

STATE OF CALIFORNIA  
DECISION OF THE  
PUBLIC EMPLOYMENT RELATIONS BOARD



ASSOCIATION OF CALIFORNIA STATE )  
ATTORNEYS AND ADMINISTRATIVE LAW )  
JUDGES, PROFESSIONAL ENGINEERS IN )  
CALIFORNIA GOVERNMENT, AND )  
CALIFORNIA ASSOCIATION OF )  
PROFESSIONAL SCIENTISTS, )

Charging Party, )

v. )

STATE OF CALIFORNIA, GOVERNOR )  
PETE WILSON, )

Respondent. )

Case No. S-CE-553-S

PERB Decision No. 927-S

April 13, 1992

Appearance; Dennis F. Moss, Attorney, for Association of California State Attorneys and Administrative Law Judges, Professional Engineers in California Government, and California Association of Professional Scientists.

Before Hesse, Chairperson; Camilli and Caffrey, Members.

DECISION

CAMILLI, Member: This case is before the Public Employment Relations Board (Board) on appeal by the Association of California State Attorneys and Administrative Law Judges, Professional Engineers in California Government, and California Association of Professional Scientists of a Board agent's dismissal, attached hereto, of their charge that the State of California, Governor Pete Wilson violated sections 3516.5, and 3519(b) and (c), of the Ralph C. Dills Act (Dills Act)<sup>1</sup> by failing to provide the charging parties notice and an opportunity

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<sup>1</sup>The Dills Act is codified at Government Code section 3512 et seq.

to bargain prior to proposing an initiative measure to the Attorney General and announcing it to the people of California. The initiative measure would allow the Governor, in a state of fiscal emergency, to furlough or reduce salaries of state employees.

The Board has reviewed the dismissal and, finding it to be free of prejudicial error<sup>2</sup>, adopts it as the decision of the Board itself.

ORDER

The unfair practice charge in Case No. S-CE-553-S is hereby DISMISSED WITHOUT LEAVE TO AMEND.<sup>3</sup>

Chairperson Hesse and Member Caffrey joined in this Decision.

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<sup>2</sup>References to section 3516.5 of the Dills Act at page one, first paragraph of the dismissal letter and page one, first and second paragraphs, and page four, first full paragraph of text of the warning letter are inadvertently cited as 3515.6.

<sup>3</sup>As the Board has summarily affirmed the Board agent's dismissal of the unfair practice charge, the charging parties' motion for reconsideration of the Board's denial of its request for injunctive relief is moot. On this basis, the Board denies charging parties' motion for reconsideration of the request for injunctive relief.

## PUBLIC EMPLOYMENT RELATIONS BOARD



Headquarters Office  
1031 18th Street  
Sacramento, CA 95814-4174  
(916) 322-3088



January 10, 1992

Dennis F. Moss  
Attorney At Law  
505 North Brand Boulevard, Suite 780  
Glendale, CA 91203

Re: Association of California State Attorneys and Administrative Law Judges, Professional Engineers in California Government, and California Association of Professional Scientists v. State of California  
Unfair Practice Charge No. S-CE-553-S  
DISMISSAL LETTER

Dear Mr. Moss:

On December 23, 1991, you filed a charge in which you alleged that the Governor, has violated sections 3515.6, 3519(b) and (c) of the Government Code (the Dills Act).

I indicated to you in my attached letter dated January 7, 1992 that the above-referenced charge did not state a prima facie case. You were advised that if there were any factual inaccuracies or additional facts that would correct the deficiencies explained in that letter, you should amend the charge accordingly. You were further advised that unless you amended the charge to state a prima facie case, or withdrew it prior to January 15, the charge would be dismissed.

On January 9, 1992, you informed me that you would not amend the charge and requested that I issue a dismissal letter to allow you the opportunity to file an appeal with the Board. I am therefore dismissing the charge based on the facts and reasons contained in my January 7, 1992 letter.

