

January 24, 2022

Eraina Ortega, Director California Department of Human Resources (CalHR) 1515 S Street, North Building, Suite 500 Sacramento, CA 95814

Dear Director Ortega:

The current Memorandum of Understanding (MOU) was entered into by Professional Engineers in California Government (PECG) and the state employer, represented by the Director of CalHR. This MOU for State Bargaining Unit 9, the Professional Engineer Unit, remains in effect through July 1, 2022.

PECG will submit its initial Collective Bargaining Proposal via email, pursuant to the Ralph C. Dills Act, prior to 2 p.m. on Monday, January 24 – per the instructions in CalHR's letter dated December 24, 2021.

PECG looks forward to working with CalHR to provide the pay and benefits necessary to recruit and retain the licensed engineers and related professionals who deliver and inspect California's infrastructure, ensure the safety of our schools, hospitals and workers, and protect our air, land and water.

Recruiting and retaining state engineers and related professionals will be more difficult, this year and in the years to come, with the approval of the federal Infrastructure Investment and Jobs Act (IIJA), the largest single federal investment in critical infrastructure in a generation. While this \$1 trillion in federal infrastructure money is undoubtedly a positive development for our country, it will mean that every state and local government in our country will be in hot pursuit of every available engineer and related professional to deliver public works projects as soon as possible for the American people. For the State of California, the IIJA will mean an estimated \$2.5 billion annually in additional transportation dollars alone. This is roughly equivalent to the amount of money provided each year by California's own historic investment in highways, bridges and roads – SB 1 approved in 2017.

HEADQUARTERS: LOS ANGELES: SAN FRANCISCO: 455 Capitol Mall, Suite 501, Sacramento, CA 95814 • (916) 446-0400 215 N. Marengo Avenue, Suite 185, Pasadena, CA 91101 • (818) 500-9941 100 Pine Street, Suite 750, San Francisco, CA 94111 • (415) 861-5720 Finally, inflation will compound our difficulties in recruiting and retaining state engineers in a very competitive labor market. As you are certainly aware, the consumer price index climbed 7% in 2021, the largest 12-month gain in 39 years.

As the State continues to experience unprecedented budget surpluses (an estimated \$46 billion in the next fiscal year), and as the state and federal governments dedicate billions in new resources to infrastructure, we look forward to working with you to ensure that the pay rates for state engineers and related professionals are adjusted to reflect the demands of the market and the rapidly increasing costs of goods and services.

Warm Regards,

Ted Toppin PECG Executive Director

cc: Patrick Campion, Principal Labor Relations Officer

Attachment

PECG'S INITIAL COLLECTIVE BARGAINING PROPOSAL FOR THE NEXT UNIT 9 MOU BETWEEN PECG AND THE STATE

Professional Engineers in California Government (PECG), representing the employees in the state's Professional Engineer Unit, Unit 9, proposes to meet and confer in good faith with the state on any or all of the subjects contained in the 2020-22 Unit 9 Memorandum of Understanding (MOU). This includes any and all articles, sections, appendices, side letters, and subjects reasonably related to those provisions. A multi-year contract must include provisions or incorporate statutes which insure its provisions will be implemented. PECG may make additional proposals or counterproposals as issues arise during the course of bargaining.