

AMENDED IN SENATE AUGUST 28, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 478**

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**Introduced by Assembly ~~Member Gomez~~ Members Gomez and  
Rendon  
(Coauthor: Assembly Member Bonta)  
(Coauthor: Senator Galgiani)**

February 19, 2013

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*An act to amend Section 22871.8 of, and to add Sections 12440.3, 12440.4, and 12440.5 to, the Government Code, relating to state employees: employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 478, as amended, Gomez. State employees: memorandum of understanding.

Existing law provides that a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions of ~~a memorandum~~ memoranda of understanding entered into between the state employer and ~~State Bargaining Unit 19, Health and Social Services Professional, California Correctional Peace Officer Association, State Bargaining Unit 6; California State Law Enforcement Association, State Bargaining Unit 7; International Union of Operating Engineers, State Bargaining Unit 12; Union of American Physicians and Dentists, State Bargaining Unit 16; California Association of Psychiatric Technicians, State Bargaining~~

*Unit 18; and American Federation of State, County, and Municipal Employees (AFSCME), and State Bargaining Unit 19, that require the expenditure of funds, and would provide that these provisions will become effective even if these provisions are approved by the Legislature in legislation other than the annual Budget Act.*

The bill would provide that provisions of the memorandum of understanding approved by this bill that require the expenditure of funds will not take effect unless funds for those provisions are specifically appropriated by the Legislature, and would require the state employer and the affected employee organization to meet and confer to renegotiate the affected provisions if funds for those provisions are not specifically appropriated by the Legislature.

*The bill would appropriate funds for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation, as provided in the Budget Act of 2013, in accordance with a specified schedule, from the General Fund, unallocated special funds, and other unallocated nongovernmental cost funds. The bill would also appropriate to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, in the amount necessary for the payment of compensation and employee benefits to state employees for work performed between July 1 and the enactment of the Budget Act in the 2014–15, 2015–16, and 2016–17 fiscal years if the Budget Act is not enacted on or before July 1 in those fiscal years.*

*Existing law provides that the employer contribution for each employee in State Bargaining Units 16 and 19 shall be an amount equal to 85% of the weighted average of the basic health benefit plan premium for an active state civil service employee, as specified.*

*This bill would instead provide that, beginning January 1, 2007, the employer contribution for each employee shall be an amount equal to 80% of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, as specified.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares that the  
2 purpose of this act is to approve an agreement pursuant to Section  
3 3517.5 of the Government Code entered into by the state employer  
4 and State Bargaining Unit Units 6, 7, 12, 16, 18, and 19.

5 SEC. 2. The provisions of the memorandum of understanding  
6 prepared pursuant to Section 3517.5 of the Government Code and  
7 entered into by the state employer and ~~State Bargaining Unit 19~~  
8 *California Correctional Peace Officer Association, State*  
9 *Bargaining Unit 6, on August 20, 2013; California State Law*  
10 *Enforcement Association, State Bargaining Unit 7, on August 25,*  
11 *2013; International Union of Operating Engineers, State*  
12 *Bargaining Unit 12, on August 9, 2013; Union of American*  
13 *Physicians and Dentists, State Bargaining Unit 16, on July 18,*  
14 *2013; California Association of Psychiatric Technicians, State*  
15 *Bargaining Unit 18, on July 9, 2013; and American Federation*  
16 *of State, County, and Municipal Employees (AFSCME), State*  
17 *Bargaining Unit 19, on August 7, 2013, that require the expenditure*  
18 *of funds are hereby approved for the purposes of subdivision (b)*  
19 *of Section 3517.6 of the Government Code.*

20 SEC. 3. The provisions of the ~~memorandum~~ *memoranda* of  
21 *understanding approved by in Section 2 of this act that are*  
22 *scheduled to take effect on or after July 1, 2013, and that require*  
23 *the expenditure of funds funds, shall not take effect unless funds*  
24 *for these those provisions are specifically appropriated by the*  
25 *Legislature. If funds for these provisions are not specifically*  
26 *appropriated by the Legislature, the state employer and the affected*  
27 *employee organization shall meet and confer to renegotiate the*  
28 *affected provisions. the Legislature does not approve or fully fund*  
29 *any provision of a memorandum of understanding approved in*  
30 *Section 2 of this act that requires the expenditure of funds, either*  
31 *party to the memorandum may reopen negotiations on all or part*  
32 *of the memorandum of understanding.*

33 SEC. 4. Notwithstanding Section 3517.6 of the Government  
34 Code, the provisions of the memorandum of understanding  
35 ~~included~~ *approved* in Section 2 that require the expenditure of  
36 funds shall become effective even if the provisions of the  
37 memorandum of understanding are approved by the Legislature  
38 in legislation other than the annual Budget Act.