Right to Appeal

Pursuant to Public Employment Relations Board regulations, you may obtain a review of this dismissal of the charge by filing an appeal to the Board itself within twenty (20) calendar days after service of this dismissal (California Code of Regs., tit. 8, sec. 32635(a)). To be timely filed, the original and five copies

Dismissal Letter - S-CE-553-S

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of such appeal must be actually received by the Board itself before the close of business (5:00 p.m.) or sent by telegraph, certified or Express United States mail postmarked no later than the last date set for filing (California Code of Regs., tit. 8, sec. 32135). Code of Civil Procedure section 1013 shall apply. The Board's address is:

Public Employment Relations Board  
1031 18th Street  
Sacramento, CA 95814

If you file a timely appeal of the refusal to issue a complaint, any other party may file with the Board an original and five copies of a statement in opposition within twenty calendar days following the date of service of the appeal (California Code of Regs., tit. 8, sec. 32635(b)).

#### Service

All documents authorized to be filed herein must also be "served" upon all parties to the proceeding, and a "proof of service" must accompany each copy of a document served upon a party or filed with the Board itself. (See California Code of Regs., tit. 8, sec. 32140 for the required contents and a sample form.) The document will be considered properly "served" when personally delivered or deposited in the first-class mail postage paid and properly addressed.

#### Extension of Time

A request for an extension of time in which to file a document with the Board itself must be in writing and filed with the Board at the previously noted address. A request for an extension must be filed at least three calendar days before the expiration of the time required for filing the document. The request must indicate good cause for and, if known, the position of each other party regarding the extension, and shall be accompanied by proof of service of the request upon each party (California Code of Regs., tit. 8, sec. 32132).

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Final Date

If no appeal is filed within the specified time limits, the dismissal will become final when the time limits have expired.

Sincerely,

JOHN W. SPITTLER  
General Counsel

By

Michael E. Gash  
Regional Attorney

Attachment

cc: Christopher W. Waddell  
Chief Counsel  
Department of Personnel Administration  
Legal Division  
1515 "S" Street, North Building, Suite 400  
Sacramento, CA 95814-7243

## PUBLIC EMPLOYMENT RELATIONS BOARD



Headquarters Office  
1031 18th Street  
Sacramento, CA 95814-4174  
(916) 322-3088



January 7, 1992

Dennis F. Moss  
Attorney At Law  
505 North Brand Boulevard, Suite 780  
Glendale, CA 91203

Re: Association of California State Attorneys and Administrative Law Judges, Professional Engineers in California Government, and California Association of Professional Scientists v. State of California  
Unfair Practice Charge No. S-CE-553-S  
WARNING LETTER

Dear Mr. Moss:

On December 23, 1991, you filed a charge in which you alleged that the Governor, has violated sections 3515.6, 3519(b) and (c) of the Government Code (the Dills Act).

Specifically, you allege that the Governor has violated section 3515.6 of the Dills Act by failing to provide charging parties with written notice and the opportunity to meet and confer prior to proposing an initiative measure, which reforms the budget process and the welfare system and empowers the Governor to reduce the salaries of state employees or furlough state employees when there is a fiscal emergency, to the Attorney General and announcing the initiative measure to the people of California. Charging parties also contend that the Governor or his designee by failing to notify and give them the opportunity to meet and confer over the Governor obtaining, through the initiative process, the power, when a fiscal emergency is declared, to reduce the salaries of state employees or furlough state employees, violated sections 3519(c) and (b) of the Dills Act. My investigation revealed the following facts.

The Association of California State Attorneys and Administrative Law Judges (ACSA), Professional Engineers in California Government (PECG) and California Association of Professional Scientists (CAPS) are recognized employee organizations that are the exclusive bargaining agents for approximately 12,000 employees in Bargaining Units 2, 9 and 10.

The current Memorandum of Understanding (MOU or contract) between these three exclusive representatives and the State expired at midnight on June 30, 1991. Contract extensions were granted by the State on June 30, 1991 and expired on July 30, 1991. No further contract extensions were agreed to, as such there are no MOUs in effect between charging parties and the State.

On or about December 9, 1991, the Governor proposed an initiative measure to the Attorney General and publicly announced the initiative measure. The initiative measure would if approved by the voters, in relevant part, add sections 12.2, 12.5 and 12.7 to Article IV of the California Constitution to read:

12.2. (a) Whenever the budget bill has not been passed and signed by July 1, the Governor may declare a state of fiscal emergency. When a fiscal emergency has been declared, the prior year budget, adjusted as required by Article XIII, section 25, Article XIII B, sections 6 and 8, Article XVI, section 8, and state debt service, shall become the state's operational budget and shall remain in effect until the Legislature passes and the Governor signs a budget bill. In order to bring anticipated revenues and expenditures for the fiscal year into balance, the Governor may immediately propose reductions in any category of expenditure, including any state entitlement, except expenditures required by Article XIII, Section 25, Article XIII B, Sections 6 and 8, funding for education as provided in Article XVI, section 8, and state debt service.

