

Date of Hearing: May 10, 2023

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Chris Holden, Chair

AB 1 (McKinnor, et al.) – As Amended April 17, 2023

Policy Committee: Public Employment and Retirements                      Vote: 6 - 0

Urgency: No                      State Mandated Local Program: Yes                      Reimbursable: No

**SUMMARY:**

This bill establishes the Legislature Employer-Employee Relations Act (LEERA) to provide employees of the California Legislature with collective bargaining rights.

Specifically, this bill, beginning July 1, 2024, will give non-supervisory legislative employees in both the Senate and Assembly the choice to organize and seek representation by a union that will collectively bargain wages, benefits, and working conditions. The bill also grants the Public Employment Relations Board (PERB) authority to adjudicate LEERA-related matters, including unfair practice charges.

**FISCAL EFFECT:**

- 1) Ongoing General Fund costs, of an unknown amount, to the Legislature to establish and maintain labor and employee relations functions. Costs would depend on various factors, including the number of bargaining units formed.

Specifically, costs to the Legislature to establish and maintain labor and employee relations functions include, (a) negotiating memoranda of understanding (MOUs), (b) administering the contracts, (c) ensuring the Legislature remains in compliance, (d) training members of the Legislature and management on the rights of employees, and (e) responding to grievances, including arbitration and mediation.

- 2) Potential ongoing General Fund costs, of an unknown amount, to the Legislature to the extent the bill results in salary or benefits increases resulting from collective bargaining. The Legislature employees about 1,900 staff members.

Under the California Constitution, the Legislature's annual spending is capped, as described in Comment 2. For this reason, costs resulting from this bill to the Legislature may need to be accommodated by shifting funds from other legislative purposes.

- 3) One-time costs of \$143,364 General Fund to PERB in the first year of implementation and ongoing costs of \$113,364 General Fund to implement the provisions of this bill. PERB would incur one-time costs to promulgate new regulations required by this bill and would incur ongoing costs associated with adjudicating unfair practice charges that could result from this bill. Ongoing costs would depend on the number of unfair practice charges. PERB's estimate is based on costs incurred for unfair practice charges from a department of a similar size to the Legislature.

**COMMENTS:**

1) **Purpose.** According to the author:

This bill is needed because legislative staff are exempt from state civil service laws and denied the right to collectively bargain for wages, benefits, and working conditions. This has led many staffers to being subject to low and inequitable pay and subject to hostile work environments with no solution except for being forced to find work outside of the Legislature.

2) **Background.** The California Constitution designates most state employees as members of civil service and provides these employees with collective bargaining rights. Legislative employees are excluded under the Constitution from civil service and are without collective bargaining rights.

PERB is a quasi-judicial agency that oversees public sector collective bargaining in California. Its major functions involve the evaluation and adjudication of unfair practice charges filed and the administration of the collective bargaining process through which employees select organizations to represent them in their labor relations with their employer.

Public sector employees covered by PERB, including civil service state employees, may file an unfair labor practice charge with PERB within six months of the alleged unfair practice. Once the charge has been properly filed, a PERB agent reviews the charge to determine if a complaint should be issued or the charge should be dismissed if there is insufficient evidence. A dismissal may be appealed. If a complaint is filed, the case proceeds to an informal settlement conference, or may proceed to a formal hearing conducted by an administrative law judge if no settlement can be reached.

California's department and agency budgets generally may be increased through the state's budget process. The Legislature's budget, however, is capped in the California Constitution as a result of Proposition 130 (1990). Specifically, Proposition 130 set an annual cap on the amount of money the Legislature may spend to support operations. Growth to the cap is based on annual growth in the economy and population and the Legislature cannot appropriate additional funding to support its operations beyond this cap.

3) **Prior Legislation.** AB 1577 (Stone), of the 2021-22 Legislative Session, was similar to this bill. AB 1577 failed passage in the Assembly Public Employment and Retirement Committee.

AB 314 (Gonzalez), of the 2021-22 Legislative Session, was similar to this bill. AB 314 was held at the desk.

AB 969 (Gonzalez), of the 2019-20 Legislative Session, was similar to this bill. AB 969 failed passage in the Assembly Public Employment and Retirement Committee.

AB 2048 (Gonzalez), of the 2017-18 Legislative Session, was similar to this bill. AB 2048 failed passage in the Assembly Public Employment and Retirement Committee.

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