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Chiang Responds to Governor's Proposal to Pay Minimum Wage to State Workers

SACRAMENTO – State Controller John Chiang issued the following statement regarding the Governor's proposal to pay state workers minimum wage:

“Forcing public servants to involuntarily loan the State cash by foregoing their hard-earned paychecks puts an untenable burden on our teachers, health care workers and those who provide critical public services. That is just wrong.

“Requiring a cut in pay for public employees – especially as they, like many other Californians, struggle with their mortgages and higher gas and food prices – will not only cause significant harm to those families, but also irreparably impact our economy by further eroding consumer spending.

“I have made it crystal clear that we have, and will continue to have, sufficient cash to make all payments, including state payroll, through September. Cutting workers' salaries will do nothing meaningful to improve our cash position or help us make our priority payments.

“This is a cynical attempt by a governor who has spent the past few weeks going up and down the state criticizing others for political posturing. Such an executive order is unnecessary and nothing more than a poorly-devised strategy to put pressure on the Legislature to enact a budget.

“As the Supreme Court has never addressed the legality of withholding full salaries versus paying minimum wage, the governor's proposed executive order would only invite more extensive and expensive litigation. Worse, should the courts find that withholding full pay is illegal, the State will be liable for treble damages.

“I will urge the Governor to rethink his proposal and work with us to ensure we manage our state finances in a responsible, realistic and honest manner.”

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