

AMENDED IN ASSEMBLY JUNE 20, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1377

Introduced by Committee on Public Employees, Retirement and Social Security (Bonta (Chair), Jones-Sawyer, Mullin, Rendon, and Wieckowski)

February 26, 2013

An act to add Sections 19829.981, 19829.982, and 19829.983 to the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1377, as amended, Committee on Public Employees, Retirement and Social Security. ~~Committee on Public Employees, Retirement and Social Security:~~ *state* ~~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 of understanding entered into between the state employer and ~~an unspecified~~ *specified* bargaining ~~unit~~ *units for the 2013–14, 2014–15, and 2015–16 fiscal years* that require the expenditure of ~~funds, and funds.~~ *The bill* 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~~ *authorize* the state employer and the affected employee organization to ~~meet and confer to renegotiate the affected provisions~~ *reopen negotiations on all or part of the memorandum of understanding* if funds for those provisions are not specifically appropriated by the Legislature.

The bill also would appropriate \$1,351,000 for expenditure in the 2013–14 fiscal year for state employee compensation, as prescribed.

If a Budget Act is not enacted July 1 of each year covered by the memorandum of understanding for specified bargaining units, the bill would continuously appropriate to the Controller unspecified amounts as necessary for the payment of compensation and employee benefits until the Budget Act is enacted for the 2013–14, 2014–15, and 2015–16 fiscal years and would require these expenditures to be subsumed by the eventual expenditure authority approved for each fiscal year.

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

Vote: $\frac{2}{3}$. 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~~ *the provisions of*
3 *agreements* pursuant to Section 3517.5 of the Government Code
4 entered into by the state employer and State Bargaining Unit _____
5 *Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 that require the expenditure*
6 *of funds.*

7 SEC. 2. The provisions of the memorandum of understanding
8 prepared pursuant to Section 3517.5 of the Government Code and
9 entered into by the state employer and *Service Employees*
10 *International Union, State Bargaining Unit _____, dated _____, and*
11 *Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, on June 11, 2013, and*
12 *that require the expenditure of funds, are hereby approved for the*
13 *purposes of subdivision (b) of Section 3517.6 of the Government*
14 *Code.*

15 SEC. 3. The provisions of the memorandum of understanding
16 approved by Section 2 of this act that *are scheduled to take effect*
17 *on or after July 1, 2013, and that require the expenditure of funds*
18 *funds, shall not take effect unless funds for these provisions are*

1 specifically appropriated by the Legislature. If funds for these
2 provisions are not specifically appropriated by the Legislature, the
3 state employer and the affected employee organization shall meet
4 and confer to renegotiate the affected provisions *the Legislature*
5 *does not approve or fully fund any provision of the memorandum*
6 *of understanding that requires the expenditure of funds, either*
7 *party may reopen negotiations on all or part of the memorandum*
8 *of understanding.*

9 SEC. 4. Notwithstanding Section 3517.6 of the Government
10 Code, the provisions of ~~the~~ *any* memorandum of understanding
11 ~~included in Section 2~~ that require the expenditure of funds shall
12 become effective even if the provisions of the memorandum of
13 understanding are approved by the Legislature in legislation other
14 than the annual Budget Act.

15 SEC. 5. *Section 19829.981 is added to the Government Code,*
16 *immediately following Section 19829.98, to read:*

17 *19829.981. (a) Notwithstanding Section 13340, for the*
18 *2013–14 fiscal year, if the 2013–14 Budget Act is not enacted by*
19 *July 1, 2013, for the memoranda of understanding entered into*
20 *between the state employer and State Bargaining Unit 1 (effective*
21 *July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3*
22 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
23 *Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State*
24 *Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016,*
25 *inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July*
26 *1, 2016, inclusive), State Bargaining Unit 15 (effective July 2,*
27 *2013, to July 1, 2016, inclusive), State Bargaining Unit 17*
28 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
29 *Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and*
30 *State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,*
31 *inclusive), there is hereby continuously appropriated to the*
32 *Controller from the General Fund, unallocated special funds,*
33 *including, but not limited to, federal funds and unallocated*
34 *nongovernmental cost funds, and any other fund from which state*
35 *employees are compensated, the amount necessary for the payment*
36 *of compensation and employee benefits to state employees covered*
37 *by the above memoranda of understanding until the 2013–14*
38 *Budget Act is enacted. The Controller may expend an amount no*
39 *greater than necessary to enable the Controller to compensate*
40 *state employees covered by the above memoranda of understanding*

1 for work performed between July 1, 2013, of the 2013–14 fiscal
2 year and the enactment of the 2013–14 Budget Act.

3 (b) If the memoranda of understanding entered into between
4 the state employer and State Bargaining Unit 1 (effective July 2,
5 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective
6 July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4
7 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
8 Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State
9 Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016,
10 inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July
11 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2,
12 2013, to July 1, 2016, inclusive), State Bargaining Unit 20
13 (effective July 2, 2013, to July 1, 2016, inclusive), and State
14 Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,
15 inclusive), are in effect and approved by the Legislature, the
16 compensation and contribution for employee benefits for state
17 employees represented by these bargaining units shall be at a rate
18 consistent with the applicable memorandum of understanding
19 referenced above.

