

ASSEMBLY BILL

No. 1523

Introduced by Assembly Member Soto

February 23, 2007

An act to add Section 1232 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 1523, as introduced, Soto. State employees: compensation.

The California Constitution requires the Legislature to pass a budget bill by June 15 of each year for the fiscal year commencing on July 1. Existing law provides that no state officer or employee shall be deemed to have a break in service or to have terminated his or her employment, for any purpose, nor to have incurred any change in his or her authority, status, or jurisdiction or in his or her salary or other conditions of employment, solely because of the failure to enact a Budget Act for a fiscal year prior to the beginning of that fiscal year. Under the California Constitution, money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant.

This bill would continuously appropriate from the General Fund and other specified funds to the Controller an amount necessary for the payment of compensation and employee benefits to state employees, as defined, for work performed on or after July 1 of a fiscal year for which no budget has been enacted.

This bill would specify that compensation and contribution for employee benefits for represented state employees, if there is a memorandum of understanding in effect that has been approved by the Legislature, would be at a rate consistent with the memorandum of

understanding and, for state employees excluded from collective bargaining, at the rate approved by the Department of Personnel Administration prior to the commencement of the fiscal year for which a Budget Act has not been enacted. The bill would provide that if there is no memorandum of understanding in effect for represented state employees and if the department has not approved a compensation package for state employees excluded from collective bargaining, the compensation and contribution for employee benefits for represented state employees and state employees excluded from collective bargaining would be at the rate in effect at the expiration of the last fiscal year for which a budget was enacted.

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

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

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

1 SECTION 1. Section 1232 is added to the Government Code,
 2 to read:
 3 1232. (a) Notwithstanding Section 13340, in any fiscal year
 4 in which the Budget Act is not enacted by July 1 of that fiscal year,
 5 there is hereby continuously appropriated without regard to fiscal
 6 years to the Controller from the General Fund, unallocated special
 7 funds, federal funds, and any other fund from which state
 8 employees are compensated, the amount necessary for the payment
 9 of compensation and employee benefits to state employees until
 10 the Budget Act of that fiscal year is enacted. The Controller may
 11 expend an amount no greater than that necessary to enable the
 12 Controller to compensate state employees for work performed
 13 between July 1 of the applicable fiscal year and the enactment of
 14 the Budget Act.
 15 (b) If there is a memorandum of understanding in effect that
 16 has been approved by the Legislature, the compensation and
 17 contribution for employee benefits for represented state employees
 18 shall be at a rate consistent with the memorandum of understanding
 19 and compensation and contribution for employee benefits for state
 20 employees excluded from collective bargaining shall be at the rate
 21 approved by the Department of Personnel Administration prior to
 22 the commencement of the fiscal year for which a Budget Act has

1 not been enacted. If there is no memorandum of understanding in
2 effect and if the department has not approved a compensation
3 package for state employees excluded from collective bargaining,
4 compensation and contribution for employee benefits for
5 represented state employees and state employees excluded from
6 collective bargaining shall be at the rate in effect at the expiration
7 of the last fiscal year for which a budget was enacted.

8 (c) The Department of Finance may, upon enactment of the
9 Budget Act and in the absence of this action being taken by the
10 Legislature or the Governor in that Budget Act, reduce the
11 applicable Budget Act allocations by the amount of any warrants
12 drawn pursuant to subdivision (a).

13 (d) “State employees” for the purposes of this section means an
14 employee defined in Section 19815 and a legislative employee.

15 SEC. 2. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety within
17 the meaning of Article IV of the Constitution and shall go into
18 immediate effect. The facts constituting the necessity are:

19 In order that state employees may be compensated for work
20 performed without delay in the event of a budget impasse, and in
21 order that funds may be continuously appropriated to the Controller
22 at the earliest possible time for the purposes of compensating state
23 employees, it is necessary that this act take effect immediately.