
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No: AB 1818 **Hearing Date:** July 1, 2026
Author: Ortega
Version: June 8, 2026
Urgency: No **Fiscal:** Yes
Consultant: Glenn Miles

SUBJECT: California State University: employer-employee relations: meeting and conferring

KEY ISSUE

This bill would shift the determination from the California State University (CSU) to Public Employment Retirement Board (PERB), of whether the state has funded or acted on changes to law necessary to implement a memorandum of agreement (MOU) between CSU and its employee unions. Under current law, when CSU determines that the state has not made such financing or legislative changes, it must send the MOU back to the bargaining parties for renegotiation.

ANALYSIS

Existing law:

- 1) Establishes the Higher Education Employer-Employee Relations Act (HEERA) which provides a statutory framework to regulate labor relations between CSU (as well as the University of California (UC) and the University of California College of the Law, San Francisco (UC Law SF)) and their respective employees. (Government Code § 3560 et seq.)
- 2) Defines “Higher Education Employer” to mean, among others, the CSU Board of Trustees, or a person acting as its agent. (Government Code §3562 (g))
- 3) Defines “scope of representation” for HEERA’s application to CSU to mean, and be limited to, wages, hours of employment, and other terms and conditions of employment and excludes certain topics, as specified. (Government Code § 3562 (r))
- 4) Establishes the Public Employment Relations Board (PERB) to administer the several collective bargaining statutes covering specified California public employees. PERB functions as a quasi-judicial administrative agency responsible for adjudicating employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers and employee organizations (Government Code §3541).
- 5) Requires CSU and its employees’ exclusive representatives to begin negotiations prior to the adoption of the final budget for the ensuing year sufficiently in advance of the adoption date so that there is adequate time for agreement to be reached, or for the resolution of an impasse. (Government Code §3572 (a)).
- 6) Requires CSU to maintain close liaison with the Department of Finance and the Legislature relative to the meeting and conferring on provisions of the written memoranda that have fiscal ramifications. (Government Code §3572 (a)).

- 7) Prohibits any written memoranda reached pursuant to HEERA that require budgetary or curative action by the Legislature or other funding agencies to be effective unless and until that action has been taken. (Government Code §3572 (b)).
- 8) Provides that if the Legislature or the Governor fail to fully fund the parties' agreement or to take the requisite curative action, the entire agreement shall be referred back to the parties for further meeting and conferring unless the parties agree that provisions of the memoranda that are nonbudgetary and do not require funding shall take effect whether or not the funding requests submitted to the Legislature are approved. (Government Code §3572 (b)).

This bill:

- 1) Amends HEERA to specify that the Public Employment Relations Board (PERB) shall make the determination whether the state "fails to fully fund the agreement or take the requisite curative action to make the agreement effective, thereby transferring from CSU to PERB the responsibility for triggering the agreement's implementation or its reopening for negotiations pursuant to existing law.

COMMENTS**1. Need for this bill?**

According to the author:

"The State has honored the five-year budget compact, increasing CSU's annual base funding by five percent each year. CSU is projecting higher revenue from tuition increases and has reserves of reportedly \$8 billion in cash investments with \$2.4 billion in surplus/designated balances and reserves. And yet, CSU – citing funding deferrals in the 2025-26 state budget – used its statutory authority to refuse to pay raises agreed to in 2024 CBAs and reopen negotiations, affecting 16,000 workers.

CSU has engaged in multiple violations of state labor law, including bargaining in bad faith, distributing anti-union mass communications, and refusal to provide contractually agreed-upon raises. Beyond betraying workers, CSU's actions have and continue to create learning disruptions for students as well as delays and stoppages of construction and maintenance."

2. Proponent Arguments:

According to the California State University Employees Union:

"Until 2024, CSU was the only State employer to deny their employees merit salary step increases. CSU's denial of these steps left their employees far behind other similarly situated public employees in California, a reality put forth by the authorized employee representatives and confirmed in a study funded through the state budget and completed by Mercer. Following decades of dead ends in bargaining, several efforts in the Legislature, and multiple strikes, the CSU finally agreed to implement merit salary steps. Now, CSU is refusing to honor what they agreed to, declining to give modest wage increases and salary steps to hard-working employees. Without legislative action, workers at CSU are at risk of having their

demands agreed to in bargaining and then denied in practice when CSU claims inadequate funds to honor it, regardless of budget reality.

When faculty and staff are not paid a living wage, students are directly harmed as well. Without faculty, the CSU must cease instruction in the classroom. Without non-faculty staff, support services that are critical to student success such as healthcare, academic support, and IT disappear. Our dedicated members love their jobs, but stagnant wages have left many struggling to make ends meet and unable to afford to stay.”

3. Opponent Arguments:

According to the California State University:

“At the heart of AB 1818 is the question of whether the CSU complied with the terms of the 2024 collective bargaining agreement (CBA) negotiated and ratified by Teamsters Local 2010 and the CSU. That agreement included clear provisions tying certain salary increases to the receipt of \$239.7 million in new, unallocated, ongoing state funding in the 2025–26 budget. Those funding conditions were not met. Instead, the enacted state budget included a \$143.8 million reduction to the CSU and provided one-time funding through a loan that must be repaid. As a result, the agreement’s mutually negotiated salary reopening provisions were triggered.

Under the terms of the agreement, Teamsters Local 2010 filed a grievance over the issue. The CSU and Teamsters Local 2010 have participated in mediation through the Public Employment Relations Board (PERB) and a recently issued fact-finding report confirms that the CSU did not receive the funding required under the agreement to trigger those salary increases.”

Moreover, CSU states, “ The CSU is concerned by continued efforts to address individual labor disputes through statute rather than through the collective bargaining process. If either party believes the existing mechanisms for resolving disputes are inadequate, those concerns should be addressed at the bargaining table during future negotiations. Establishing new statutory requirements in response to a specific contractual disagreement risks undermining the integrity of the collective bargaining process and the agreements reached by both parties.”

4. Related/ Prior Legislation:

AB 1582 (Ortega, 2026) would make HEERA employers who disregard arbitration decisions related to CBA violation disputes over outsourcing “the same or similar services” of bargaining unit work, subject to PERB unfair labor practice charges and penalties for repeat offenders, as specified. AB 1582 is currently pending hearing in the Seante Appropriations committee.

AB 1630 (Caloza, 2026), would make changes to HEERA regarding observation of the meet and confer process. AB 1630 is currently pending hearing in the Seante Appropriations committee.

SUPPORT

Teamsters California (Sponsor)
California Faculty Association
California Federation of Labor Unions
California Federation of Teachers
California State University Employees Union
San Francisco Board of Supervisors
Service Employees International, California

OPPOSITION

California State University,

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