



CSLEA ALERT

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www.cslea.com

CSLEA Board shifts into overdrive on budget crisis

The CSLEA Board of Directors met June 6 to discuss the latest news on the state budget crisis and to plan a course of action on various scenarios.

Like every association representing state employees, however, the difficulty in deciding what to do is compounded by the fact that neither the Schwarzenegger Administration nor the state legislature are sure themselves what to do about the budget crisis that has now become the butt of jokes for late-night comedians.

“You tell me when the economy gets better, and I’ll tell you when you’ll stop suffering,” Craig Brown told Board members. Brown, CSLEA’s legislative consultant and former California director of finance, painted a bleak picture of the short run. “The state budget is second to the economy. Consumers drive the U.S. economy and they’re broke and getting laid off.”

Adding to the current crisis, said Brown, is the fact that consumers who are spending aren’t spending as much. “They are saving more. The savings rate is going up.” This is not necessarily a bad thing in a macroeconomic sense, Brown told the Board, “Japan has been in a recession for 25 years, but they

save.” More savings, however, does not help the budget picture in the short run, since sales taxes and fees that would normally flow into state government coffers are now only trickling in.

The end of the line

Also making this the worse crisis in state history, said Brown, is that lawmakers and the administration have finally run out of the masking tape, chewing gum, and bailing wire that they’ve used in the past.

“The cash problem will jeopardize everything. So many gimmicks have reduced the cash cushion that Wall Street will not lend California any money until it shows it has its house in order. There are only three ways to balance a budget: raise revenues, cut expenditures, or come up with a gimmick. They are out of gimmicks.”

Other points made by Brown included:

- There are only half as many billionaires in Los Angeles



CSLEA Legislative Advocate Coby Pizzotti testifies before the legislature’s Budget Conference Committee on the Governor’s proposed cuts of BNE Agents, the state’s crime lab and closing 80 percent of state parks.

as there were a year ago, and billionaires pay a lot of tax money

- Tax increases are off the table. Not even some Democrats believe in raising taxes
- Budget negotiators will probably take \$8 billion from schools
- Everything is on the table: Do we fund the California Conservation Corps over providing help to old folks is indicative of the many questions legislators will be debating?

Continued on Page 2

From Page 1

- Eliminating the Waste Management Board, as the administration trumpeted as an example, saves \$0 general fund dollars, because it is funded entirely by the waste haulers.

The state is bankrupt

“In reality,” concluded Brown, “we [the state of California] are bankrupt. But bankruptcy is a legal process and states aren’t allowed to go bankrupt.”

Two final points of some comfort to all state employees are, according to Brown:

- “The only good news is that the minimum wage [for all state employees] will not be an issue this year, because we have a budget in place.”
- And “A \$20 billion problem is not solved by getting rid of general fund employees.”

Tired of both parties

Don Novey, a CSLEA advisor who took the lightly regarded California Correctional Peace Officers Association years ago and built it into a premier political powerhouse, told the CSLEA Board that “People are tired of both parties.”

Still, cautioned Novey, it makes no sense to align yourself with one party or the other, citing the Service Employees International Union (SEIU) as the best example of one that had—and lost big.

“They couldn’t nail down two or three Republicans in either house



CSLEA Board met in Sacramento to discuss state budget crisis strategy

and faced the ultimate loss by going too far to one side.” Commending CSLEA for not playing that game, Novey said “that’s why you can get things through the legislature, and why you have the best and most solid reputation of protecting your members.”

Don’t give up

CSLEA political action consultant Pete Mitchell reminded Board members that the high regard CSLEA is held in by the legislature, however, was earned the hard way. “You must maintain full funding for your PAC,” he said.

Mitchell provided a run down of key legislative races and the gubernatorial election. He noted that the full force of Proposition 34 hits next year for the governor’s race, meaning that candidates will have to raise money in smaller chunks or have a lot of personal wealth.

“There will be the traditional 20 seats up in the State Senate in 2010 (half every two years), with eight seats, as of now, with no incumbent running. We’re looking at saving or defeating 22 incumbents in the Assembly and the real possibility of the PAC interviewing candidates running in 20 open seats out of the total 80,” said Mitchell, who noted that odd-numbered years have become busy election times as well.

When someone is either appointed or runs for a higher office, that sets off a domino effect for the office being vacated, often by people vacating another office to run for another office. “A special election mania by people moving up or out,” said Mitchell. Add to that, up to five recall attempts/potential elections of incumbent lawmakers and last month’s ballot propositions and it has been a very busy election year.

Mitchell also provided the Board with detailed information on

Continue on Page 3

From Page 2

reapportionment and registration news.

Other Board business

- Kasey Clark, CSLEA chief counsel and general manager, reported on the severance petition and disciplinary action
- CSLEA Legislative and Political Liaison Coby Pizzotti listed the legislation CSLEA was tracking
- Paul Satkowski, CSLEA Director of Member Services, told the Board, among other things, that the CSLEA Alert newsletter now goes out to more than 4,600 members
- Media and Communications consultant Tony Malandra told the Board that the CSLEA Web site would have a new front page very soon.
- CSLEA lobbyists and consultants are monitoring and involved in the budget process on a daily basis.

New Affiliate Presidents Welcomed



CSLEA President Alan Barcelona welcomed three new affiliate presidents to the Board of Directors: Martin Snezek, above left, California Association of Fraud Investigators (CAFI); Al Irish, above, California Association of Criminal Investigators (CACI); and Marcus Nenn, left, Association of Deputy Commissioners. (ADC)

CSLEA Member Meeting with CHP Dispatchers

CSLEA representatives met with California Highway Patrol dispatchers on June 10 at the Golden Gate Communications Center in Vallejo to address issues of concern in these difficult economic times.

