SENATE RULES COMMITTEE
Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: AB 1818
Author: Ortega (D), et al.
Amended: 6/8/26 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 7/1/26
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 62-8, 5/26/26 - See last page for vote

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

SOURCE: Teamsters California

DIGEST: This bill shift the determinations 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 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

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."

CSU Withdrawal of Opposition. According to the California State University (CSU), the university "has adopted a neutral position on Assembly Bill 1818 (Ortega). The CSU was previously opposed, but with the author's amendments on June 8, 2026, we have updated our position."

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.

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

SUPPORT: (Verified 8/12/26)

Teamsters California (source)
Academic Professionals of California
American Federation of State, County and Municipal Employees
Board of Supervisors for the City and County of San Francisco
California Faculty Association
California Federation of Labor Unions
California Federation of Teachers
California State University Employees Union
Service Employees International Union, California

OPPOSITION: (Verified 8/12/26)

None received.

ARGUMENTS IN SUPPORT:

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."

ASSEMBLY FLOOR: 62-8, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon,

Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Dixon, Ellis, Hadwick, Johnson, Macedo, Sanchez, Tangipa
NO VOTE RECORDED: Castillo, Flora, Gallagher, Jeff Gonzalez, Hoover, Muratsuchi, Patterson, Celeste Rodriguez, Michelle Rodriguez, Ta

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8/14/26 16:38:59

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