



INFORMER

#16, Late December 2008

Professional Engineers in California Government



2008 Was a Jolly Good Year...

Most Unit 9 employees received **10% raises** in July 2008, with the others receiving at least 7.7%. This was the fourth straight year that PECG members received raises under the five-year Memorandum of Understanding (MOU) negotiated in 2003. The only other state employees to receive any raise this year were Highway Patrol Officers (4.1%).

Although PECG-represented supervisors and managers received raises the past three years (unlike other supervisors and managers in state service), PECG has not yet been able to convince DPA to provide the 10.1% raises (received by Unit 9 Seniors) to the supervisors and managers. As this is written, that issue is still being discussed by PECG, DPA, and the Administration.



Despite a substantial State Budget deficit, resulting in a record 77-day delay by the Legislature and Governor in adopting a new State Budget for the current fiscal year, all PECG-represented employees received their **full paychecks**, on time, every month. In the end, **staffing** for departments with PECG members remained essentially unchanged or, in a few cases, was increased to address the needs of a growing population, infrastructure projects, mitigation of climate change impacts, and other necessary programs.

There were numerous bills introduced in the Legislature to expand **design/build and public-private partnerships** for infrastructure projects. Well-funded supporters of those concepts battled hard to waste taxpayer dollars on processes which have proven to be inefficient and wasteful. In the end, all of the **bills failed to pass** or were amended to make them less objectionable.

In the **November election**, 59 of 62 Senate and Assembly candidates supported by PECG were successful, as were 4 of the 5 transportation funding ballot measures presented to the voters. The new Senate President pro Tem, Darrell Steinberg, is a former public sector labor attorney with a union background.

During the year, PECG produced a **new documentary**, "A Span In Time", which told the remarkable story of the 2007 Labor Day weekend Bay Bridge construction project. During a three-day bridge closure, Caltrans and contractor C.C. Myers demolished and removed a football field-sized bridge, rolled in a the new pre-constructed replacement span, and finished the amazingly challenging job ahead of schedule! The Emmy-award winning predecessor documentaries, "The Bridge So Far... a Suspense Story" and "Amazing! The Rebuilding of the MacArthur Maze", have been broadcast nationally on commercial and public television to more than one-third of the nation's households.



PECG also established a new **"Outsourcing News" website and e-newsletter** to educate legislators and staff, the media, and the general public on outsourcing in an informative and entertaining manner. Simply go to www.outsourcing-news.org to check it out!

...BUT 2009 WILL BE CHALLENGING.

If every challenge is an opportunity, then 2009 will be full of opportunities. The pay raise for supervisors and managers represented by PECG has still not been resolved, even though

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PECG'S 2009 LEGISLATIVE PROGRAM

Each year, PECG sponsors (or opposes) legislation in the best interests of the membership and the general public. While the program for 2009 may change as other bills are introduced and events develop, the following are the primary elements of PECG's legislative program for next year.

- F Ensure that the **State Budget** for 2009-10, as well as any modifications to the Budget for the current fiscal year, includes adequate staffing levels to achieve department programs, limits or eliminates wasteful outsourcing, and includes adequate funding for potential pay raises based on next year's contract negotiations.
- F Last year, numerous key legislators agreed to a moratorium on design/build legislation. That moratorium, or suspension of any new **design/build** bills, must be honored.
- F PECG and other organizations have agreed to language to be included in any **public-private partnership** legislation (funding of infrastructure projects by non-governmental sources). That language would ensure that state agencies remain responsible for the design, engineering, and inspection of projects funded by those sources and includes numerous other protections for the public and the taxpayers.
- F In light of the growing uncertainty regarding paying the salaries of state employees in the absence of a State Budget due to pending court cases, PECG will sponsor or co-sponsor a "continuing appropriations" bill to ensure that employees are **paid in full and on time**, whether or not the Legislature and the Governor meet their constitutional obligation to pass the State Budget by July 1.
- F There may be numerous bills or proposed ballot measures to increase **infrastructure funding**. PECG will be heavily involved in those efforts.

There are thousands of bills introduced in the Senate and Assembly each year. PECG's Legislative Committee, Legislative Advocates, and staff will be reviewing and tracking all of those bills on a wide variety of subjects affecting PECG members.

REIMBURSEMENT RATES

Effective January 1, the **mileage reimbursement** rate for use of a private vehicle on state business will be 55 cents per mile. The reimbursement rate is the same as the "standard mileage rate" for tax purposes established by the Internal Revenue Service.

