
UNFINISHED BUSINESS

Bill No: SB 410
Author: Leyva (D)
Amended: 8/23/22
Vote: 21

PRIOR SENATE VOTES NOT RELEVANT

ASSEMBLY FLOOR: Not available

SUBJECT: Public postsecondary education: California State University:
nonfaculty staff employees: merit salary system

SOURCE: Author

DIGEST: This bill requires the California State University (CSU) to implement a merit nine-step salary system for all CSU nonfaculty staff employees that runs for 15 years, as specified.

Assembly Amendments gut and amend the bill and insert the provisions described below. The former version of this bill sought to address an occupational safety and health issue.

ANALYSIS:

Existing law:

- 1) Establishes CSU, governed by the Board of Trustees, and provides that the Trustees are responsible for the rule of government of their appointees and employees. (Education Code § 89500 et seq.)
- 2) Provides that officers and employees of the University of California (UC) and CSU are exempt from civil service. (CA. CONST., art. VII, § 4 (h))
- 3) Establishes the Higher Education Employer-Employee Relations Act (HEERA) to provide a statutory framework to regulate labor relations between UC, CSU, and Hastings College of Law and their employees; provides the Public

Employment Relations Board (PERB) authority to enforce HEERA.
(Government Code § 3560 et seq.)

This bill:

- 1) Requires the CSU to implement a merit nine-step salary system for all represented CSU nonfaculty staff employees that runs for 15 years.
- 2) Requires the merit nine-step system to be as follows:
 - a) After completion of the first year in a position, and after completion of each subsequent year for a total of five years, each represented CSU nonfaculty staff employee shall receive a merit salary intermediate step adjustment of 5% when the employee meets the standards for satisfactory performance in the position, as determined by the employee's appropriate administrator pursuant to a uniform employee evaluation process;
 - b) After completion of year seven, and each subsequent two years, each represented CSU nonfaculty staff employee shall receive a merit salary intermediate step adjustment of 5% when the employee meets the standards for satisfactory performance in the position, as determined by the employee's appropriate administrator pursuant to a uniform employee evaluation process; and,
 - c) After completion of year 15, each represented CSU nonfaculty staff employee shall receive a merit salary intermediate step adjustment of 5% when the employee meets the standards for satisfactory performance in the position, as determined by the employee's appropriate administrator pursuant to a uniform employee evaluation process.
- 3) Requires that under the established nine-merit step salary system, each represented CSU nonfaculty staff employee shall be placed in the step based on their existing years of employment as a represented CSU nonfaculty staff employee.
- 4) Requires that language that effectuates this measure shall automatically be incorporated into any pertinent memorandum of understanding (MOU) or collective bargaining agreement entered into, or renewed, by the CSU on or after January 1, 2023.
- 5) Requires that any costs associated with the implementation of this measure shall be incurred by the CSU and shall be paid for using existing resources of the CSU.

6) Finds and declares the following intent of the Legislature:

- a) The CSU is comprised of 23 campuses and the CSU Office of the Chancellor;
- b) The CSU educates more than 480,000 students each year;
- c) CSU faculty and nonfaculty staff employees are key to the success of the CSU and its mission to provide world-class educational opportunities and serve as California's engine of opportunity;
- d) There are nearly 30,000 CSU nonfaculty staff employees across 13 bargaining units;
- e) In 2021, the Legislature passed and the Governor signed SB 129 (Skinner, Chapter 69, Statutes of 2021) and SB 170 (Skinner, Chapter 240, Statutes of 2021), which appropriated \$2 million to the CSU to evaluate the salary structure of nonfaculty staff employees. The comprehensive review would evaluate the existing salary structure, examine issues of salary inversion and compression, and provide recommendations, if applicable, for alternative salary models for CSU nonfaculty staff employees;
- f) The CSU Chancellor, in coordination with the California State University Employees Union (CSUEU), Service Employees International Union (SEIU) Local 2579, and Teamsters Local 2010, selected Mercer Consulting (Mercer) as the independent consultant to assess and complete a review of CSU's wage structure for nonfaculty staff employees;
- g) In April 2022, Mercer completed their research and found all of the following:
 - i) Mercer identified significant wage compression, meaning that new hire salaries are often extremely close to salaries of senior nonfaculty staff employees;
 - ii) Mercer determined that, on average, CSU nonfaculty staff employees salaries are 12% behind the market average. The market assessment looked at regional public and private employers for similar occupations and higher education institutions in and out of the state;
 - iii) Mercer found that over 80% of employees and their managers favored a return to a predictable, equitable step system and had a low degree of confidence in the Open Range system;

