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Chiang Responds to Governor's Lawsuit

SACRAMENTO – State Controller John Chiang today issued the following statement in response to the Governor's lawsuit to block the Controller from paying full wages to State employees during the budget impasse:

“The Governor could not be more wrong with regard to the need for this lawsuit and his understanding of the consequences.

“Taxpayers and public servants alike need to know that the Governor has created a solution to a problem that does not exist. The Governor based his executive order to cut employees' salaries to the federal minimum wage on a faulty premise that it would improve the amount of cash we will need next month to pay our bills. This is nothing more than false posturing because the State ended July with \$5 billion more than the Governor's May projections.

“Rather than focus on building consensus for a budget that addresses California's long-term fiscal problems, the Governor seems adamant on picking a fight over whether state employees are entitled to the wages they have worked for and earned. I am confident the court will share my concerns that it will be infeasible for existing payroll system to reduce the wages of more than 180,000 public servants down to the federal minimum wage in such a short time. I am also confident that the court will share my concerns that the existing payroll system will not be able to quickly restore wages so that each employee is paid what they are legally owed.

“The Governor's executive order has cost too many State employees their jobs, and has in turn delivered a blow to our already fragile economy. Turning to the courts to help him run the State without a budget is nothing more than a distraction from badly-needed budget reforms and is the absolute wrong playbook for the State. Although I will continue to fight to pay public servants their full wages, it is unfortunate that taxpayers will now have to foot the bill for this Governor's reckless and unnecessary legal battle. We should be focusing on fixing our long-term budget needs.”

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