

To: Governor Schwarzenegger

From: Olin King, President, Association of California State Supervisors

Date: December 23, 2008

Your executive order S-16-08 not only doesn't solve the state's budget crisis; it transfers the deficit to the backs of your 238,000 state employees. And the citizens of California are the real losers.

I am the president of the Association of California State Supervisors, an organization that represents the state's managers, supervisors, confidentials and exempts - the employees who keep the state of California running, no matter what. We are your management team, the people who ensure the state provides needed services to the citizens of California.

Yet we are consistently the group that bears the greatest burden during times of economic downturn. Our members are not protected by bargaining and, therefore, do not automatically get raises when the rank and file do. We work overtime without pay, meaning we often earn less than the people we supervise. For that reason, few state workers promote into management; and many of our members have demoted back to rank and file to increase their paychecks.

Now you want to burden us, and every state worker, even further. Cutting employees' salaries 10 percent and potentially laying off 20 percent of this valuable work force provides only a Band-Aid for the budget shortfall – \$1.3 billion saving on a \$150 billion budget. But it will have devastating impacts on your state employees and the state's economy.

State salaries already are modest – supervisors have had only two small raises in eight years – and many state employees are just making ends meet. Now many of their budgets will be in the red. To these employees, a 10 percent pay cut could represent a mortgage payment or a child's college tuition. We need to help people stay in their homes and keep their kids in school. The entire state will be hurt by more foreclosures and a less-educated workforce.

As an even worse blow, state workers shoulder these cuts in addition to the burdens – tax increases and reduced services – being imposed on all the citizens of California.

Along with the personal consequences, your order also hurts the state's economy. With \$1.3 billion less disposable income for state workers to spend, our businesses and retailers will feel a pinch and our tax revenues will decrease. Further downturns in the business community will cripple the state's economy.

Gov. Schwarzenegger, ACSS members believe it is possible to counter this \$1.3 billion cut through responsible, alternative programs that will allow the state to operate more efficiently. Our board members and I would like to discuss our ideas with you. Please call me at ACSS, 916/326-4257, or write to the address on this letter.

In the meantime, our members ask that you repeal this punitive order. We understand the state is in a fiscal crisis, and the Legislature has failed to pass a feasible budget. We also understand that a balanced budget, in these times, requires cuts in services and increased taxes for all. But you have placed an unconscionable burden on your loyal and hard-working management team.