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THIRD READING

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Bill No: AB 142  
Author: Committee on Budget  
Amended: 2/1/22 in Senate  
Vote: 21

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PRIOR VOTES NOT RELEVANT

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 16-0, 2/3/22  
AYES: Skinner, Nielsen, Caballero, Cortese, Dahle, Durazo, Eggman, Kamlager,  
Laird, McGuire, Min, Newman, Ochoa Bogh, Pan, Stern, Wieckowski  
NO VOTE RECORDED: Grove, Melendez

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**SUBJECT:** State employment: State Bargaining Units: memoranda of  
understanding: addenda

**SOURCE:** Author

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**DIGEST:** This bill makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs) addenda between six bargaining units (BUs) and the state. The agreements cover state employees represented by six exclusive employee representatives, as follows:

*California Attorneys, Administrative Law Judges and Hearing Officers in State Employment*

- BU 2: Attorneys, Administrative Law Judges, and Hearing Officers

*California State Law Enforcement Association*

- BU 7: Protective Services and Public Safety

*Professional Engineers of California Government*

- BU 9: Professional Engineers

*California Association of Professional Scientists*

- BU 10: Professional Scientists

*International Union of Operating Engineers*

- BU 12: Craft and Maintenance
- BU 13: Stationary Engineers

**ANALYSIS:**

## Existing law:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e., bargaining units) - regarding wages and working conditions, and to define negotiated agreements in MOUs.
- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 3) Requires that any MOU between the state and an exclusive representative be ratified by the Legislature.
- 4) Establishes the California Public Employees' Retirement System, which administers health and retirement benefits for state employees.
- 5) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analysis of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 6) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more, depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 80 or 100 percent of the weighted average premium of the four health plans most highly utilized by all members. Depending on the bargaining unit, dependents are eligible for a contribution based on 80 or 90 percent of the average additional premiums paid for dependents during the benefit year in which the formula is applied. These are referred to as the 80/80 and 100/90 formulas.
- 7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.
- 8) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.

This bill ratifies the MOU addenda entered into between the state and BUs 2, 7, 9, 10, 12, and 13 notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

- 1) Approves provisions requiring the expenditure of funds for the addenda entered into by the state and BUs 2, 7, 9, 10, 12, and 13.
- 2) Authorizes the state or any of the bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Provides employees who are designated as remote-centered with a \$50 per month stipend to help cover expenses related to telework.
- 4) Provides employees who are designated as office-centered with a \$25 per month stipend to help cover expenses related to telework.
- 5) Provides that the stipends are retroactive to October 1, 2021.
- 6) Appropriates \$27,005,000 (\$8,009,000 General Fund) for expenditure in the 2021-22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.

**FISCAL EFFECT:** Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Budget and Fiscal Review Committee, this bill appropriates \$27,005,000 (\$8,009,000 General Fund) to implement the MOU addenda.

**SUPPORT:** (Verified 2/2/22)

None received

**OPPOSITION:** (Verified 2/2/22)

None received

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2/7/22 13:45:56

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