1     *SEC. 5. (a) The sum of fourteen million eight hundred*  
2 *forty-nine thousand dollars (\$14,849,000) is hereby appropriated*  
3 *for State Bargaining Unit 6 for expenditure in the 2013–14 fiscal*  
4 *year in augmentation of, and for the purpose of, state employee*  
5 *compensation, as provided in items 9800-001-0001,*  
6 *9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget*  
7 *Act of 2013 (Chapter 20 of the Statutes of 2013) in accordance*  
8 *with the following schedule:*

9     *(1) Fourteen million seven hundred forty-six thousand dollars*  
10 *(\$14,746,000) from the General Fund in augmentation of Item*  
11 *9800-001-0001.*

12     *(2) Sixty-nine thousand dollars (\$69,000) from unallocated*  
13 *special funds in augmentation of Item 9800-001-0494.*

14     *(3) Thirty-four thousand dollars (\$34,000) from other*  
15 *unallocated nongovernmental cost funds in augmentation of Item*  
16 *9800-001-0988.*

17     *(b) The sum of one million eighty-four thousand dollars*  
18 *(\$1,084,000) is hereby appropriated for State Bargaining Unit 7*  
19 *for expenditure in the 2013–14 fiscal year in augmentation of, and*  
20 *for the purpose of, state employee compensation, as provided in*  
21 *items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of*  
22 *Section 2.0 of the Budget Act of 2013 (Chapter 20 of the Statutes*  
23 *of 2013) in accordance with the following schedule:*

24     *(1) Three hundred twenty thousand dollars (\$320,000) from the*  
25 *General Fund in augmentation of Item 9800-001-0001.*

26     *(2) Five hundred twelve thousand dollars (\$512,000) from*  
27 *unallocated special funds in augmentation of Item 9800-001-0494.*

28     *(3) Two hundred fifty-two thousand dollars (\$252,000) from*  
29 *other unallocated nongovernmental cost funds in augmentation*  
30 *of item 9800-001-0988.*

31     *(c) The sum of one million five hundred ninety-seven thousand*  
32 *dollars (\$1,597,000) is hereby appropriated for State Bargaining*  
33 *Unit 12 for expenditure in the 2013–14 fiscal year in augmentation*  
34 *of, and for the purpose of, state employee compensation as*  
35 *provided in items 9800-001-0001, 9800-001-0494, and*  
36 *9800-001-0988 of Section 2.0 of the Budget Act of 2013 (Chapter*  
37 *20 of the Statutes of 2013) in accordance with the following*  
38 *schedule:*

39     *(1) Five hundred sixteen thousand dollars (\$516,000) from the*  
40 *General Fund in augmentation of Item 9800-001-0001.*

1 (2) Seven hundred twenty-four thousand dollars (\$724,000)  
2 from unallocated special funds in augmentation of Item  
3 9800-001-0494.

4 (3) Three hundred fifty-seven thousand dollars (\$357,000) from  
5 other unallocated nongovernmental cost funds in augmentation  
6 of Item 9800-001-0988.

7 (d) The sum of one million five thousand dollars (\$1,005,000)  
8 is hereby appropriated for State Bargaining Unit 18 for  
9 expenditure in the 2013–14 fiscal year in augmentation of, and  
10 for the purpose of, state employee compensation as provided in  
11 items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of  
12 Section 2.0 of the Budget Act of 2013 (Chapter 20 of the Statutes  
13 of 2013) in accordance with the following schedule:

14 (1) Nine hundred twenty-four thousand dollars (\$924,000) from  
15 the General Fund in augmentation of Item 9800-001-0001.

16 (2) Fifty-four thousand (\$54,000) from unallocated special funds  
17 in augmentation of Item 9800-001-0494.

