

California Is Stuck in 1st Gear

Most Populous State Falls Behind Nation in Job Growth; Big Issue in Elections

By CARI TUNA

California is rebounding more slowly than the rest of the U.S., weighing down the nation's recovery and underscoring how hard-hit the state remains on the eve of Tuesday's primaries.

In April, the last month for which state data are available, California nonfarm employment fell 2.5% from a year earlier, compared with a 1.1% national drop, as the state lost a higher percentage of jobs in the recession and has added a smaller percentage this year. The state's 12.6% jobless rate far exceeded the 9.9% U.S. rate in April, as reported by the Labor Department.

"We're underperforming the national economy," said Esmael Adibi, director of Chapman University's economic research center in Orange, Calif. "We should have more jobs than are showing up."

That has national implications, because California's \$1.8 trillion economy represents 13% of U.S. economic output, according to the California Department of Finance. In addition, businesses and residents of the most populous state "buy lots of goods and services from the rest of the country," said Mr. Adibi.

The state's slow revival, compounded by a \$19 billion budget shortfall through June 2011, is likely to play a big role Tuesday and in November. "The fact that the economy is bad in California makes it the No. 1 issue driving state elections," said Bruce Cain, a University of California, Berkeley political scientist.

The favorites in the Republican primary, gubernatorial candidate Meg Whitman and Republican Senate hopeful Carly Fiorina, have both stressed their credentials as former chief executives of Silicon Valley technology companies in an attempt to convince voters they can clean up the state's fiscal mess and encourage job creation.

To help revamp the economy, Ms. Whitman has promised targeted tax cuts—such as for new businesses. Her expected Democratic rival, state Attorney General Jerry Brown, backs the development of renewable-energy technology and a streamlined state regulatory system, said a spokesman.

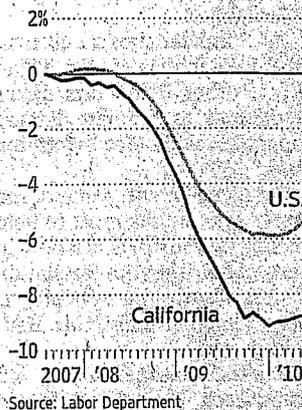
In the Senate race, Ms. Fiorina has proposed lowering income-tax rates, eliminating the estate tax and adding incentives to spur small-business and manufacturing hiring. The campaign of Democratic incumbent Sen. Barbara Boxer said she planned to push for more clean-energy jobs in California and to end tax breaks for companies sending jobs overseas.

Behind California's lagging recovery is continued weakness in the construction sector, a big contributor to the high unemployment rate. California's construction industry lost jobs faster than any other major industry in the year ended in April, shrinking 14.3% to 553,800 workers, compared with a 9% decline in the same period nationally.

The effect of California's lag can be seen beyond its borders

Lagging Behind

Cumulative percentage change in the total number of jobs since July 2007



Source: Labor Department

in Office Depot Inc.'s earnings. In the first quarter, the Boca Raton, Fla., office-supply giant's business-sales unit saw a "double-digit" decline in sales to California businesses, outpacing a 9% drop across North America, executives recently told analysts.

The drop in California helped push Office Depot's total quarterly revenue down 5% to \$3.1 billion, compared with a year earlier. California is one of the company's two biggest states for business sales, executives said.

"We are concerned about California," said Chief Executive Steve Odland. "If we could get California going in the right direction here, we would be a lot happier about our business." Office Depot declined to elaborate. Despite California's current

lag, several economists are bullish on its longer-term prospects.

Before the most recent recession, the state lagged behind the nation in only three of the 10 previous recessions, said Jerry Nickelsburg, a University of California, Los Angeles economist. In those instances, California's economy underwent a specific "structural adjustment" that dragged on its recovery for years, such as the high-tech bust in the early 2000s, and the decline in aerospace and defense in the 1990s, at the Cold War's end.