(b) Any reductions proposed under subdivision (a) shall become effective 30 days after the proposal is transmitted to the Legislature unless, prior to the end of the 30-day-calendar period, the Legislature passes the budget bill and the bill is signed by the Governor.

12.5. (a) After the budget bill has been enacted, the Governor may declare a state of fiscal emergency and, in order to bring anticipated State General Fund revenues and expenditures for the fiscal year into

balance, may reduce any category of expenditure, including any state entitlement, except expenditures protected by Article XIII, Section 25, Article XIII B, sections 6 and 8, funding for education as provided in Article XVI, section 8, and state debt service if at the end of any quarter:

(1) Cumulative fiscal year State General Fund cash receipts fall at least three percent (3%) below revenues as estimated by the Department of Finance upon enactment of the budget: or

(2) Cumulative fiscal year State General Fund expenditures exceed budgeted amounts by three percent (3%); or

(3) Cumulative fiscal year State General Fund cash receipts fall at least one and one-half percent (1-1/2%) below revenues as estimated by the Department of Finance upon enactment of the budget and cumulative fiscal year expenditures exceed budgeted amounts by at least one and one-half percent (1-1/2%).

For purposes of this provision, a quarter is any three month period ending September 30, December 31, or March 31.

(b) Any reduction proposed under subdivision (a) shall become effective 30 days after the proposal is transmitted to the Legislature unless, prior to the end of the 30-day-calendar period, the Legislature enacts in each house by rollcall vote entered in the journal, two thirds of the membership concurring, alternate legislation to bring anticipated revenues and expenditures for the fiscal year into balance and that legislation is signed by the Governor.

12.7. (a) When a state of fiscal emergency has been declared pursuant to Sections 12.2 or 12.5, the Governor may, by Executive Order, reduce the salaries of state employees or furlough state employees, provided that

the total reduction from such actions does not exceed five percent (5%) of an employee's salary in any pay period.

(b) The Governor may not reduce the salary of or furlough a state employee during the agreed upon term of a Memorandum of Understanding that has been negotiated pursuant to Chapter 10.3 (commencing with Section 3512), Division 4, Title 1 of the Government Code, which covers the terms and conditions of employment for such employee, unless the Memorandum of Understanding itself allows such actions to be taken by the Governor or his or her designee.

(c) the issuance of an Executive Order pursuant to subsection (a) shall not be subject to Chapter 10.3 (commencing with Section 3512), Division 4, Title 1 of the Government Code or the provisions of any other state law governing salary setting for state officers and employees.

(d) As used in this section, the term "employee" or "state employee" includes those employees defined in Government Code Section 19815(d).

Based on the facts set forth above, I do not find that you have established a prima facie violation of sections 3515.6, 3519(c) and (b) of the Dills Act.

The violation alleged in this unfair practice charge revolve around sections 3516.5 and 3517 of the Dills Act. Section 3516.5 reads:

Except in cases of emergency as provided in this section, the employer shall give reasonable written notice to each recognized employee organization affected by any law, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the employer, and shall give such recognized employee organizations the opportunity to meet and confer with the administrative

officials or their delegated representatives as may be properly designated by law.

In cases of emergency when the employer determines that a law, rule, resolution, or regulation must be adopted immediately without prior notice or meeting with a recognized employee organization, the administrative officials or their delegated representatives as may be properly designated by law shall provide such notice and opportunity to meet and confer in good faith at the earliest practical time following the adoption of such law, rule, resolution, or regulation.

Section 3517 reads:

The Governor, or his representative as may be properly designated by law, shall meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations, and shall consider fully such presentations as are made by the employee organization on behalf of its members prior to arriving at a determination of policy or course of action.

"Meet and confer in good faith" means that the Governor or such representatives as the Governor may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals, and to endeavor to reach agreement on matters within the scope of representation prior to the adoption by the state of its final budget for the ensuing year. The process should include adequate time for the resolution of impasses.