20 (c) Expenditures related to any warrant drawn pursuant to
21 subdivision (a) are not augmentations to the expenditure authority
22 of a department. Upon the enactment of the 2013–14 Budget Act,
23 these expenditures shall be subsumed by the expenditure authority
24 approved in the 2013–14 Budget Act for each affected department.

25 (d) This section shall only apply to an employee covered by the
26 terms of the State Bargaining Unit 1 (effective July 2, 2013, to July
27 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013,
28 to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July
29 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11
30 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
31 Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State
32 Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016,
33 inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July
34 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2,
35 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21
36 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of
37 understanding. Notwithstanding Section 3517.8, this section shall
38 not apply after the term of the memorandum of understanding has
39 expired. For purposes of this section, the memorandum of
40 understanding for State Bargaining Unit 1 expires on July 1, 2016,

1 *the memorandum of understanding for State Bargaining Unit 3*
2 *expires on July 1, 2016, the memorandum of understanding for*
3 *State Bargaining Unit 4 expires on July 1, 2016, the memorandum*
4 *of understanding for State Bargaining Unit 11 expires on July 1,*
5 *2016, the memorandum of understanding for State Bargaining*
6 *Unit 14 expires on July 1, 2016, the memorandum of understanding*
7 *for State Bargaining Unit 15 expires on July 1, 2016, the*
8 *memorandum of understanding for State Bargaining Unit 17*
9 *expires on July 1, 2016, the memorandum of understanding for*
10 *State Bargaining Unit 20 expires on July 1, 2016, and the*
11 *memorandum of understanding for State Bargaining Unit 21*
12 *expires on July 1, 2016.*

13 *SEC. 6. Section 19829.982 is added to the Government Code,*
14 *to read:*

15 *19829.982. (a) Notwithstanding Section 13340, for the*
16 *2014–15 fiscal year, if the 2014–15 Budget Act is not enacted by*
17 *July 1, 2014, for the memoranda of understanding entered into*
18 *between the state employer and State Bargaining Unit 1 (effective*
19 *July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3*
20 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
21 *Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State*
22 *Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016,*
23 *inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July*
24 *1, 2016, inclusive), State Bargaining Unit 15 (effective July 2,*
25 *2013, to July 1, 2016, inclusive), State Bargaining Unit 17*
26 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
27 *Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and*
28 *State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,*
29 *inclusive), there is hereby continuously appropriated to the*
30 *Controller from the General Fund, unallocated special funds,*
31 *including, but not limited to, federal funds and unallocated*
32 *nongovernmental cost funds, and any other fund from which state*
33 *employees are compensated, the amount necessary for the payment*
34 *of compensation and employee benefits to state employees covered*
35 *by the above memoranda of understanding until the 2014–15*
36 *Budget Act is enacted. The Controller may expend an amount no*
37 *greater than necessary to enable the Controller to compensate*
38 *state employees covered by the above memoranda of understanding*
39 *for work performed between July 1, 2014, of the 2014–15 fiscal*
40 *year and the enactment of the 2014–15 Budget Act.*

1 (b) If the memoranda of understanding entered into between
2 the state employer and State Bargaining Unit 1 (effective July 2,
3 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective
4 July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4
5 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
6 Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State
7 Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016,
8 inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July
9 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2,
10 2013, to July 1, 2016, inclusive), State Bargaining Unit 20
11 (effective July 2, 2013, to July 1, 2016, inclusive), and State
12 Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,
13 inclusive), are in effect and approved by the Legislature, the
14 compensation and contribution for employee benefits for state
15 employees represented by these bargaining units shall be at a rate
16 consistent with the applicable memorandum of understanding
17 referenced above.

18 (c) Expenditures related to any warrant drawn pursuant to
19 subdivision (a) are not augmentations to the expenditure authority
20 of a department. Upon the enactment of the 2014–15 Budget Act,
21 these expenditures shall be subsumed by the expenditure authority
22 approved in the 2014–15 Budget Act for each affected department.

23 (d) This section shall only apply to an employee covered by the
24 terms of the State Bargaining Unit 1 (effective July 2, 2013, to July
25 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013,
26 to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July
27 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11
28 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
29 Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State
30 Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016,
31 inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July
32 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2,
33 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21
34 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of
35 understanding. Notwithstanding Section 3517.8, this section shall
36 not apply after the term of the memorandum of understanding has
37 expired. For purposes of this section, the memorandum of
38 understanding for State Bargaining Unit 1 expires on July 1, 2016,
39 the memorandum of understanding for State Bargaining Unit 3
40 expires on July 1, 2016, the memorandum of understanding for

1 *State Bargaining Unit 4 expires on July 1, 2016, the memorandum*
2 *of understanding for State Bargaining Unit 11 expires on July 1,*
3 *2016, the memorandum of understanding for State Bargaining*
4 *Unit 14 expires on July 1, 2016, the memorandum of understanding*
5 *for State Bargaining Unit 15 expires on July 1, 2016, the*
6 *memorandum of understanding for State Bargaining Unit 17*
7 *expires on July 1, 2016, the memorandum of understanding for*
8 *State Bargaining Unit 20 expires on July 1, 2016, and the*
9 *memorandum of understanding for State Bargaining Unit 21*
10 *expires on July 1, 2016.*