Also effective on January 1, the limit for the monthly pre-tax deduction to pay for **parking** will increase to \$230, a \$10 increase from 2008.

SUPERVISORS STILL WAITING

More than two months after the approval of the State Budget and almost six months after the fiscal year began, PECG-represented supervisors and managers have still not received their pay increases. Unit 9 engineers and related professionals received raises ranging from 7.7% to 10.1%, effective July 1, 2008.

In the past three years, supervisors and managers received the same percentage increases as Bargaining Unit Seniors. This year, that has not occurred, at least not yet. PECG has been constantly meeting with and pressuring the Department of Personnel Administration (DPA), representing the Governor, to implement the raises. Thus far, DPA has not refused, but they have not taken action.

It is certainly true that California and the nation are in tough economic times, unemployment is rising, and the State's General Fund is facing a substantial shortfall. However, the pay raises for PECG-represented employees are based on achieving parity with their counterparts in other public agencies. 95% of the PECG-represented employees are paid through Special Funds, which do not have a deficit, rather than the General Fund. During the past budget cycle, the Governor proposed funding to fully pay the raises, the Legislature approved the proposal, and the Governor signed the Budget authorizing the funding. There is no reason to deny the raises. Seniors in the Bargaining Unit received raises, while Supervisory Seniors did not. In a few cases, Supervisors are being paid less than the employees they supervise.

All supervisory and managerial PECG members received an email encouraging them to write to DPA Director Dave Gilb and their Department Director, requesting that the raises be paid immediately, retroactive to July 1. Currently, petitions are being circulated throughout the PECG Sections to gather signatures to present to management with the same request. If you wish to sign a petition but have not seen one, either contact your PECG Section Officer or go to the PECG website at www.pecg.org to obtain a copy. Please return the petitions with signatures to your PECG section leaders so they can present them to local state management and forward a copy to the PECG Sacramento Office for presentation to DPA.



**2008 WAS A JOLLY GOOD YEAR...
BUT 2009 WILL BE CHALLENGING**

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Unit 9 employees received salary hikes in July. In addition, the five-year MOU for Unit 9 ended in July, meaning that contract negotiations will continue into 2009.

The slumping economy has hit California's General Fund, and hit it hard. The Department of Finance projects a \$40 billion shortfall in the \$100 billion-plus General Fund over the next 18 months. The Governor called a Special Session of the Legislature to address the problem.



On the plus side, everyone is supporting substantially increasing federal funding for infrastructure projects across the nation to create jobs and jump start the economy for what is now being termed by many as a recession. The nation's Governors have identified \$136 billion worth of road, bridge and other projects which could begin as soon as money is made available. Governor Schwarzenegger has requested \$26 billion of federal assistance for infrastructure in California, which he terms an "investment", not a bailout. President-elect Obama supports substantial infrastructure spending, saying "We need action – and action now." Congress is expected to address that issue.

Timely payment of state employee paychecks will be a big 2009 issue. Until now, even when the Legislature has been late in passing the budget which authorizes the funds, PECG-represented employees have been paid in full and on time, despite the constitutional prohibition against the State paying

its bills in the absence of a budget authorization. However, that case is now in the courts and an unfavorable ruling could be issued before the Legislature is late again with the budget next July.

One remedy to the problem would be what's called a "continuing appropriations" bill. Such legislation could ensure that full paychecks would be issued on time, with or without a budget in place. That will be a major priority for PECG and other organizations representing state employees in the coming months.



What does all this tell us? For one thing, like any other year, there will be challenges to be met and goals to achieve. On one hand, the state faces an unprecedented economic downturn and budget deficit. On the other hand, there is unprecedented support at all levels of government for infrastructure funding and construction. PECG will be working hard to steer the issues and solutions in a manner that best represents the interests of the PECG membership and the public at large.

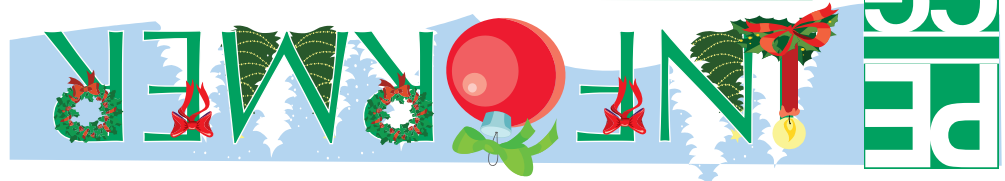


*On behalf of all of us at
PECG, we wish you a Happy
Holiday Season and a
healthy and successful 2009!*

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