



Tim Gallen/Andrew Neilly
Gallen.Neilly
925.930.9848
tim@gallen.com/andrew@gallen.com

LAO Report on Caltrans' Overstaffing is Long Overdue, says ACEC California

Sacramento, Calif.—March 3, 2010 – The American Council of Engineering Companies California (ACEC California) today welcomed the report by the non-partisan Legislative Analyst's Office (LAO) on California's 2010-2011 Transportation Budget.

Tom Blackburn, President of ACEC California said: "Finally, the LAO has addressed the elephant in the room. The public unions' stranglehold on California's transportation infrastructure has brought California taxpayers a huge cost to bear in the present and the future in unfunded pensions and medical benefits. Too much money goes into benefits rather than box culverts, pensions rather than projects and salaries rather than streets. And, once the public union employee is hired, it's virtually impossible to terminate them."

"While \$200M is a great start, it is not enough to get us back on track. We need fundamental change at the state level in order to get our finances in order, the economy back on track and real job creation that is genuinely productive and not a drain on state coffers," said Blackburn.

Paul Meyer, Executive Director of ACEC California, said: "The report from the non-partisan state LAO confirms exactly what many transportation experts have witnessed for years: The public employee unions' control over a key state agency, Caltrans, has resulted in a huge and inefficient bureaucracy—one which is sapping away the state's limited financial resources.

"What the public wants are real transportation improvements—not a

bloated bureaucracy. The LAO is exactly correct in calling for a dramatic reduction in the Caltrans bureaucracy and modern management systems for controlling costs and holding state employees accountable," said Meyer.

"What Californians want – and deserve – for their hard-earned dollars are real improvements in our transportation infrastructure, not a huge, overstaffed state bureaucracy," said Meyer.

Blackburn further stated that "Caltrans is the largest engineering organization of its kind in the world and would never be replicated in the private sector. It is so huge that it ends up spending too much time and resources on internal management and coordination. That's just not economical."

The LAO report calls on the Legislature to reduce Caltrans' staffing in its Capital Outlay Support program in 2010-2011 by about 1,500 personnel in order to "align with actual workload." These staff cuts would result in \$200 million in savings for the state, the report states.

The LAO report also calls on the legislature to require Caltrans to supply relevant information to justify its annual budget request, take steps to control costs and provide an audit of the program's time-charging practices.

"Sadly for our state, the LAO report profiles a transportation bureaucracy which, at a time when the rest of the state is going through yet more rounds of dramatic belt-tightening, has moved in exactly the opposite direction. In fact, the report specifically looked at the impact of the Governor's furloughs and determined they have had no identifiable impact on productivity – a clear indication, if ever one was really needed, that Caltrans is significantly overstaffed," said Blackburn.

In its report the LAO also states that in many areas Caltrans provided little or no information on its actual workload in order to justify its huge number of employees.

The bottom line, said Meyer, is that in recent years the state employee unions have successfully lobbied for the creation of a hugely expensive and inefficient bureaucracy at Caltrans, and that has siphoned vital transportation funds away from actual project delivery. "Finally, the LAO's report has shined light on an important problem facing California. Let's hope the Legislature is listening," Meyer concluded.

About ACEC California

ACEC California is a statewide association representing more than 1,000 private consulting engineering and land-surveying firms that average 20 employees each. ACEC California is dedicated to enhancing the consulting engineering and land surveying professions, protecting the general public and promoting the use of the private sector in the growth and development of our state. Our members provide services for all phases of planning, designing and constructing projects. For more information, visit www.acec-ca.org.