

Gov. Jerry Brown prepares to negotiate with unions that backed him

The talks could test the governor's ability to continue limiting spending as the state digs out of a long-term budget crisis.

Chris Megerian, Los Angeles Times, 2-17-13

SACRAMENTO — When Gov. Jerry Brown needed help pushing his tax plan last year, public-worker unions rallied to his side with millions of dollars and thousands of campaign foot soldiers.

Now Brown's administration will be negotiating with some of those unions on labor agreements worth billions. Contracts affecting almost half of all 350,000 state workers — engineers, administrative staff, librarians, corrections officers and more — are due to expire this summer.

The talks may test the governor's ability to continue limiting spending as California edges free of its years-long budget crisis but continues to face heavy debt.

Numerous budget experts say that with the state's financial recovery still in its infancy, it's far too soon to lock in new expenses. And California already pays its employees significantly more than other state governments, according to the Palo Alto-based Center for Continuing Study of the California Economy.

The average state worker salary in California in 2011 was \$70,777, nearly \$16,000 higher than the national average, according to the center.

Still, public workers were furloughed and repeatedly went without raises as the state grappled with yawning budget gaps. Some labor officials see an opportunity to win at the bargaining table this year, as money from the tax increases they championed flows into state coffers.

"The atmosphere is different," said Bruce Blanning, executive director of Professional Engineers in California Government. "It's easier to negotiate increases when there is money available."

In the budget he proposed last month, Brown would end furloughs and other programs that reduced many state workers' pay by 5% to 14% per month for more than four years. Such reductions saved an estimated \$817.6 million in the current budget.

The governor also wants to restore \$59.1 million in home care for the elderly and disabled, giving more work to union members who provide those services. And his proposal includes \$502.1 million for raises of 2% to 5% for many employees and coverage of higher healthcare costs, under the terms of contracts already on the books.

Such increases could help compensate for the cuts to the public workforce in recent years. But public employees still remain a strain on California's budget.

Executive branch salaries are estimated to increase nearly 10% to \$15.7 billion in the fiscal year that starts in July. Salaries will be almost 11% of all state spending.

That figure doesn't include the rising costs of pensions and healthcare for retirees. A decades-old deal grants

Amid California's financial problems, a contract approved by Brown in 2011 allowed corrections officers to save up unlimited vacation days and cash them out when they retire.

"It's important not to demonize public employees," said David Crane, an advisor to former Gov. Arnold Schwarzenegger — who was constantly at war with public worker unions — on pensions and the economy. "But that's where the money is."

Assemblyman Jeff Gorell (R-Camarillo), vice chairman of the Assembly Budget Committee, said any additional spending on public workers could come at the expense of other government programs.

"The hope is that [Brown] goes into these negotiations with the same sense of austerity he's been talking about," Gorell said.

Officials from unions and the Brown administration will begin presenting their initial bargaining offers at the end of this month.