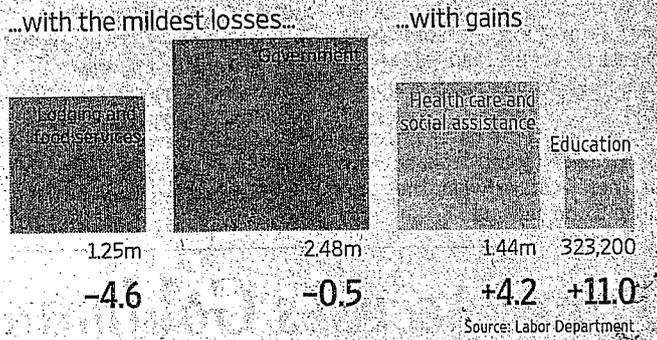
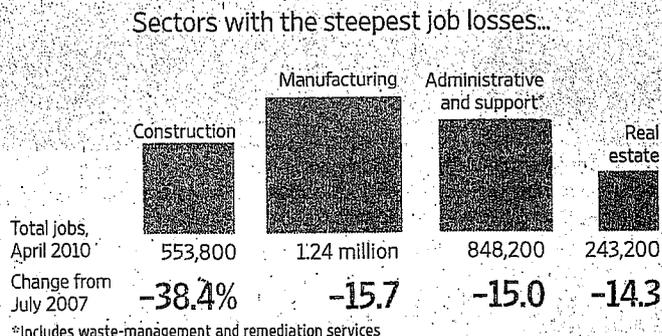
By contrast, as California enters recovery now, its big adjustment in housing is almost over, said Mr. Nickelsburg. He expects state employment and personal income growth to start outpacing the nation's as early as 2011.

California's median home price has increased year-over-year for each of the six months ended in April, according to MDA DataQuick. Home prices in San Francisco and San Diego also rose more quickly in the 12 months ended in March than in other cities nationwide, according to S&P/Case-Shiller.

Trade also is picking up at California's ports. At the Ports of Long Beach and Los Angeles, imports rose 11% and exports 21% in the first four months of the year, from a year earlier, said a Long Beach port spokesman.

Nationwide, "the strengths of this recovery are going to be in manufacturing, in health care, in technology—areas where California's strengths in fact lie," said Mr. Nickelsburg.

California's Jobs Tally During Its Downturn



PERMANENT / FULL TIME

LIST OF ESTABLISHED POSITIONS DATA AS OF: 6/9/10	
CLASS TITLE	COUNT
PRES ADM L J/UIAB	18
ADM LW J I/UIAB	136
ADM LW J II/UIAB	132
SUBTOTAL	286
A INFO SYS AN	6
A TO EXEC DIR	1
AS INFO SYS AN/SP	11
ASO GOVRL PROG ANL	13
ASO PERSONNEL ANLT	7
ASSOC BUS MNGT ANL	6
BUS SERV OFFCR III	1
BUS SVS O I/SP	5
BUS SVS O II/SP	3
BUSNS SVS A SP	1
C.E.A.	5
CHAIR	1
DATA PROC MGR II	2
DATA PROC MGR III	1
EXEC SEC I	1
EXEC SEC II	4
LBR REL SP	1
LEGAL SUPPRT SUP I	30
LEGAL SUPRT SUP II	16
LGL HRNG TYP/UIAB	5
MB CA UMP INS AP B	6
SUBTOTAL	126
MG SVS TECH	90
OF SER SUP I (TYP)	2
OFF ASST/TYPE	7
OFF TECH (TYPING)	80.5
PERSNL SP	6
PERSNL SUP I	1
PERSONNEL TECH I	1
PROG TECH III	15
RES ANLY I GENERAL	1
SPEC ASST	1
SR INFO SYS AN/SP	3
SR LEGAL TYPIST	82
SR PERSNL SP	1
SR PROG ANLYST/SP	5
ST INFO SYS AN/SP	5
ST PROG ANLYST/SP	1
STAFF SER AN (GEN)	4
STAFF SVS MANGER I	6
STAFF SVS MGR III	1
STF COUN III/SP	1
STF SVS MGR II/SUP	5
SYS SF SP I/TECH	1
SYS SFTW SP II/S	2
SYS SFTWR S II/TC	3
SUBTOTAL	324.5
TOTAL	736.5
VACANT POSITIONS	39.5
TOTAL	697