Charging parties contend that People ex rel. Seal Beach Police Officers Association v. City of Seal Beach (1984) 36 Cal.3d 591, requires the Governor to give written notification and the

opportunity to meet and confer prior to proposing an initiative measure which reforms the budget process and empowers the Governor, when a fiscal emergency is declared, to reduce the salaries of state employees or furlough state employees. In City of Seal Beach, supra, sections 3504.5 and 3505<sup>1</sup> of the Meyers-Milius-Brown Act (Government Code sections 3500-3510) were interpreted by the California Supreme Court. The Supreme Court held that a city council was required to comply with the meet and confer requirements of Government Code section 3505 before it proposes an amendment to the city charter concerning the terms and conditions of public employment.

In City of Seal Beach, supra, it was undisputed that the charter amendments concerned the terms and conditions of public employment.<sup>2</sup> However, in this case, charging parties have failed to demonstrate that the power conveyed to the Governor by the proposed initiative is a subject within the scope of representation.

The threshold issue to be addressed, is whether the Governor by obtaining the power, through the initiative process, to reduce the salaries of state employees or furlough state employees when a fiscal emergency is declared, is a subject within the scope of representation. Section 3516 of the Dills Act provides that:

The scope of representation shall be limited to wages, hours, and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

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<sup>1</sup>Sections 3516.5 and 3517 of the Dills Act are nearly identical to sections 3504.5 and 3505 of the MMBA.

<sup>2</sup>In City of Seal Beach, one amendment required the immediate firing, subject to an administrative hearing procedure, of any city employee who participated in a strike; it also prohibited the city council from granting amnesty or otherwise rehiring any striking public employee. The Supreme Court stated that "since the substantive validity of the amendments is not before us, . . . it is undisputed that they [the charter amendments] deal with terms and conditions of public employment. (See, City of Seal Beach, (1984) 36 Cal.3d 591, 595 footnote No. 2),

In State of California. (Department of Transportation) (1983) PERB Decision No. 361-S, the Board set forth the test for determining whether given subjects are within the scope of representation. The Board stated in State of California. (Department of Transportation, supra, that

PERB will find such matters within scope if they involve the employment relationship and are of such concern to both management and employees that conflict is likely to occur, and if the mediatory influence of collective negotiations is an appropriate means of resolving the conflict.

Such subject will be found mandatorily negotiable under SEERA unless imposing such an obligation would unduly abridge the State employer's freedom to exercise those managerial prerogatives (including matters of fundamental policy) essential to the achievement of the State's mission. If requiring negotiations on a subject would significantly abridge the State employer's managerial prerogative as set forth above, the subject will be held outside the scope of mandatory negotiations.

Although the proposed initiative involves the employment relationship between the State employer and state employees the mediatory influence of negotiations is not suited to the resolution of conflict over whether the Governor should have the power, when a fiscal emergency is declared, to reduce the salaries of state employees, or furlough state employees. In addition imposing such an obligation would unduly abridge the State employer's freedom to exercise those managerial prerogatives essential to the achievement of the State's mission. This proposed initiative conveys power to the Governor during a fiscal emergency. The provisions of the proposed initiative do not impair or destroy the bargaining process. The proposed initiative empowers the Governor, when a fiscal emergency is declared, to reduce the salaries of state employees or furlough state employees. The terms and conditions of an existing MOU would not be abrogated, unless its terms specifically permitted

the Governor to act.<sup>3</sup> Accordingly, the subject of the Governor obtaining the power, through the initiative process, to reduce the salaries of state employees or to furlough state employees when a fiscal emergency is declared is not a subject within the scope of representation. Therefore, charging parties have failed to establish a prima facie violation of the Dills Act.

For these reasons, the charge as presently written does not state a prima facie case. If there are any factual inaccuracies in this letter or any additional facts that would correct the deficiencies explained above, please amend the charge accordingly. The amended charge should be prepared on a standard PERB unfair practice charge form clearly labeled First Amended Charge. contain all the facts and allegations you wish to make, and must be signed under penalty of perjury by the charging party. The amended charge must be served on the respondent and the original proof of service must be filed with PERB. If I do not receive an amended charge or withdrawal from you before January 15, 1992, I shall dismiss your charge. If you have any questions, please call me at (916) 322-3198.

Sincerely,

Michael E. Gash  
Regional Attorney

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<sup>3</sup>See section 12.7(b) of Government Accountability and Taxpayer Protection Act of 1992, at p. 4, supra.