18 (3) Twenty-seven thousand dollars (\$27,000) from other  
19 unallocated nongovernmental cost funds in augmentation of Item  
20 9800-001-0988.

21 (e) The sum of three thousand dollars (\$3,000) is hereby  
22 appropriated for State Bargaining Unit 19 for expenditure in the  
23 2013–14 fiscal year in augmentation of, and for the purpose of,  
24 state employee compensation as provided in items 9800-001-0001,  
25 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget  
26 Act of 2013, (Chapter 20 of the Statutes of 2013) in accordance  
27 with the following schedule:

28 (1) Three thousand dollars (\$3,000) from the General Fund in  
29 augmentation of Item 9800-001-0001.

30 (2) Zero dollars (\$0) from unallocated special funds in  
31 augmentation of Item 9800-001-0494.

32 (3) Zero dollars (\$0) from other unallocated nongovernmental  
33 cost funds in augmentation of Item 9800-001-0988.

34 SEC. 6. Section 12440.3 is added to the Government Code, to  
35 read:

36 12440.3. (a) Notwithstanding Section 13340, for the 2014–15  
37 fiscal year, if the Budget Act of 2014 is not enacted on or before  
38 July 1, 2014, for the memoranda of understanding entered into  
39 between the state employer and State Bargaining Units 7, 16, 18,  
40 and 19 (effective July 1, 2013, to July 1, 2016, inclusive) and State

1 *Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015,*  
2 *inclusive), there is hereby continuously appropriated to the*  
3 *Controller from the General Fund, unallocated special funds,*  
4 *including, but not limited to, federal funds and unallocated*  
5 *nongovernmental cost funds, and any other fund from which state*  
6 *employees are compensated, the amount necessary for the payment*  
7 *of compensation and employee benefits to state employees covered*  
8 *by the above memoranda of understanding until the Budget Act of*  
9 *2014 is enacted. The Controller may expend an amount no greater*  
10 *than necessary to enable the Controller to compensate state*  
11 *employees covered by the above memoranda of understanding for*  
12 *work performed between July 1, 2014, of the 2014–15 fiscal year,*  
13 *and the enactment of the Budget Act of 2014.*

14 *(b) If the memoranda of understanding entered into between*  
15 *the state employer and State Bargaining Units 7, 16, 18, and 19*  
16 *(effective July 1, 2013, to July 1, 2016, inclusive) and State*  
17 *Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015,*  
18 *inclusive) are in effect and approved by the Legislature, the*  
19 *compensation and contribution for employee benefits for state*  
20 *employees represented by these bargaining units shall be at a rate*  
21 *consistent with the applicable memorandum of understanding*  
22 *referenced above.*

23 *(c) Expenditures related to any warrant drawn pursuant to*  
24 *subdivision (a) are not augmentations to the expenditure authority*  
25 *of a department. Upon the enactment of the Budget Act of 2014,*  
26 *these expenditures shall be subsumed by the expenditure authority*  
27 *approved in the Budget Act of 2014 for each affected department.*

28 *(d) This section shall only apply to an employee covered by the*  
29 *terms of State Bargaining Units 7, 16, 18, and 19 (effective July*  
30 *1, 2013, to July 1, 2016, inclusive) and State Bargaining Units 6*  
31 *and 12 (effective July 1, 2013, to July 1, 2015, inclusive)*  
32 *memoranda of understanding. Notwithstanding Section 3517.8,*  
33 *this section shall not apply after the term of the memoranda of*  
34 *understanding have expired. For purposes of this section, the*  
35 *memoranda of understanding for State Bargaining Units 7, 16,*  
36 *18, and 19 expire on July 1, 2016, and the memoranda of*  
37 *understanding for State Bargaining Units 6 and 12 expire on July*  
38 *1, 2015.*

39 *SEC. 7. Section 12440.4 is added to the Government Code, to*  
40 *read:*

1 12440.4. (a) Notwithstanding Section 13340, for the 2015–16  
2 fiscal year, if the Budget Act of 2015 is not enacted on or before  
3 July 1, 2015, for the memoranda of understanding entered into  
4 between the state employer and State Bargaining Units 7, 16, 18,  
5 and 19 (effective July 1, 2013, to July 1, 2016, inclusive) and State  
6 Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015,  
7 inclusive), there is hereby continuously appropriated to the  
8 Controller from the General Fund, unallocated special funds,  
9 including, but not limited to, federal funds and unallocated  
10 nongovernmental cost funds, and any other fund from which state  
11 employees are compensated, the amount necessary for the payment  
12 of compensation and employee benefits to state employees covered  
13 by the above memoranda of understanding until the Budget Act of  
14 2015 is enacted. The Controller may expend an amount no greater  
15 than necessary to enable the Controller to compensate state  
16 employees covered by the above memoranda of understanding for  
17 work performed between July 1, 2015, of the 2015–16 fiscal year,  
18 and the enactment of the Budget Act of 2015.

