assemblymember Julia Brownley shares a moment with PECG Vice President D'Arcy McLeod.



Assemblymember Audra Strickland (second from left) shares a laugh with PECG member Ed Vergaray and Corporate Secretary Joya Gilster-Nava.



Assemblymembers Ira Ruskin (second from left) and Jerry Hill (right) chat with PECG's Ajay Sehgal (left) and President Mark Sheahan.



A long-time friend dropped by – Lieutenant Governor John Garamendi, with PECG's President Elect Shabbir Ahmed.



The Berryhill Brothers, both Assemblymembers, joined the evening festivities – Tom on the left, with PECG President Mark Sheahan, and Bill on the right, with PECG member Curtis Beitz of Stockton.



*Sacramento* **Regional Science & Engineering Fair** *Foundation*



Former PEGC President and current SRSEF Board Vice President Matt Hanson presents PEGC's Excellence in Engineering Award to Angela Yeung, a Junior at Davis High School, at the March 21, 2009 Sacramento Regional Science & Engineering Fair.

PEGC has been a sponsor of the Sacramento Regional Science and Engineering Fair for several years and, more recently, several Sections have become increasingly involved in such Fairs in their areas. The Fairs feature dozens, sometimes hundreds, of projects prepared by high school and middle school students throughout California. PEGC members serve as volunteer judges of these projects and provide other assistance in making sure the Fairs are a success.

The Sacramento Regional Science and Engineering Fair featured more than 200 projects from students in Sacramento and eight other surrounding counties. PEGC's Excellence in Engineering Award was won by Angela Yeung, a junior at Davis High School. Her project was entitled "Sharing Spectrum the Smart Way."

PEGC thanks the dozens of members who volunteer to make these Fairs a success by encouraging young people to become involved in engineering and related professions.

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