PERMANENT / INTERMITTENT

Count of PI AJS Data as of: 6/8/2010	
Class	Count
ADM LW J I	19
ADM LW J II	1
Total	20

Count of Support Staff Pis Data as of: 6/8/2010	
Class	Count
MG SVS TECH	6
OFF ASST/GENERAL	1
OFF ASST/TYPE	15
OFF TECH (TYPING)	48
SR LEGAL TYPIST	15
Total	85

NOTE: THIS REPORT DOES NOT INCLUDE TEMPORARY HELP



STATE OF CALIFORNIA - GOVERNOR ARNOLD SCHWARZENEGGER
LABOR AND WORKFORCE DEVELOPMENT AGENCY

CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
ADMINISTRATIVE SERVICES DIVISION

Current Exam List
 (June 9, 2010)

Classification	List Date	Number on list	Number hired
Administrative Law Judge II	5/8/08	3	24
Assistant Information Sys Analy	4/12/07	1	1
Assoc Business Mgmt Analyst	7/26/07	0	1
	7/1/08	1	0
AGPA	4/22/09	4	1
Assoc Personnel Analyst	2/8/07	0	2
Business Serv Officer I (Spec)	6/18/08	0	2
Business Serv Officer II (Spec)	2/9/10	2	0
Business Serv Officer III	9/20/07	0	1
Executive Secretary II	5/22/08	5	0
Legal Support Supervisor I And Spot 0110 (Alameda)	9/24/07	25	6
	6/18/08	4	1
Legal Support Supervisor II	9/25/07	22	3
Management Serv Technician	June 2010	64 competitors	
Office Technician (Typing)	(4/22/10)	38	0

Classification	List Date	Number on list	Number hired
Personnel Supervisor I	5/8/09	2	1
Presiding Admin Law Judge II	4/30/10	27	0
Program Technician III	(3/24/10)	46	0
SR Info Systems Analy (Spec)	4/29/08	5	2
SR Programmer Analy (Spec)	4/2/08	0	2
System Software Spec II (Tech)	4/2/08	3	1

Upcoming Exams

ALJ II (September)

Legal Support Supervisor I and II (September/October)

Executive Secretary II

Staff Services Analyst (General) – Transfer Exam

RELOCATION of CUIAB's PERSONNEL UNIT

On May 27th, Elbia Jue, Ed Springer, Doug Mattes, Pat Houston and DGS personnel viewed six buildings as a potential site to relocate the Personnel Unit. Of the six buildings, three were deemed to meet the program needs.

DGS is sending proposals to the three buildings to begin the negotiation process. DGS is aware of the immediate need to relocate staff. Follow up site reviews may be scheduled upon request.

The three facilities that best meet our program needs are listed below.

1. 2151 River Plaza Drive, Second Floor South, Sacramento, CA 95833

- Adjacent to Headquarters building, easily accessible for frequent Headquarters staff visits
- Space easily divided into Personnel Transactions unit and Personnel unit
- Minimal build-out required: Five ready-built offices, break area, conference room, and large open area for modular furniture installation
- Newer building, more compliant with general state building requirements and ADA requirements

2. 2520 Venture Oaks Way, Fourth Floor, Suite 430 and 440, Sacramento, CA 95833

- Within walking distance of Headquarters building, easily accessible for frequent Headquarters staff visits
- Space easily divided into Personnel Transactions unit and Personnel unit
- Newer building, more compliant with general state building requirements and ADA requirements

3. 2450 Venture Oaks Way, Suite 120, Sacramento, CA 95833

- Adjacent to Headquarters building, easily accessible for frequent Headquarters staff visits
- Space easily divided into Personnel Transactions unit and Personnel unit
- Newer building, more compliant with general state building requirements and ADA requirements

The three facilities that do not meet CUIAB's program needs are listed below:

1. 2379 Gateway Oaks Drive, Sacramento, CA 95833

- Not within walking distance of Headquarters, space 3,000 square feet larger than required.

