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**CALIFORNIA STATE SENATE**

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502  
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*Nancy Skinner*  
 Chair

**Agenda**

**August 30, 2023**

**9:30 a.m. – 1021 O Street, Room 1200**

<b><u>BILL</u></b>	<b><u>AUTHOR</u></b>	<b><u>SUBJECT</u></b>
1. AB 104	Ting	Budget Act of 2023
2. AB 135	Committee on Budget	Public Safety
3. AB 137	Committee on Budget	Health
4. AB 138	Committee on Budget	Human Services
5. AB 140	Committee on Budget	Early Care and Education
6. AB 141	Committee on Budget	K-12 Education
7. AB 142	Committee on Budget	Higher Education
8. AB 143	Committee on Budget	State Government
9. AB 148	Committee on Budget	State Employment: State Bargaining Units
10. AB 151	Committee on Budget	State Employment: State Bargaining Unit 6
11. AB 152	Committee on Budget	Background Checks and Fingerprinting

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 104 **Hearing Date:** August 30, 2023  
**Author:** Ting  
**Version:** August 29, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Diego Lopez

**Subject:** Budget Act of 2023

**Summary:** This bill amends the 2023 Budget Act to reflect changes necessary to implement the budget agreement.

**Background:** On June 15, 2023, the Legislature passed SB 101 (Skinner) which represented the Legislature's budget, and was subsequently signed on June 27, 2023. On July 10, 2023, the Governor signed AB 102 (Ting) which amended SB 101 and together with SB 101, represents a 2023-24 budget agreement. This bill makes additional changes and corrections to reflect the 2023-24 budget agreement. The 2023-24 budget includes total spending of approximately \$310.8 billion, of which \$225.9 billion is from the General Fund.

**Proposed Law:** Specifically, this bill:

## Student Housing

- 1) Shifts \$17.201 million General Fund from the California Community Colleges (CCC) to University of California (UC) to facilitate UC issuance of revenue bonds for the CCC portions of three intersegmental UC-CCC affordable housing projects selected in the Higher Education Student Housing Grant Program. As a result, of this shift, the budget now:
  - a. Appropriates \$50.7 million General Fund in 2023-24 to UC to support the fund shift of UC affordable housing student grants to UC-issued bonds. The budget agreement includes an ongoing \$50.7 million General Fund to support these projects.
  - b. Appropriates \$61.48 million General Fund in 2023-24 for CCC student housing projects. States that the \$61.48 million General Fund for CCC student housing projects is ongoing funding for rental subsidies for a period of 30 years and that the rental subsidies are based upon the amount needed to maintain affordable student housing rates and shall be provided annually for a period of 30 years, until June 30, 2054.

## University of California (UC)

- 2) Extends the encumbrance date for a \$7 million UC FIRESCOPE research allocation provided in AB 102 (Committee on Budget), Chapter 38, Statutes of 2023, and includes an administrative cap of no more than five percent of the appropriated amount.

- 3) Reappropriates funding for a UC hematologic malignancies pilot included in the Budget Act of 2021.
- 4) Enables UC to count any enrollment above the 2023-24 target of 7,800 towards its 2024-25 enrollment target.

**California Student Aid Commission**

- 5) Corrects the submission date for a Cash for College program report in 2023–24.
- 6) Makes a technical change related to program administration, data collection, and evaluation for California Student Opportunity and Access Program.

**Pre-K-12 Education**

- 7) Allows the transfer of funds from State Special Schools to Diagnostic Centers for deferred maintenance needs.
- 8) Makes technical corrections to budget authority related to adult education and State Preschool.
- 9) Adds reporting requirements related to Commission on Teacher Credentialing contracts and fees.
- 10) Allows for reimbursements to the Commission on Teacher Credentialing from federal funds administered by the Department of Social Services and funding from the Gates Foundation.
- 11) Restores \$162.7 million that was delayed in AB 102 (Ting), Chapter 38, Statutes of 2023, for the Inclusive Early Education Expansion Program.

