

Assembly Bill No. 1377

Passed the Assembly June 25, 2013

Chief Clerk of the Assembly

Passed the Senate July 3, 2013

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, Committee on Public Employees, Retirement and Social Security. 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 specified bargaining units for the 2013–14, 2014–15, and 2015–16 fiscal years that require the expenditure of 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 authorize the state employer and the affected employee organization to 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.

Appropriation: yes.

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

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve the provisions of agreements pursuant to Section 3517.5 of the Government Code entered into by the state employer and State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 that require the expenditure of funds.

SEC. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and Service Employees International Union, State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, on June 11, 2013, and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the memorandum of understanding approved by Section 2 of this act that are scheduled to take effect on or after July 1, 2013, and that require the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If the Legislature does not approve or fully fund any provision of the memorandum of understanding that requires the expenditure of funds, either party may reopen negotiations on all or part of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

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

19829.981. (a) Notwithstanding Section 13340, for the 2013–14 fiscal year, if the 2013–14 Budget Act is not enacted by July 1, 2013, for the memoranda of understanding entered into

between the state employer and State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), there is hereby continuously appropriated 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, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the 2013–14 Budget Act is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2013, of the 2013–14 fiscal year and the enactment of the 2013–14 Budget Act.

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

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

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 3 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 4 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 11 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 14 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 15 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 17 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 20 expires on July 1, 2016, and the memorandum of understanding for State Bargaining Unit 21 expires on July 1, 2016.

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

19829.982. (a) Notwithstanding Section 13340, for the 2014–15 fiscal year, if the 2014–15 Budget Act is not enacted by July 1, 2014, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3

(effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), there is hereby continuously appropriated 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, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the 2014–15 Budget Act is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2014, of the 2014–15 fiscal year and the enactment of the 2014–15 Budget Act.

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

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority

of a department. Upon the enactment of the 2014–15 Budget Act, these expenditures shall be subsumed by the expenditure authority approved in the 2014–15 Budget Act for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 3 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 4 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 11 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 14 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 15 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 17 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 20 expires on July 1, 2016, and the memorandum of understanding for State Bargaining Unit 21 expires on July 1, 2016.

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

19829.983. (a) Notwithstanding Section 13340, for the 2015–16 fiscal year, if the 2015–16 Budget Act is not enacted by July 1, 2015, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State

Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), there is hereby continuously appropriated 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, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the 2015–16 Budget Act is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2015, of the 2015–16 fiscal year and the enactment of the 2015–16 Budget Act.

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

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the 2015–16 Budget Act,

these expenditures shall be subsumed by the expenditure authority approved in the 2015–16 Budget Act for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 3 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 4 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 11 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 14 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 15 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 17 (effective July 2, 2013, to July 1, 2016, inclusive), State Bargaining Unit 20 (effective July 2, 2013, to July 1, 2016, inclusive), and State Bargaining Unit 21 (effective July 2, 2013, to July 1, 2016, inclusive), memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 3 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 4 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 11 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 14 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 15 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 17 expires on July 1, 2016, the memorandum of understanding for State Bargaining Unit 20 expires on July 1, 2016, and the memorandum of understanding for State Bargaining Unit 21 expires on July 1, 2016.

SEC. 8. The sum of one million, three hundred fifty-one thousand dollars (\$1,351,000) is hereby appropriated for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of state employee compensation as provided in items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Ch. 20, Statutes of 2013) in accordance with the following schedule:

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

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

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

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

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

Approved _____, 2013

Governor