

AMENDED IN ASSEMBLY MARCH 21, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1787

Introduced by Assembly Member Portantino

February 21, 2012

An act to add and repeal Section 18005 of the Government Code, relating to state employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1787, as amended, Portantino. State employment: salary freeze.

Existing law requires the Department of Personnel Administration to establish and adjust salary ranges for each class of position in the state civil service, subject to specified merit limits and except as specified. Existing law requires the salary range to be based on the principle that like salaries shall be paid for comparable duties and responsibilities. Existing law allows the state to enter into memoranda of understanding relating to employer-employee relations with employee organizations representing certain state employees.

This bill would, until January 1, 2015, prohibit a person employed by the state whose base salary on or after the effective date of the bill is greater than \$100,000 per year from receiving a salary increase while employed in the same position or classification. The bill would exempt from this prohibition a person whose compensation is governed by an operative memorandum of understanding, as described above, a person who has been exempted by executive order of the Governor, as specified, or a person whose salary is set pursuant to the California Constitution. *The bill would require that an amount equal to the savings to a state agency from not paying a salary increase pursuant to these provisions be credited each fiscal year to the General Fund and, upon*

appropriation by the Legislature, those moneys would be available for expenditure in connection with administering the AIDS Drug Assistance Program (ADAP) within the Office of AIDS in the State Department of Public Health. The bill would also authorize the Controller to reject a request for disbursement of funds that violates these provisions. The bill would make related legislative findings and declarations regarding the state budget deficit.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18005 is added to the Government Code,
 2 to read:
 3 18005. (a) The Legislature finds and declares all of the
 4 following:
 5 (1) For several years, the State of California has faced budget
 6 deficits requiring cuts and changes in priorities in order to fund
 7 state activities.
 8 (2) In recent years, the United States economy has been dealt
 9 severe blows due to the credit crisis and the housing market crisis,
 10 and their resulting effects upon the financial markets.
 11 (3) The ongoing structural deficit in state finances, complicated
 12 by worsening economic developments, has created a fiscal crisis
 13 in the governance of the state.
 14 (4) During the current economic recession, California has
 15 experienced a dramatic decline in revenues that has forced and is
 16 forcing severe cutbacks in spending on state services and programs.
 17 The state now faces a projected \$9–\$10 billion shortage.
 18 (5) The ~~2012–13~~ Budget Act *of 2012*, which must resolve a
 19 multibillion *dollar* shortage, is expected to include a series of taxes,
 20 cuts, and gimmicks triggered in part by the level of incoming
 21 federal dollars and the performance of the state’s economy.
 22 (6) Past fiscal year budgets have seen funding of state services
 23 being conducted with gimmicks and borrowing that has only further
 24 served to exacerbate our state government fiscal crisis. In addition,
 25 state borrowing through bond indebtedness has steadily increased
 26 over the past six years. California bond borrowing has gotten to
 27 the point where the debt load on the General Fund could, in the
 28 future, easily exceed 10 percent of the ~~State Budget~~ *state budget*

1 per year. The Legislature finds that those fiscal practices are not
2 sustainable and will only lead to further economic and fiscal crises.

3 (7) Freezing certain state salaries and bonuses will help alleviate
4 the budget shortfall currently facing the state.

5 (8) At a time when the California State University system is
6 raising student fees, it is imperative that the nearly 500 California
7 State University employees who make in excess of \$100,000 per
8 year lead by example and ~~forego~~ forgo raises or bonuses for a
9 period of 24 months.

10 (9) (A) At a time when the University of California Board of
11 Regents is raising student fees, it is imperative that ~~they~~ *it* show
12 leadership and fiscal responsibility for two years by not granting
13 raises or bonuses for employees that make in excess of \$100,000
14 per year.

15 (B) The Legislature urges the Regents of the University of
16 California and the Board of Directors of the Hastings College of
17 the Law to adopt the policy expressed in this section for individuals
18 employed by those entities.

19 (b) Except as provided in subdivision (c), a person employed
20 by the state whose base salary on or after the effective date of this
21 section is greater than one hundred thousand dollars (\$100,000)
22 per year shall not receive a salary increase or a bonus while
23 employed in the same position or classification.

24 (c) Subdivision (b) shall not apply to any of the following:

25 (1) A person whose base salary or other compensation is
26 governed by an operative memorandum of understanding entered
27 into pursuant to Chapter 10.3 (commencing with Section 3512) or
28 Chapter 12 (commencing with Section 3560) of Division 4 of Title
29 1, or pursuant to another collective bargaining agreement.

30 (2) A person employed in a classification that has been
31 designated by the Governor to be necessary for protecting the
32 safety and security of the people of California. The Governor shall
33 make such a designation only by an Executive order that lists the
34 name of each individual to whom the order applies, his or her job
35 classification, and the reason for exempting the individual from
36 the requirements of subdivision (a).

37 (3) A person whose salary is set pursuant to the California
38 Constitution.

39 (d) *An amount equal to the savings to a state agency from not*
40 *paying a salary increase pursuant to subdivision (b) shall be*

1 *credited each fiscal year to the General Fund and, upon*
2 *appropriation by the Legislature, shall be available for expenditure*
3 *in connection with administering the AIDS Drug Assistance*
4 *Program (ADAP) within the Office of AIDS in the State Department*
5 *of Public Health.*

6 ~~(d)~~

7 (e) For the purposes of this section, a “person employed by the
8 state” means a person employed by the executive, legislative, or
9 judicial branch of state government, an appointee to a state board
10 or commission, or a person employed by the California State
11 University system. A “person employed by the state” does not
12 include local trial court employees, as defined by subdivision (l)
13 of Section 71601.

14 ~~(e)~~

15 (f) The Controller may reject a request for a disbursement of
16 funds that violates this section.

17 ~~(f)~~

18 (g) This section shall not be enforced to the extent it is
19 preempted by federal law.

20 ~~(g)~~

21 (h) This section shall remain in effect only until January 1, 2015,
22 and as of that date is repealed, unless a later enacted statute, that
23 is enacted before January 1, 2015, deletes or extends that date.