“At a time like this, taking another cut in pay plays a major roll on whether or not I put food on my table,” expressed one dispatcher. Dispatchers have the same concerns as everyone else working for the state of California: a 5 percent permanent reduction in salary and two furlough days (combining for an approximate 9.62 percent loss in pay) already in effect.

Dispatchers were informed of actions being taken by CSLEA, including a grievance filed with the Department of Personnel Administration, over the implementation of furloughs and issues pertaining to overtime calculations. CSLEA Political Affairs Coordinator Julia Marin resolved a recurring question that many employees have been asking: **“Why does SEIU have a contract and we don’t?” The answer is SEIU doesn’t have a contract. It failed passage in the final hours of the legislature.**

Joining Marin at the member meeting were Andrea Perez, CSLEA legal counsel, who answered questions about specific labor/legal issues; Paul Satkowski, CSLEA director of member services, who spoke of the benefit of being a full member; Richard Cota, CSLEA field representative, who assisted in answering general membership related questions; and CHP-PSDA representative, Gina Walls, who assisted in coordinating the meeting. Future meetings with CHP dispatchers are being planned.

UPDATE—Furloughs, minimum-wage lawsuits

By Kasey Clark
CSLEA Chief Legal Counsel

Gov. Arnold Schwarzenegger and the Department of Personnel Administration have been able to withstand a variety of legal challenges to his Executive Order ordering furloughs of state employees.

The original filings by CASE (California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment), PECG (Professional Engineers in California Government), and the Service Employees International Union (SEIU), alleging that the unilateral implementation of furloughs violated collective bargaining laws, were denied by the Sacramento Superior Court. They lawsuits are now in the appellate court in the briefing stages.

Another lawsuit, brought by the administration against the constitutional officers, to compel compliance with the furlough order was granted by the Sacramento Superior Court and is also in the briefing stage in the appellate court. However, a stay of the trial court decision was granted and, as a result, employees of constitutional officers are not currently being furloughed by their agencies.

The Governor's authority to reduce

employee pay to the minimum wage in the absence of a state budget was also upheld by the Sacramento Superior Court. It is now in the mediation suitability review stage, which is a prerequisite to appellate court briefing. CSLEA is a party to the minimum wage case.

On March 16, 2009, the California Correctional Peace Officers Association (CCPOA) filed a writ in Alameda Superior Court alleging that the furlough of correctional officers deprived employees of receiving any wage on furlough days, which violates the State Labor Code. A hearing on the writ is scheduled for July 22, 2009.

State employees' victory

The CASE litigation on behalf of State Compensation Insurance Fund (SCIF) attorneys was granted by the San Francisco Superior Court on April 15, 2009. This was the first and only success to date on behalf of state employees, and the court's ruling was based on a specific provision of the California Insurance Code that provides: "Notwithstanding any provision of the Government Code or any other provision of law, the positions funded by the State Compensation Insurance Fund are exempt from any hiring freezes and staff cutbacks otherwise required by law."

On June 10, 2009, the Governor appealed the decision to the First District Court of Appeal. He is contending the appeal stays the effect of the superior court order, thereby making SCIF attorneys still subject to furlough.

The California Department of Forestry Firefighters filed for an injunction prohibiting the furlough of its members, pending arbitration over whether the collective bargaining agreement bars such furloughs. On April 29, 2009, the Sacramento Superior Court denied the request for injunction. The CDF Firefighters are proceeding to arbitration. As was reported previously, CSLEA is also pursuing a grievance on whether the furlough order violates the Unit 7 Contract.

On June 10, 2009, the Governor issued an Executive Order exempting CAL FIRE employees from furloughs during the fire season. This order exempts the Unit 7 CAL FIRE Communications Operators.

On May 22, 2009, CASE filed suit in Alameda Superior Court alleging the furlough of special fund employees is illegal because it does not result in general fund cost savings. The Governor will argue in response that the financial crisis requires special fund cost savings,

as the state has the authority to borrow from special funds for general fund revenue.

Case Name	Case No.	Court	Subject	Status
CASE v. Schwarzenegger	C061009	Third DCA	Furloughs (general)	Briefing
PECG v. Schwarzenegger	C061011	Third DCA	Furloughs (general)	Briefing
SEIU v. Schwarzenegger	C061020	Third DCA	Furloughs (general)	Briefing
Schwarzenegger v. Chiang	C061648	Third DCA	Furloughs (constitutional)	Briefing
Gilb v. Chiang	C061947	Third DCA	Minimum wage	Mediation suitability
CCPOA v. Schwarzenegger	RG09441544	Alameda SC	Furloughs (general)	Hearing set for 7/22/09
CASE v. Schwarzenegger	Unknown	Alameda SC	Furloughs (special fund)	Writ filed 5/22/09
CDF Firefighters v. Schwarzenegger	32732	Sacramento	Furloughs (general)	Injunction denied 4/29/09
CASE v. Schwarzenegger	TBA	First DCA	Furloughs (SCIF)	Appeal filed 6/10/09

CSLEA BBQ

**Saturday
October 10, 2009
11:30 AM - 4:00 PM**

**CSLEA Headquarters
2029 H Street
Sacramento, CA 95811**

**Recognizing all CSLEA members
and employees**

FREE
- Gift Bags
- Food & Beverages

**RSVP between August 1 - September 25
for a chance to win one of the many
CSLEA prizes**

**Send RSVP e-mail to
Richard Cota: rnc08@verizon.net
Tina Brazil: spittykitty@sbcglobal.net**