**Resources**

- 12) Extends the encumbrance date by one year to June 30, 2025 for the purpose of improving stream gages, as follows: \$1.56 million General Fund to the Department of Conservation, \$1.03 million General Fund to the California Department of Fish and Wildlife (CDFW), \$18.36 million General Fund to the Department of Water Resources, and \$2.92 million General Fund to the State Water Resources Control Board (SWRCB).
- 13) Appropriates \$12.23 million General Fund to the Department of Forestry and Fire Protection to pay off an interim financing loan for the Pine Mountain Forest Fire Station relocation and construction project.
- 14) Expands the spending purpose of an appropriation of \$17 million to CDFW for local assistance to the Monterey County Water Resources Agency from fish screens and spillways that will support a future water conveyance tunnel between Lake Nacimiento and Lake San Antonio to improvements related to the these two water bodies.

- 15) Appropriates \$14 million General Fund to the Department of Parks and Recreation for purposes of the 2023 Winter Storm Damage: Statewide Repairs and Adaptation.
- 16) Allows the Department of Finance to authorize short-term cash loans from the Underground Storage Tank Cleanup Fund to other SWRCB special funds (up to \$75 million to the Waste Discharge Permit Fund, up to \$17 million to the Safe Drinking Water Account, and up to \$15 million to the Water Rights Fund) to provide cash flow needs supporting operation costs that will be covered by fee revenue received by the end of the fiscal year.
- 17) Makes various technical and cleanup changes.
- 18) Reduce \$12.5 million Greenhouse Gas Reduction Fund from the Regional Climate Resilience program.
- 19) Reappropriates \$27 million to California Air Resources Board (CARB) for Expanding Mobile Air Monitoring in Communities.
- 20) Reverts and appropriates \$3 million to CARB for Expanding Mobile Air Monitoring in Communities.

**Energy**

- 21) Reappropriates \$7 million from the Public Utilities Commission Utilities Reimbursement Account to Office of Energy Infrastructure Safety for contract activities.

**Transportation**

- 22) Appropriates \$803,000 to Department of Motor Vehicles for a settlement.

**Agriculture**

- 23) Strikes “to fund the Market Match Program” in the appropriation language for California Department of Food and Agriculture’s California Nutrition Incentive Program.

**Health**

- 24) Expands the authority of the Department of Health Care Access and Information (HCAI) to develop and manufacture either a generic or brand name version of a naloxone nasal product, as well as make it available by prescription or over-the-counter.
- 25) Clarifies recipients of Budget Act augmentations to support the Promotoras de Salud Program.

- 26) Reappropriates and extends availability of state operations funding previously approved for healthcare workforce programs to align with local assistance fund availability.
- 27) Appropriates federal fund expenditure authority for the Department of Health Care Services (DHCS) to allow expenditure of recent awards of federal mental health grants.
- 28) Authorizes DHCS to increase licensing and certification fees for residential and outpatient substance use disorder treatment facilities by up to 20 percent per year through 2026-27 to reach a cumulative fee increase of 75 percent.

**Human Services and Child Care**

- 29) Allows funds allocated by the Department of Social Services for an analysis of statewide and/or regional collective bargaining for In-Home Supportive Services providers to be exempt from the Public Contract Code and review or approval of the Department of General Services.
- 30) Includes \$1 million for the Department of Social Services to administer adjustments to reimbursement rates for all child care programs, pursuant to the agreement entered into by the Governor and Child Care Providers United California (CCPU).
- 31) Allows the state to designate another agency or agencies to distribute funds designated to adjust reimbursement rates for all child care providers, pursuant to the agreement entered into by the Governor and CCPU.
- 32) Allows the Department of Finance to increase the amount of the CCPU Workers Health Care Fund by up to \$100 million to restore the balance of the fund within 90 days of receiving the Annual Report from CCPU detailing the distribution of funds from the prior year and any remaining balance, pursuant to the agreement entered into by the Governor and CCPU.

**Housing**

- 33) Reverts \$50 million from the Accessory Dwelling Unit grants program.
- 34) Allocates an additional \$25 million to further support affordable housing development through the Multifamily Housing Program.
- 35) Allocates an additional \$20 million to the California Dream for All shared appreciation loan program for further support of first-time homeownership.

**Public Safety**

- 36) Operational Observer. Provides \$5,400,000 in reimbursement authority and includes reporting requirements for the Office of Emergency Services to support an operational observer from February 1, 2024, to January 31, 2025 to monitor the wildfire mitigation efforts of covered utilities.

