

California Correctional Supervisors Organization

Special Update on Minimum Wage Order

Appeals court affirms Schwarzenegger's order to cut state workers' pay –
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A state appeals court ruled Friday that Gov. Arnold Schwarzenegger can reduce state workers' pay to the federal minimum wage when the state budget is late.

The ruling comes a day after the governor ordered the pay of nearly 200,000 state employees to be reduced to \$7.25 an hour until a budget is passed, but State Controller John Chiang, who issues the paychecks, has said he would not obey the order.

The ruling by the 3rd District Court of Appeals centers on a 2008 case, when during a similar budget impasse Schwarzenegger ordered state workers' be paid the federal minimum wage.

The court ruled Friday that the governor's administration "the authority to direct the Controller to defer salary payments... due to a budget impasse."

Chiang said on Thursday that he would defy Schwarzenegger's minimum wage order. His office did not immediately respond to a request for comment Friday.

"This underscores the fact that everyone loses when we have a budget impasse," said Schwarzenegger spokesman Aaron McLear. "Every day the Legislature fails to deliver a budget it costs the state \$50 million."

State Controller John Chiang has not made a comment regarding his position on the court ruling.