

LOS ANGELES COUNTY
ECONOMY AND EFFICIENCY COMMISSION

ROOM 163, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 974-1491

Dr. Robert J. Downey, Chairman
Anne S. Collins, Vice-Chairman

February 2, 1977

Honorable Board of Supervisors
Los Angeles County
383, Hall of Administration
Los Angeles, California 90012

Gentlemen:

RECOMMENDATIONS ON THE PREVAILING WAGE CLAUSE
AND THE AUTOMATIC SALARY STEP INCREASE PLAN

George E. Bodle
Catherine Graeffe Burke
John D. Byork
Margaret Paterson Carr
Dr. Mario Di Giovanni
Dr. Carolyn L. Ellner
Jerry Epstein
Douglas W Ferguson
Milton G. Gordon
Richard S. Gunther
Mary Jane Kidd
Leo A. Malich
Robert Ruchli, II
Luis A. Ruiz
Dr. Warren H. Schmidt
George Shellenberger
Gloria Starr
Larkin Teasley
Bryan Walker

Burke Roche
Executive Secretary
John Campbell
Staff Specialist
Maxlynn Larsen
Commission Secretary

Since salary negotiations are about to begin, we believe it is urgent that you give favorable consideration to our commission's recommendations directed toward controlling the County's salary costs.

In 1973, in our report on Civil Service and Collective Bargaining in Los Angeles County Government we recommended that you place a measure on the ballot to eliminate the prevailing wage clause from the County Charter. We repeated our recommendation in two reports on management and finances released in May and September, 1976.

We believe in an equitable collective bargaining system. The prevailing wage clause makes the County system inequitable. It does not restrict the unions from bargaining on an almost unlimited spectrum covering terms and conditions of employment but does restrict County management from bargaining freely on wages.

Therefore, we urge you to adopt a resolution now to place a measure eliminating the clause on the June, 1978, ballot. Obviously, this would not prohibit the County and the unions from negotiating prevailing wage standards in union agreements. In 1976, in our report on Eliminating Automatic Step Increases and Controlling Supervisory Costs in Los Angeles County Government, we recommended that you adopt a firm management objective to eliminate the County's automatic salary step increase plan. Because of the step plan 24,000 County employees received 25% pay increases over the last two years. Elimination of the plan would save \$10 million the first year, and \$20 million in subsequent years. The savings in the first year alone would be sufficient to finance 700 County positions. Feasible and less costly alternatives to the step plan exist. Several counties in California are making progress in eliminating or reforming step plans. Therefore, we repeat our recommendation that the process of eliminating the step plan should be initiated during budget planning and bargaining for fiscal year 1977-78 and continued in subsequent years until the present automatic system is entirely eliminated.

Sincerely,

ROBERT J. DOWNEY
Chairman

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