**General Government**

- 37) Shifts funding for the Public Health Nurses Certification Fee Waivers Program from the Department of Health Care Access and Information (HCAI) to the Department of Consumer Affairs (DCA) – Reduces HCAI's \$3.33 million General Fund in 2022-23; Appropriates \$6.66 million General Fund to DCA in 2023-24; and the remaining \$3.34 million General Fund planned in the 2024 Budget Act to be appropriated to DCA.
- 38) Increases the Federal Trust Fund authority of the Department of Technology to accept a \$73 million federal grant award to support the Middle Mile Broadband Infrastructure Program and other technical changes.
- 39) Increases the Federal Trust Fund Authority of the Arts Council by \$300,000 to fully spend a federal grant award from the National Arts Endowment.
- 40) Increases Federal Trust Fund authority to spend additional Federal Funds for facility repairs and upgrades at the Discovery Youth Challenge Program in Lathrop, CA (\$881,000) and for start-up supplies at the STARBASE program at Los Alamitos (\$177,000).
- 41) Increases reimbursement authority by \$500,000 to support facility improvements at the Sunburst Youth Challenge Academy at Los Alamitos.
- 42) Provides that funds remaining after the completion of the Forced or Involuntary Sterilization Program shall be reappropriated contingent on future legislation.
- 43) Makes various changes to legislative priorities included in the Budget Act of 2023 and technical changes to legislative priorities included in the Budget Act of 2022.
- 44) Various other technical changes to the 2023-24 Budget.

**Fiscal Effect:** This bill, when combined with SB 101 (Skinner), AB 102 (Ting) and various trailer bills, reflects a state spending plan that totals \$310.8 billion, of which \$225.9 billion is from the General Fund.

**Support:** None

**Opposed:** None

**Comments:** This bill amends SB 101, Chapter 12, Statutes of 2023 (Skinner), the 2023 Budget Act, as amended by AB 102, Chapter 38, Statutes of 2023 (Ting), to reflect adjustments made to the Budget Act in August of 2023. These changes include appropriating funding set aside in the Budget Act in June of 2023 to allow for further discussions and negotiations. In addition, this bill contains technical changes, corrections and updates identified after the budget was adopted.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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<b>Bill No:</b>	AB 135	<b>Hearing Date:</b>	August 30, 2023
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	August 27, 2023 As amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Nora Brackbill		

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**Subject:** Public Safety

**Summary:** This bill, as part of the 2023-24 Budget package, makes the following statutory changes:

- 1) **Subsequent Background Check Information.** This bill includes various changes to comply with federal requirements related to background check information and includes the necessary authority to implement previously appropriated funding for latent print scans, including:
  - a) Clarifies that the California Department of Justice (CalDOJ) has the authority to search background check applicant prints against latent fingerprint files, which is a requirement of the Federal Bureau of Investigation to obtain federal subsequent arrest and disposition information. With this clarification, CalDOJ can provide subsequent criminal history information from Federal Bureau of Investigation databases to authorized agencies in California, including the State Department of Social Services, the Medical Board of California, and the Osteopathic Medical Board of California pursuant to AB 2461 (Flora), Chapter 300, Statutes of 2018.
  - b) Creates a federally compliant process to enable youth organizations, as specified, to receive background check information, including subsequent arrest information, through CalDOJ. Existing law required these organizations to perform federal background checks, pursuant to AB 506 (Gonzales), Chapter 169, Statutes of 2018; AB 465 (Bonilla), Chapter 146, Statutes of 2013; and AB 230 (Maienschein), Chapter 151, Statutes of 2014.
- 2) **Remote Court Proceedings.** Extends specified remote court proceedings for criminal matters set to expire on January 1, 2024 until January 1, 2025, consistent with AB 199 (Committee on Budget), Chapter 57, Statutes of 2022.
- 3) **Community Correctional Reentry Center Contracting.** Includes statutory changes related to the community correctional reentry centers, including:
  - a) Permits the California Department of Corrections and Rehabilitation (CDCR) to enter long-term contracts of up to ten years for the operation of the centers.
  - b) Allows CDCR to use a request-for-information contracting process for community correctional reentry centers, as specified.

