

California's government payroll in 2011 increases by \$500 mil.

By Phillip Reese, Sacramento Bee

State government payroll increased by half a billion dollars last year, even as California cut thousands of state worker jobs, according to a Bee analysis of new data from the Controller's Office.

The payroll increase added about \$140 million in wages to the Sacramento economy in 2011, contributing to a budding recovery.

The trend is largely due to a shift away from worker furloughs and toward layoffs and hiring freezes. Absent furloughs, most state workers got a full paycheck for the first time in years during 2011, plus some step raises and other union-negotiated bumps.

"Payroll would have grown a lot faster if those (job) reductions hadn't taken place," said Michael Shires, a professor of public policy at Pepperdine University.

State payroll eats a large chunk of the state's budget – almost \$18 billion in 2011. During recent lean times, former Gov. Arnold Schwarzenegger and current Gov. Jerry Brown have tried to keep payroll in check, but have taken different approaches.

Through much of 2009 and 2010, the Schwarzenegger administration required workers to take three unpaid furlough days a month, dubbed "Furlough Fridays." That program ended in late 2010, though many workers still had to take one unpaid furlough day a month last year.

The furloughs cut state worker pay by more than \$1 billion from 2008 to 2010. But, despite threats of layoffs and hiring freezes, Schwarzenegger never substantially reduced the number of full-time state workers.

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