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Editorial: Working overtime on red ink

State pays \$2 billion in O.T., bonuses, etc.

An Orange County Register editorial

While debate in Sacramento focuses on tax increases versus spending cuts, Gov. Arnold Schwarzenegger has resurrected an issue that's received less attention than it should. In calling for a comprehensive budget fix including more taxes, which we oppose, and more cuts and economic stimulus, which we favor, the governor also returned to a theme he championed six years ago.

"Soon after I took office I proposed many times to make government more efficient," Gov. Schwarzenegger reminded us. "It makes even more sense right now." Indeed, it does.

"The overall budget problem has grown by another \$12 billion," since the governor's budget proposal two months ago, the state independent Legislative Analyst reported Thursday, while criticizing Mr.

Schwarzenegger's desire to heavily rely on borrowing.

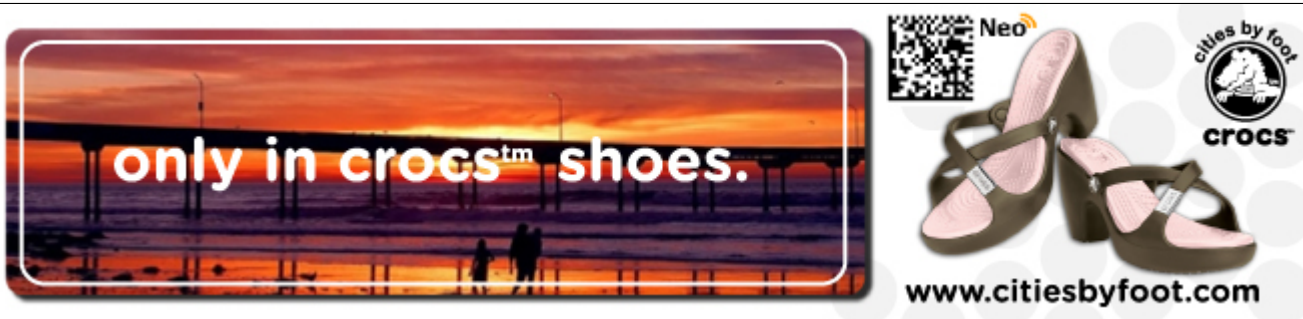
Clearly, it's time for out-of-the-box thinking in Sacramento, where deadlock reigns. That's why Gov. Schwarzenegger was right to suggest, "real serious cuts when it comes to the abuse of overtime and sick leave and holidays."

An analysis by the San Francisco Chronicle last year found state government employees were paid \$2.1 billion in overtime, bonuses, premium pay, relocation allowances and lump-sum payouts in 2007. Government watchdogs, including Common Cause and the California Taxpayers' Association, complained that the extra pay revealed unaccountability in Sacramento.

From the outside, it's difficult to say how much of the extra pay was justified. But there is a price at which overtime pay buys less than simply hiring another employee, or contracting out part time. Could the state have found an alternative to paying a prison nurse \$198,000 in overtime on top of her regular \$108,000 salary? No doubt that \$2.1 billion could have been reduced.

"It's good to look at things that have become automatic-pilot spending," California Taxpayers' Association's David Kline said at the time. With the state running out of money to pay its bills, it's past time to switch off the

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We're encouraged by proposals such as one from SEIU Local 1000, the largest of the state's 21 employee unions, which suggests \$150 million in savings are achievable by expediting early retirement and freezing health care contributions at last year's level. Likewise, it's time to consider the governor's proposal to eliminate two paid holidays and impose two-day-a-month unpaid furloughs for state workers.


Other ideas that should be considered include Gov. Schwarzenegger's \$1.1 billion savings by reducing the school year a mere five days, and Assemblyman Roger Niello's call for "performance-based budgeting" that measures how spending meets objectives, as states like Virginia do now, rather than merely debating how much more to add to a program or department annually.

It will take a willingness of factions across the spectrum to go where state government has not gone before to avoid running out of cash to pay bills on Feb. 1, as forecast, or amassing a \$40 billion deficit by mid-2010, as projected.


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