



DMV workers showed their anger over the governor's furloughs during Furlough Friday demonstrations at several offices throughout the state.

Two outsourcing bills on governor's desk

Bills will track contracts, stop visiting educators

Two Local 1000-sponsored bills to discourage the state from using private contractors have passed the Legislature, on a majority vote, and now need the governor's signature to become law.

AB 756, which sheds light on how much taxpayer money the state wastes on outsourcing work to pricey private contractors, cleared the Assembly late Thursday night, one day after it passed the Senate.

AB 755, which will discourage the state from using so-called "visiting educators" to replace state employees, also cleared both houses last week.

"AB 756 is just one part in our campaign to end waste, fraud and abuse in state government," said Margarita Maldonado, chair of Bargaining Unit 1. "Once implemented, AB 756 will save taxpayers money and help us show that it is more efficient and effective to use state workers for these positions."

AB 755 would close legislative loopholes, protect jobs for Unit 21 members and save the state millions of dollars over the next few years. The bill will discourage the California Department of Education from paying visiting educators much more than Unit 21 Educational Consultants performing the same tasks.

MOU bill in limbo

The Legislature's regular session has adjourned with our contract bill (AB 88) in limbo. Along with more than 20 other critical pieces of legislation—including water bonds, wildfire and environmental protections—Local 1000's contract bill was held up early Saturday by Republican legislators who refused to pass bills requiring a two thirds vote.

"Our contract bill stalled because it was caught up in the larger dysfunction in the Capitol," Local 1000 President Yvonne Walker said after the Legislature adjourned at 5:30 a.m. Saturday. AB 88 received support from all 25 Senate Democrats, but needed two Republicans to reach the required two-thirds.

"Local 1000 will not stop fighting for the contract we signed to cut furlough days and increase job security ... and we'll keep fighting and winning in the courts, where we've filed six separate pieces of litigation challenging the governor's furlough scheme." [A summary of Local 1000 furlough litigation appears on the back page of Update.]

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—Yvonne Walker
Local 1000 President

Walker said Gov. Schwarzenegger's furlough program has failed to achieve the savings he promised and instead is "a program that has gone too far—15 percent cuts are forcing people into foreclosure who were willing to be part of the state's budget solution ... it is a program that is dragging our communities deeper into recession when other states are beginning an economic turnaround because their leaders are injecting money into their communities.

"In the midst of this budget crisis, Local 1000 and its members stepped up," Walker continued. "We negotiated a contract that saves the state \$340 million, we uncovered hundreds of millions of dollars of waste in private vendor contracts, we identified more than \$2 billion in unbudgeted, labor-related cost savings and revenue savings ... We've done our part, now it's time for this governor and the legislative minority to do theirs."

Six legal actions seek to overturn furloughs

Local 1000 is litigating on six fronts challenging the governor's furlough scheme. Here is a summary of each case, listed in the order they have been filed:

Court of Appeal to consider constitutionality of furloughs

Our first lawsuit was filed in January in Sacramento Superior Court, asserting that the governor's executive order on furloughs violates the state constitution and various California statutes. This case is currently in the state Court of Appeal, in Sacramento, after a Republican-appointed judge sided with the governor in January. We have filed an opening brief in the case and a decision is expected after the first of the year.

Furlough implementation violates state Administrative Procedures Act

Our second lawsuit asserts that the governor's executive order violates the Administrative Procedures Act, which lays out a process for changing state rules and regulations. A Sacramento Superior Court judge agreed with Local 1000 attorneys and denied Schwarzenegger's attorneys' motion to dismiss the case. A hearing date has yet to be scheduled.

All non-General Fund employees should be exempt from furloughs

Our third lawsuit challenges the furloughs of more than 20,000 state employees whose salaries are not paid out of the General Fund (such as Caltrans, CalPERS, DMV and Employment Development Department). Local 1000 argued, in Alameda Superior Court, that since the furlough order is designed to save General Fund money, the measure cannot legally be applied to workers whose salaries are paid from other revenue streams. The next hearing is scheduled for Sept. 29.

Judge overturns furloughs for 6,260 at State Compensation Insurance Fund

Our fourth lawsuit argues that governor's executive order on furloughs is unlawful as applied to employees of the State Compensation Insurance Fund (SCIF). San Francisco Superior Court Judge Charlotte Woolard agreed with Local 1000 attorneys that the governor's furlough order violates the California Insurance Code. On Sept. 10, she ordered that furloughs immediately cease for 6,260 SCIF employees represented by Local 1000. The judge rejected an attempt by the governor's attorneys to preclude Local 1000 from seeking back pay. Local 1000 will vigorously pursue retroactive back pay for its members. Schwarzenegger's attorneys are expected to appeal Woolard's decision.

Governor's third furlough day order violates Emergency Services Act

Our fifth lawsuit asserts that Schwarzenegger's imposition of the third furlough day violates the Emergency Services Act (ESA). In the suit, Local 1000 attorneys argue that the state's fiscal crisis was not an emergency and that the governor's actions were, in fact, political expediency related to a labor dispute for which the ESA cannot be used. In addition, the suit contends that since the Legislature has passed a revised budget any fiscal emergency justifying the furloughs no longer exists. Local 1000 filed the lawsuit in San Francisco Superior Court in August and is seeking a final order overturning the third furlough day each month. The state has not yet filed an answer to this complaint.

Unfair Labor Practice filed against governor

Local 1000 has also filed Unfair Labor Practice charges against the governor, citing his double dealing as a key reason our contract bill has not been ratified by the Legislature. In our August 11 filing with the Public Employment Relations Board (PERB) Local 1000 attorneys cited the governor's repeated violations of the Dills Act, which governs public sector bargaining, and stated, "The governor needed state workers as economic human shields for his political posturing." PERB has yet to respond to Local 1000's charges.

FOR MORE INFORMATION, CALL LOCAL 1000 TOLL FREE: **(866) 471-SEIU (7348)** or visit our website: www.seiu1000.org

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