19 (b) If the memoranda of understanding entered into between  
20 the state employer and State Bargaining Units 7, 16, 18, and 19  
21 (effective July 1, 2013, to July 1, 2016, inclusive) and State  
22 Bargaining Units 6 and 12 (effective July 1, 2013, to July 1, 2015,  
23 inclusive) are in effect and approved by the Legislature, the  
24 compensation and contribution for employee benefits for state  
25 employees represented by these bargaining units shall be at a rate  
26 consistent with the applicable memorandum of understanding  
27 referenced above.

28 (c) Expenditures related to any warrant drawn pursuant to  
29 subdivision (a) are not augmentations to the expenditure authority  
30 of a department. Upon the enactment of the Budget Act of 2015,  
31 these expenditures shall be subsumed by the expenditure authority  
32 approved in the Budget Act of 2015 for each affected department.

33 (d) This section shall only apply to an employee covered by the  
34 terms of State Bargaining Units 7, 16, 18, and 19 (effective July  
35 1, 2013, to July 1, 2016, inclusive) and State Bargaining Units 6  
36 and 12 (effective July 1, 2013, to July 1, 2016, inclusive)  
37 memoranda of understanding. Notwithstanding Section 3517.8,  
38 this section shall not apply after the term of the memoranda of  
39 understanding have applied. For purposes of this section, the  
40 memoranda of understanding have expired. For purposes of this

1 *section, the memoranda of understanding for State Bargaining*  
2 *Units 7, 16, 18, and 19 expire on July 1, 2016, and the memoranda*  
3 *of understanding for State Bargaining Units 6 and 12 expire on*  
4 *July 1, 2015.*

5 *SEC. 8. Section 12440.5 is added to the Government Code, to*  
6 *read:*

7 *12440.5. (a) Notwithstanding Section 13340, for the 2016–17*  
8 *fiscal year, if the Budget Act of 2016 is not enacted on or before*  
9 *July 1, 2016, for the memoranda of understanding entered into*  
10 *between the state employer and State Bargaining Units 7, 16, 18,*  
11 *and 19 (effective July 1, 2013, to July 1, 2016, inclusive), there is*  
12 *hereby continuously appropriated to the Controller from the*  
13 *General Fund, unallocated special funds, including, but not limited*  
14 *to, federal funds and unallocated nongovernmental cost funds,*  
15 *and any other fund from which state employees are compensated,*  
16 *the amount necessary for the payment of compensation and*  
17 *employee benefits to state employees covered by the above*  
18 *memoranda of understanding until the Budget Act of 2016 is*  
19 *enacted. The Controller may expend an amount no greater than*  
20 *necessary to enable the Controller to compensate state employees*  
21 *covered by the above memoranda of understanding for work*  
22 *performed between July 1, 2016, of the 2016–17 fiscal year and*  
23 *the enactment of the Budget Act of 2016.*

24 *(b) If the memoranda of understanding entered into between*  
25 *the state employer and State Bargaining Units 7, 16, 18, and 19*  
26 *(effective July 1, 2013, to July 1, 2016, inclusive) are in effect and*  
27 *approved by the Legislature, the compensation and contribution*  
28 *for employee benefits for state employees represented by these*  
29 *bargaining units shall be at a rate consistent with the applicable*  
30 *memorandum of understanding referenced above.*

31 *(c) Expenditures related to any warrant drawn pursuant to*  
32 *subdivision (a) are not augmentations to the expenditure authority*  
33 *of a department. Upon the enactment of the Budget Act of 2016,*  
34 *these expenditures shall be subsumed by the expenditure authority*  
35 *approved in the Budget Act of 2016 for each affected department.*

