

EDITORIAL: Democrats must bend on state payroll issue

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A Legislative Analyst's Office proposal that asks the Legislature to use its powers to reduce state personnel costs puts majority Democrats on a collision course with their most loyal allies: public employee unions. The Democrats' reaction has been disappointing.

Senate President Pro Tem Darrell Steinberg says he opposes lowering wages outside the collective bargaining process. Steinberg ignores reality. California's collective bargaining process is dysfunctional.

Collective bargaining assumes that employers or workers give up something and the other side gives something in return. But the state is broke. It has nothing to give. It can only take.

Because state law allows existing contracts to remain in place if no agreement is reached, employee unions have an incentive to stall.

The Legislature can break the logjam with its authority to reduce salaries and benefits. A failure to exercise that authority will lead to deeper cuts for local government, the poor, blind and disabled, schools, and the public at large.

The governor's proposal would cut \$2.5 billion from payroll costs through a combination of salary reductions, increased employee contributions to pension plans and attrition. The 5% salary reductions proposed would be less costly to employees than the current three-day-a-month furloughs and less disruptive to the public.

It's a reasonable sacrifice given the magnitude of the state's deficit, and lay-offs, pay cuts and hits to retirement savings that private-sector workers have endured.

The Legislature, the governor and the unions, shouldn't ignore the public's growing anger over generous public employee retirement benefits.

When coupled with lifetime health benefits, the pension obligations contribute to state, local government and school districts' soaring deficits.

Majority Democrats in the Legislature can help shape the governor's personnel proposals in ways that are fair to the public and state workers, or they can bow to union bosses and let the state drift deeper into crisis.