
UNFINISHED BUSINESS

Bill No: SB 140
Author: Committee on Budget and Fiscal Review
Amended: 6/24/25
Vote: 21

SENATE FLOOR: Not Relevant

ASSEMBLY FLOOR: 71-0, 6/30/27 – Roll Call not Available

SUBJECT: State Bargaining Unit 6

SOURCE: Author

DIGEST: This bill makes necessary statutory changes to ratify and implement a memorandum of understanding (MOU) between the state and Bargaining Unit (BU) 6. The agreements cover state employees represented by the exclusive employee representative, as follows.

Assembly Amendments delete the Senate version of this bill and instead add the current language.

ANALYSIS:

California Correctional Peace Officers Association (CCPOA)

- BU 6: Correctional Officers

Existing Law:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e., bargaining units) - regarding wages and working conditions, and to define negotiated agreements in MOUs.

- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 3) Requires that any MOU between the state and an exclusive representative be ratified by the Legislature.
- 4) Establishes the California Public Employees' Retirement System (CalPERS), which administers health and retirement benefits for state employees.
- 5) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide an analysis of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 6) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more, depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 80 or 100 percent of the weighted average premium of the four health plans most highly utilized by all members. Depending on the bargaining unit, dependents are eligible for a contribution based on 80 or 90 percent of the average additional premiums paid for dependents during the benefit year in which the formula is applied. These are referred to as the 80/80 and 100/90 formulas.
- 7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.
- 8) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.

Proposed Law: This bill ratifies an MOU entered into between the state and BU 6 and includes provisions to take effect immediately. Specifically, this measure does the following:

Memorandum of Understanding with BU 6. This bill ratifies an MOU entered into on June 12, 2025 between the state and BU 6, which is represented by the California Correctional Peace Officers Association. The MOU agreement is as follows:

Compensation

General Salary Adjustment

- Effective July 1, 2025, all BU 6 classifications shall receive a general salary increase of three percent (3%).
- Effective July 1, 2027, all BU 6 classifications shall receive a general salary increase of three percent (3%).
- In order to address budget short falls, the parties agreed to a Personal Leave Program 2025 (PLP 2025).

Personal Leave Program 2025

- Effective with the July 2025 pay period through the June 2027 pay period.
- Three percent (3%) pay reduction for all BU 6 employees.
- 5 hours credited monthly for the PLP 2025 Program, except as follows:
 - Fire Captain (9001), Range L and M (192 Hour Schedule) = 7 hours
 - Fire Captain (9001), Range N and P (216 Hour Schedule) = 7 hours

Prefunding of Post-Retirement Health Benefits

- Suspends the employer's monthly contribution for prefunding other post-employment benefits for the 2025-26 and 2026-27 fiscal years of four percent (4%) is suspended and shall not be contributed by the employer from July 1, 2025 through June 30, 2027. The employees' monthly contribution of four percent (4%) of pensionable compensation for prefunding other post-employment will continue uninterrupted.

Retention Differential for Hard-to-Keep/Fill Institutions

- Effective the first day of the pay period following ratification and approval of the MOU, new and current BU 6 employees who work at Salinas Valley State Prison, California State Prison, Sacramento, or R.J. Donovan will be eligible to accrue a \$10,000 retention differential, payable in two payments during the term of the MOU.

For the first payment, BU 6 employees shall receive \$416 for each qualifying pay period worked between July 2025 and June 2026, to be paid in a single lump sum during the month of July 2026. For the second payment, BU 6 employees shall receive \$416 for each qualifying pay period worked between July 2026 through June 2027, to be paid in a single lump sum during the month of July 2027.

