



California Public Utilities Commission

Regionalization Workshop

December 8, 2016, 10 a.m.

**Los Angeles CPUC Office Building Auditorium,
320 West 4th St., Los Angeles**

Agenda

- 10 – 10:30 a.m. **Welcome and Introductions**
- 10:30 a.m. – Noon: **Unions (employee unions representing CPUC staff)**
- Noon – 1 p.m.: **Lunch Break**
- 1 – 2 p.m.: **Interactive Discussion to answer questions above & more**

Background – The California Public Utilities Commission (CPUC) is currently headquartered in San Francisco with offices in Sacramento and Los Angeles. Senate Bill (SB) 840 directs the CPUC to report on options to locate operations and staff outside of the CPUC’s headquarters. It states the following:

- (a) *By March 31, 2017, the Public Utilities Commission shall report to the relevant policy and fiscal committees of the Legislature on options to locate operations and staff outside of the commission’s San Francisco headquarters. The report shall explore options for leveraging additional facilities in areas of the state, including Sacramento, that would allow the commission to collaborate with other state entities and provide staff more opportunities for training, career development, and exchange placements with other state entities. The report shall do both of the following:*
- (1) *Consider categories of operations in different offices.*
 - (2) *Analyze recruitment and retention, salary disparities by location based on duty statements, and costs associated with using locations outside of San Francisco with no, or minimal, disruption of current commission employees.*
- (b) *The commission shall conduct one or more public workshops to obtain suggestions, concerns, ideas, and comments from stakeholders and interested members of the public in furtherance of the purpose of the report.*



Pursuant to the bill the CPUC will hold three workshops to gather information from a broad group of participants including but not limited to the employee Unions representing CPUC staff. This is the third workshop, which follows workshops in Sacramento and [San Francisco](#). **The purpose of the workshop** is to listen, get feedback, and answer any questions. The report is not yet drafted.

In order to frame the discussions and have a productive meeting, we consider three scenarios as options to relocate CPUC operations and staff outside San Francisco headquarters. In the report that will be presented to the Legislators, these scenarios will be compared in terms of real-estate costs and other unquantifiable factors that concern employees and quality of the CPUC operations.

- *Scenario I (Larger Presence in Sacramento and Los Angeles):* CPUC will retain its current 505 Van Ness office location. Incremental office space needs and hiring will be met through expansion of Commission presence in Sacramento and Los Angeles.
- *Scenario II (Relocation):* CPUC will move most of its operations currently located in San Francisco to Sacramento or Los Angeles.
- *Scenario III (Regionalization):* CPUC will shift parts of its operations from San Francisco to Sacramento and Los Angeles. Shifts to Sacramento and Los Angeles will be based on the relationship of an office function and its interdependency to other control and/or sister agencies and regulated entities based in Sacramento and Los Angeles.

The real estate costs for 505 Van Ness location is \$1.87 per square foot while locations in downtown and/or Natomas or Elk Grove range from \$2.75 per square foot to \$4.25 per square foot in downtown Sacramento and that's because the 505 Van Ness facility is a state owned building that was built many years ago and anything new will have the latest rent and costs that are much higher.

In addition to comparing real estate costs, each scenario will be evaluated based on unquantifiable factors. For example, a relocation decision:



- Should help the CPUC improve key relationships with the executive and legislative branches of government by creating a larger presence in Sacramento.
- Should help the CPUC gain efficiencies by consolidating functions and/or offices together.
- Should help the CPUC recruit from a larger and more diverse labor pool in markets like Sacramento and Los Angeles.
- Should help CPUC employees deal with high cost of living in the Bar Area by creating opportunities in lower cost of living housing markets.
- Should help the CPUC recruit from a larger pool of public sector employees who have experience in government and/or energy sector and allow staff more opportunities for growth and promotion within other state agencies.
- Should help the CPUC better serve Southern California.
- Should help the CPUC with its outreach efforts to serve and inform the public more effectively.
- Must not cause any major disruption in CPUC's operations in terms of high turnover rates, low morale, and difficulty in retaining key staff.

Finally, we will evaluate the staff cost implications of each scenario based on the requirement of (2) above, which states: *Analyze recruitment and retention, salary disparities by location based on duty statement.* This analysis will be conducted by reviewing:

- The regional cost disparities of CPUC staff versus staff conducting comparable work in other State agencies (e.g. ARB, and CEC) in the proposed locations.

In this workshop, as in the other two we've held, we would like to hear from the stakeholders and interested members of the public on the following:

- Is there any other relocation option that should be considered in compliance with SB 840?
- What are the unquantifiable factors that have not been captured in the list above?
- What are the concerns, issues, ideas on each of the options outlined above and other options that might be suggested at the workshops?
- Taking into account the expenses that will be incurred and unquantifiable factors that concern the CPUC employees and operations, which option satisfies the intent of the relocation, as expressed in SB 840, in the best possible way?