2. 2500 Venture Oaks Way, Sacramento, CA 95833

- Space 2,000 square feet larger than required, difficult floor plan (e.g. curved window line) in which to design modular systems furniture

3. 2295 Gateway Oaks Drive, Sacramento, CA 95833

- Not within walking distance of Headquarters, space difficult to divide into Personnel Transactions area and Personnel area

Facilities Projects – Status Report – June 9th, 2010

Salinas (4 hearing rooms): Preconstruction meeting is Tuesday, June 15th. The completion date of construction is tentatively scheduled for mid-September.

Santa Cruz (3 hearing rooms): Completion date is June 15th. The contactor had to reorder the bullet resistant deal tray – may delay the completion to June 30th.

San Jose 1st Floor Reconfiguration (2 hearing rooms): The files will be moved out next week. Once the room is completely empty, the construction will commence – taking 6 weeks to complete.

San Jose 2nd Floor (6 hearing rooms): The plans are completed and Fire Marshal has signed off. The lease package will be sent to the lessor the week of June 14th for signature. Construction will be completed mid-September.

Murrieta (4 hearing rooms): Lease package is out to lessor for signature. Lease commencement date is August 1st. Lessor is expected to sign and return the lease this week.

Indio (2 hearing rooms): Completed.

SCRSU: Lease package will be sent to lessor this week. The lease commencement date is July 1st. Occupancy of the space will take place once the modular furniture is installed. Tentatively scheduled for week of July 7th.

Inland Remodel: Once SCRSU vacates the space, the remodel will commence. Allow 6 weeks for construction. Tentative occupancy of September 1st.

Inglewood Expansion (Suite 904) (3 hearing rooms): The lease package will be sent to the lessor for signature the week of June 14th. The lease commencement date is August 31.

Inglewood Change Order (Suite 901): The plan was submitted to the lessor on Tuesday, June 8, for costing.

Chula Vista (4 Hearing rooms): Lease package is expected to go out to the lessor on Monday (Friday is a furlough day). Form 6A will need to be resigned as there was an error in the rent calculations.

Van Nuys (6 hearing rooms): The preconstruction was May 18. The final inspection and completion is August 10th.

Visalia (3 hearing rooms): Lessor has the lease package but is stalling and not returning calls. RESD requested an in-person meeting with the lessor's representative to resolve any issues they may have.

Visalia Lease Extension: Lease extended to October 31st.

Oxnard (7 hearing rooms): Moved in over the weekend and hearing cases. There are issues with the telephones lines that IT is working addressing with Verizon and AT&T. (Voice over IP)

Santa Ana (5 hearing rooms): Facility is under construction with a completion and move in date of June 18th. There could be a two-week delay if the electric strikes do not arrive.

San Diego 2nd Floor (3 hearing rooms): Revised plan returned to RESD week of May 31st.

San Diego 1st and 3rd Floors (remodel & expansion) (11 hearing rooms): 3rd floor nearing completion. Modular reinstall this weekend and moving the support staff. The 1st floor is under construction. The completion date is July 2nd.

Orange County Remodel (1 hearing room): Floor plan approved and costed out by the lessor. Approved change order will be submitted to lessor the week of June 14th. (\$71,984)

LAOA 12th Floor (3 hearing rooms) : DGS is developing the Interagency Agreement on behalf of the Lieutenant Governor's Office.

San Francisco Lease Renewal/Extension: Business Services is developing the space action request. CRUISE will be submitted to Alberto and Bonnie the week of July 21 for review and approval. (Soft Term commences May 31, 2010).

Venture Oaks Personnel Relocation: Conducted a site search on May 27th of buildings in close proximity of the headquarters building. Three buildings were identified to meet the criteria. Proposals were sent to each building owner. Waiting for a response.