FURLOUGHS AND LAYOFFS IN CALIFORNIA OPPOSED BY UNIONS

With California Governor Arnold Schwarzenegger (R) expected to sign a budget package that formalizes three monthly furlough days for state workers, he is facing mounting legal challenges and potential job actions, including strikes, from labor unions representing those workers. The governor will act on a package that lawmakers approved to close the latest budget deficit of $24 billion with $15.6 billion in cuts and $3.9 billion in revenue solutions, such as acceleration of tax collections, $3.1 billion in borrowing, $500 million in fund shifts, and $1.2 billion in deferrals and other mechanisms.

Included in the cuts is $850 million in payroll savings because of the governor’s extension of employee furloughs to three days a month. Schwarzenegger increased the number of furlough days from one to three a month with an executive order, effective July 1, and the budget legislation makes it official by cutting funding for state workers’ paychecks accordingly through the end of the fiscal year June 30, 2010. Also included is another $1.2 billion in cuts to funding the state’s prisons, although lawmakers postponed decisions on how to make the cuts until August. It is likely that prison guards will bear the brunt of the cuts.

Although the governor’s proposal for a 5 percent across-the-board pay cut for state workers did not make it into the final package, the three monthly furlough days and prison funding cuts have been more than enough to provoke state workers’ unions to take action. The three furloughs, which must be taken on the first three Fridays of the month, amount to a pay cut of 14 percent.

Service Employees International Union (SEIU) Local 1000, which represents 95,000 state workers, will announce the results of a strike authorization ballot sent to members. Local 1000 is also weighing legal action against the governor for including the three furlough days in the budget five months after he reached a collective bargaining agreement with the union for only one furlough day a month. Union members have ratified it, but it has not yet been approved by the legislature and signed by the governor as required by state law. The union is weighing whether to file suit against the governor alleging that he bargained in bad faith.

Administration officials have reminded Local 1000 and other bargaining units that they still are working under the terms of contracts that expired in June 2008, and those contracts prohibit job actions such as strikes and walkouts. Workers could be disciplined or fired if they engage in those job actions, according to the Dept. of Personnel Administration (DPA). DPA spokesperson Lynelle Jolley says the SEIU tentative contract with one monthly furlough day also reserves the governor’s right to increase the number of furlough days if necessary. A state trial court in February ruled that the governor has the authority to furlough state workers to address the state’s fiscal crisis, Jolley notes. Local 1000 and two other unions have appealed that ruling, and the appeal is pending in the California court of appeals (SEIU Local 1000 v. Schwarzenegger, Cal. Ct. App. No. C061020, February 9, 2009).

The California Association of Professional Scientists filed suit in state superior court in San Francisco County asking the court to block the three furlough days for employees who are not paid through the state general fund (California Ass’n of Prof’l Scientists v. Schwarzenegger, Cal. Super. Ct. No. CPF-09-509695, July 24, 2009).

The Professional Engineers in California Government, a union representing state engineers, filed a grievance with the DPA, alleging that the three furlough days violate the union’s collective bargaining agreement, which provides that all employees in the unit be paid salaries no less than salaries that their counterparts in large local government agencies receive.

The California Correctional Peace Officers Association, which represents prison guards, already has sustained the majority of 4,600 layoffs the governor ordered in May, and may be facing more layoffs once the legislature decides how to cut another $1.2 billion from the prison system.