36 *(d) This section shall only apply to an employee covered by the*  
37 *terms of the State Bargaining Units 7, 16, 18, and 19 (effective*  
38 *July 1, 2013, to July 1, 2016, inclusive) memoranda of*  
39 *understanding. Notwithstanding Section 3517.8, this section shall*  
40 *not apply after the term of the memoranda of understanding have*

1 *expired. For purposes of this section, the memoranda of*  
2 *understanding for State Bargaining Units 7, 16, 18, and 19 expire*  
3 *on July 1, 2016.*

4 *SEC. 9. Section 22871.8 of the Government Code is amended*  
5 *to read:*

6 22871.8. (a) Notwithstanding Section 22871, subdivision (b)  
7 of Section 22871.5, or any other provision of this article, the  
8 employer contribution with respect to employees in State  
9 Bargaining Units 16 and 19 shall be as described in subdivision  
10 (b).

11 (b) (1) From January 1, 2004, to December 31, 2005, inclusive,  
12 the employer contribution for each employee shall be an amount  
13 equal to 80 percent of the weighted average of the basic health  
14 benefit plan premiums for an active state civil service employee  
15 enrolled for self alone, during the benefit year to which the formula  
16 is applied, for the four basic health benefit plans that had the largest  
17 active state civil service enrollment, excluding family members,  
18 during the previous benefit year. For each employee with enrolled  
19 family members, the employer shall contribute an additional 80  
20 percent of the weighted average of the additional premiums  
21 required for enrollment of those family members, during the benefit  
22 year to which the formula is applied, in the four basic health benefit  
23 plans that had the largest active state civil service enrollment,  
24 excluding family members, during the previous benefit year.

25 (2) Beginning January 1, 2006, the employer contribution for  
26 each employee shall be an amount equal to 85 percent of the  
27 weighted average of the basic health benefit plan premium for an  
28 active state civil service employee enrolled for self alone, during  
29 the benefit year to which the formula is applied, for the four basic  
30 health benefit plans that had the largest active state civil service  
31 enrollment, excluding family members, during the previous benefit  
32 year. For each employee with enrolled family members, the  
33 employer shall contribute an additional 80 percent of the weighted  
34 average of the additional premiums required for enrollment of  
35 those family members, during the benefit year to which the formula  
36 is applied, in the four basic health benefit plans that had the largest  
37 active state civil service enrollment, excluding family members,  
38 during the previous benefit year.

39 (3) *Beginning January 1, 2007, the employer contribution for*  
40 *each employee shall be an amount equal to 80 percent of the*

1 *weighted average of the basic health benefit plan premium for an*  
 2 *active state civil service employee enrolled for self alone, during*  
 3 *the benefit year to which the formula is applied, for the four basic*  
 4 *health benefit plans that had the largest active state civil service*  
 5 *enrollment, excluding family members, during the previous benefit*  
 6 *year. For each employee with enrolled family members, the*  
 7 *employer shall contribute an additional 80 percent of the weighted*  
 8 *average of the additional premiums required for enrollment of*  
 9 *those family members, during the benefit year to which the formula*  
 10 *is applied, in the four basic health benefit plans that had the largest*  
 11 *active state civil service enrollment, excluding family members,*  
 12 *during the previous benefit year.*

13 (c) The employer contribution provided under this section is  
 14 not applicable unless and until the effective date of the employee’s  
 15 enrollment in an approved health benefit plan.

16 (d) If the provisions of this section are in conflict with the  
 17 provisions of a memorandum of understanding reached pursuant  
 18 to Section 3517.5 or Chapter 12 (commencing with Section 3560)  
 19 of Division 4 of Title 1, the memorandum of understanding shall  
 20 be controlling without further legislative action, except that if those  
 21 provisions require the expenditure of funds, the provisions may  
 22 not become effective unless approved by the Legislature.

23 *SEC. 10. This act is an urgency statute necessary for the*  
 24 *immediate preservation of the public peace, health, or safety within*  
 25 *the meaning of Article IV of the Constitution and shall go into*  
 26 *immediate effect. The facts constituting the necessity are:*

27 *In order for the provisions of this act to be applicable as soon*  
 28 *as possible in the 2013–14 fiscal year and thereby facilitate the*  
 29 *orderly administration of state government at the earliest possible*  
 30 *time, it is necessary for this act to take effect immediately.*