11 *SEC. 7. Section 19829.983 is added to the Government Code,*
12 *to read:*

13 *19829.983. (a) Notwithstanding Section 13340, for the*
14 *2015–16 fiscal year, if the 2015–16 Budget Act is not enacted by*
15 *July 1, 2015, for the memoranda of understanding entered into*
16 *between the state employer and State Bargaining Unit 1 (effective*
17 *July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3*
18 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
19 *Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State*
20 *Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016,*
21 *inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July*
22 *1, 2016, inclusive), State Bargaining Unit 15 (effective July 2,*
23 *2013, to July 1, 2016, inclusive), State Bargaining Unit 17*
24 *(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining*
25 *Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and*
26 *State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,*
27 *inclusive), there is hereby continuously appropriated to the*
28 *Controller from the General Fund, unallocated special funds,*
29 *including, but not limited to, federal funds and unallocated*
30 *nongovernmental cost funds, and any other fund from which state*
31 *employees are compensated, the amount necessary for the payment*
32 *of compensation and employee benefits to state employees covered*
33 *by the above memoranda of understanding until the 2015–16*
34 *Budget Act is enacted. The Controller may expend an amount no*
35 *greater than necessary to enable the Controller to compensate*
36 *state employees covered by the above memoranda of understanding*
37 *for work performed between July 1, 2015, of the 2015–16 fiscal*
38 *year and the enactment of the 2015–16 Budget Act.*

39 *(b) If the memoranda of understanding entered into between*
40 *the state employer and State Bargaining Unit 1 (effective July 2,*

1 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective
2 July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4
3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
4 Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State
5 Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016,
6 inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July
7 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2,
8 2013, to July 1, 2016, inclusive), State Bargaining Unit 20
9 (effective July 2, 2013, to July 1, 2016, inclusive), and State
10 Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016,
11 inclusive), are in effect and approved by the Legislature, the
12 compensation and contribution for employee benefits for state
13 employees represented by these bargaining units shall be at a rate
14 consistent with the applicable memorandum of understanding
15 referenced above.

16 (c) Expenditures related to any warrant drawn pursuant to
17 subdivision (a) are not augmentations to the expenditure authority
18 of a department. Upon the enactment of the 2015–16 Budget Act,
19 these expenditures shall be subsumed by the expenditure authority
20 approved in the 2015–16 Budget Act for each affected department.

21 (d) This section shall only apply to an employee covered by the
22 terms of the State Bargaining Unit 1 (effective July 2, 2013, to July
23 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013,
24 to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July
25 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11
26 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining
27 Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State
28 Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016,
29 inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July
30 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2,
31 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21
32 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of
33 understanding. Notwithstanding Section 3517.8, this section shall
34 not apply after the term of the memorandum of understanding has
35 expired. For purposes of this section, the memorandum of
36 understanding for State Bargaining Unit 1 expires on July 1, 2016,
37 the memorandum of understanding for State Bargaining Unit 3
38 expires on July 1, 2016, the memorandum of understanding for
39 State Bargaining Unit 4 expires on July 1, 2016, the memorandum
40 of understanding for State Bargaining Unit 11 expires on July 1,

1 2016, the memorandum of understanding for State Bargaining
2 Unit 14 expires on July 1, 2016, the memorandum of understanding
3 for State Bargaining Unit 15 expires on July 1, 2016, the
4 memorandum of understanding for State Bargaining Unit 17
5 expires on July 1, 2016, the memorandum of understanding for
6 State Bargaining Unit 20 expires on July 1, 2016, and the
7 memorandum of understanding for State Bargaining Unit 21
8 expires on July 1, 2016.

9 *SEC. 8. The sum of one million, three hundred fifty-one*
10 *thousand dollars (\$1,351,000) is hereby appropriated for*
11 *expenditure in the 2013–14 fiscal year in augmentation of, and*
12 *for the purpose of state employee compensation as provided in*
13 *items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of*
14 *Section 2.00 of the Budget Act of 2013 (Ch. _____, Statutes of 2013)*
15 *in accordance with the following schedule:*

16 (a) *Three hundred seventy-three thousand dollars (\$373,000)*
17 *from the General Fund in augmentation of Item 9800-001-0001.*

18 (b) *Six hundred fifty-five thousand dollars (\$655,000) from*
19 *unallocated special funds in augmentation of Item 9800-001-0494.*

20 (c) *Three hundred twenty-three thousand dollars (\$323,000)*
21 *from other unallocated nongovernmental cost funds in*
22 *augmentation of Item 9800-001-0988.*

23 ~~SEC. 5.~~

24 *SEC. 9. This act is an urgency statute necessary for the*
25 *immediate preservation of the public peace, health, or safety within*
26 *the meaning of Article IV of the Constitution and shall go into*
27 *immediate effect. The facts constituting the necessity are:*

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