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Controller Issues Statement Regarding DPA Letter

SACRAMENTO – The following statement was issued by the Controller in response to a notice by the Department of Personnel Administration that they were planning on issuing a pay letter ordering the Controller to reduce state employee salaries to the minimum wage, with the exception of the six bargaining units the administration has reached an agreement with.

“I am not surprised that the Governor would issue yet another demand that we cut pay for more 250,000 state employees even while the issue of whether it is feasible to do so has not yet been resolved by the courts. I have made it clear that once the courts hand down a final resolution, I will abide by that ruling.

“In the absence of the leadership needed to bring the Legislature to an agreement on his budget, the governor again resorts to political tricks. Because of the limits of the state’s current payroll system, there is no way that his order can be accomplished without violating the State Constitution and the federal Fair Labor Standards Act. In short, his demands will do nothing to solve the budget deficit, but will hurt taxpayers by exposing the state to billions of dollars in penalties for those violations.

“Unfortunately, the DPA also is mistaken about the position of the previous State Controller about the ability of the state payroll system to make reductions to more than 250,000 paychecks. In a [letter](#) written in July 2004, my predecessor notified legislators that his office ‘had conducted a study and concluded it is not feasible to pay some employees full salary and others minimum wage under the state’s current payroll system.’

“Notwithstanding necessary changes to the State’s labor laws, we continue to work with the Governor on building a system capable of legally reducing wages in the manner sought by his Administration. This system modernization is slated for roll-out in 2012. If the DPA has a problem with that schedule, they should consult the steering committee, of which four of the six members are the governor’s appointees, including DPA Director Debbie Endsley.

“Again, absent a final court ruling, I will continue to protect the State’s finances and pay full wages earned by state employees.”

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