Location Incentive Bonus

- Effective the first day of the pay period following ratification of this agreement by both parties, cadets who accept work at one of the eligible institutions listed below will be eligible to receive a \$5,000 location incentive bonus, payable in two payments, upon graduation from the academy and reporting to the institution if the following applies: The institution is 50 or more miles away from their current home address, and they are required to relocate from their home address.
 - Eligible Institutions:
 - Salinas Valley State Prison
 - California State Prison, Sacramento
 - R.J. Donovan Correctional Facility
 - Kern Valley State Prison
 - Pelican Bay State Prison
 - High Desert State Prison
 - San Quentin State Prison
 - California State Prison, Los Angeles County
 - California State Prison, Corcoran

Housing Stipends and Recruitment/Retention Incentives

- Housing Stipends:
 - Effective the first day of the pay period following ratification and approval of the MOU, Salinas Valley State Prison will no longer be eligible for the housing stipend.
 - Effective the first day of the pay period following ratification and approval of the MOU, employees employed at the Correctional Training Facility by September 8, 2025 will continue to receive the housing stipend. Employees

hired after September 8, 2025, will no longer be eligible to receive the housing stipend.

- Recruitment and Retention Incentives:
 - Effective the first day of the pay period following ratification and approval of the MOU, employees at Salinas Valley State Prison will be eligible for the recruitment and retention incentive of \$2,600, payable in two semi-annual payments of \$1,300.
 - After September 8, 2025, new hires and transfers at Avenal, Calipatria, Centinela, and Ironwood State Prisons are not eligible for the recruitment and retention incentive.

Health Benefits

Health, Dental, Vision

- The State's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent (80%) of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2026, January 1, 2027, and January 1, 2028.
- Removes the language that during their first twelve months, new BU 6 employees are not eligible to enroll in the Union-sponsored fee-for-service plan.

Miscellaneous

Class B Driver's License

- Language was added clarifying that BU 6 employees with a Class C License and/or a Class C License with a Firefighter endorsement are and have been eligible for the Commercial Driver's License pay differential.

Personnel Investigations

- Enhancements were made to this section outlining notice requirements when a BU 6 employee is ordered to attend an interview by CDCR, which now includes routine reviews. The entire section was also rearranged to make it flow better, and headers were added to clearly identify topics within the section.

Random Substance Testing Program

- The parties recognize California law, specifically AB 2188 (Chapter 392, Statutes of 2022), which protects California employees from discrimination based on their off-duty, off-site cannabis use. As such, the parties agree correctional facilities, units, offices, and anywhere BU 6 employees work and interact with supervised/incarcerated individuals will be maintained as a drug-free workplace, consistent with the California Penal Code. Balancing an employer's right to maintain a safe and secure workplace and BU 6 employee's statutory right to choose to use cannabis off-duty, the parties agree to remove the testing requirement for marijuana/cannabinoids (THC) from the random testing panel.
- The testing requirement for marijuana/cannabinoids (THC) under the Federal Motor Carrier Safety Administration's annual minimum testing for covered drivers with a commercial driver's (Class C) license or Class C driver's license with a Firefighter endorsement will remain in place.

Video Recordings

- Within ninety (90) days of ratification and approval of the MOU, for routine matters, BU 6 employees will be granted the opportunity to review Audio/Visual Surveillance Systems (AVSS) data from an institutional fixed camera(s) of an incident they were involved in either prior to or after writing and submitting their initial incident report to the extent operationally and technologically feasible.

Duration

- July 3, 2025, through July 2, 2028.

Term

- Effective the first day following ratification and approval of the MOU. The union ratification process will be complete July 2025.

Fiscal

- Fiscal Year 2025-26 Savings: \$88.4 million (\$88.4 million General Fund)
- Total 4-Year Incremental Cost: \$149.6 million (149.6 million General Fund)
- Total 4-Year Budgetary Cost: \$608.1 million (\$608.1 million General Fund)

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

This bill reduces employee compensation by \$88,392,000 (\$88,392,000 General Fund) in Fiscal Year 2025-26 to implement the MOU as described above.

SUPPORT: (Verified 6/27/25)

None received

OPPOSITION: (Verified 6/27/25)

None received

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