CONCURRENCE IN SENATE AMENDMENTS
AB 1818 (Ortega)
As Amended June 8, 2026
Majority vote

SUMMARY

Amends the Higher Education Employer-Employee Relations Act (HEERA) relating to the California State University (CSU), a written memorandum of understanding (MOU), and the state Budget Act by requiring written notification to the parties of a determination as to whether the Legislature fails to fully fund a MOU or taken requisite curative action.

Senate Amendments
Shift the determination by written notification to the parties from the Director of Finance to, *instead*, be from the Public Employment Retirement Board (PERB), among related technical changes.

COMMENTS

Under existing law, any written MOU reached pursuant to the HEERA that requires budgetary or curative action by the Legislature or other funding agencies must not become effective unless and until that action has been taken. In addition, if the Legislature or the Governor fail to fully fund the parties' agreement or to take the requisite curative action, the entire agreement must be referred back to the parties for further meeting and conferring unless the parties agree that provisions of the MOU that are nonbudgetary and do not require funding must take effect whether or not the funding requests submitted to the Legislature are approved.

This bill is intended to resolve periodic, if not regular, labor strife events regarding an MOU in effect between the CSU and labor unions due to the CSU solely determining that the Legislature has not fully funded the MOU's provisions or certain provisions thereof. Overall, it accomplishes this by removing the determination from a party having direct interest in the performance of MOU terms and, instead, provides the PERB – a neutral and objective entity that is not a party to the MOU – the authority to make that determination.

It is noted that, although the PERB – an entity within the executive branch of state government – would be granted such authority, it is the Legislature that holds the constitutional "power of the purse." In the event that the PERB and the Legislature differ as to the Legislature's intent and action (including curative) to fund the implementation of a MOU, this may raise constitutional separation of powers questions or concerns that could potentially result in litigation (e.g., legislative branch v. executive branch).

Please refer to the various policy committee analyses for a full discussion of 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 collective bargaining agreements 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."

Arguments in Support
According to the California State University Employees Union, "[u]ntil 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."

Arguments in Opposition
None.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, the CSU indicates that the current version of the bill would not result in administrative costs, and the PERB would incur a one-time General Fund cost of $50,000 to promulgate regulations.

VOTES:

ASM PUBLIC EMPLOYMENT AND RETIREMENT: 7-0-0
YES: McKinnor, Lackey, Alanis, Boerner, Garcia, Nguyen, Michelle Rodriguez

ASM APPROPRIATIONS: 11-3-1
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Tangipa
ABS, ABST OR NV: Ta

ASSEMBLY FLOOR: 62-8-10
YES: 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
NO: DeMaio, Dixon, Ellis, Hadwick, Johnson, Macedo, Sanchez, Tangipa
ABS, ABST OR NV: Castillo, Flora, Gallagher, Jeff Gonzalez, Hoover, Muratsuchi, Patterson, Celeste Rodriguez, Michelle Rodriguez, Ta

SENATE FLOOR: 27-10-3
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Padilla, Reyes, Stern

UPDATED

VERSION: June 8, 2026

CONSULTANT: Michael Bolden / P. E. & R. / (916) 319-3957 FN: 0003873