- h) To address these wage issues, Mercer recommended implementing a nine-step salary system that will help support wage growth and a living wage for CSU nonfaculty staff employees. The proposed system includes five annual steps that an employee progresses through with satisfactory completion of job duties, three additional steps assessed every two years, and a final step after three years; and,
 - i) After the release of the salary study by Mercer, CSUEU completed an assessment that found that the merit salary steps would significantly reduce pay equity concerns at the CSU for women and workers of color.
- 7) Expresses the following intent of the Legislature:
- a) That each represented CSU nonfaculty staff employee reach market median for that campus by year five in the merit nine-step salary system;
 - b) That the CSU take action to implement the salary step system consistent with the findings of the salary study authorized and completed for represented CSU nonfaculty staff employees that was developed, pursuant to (6)(e) above; and,
 - c) That the CSU work with the authorized employee representatives of each bargaining unit to implement this bill.

Comments

Need for this bill? According to the author, “This bill seeks to fix a broken wage structure for non-faculty staff at the CSU by instituting a 9-step salary wage system. In 2021, SB 129 funded a comprehensive review by an independent consultant to evaluate the existing salary structure, examine issues of salary inversion and compression, and provide recommendations, if applicable, for alternative salary models for CSU non-faculty staff. CSU, CSUEU and Teamsters identified Mercer as a consultant to complete the study. Mercer found that on-average non-faculty staff wages were 12% below the market medium for the job type and noted significant wage compression among non-faculty staff. As a result, Mercer recommended a 9-step salary wage system. The Mercer recommendation is mirrored in the provisions of SB 410.”

Related/Prior Legislation

SB 566 (Leyva, 2021) would have required each support staff employee of CSU to receive an annual 5% merit salary adjustment upon meeting the standards for

satisfactory performance in their position. The Senate Appropriations Committee held SB 566 on the suspense file.

AB 369 (Shirley Weber, 2019) would have required CSU to provide a 5% merit salary intermediate step adjustment to CSU employees, as specified. The bill died on the Senate Inactive File.

AB 1231 (Shirley Weber, 2017) was substantially similar to AB 369 as described above. The Governor vetoed AB 1231.

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

Unknown with latest amendments.

SUPPORT: (Verified 8/30/22)

Academic Professionals of California
AFSCME California
California Faculty Association
California Labor Federation
California State University Employees Union
California Teamsters Public Affairs Council
SEIU State Council
Statewide University Police Association
Union of American Physicians and Dentists

OPPOSITION: (Verified 8/30/22)

California State University

ARGUMENTS IN SUPPORT: According to a coalition of labor unions and CSU classified staff employee exclusive representatives including CSUEU, the California Teamsters Public Affairs Council, SEIU State Council, and the California Labor Federation, among others:

The CSU has struggled to attract and retain talent, as wages have not kept up with the market rate and employees have faced growth potential challenges in their public service careers. CSU is the nation's largest 4-year public university, where nonfaculty staff are essential to helping students and campuses thrive and grow, but stagnating wages have left many of these dedicated employees struggling to make ends meet. Representatives of CSU non-faculty staff have worked for years to resolve challenges with the CSU to reinstitute a salary step structure, but CSU has yet to address the issue.

ARGUMENTS IN OPPOSITION: According to the CSU, arguing in opposition, this bill (1) imposes a significant cost mandate to the system without a funding source; (2) requires the CSU to make cuts that will negatively impact students; (3) circumvents the collective bargaining process; and, (4) does not align with the Mercer study recommendations.

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