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Budget Passage Bitter Sweet for Small Businesses That Do The Public's Work

Sacramento, CA (October 8, 2010) – While many Californians share a sense of relief that we finally have a budget in place, the delays in passing that budget have exacted a heavy toll on small businesses and employers all over California.

In fact, the real “back story” behind the announcement this week that 39,000 more jobs were lost nationally in September revolves around situations like legislature-caused delays in passing timely budgets.

A timely example? “In the middle of a debilitating recession, California’s private engineering firms have often been required to self finance their employee’s salaries while waiting to get paid for the work they have already completed,” says Paul Meyer, Executive Director of the American Council of Engineering Companies of California.

“We should not forget that repetitive delays in passing state budgets exact a significant annual cost on jobs and job creation here in California. Delays in state payments create an especially terrible hardship for small businesses, not only to create new jobs but to keep paying and retaining existing employees,” he says.

“As the professionals who provide the expertise needed to rebuild this state’s aging infrastructure and create new facilities, we are also concerned about the prevailing business-as-usual attitude in Sacramento that continues year after year to fund a bloated state bureaucracy that saps our strength to affect a recovery,” Meyer says.

He points to Caltrans, which, he says, is significantly overstaffed with engineers on the public payroll. California relies too heavily on taxpayer-funded state employees to do the state's engineering and surveying work, while private sector firms are forced to lay off workers and cut jobs, Meyer contends. "In contrast, other states make much greater use of private firms to speed project delivery, access specialty expertise when needed and avoid long-term pension costs."

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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.