- c) Directs CDCR to prioritize community reentry center proposals located near large population centers, with approved land use and identified facilities, that can provide a rehabilitative setting and programming, and that are operated by experienced nonprofit organizations, as specified.
- 4) **Ammunition Authorization Program.** Provides the Department of Justice with the authority to adjust the ammunition purchase fee through the regulatory process, not to exceed the fee needed to cover reasonable regulatory and enforcement costs for operating the Ammunition Authorization Program.
- 5) **Technical Changes.** Includes the following technical and clarifying changes:
  - a) Clarifies that the provisions of SB 652 (Umberg), Chapter 75, Statutes of 2023 only apply in general civil cases. This provision takes effect January 1, 2024.
  - b) Clarifies jurisdiction for juvenile courts in cases where a person committed a serious crime as a minor, but is now over 25 years of age, which may arise due to resentencing efforts or cold cases, among other reasons.

**Fiscal Effect:** The provisions of this bill are necessary to implement the requirements of the 2023-24 Budget.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 137 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 27, 2023 As amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Scott Ogus

**Subject:** Health omnibus trailer bill

**Summary:** This bill is an omnibus health trailer bill, and contains changes to implement the 2023-24 budget.

**Proposed Law:** This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2023. Specifically, this bill:

Emergency Medical Services Authority (EMSA)

- 1) Requires Senate confirmation of the Director and Chief Medical Officer of the Emergency Medical Services Authority (EMSA) and clarifies that both positions serve at the pleasure of the Governor.

Department of Health Care Access and Information (HCAI)

- 2) Expands the authority of the Department of Health Care Access and Information (HCAI) to enter partnerships to develop, manufacture, or distribute an over-the-counter version of a naloxone nasal product.

Department of Health Care Services (DHCS)

- 3) Revises provisions originally adopted in AB 2317 (Ramos), Chapter 589, Statutes of 2022, including the membership of interdisciplinary teams in psychiatric residential treatment facilities and conditions authorizing disclosure of information or other records to ensure a dependent or ward receives all necessary services or referrals for transition to a lower level of care.
- 4) Beginning no sooner than July 1, 2027, authorizes DHCS to approve licensing and certification fee increases on residential and outpatient substance use disorder treatment facilities of up to five percent without approval by the Legislature.
- 5) By July 1, 2024, requires DHCS to develop a process for substance use disorder treatment facilities to apply for a hardship fee waiver, with the goal of providing access to quality substance use disorder services.

- 6) Authorizes federal fund expenditure authority of \$56.2 million for DHCS to expend federal Substance Abuse Prevention and Treatment Block Grant awards.

Department of Public Health (CDPH)

- 7) Delays until July 1, 2027, implementation of a lead-related construction program at the Department of Public Health (CDPH) authorized by SB 1076 (Archuleta), Chapter 507, Statutes of 2022.
- 8) Delays until July 1, 2026, implementation of an education and outreach program for lead-related construction at CDPH authorized by SB 1076.
- 9) Delays by one year, until January 1, 2025, the deadline by which CDPH must adopt emergency regulations to implement audit recommendations for the licensure and oversight of hospice agencies.
- 10) Lifts the moratorium on hospice agency licensure at CDPH upon adoption of emergency regulations to implement audit recommendations.

**Fiscal Effect:** Authorizes federal fund expenditure authority of \$56.2 million for DHCS to expend federal Substance Abuse Prevention and Treatment Block Grant awards.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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<b>Bill No:</b>	AB 138	<b>Hearing Date:</b>	August 30, 2023
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	August 27, 2023 Amended		
<b>Urgency:</b>	Yes	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Elizabeth Schmitt		

**Subject:** Human services

**Summary:** Provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2023.

**Background:** As part of the 2023-24 budget package, this bill makes statutory changes to implement the budget act.

**Proposed Law:** This bill includes the following provisions:

*Department of Developmental Services (DDS)*

- 1) **Complex Needs Residential Program.** Establishes the department's Complex Needs Residential Program. Allows the department to develop a residential program for adolescents and adults with complex needs, consisting of three homes not to exceed five beds per home, and a length of stay not to exceed 18 months. Allows the Department of General Services, with the approval of DDS, to amend the existing lease to include a portion of the Fairview Developmental Center property for the purpose of developing complex needs homes. Establishes criteria for admission, assessment, individual program planning, transition back to the community, and other program components. Requires the department to work jointly with the regional center to identify or develop alternative services and supports in the event the department determines that an individual cannot be safely served in a complex needs home. Prohibits the department from establishing a complex needs home in an existing building on the grounds of a developmental center. Prohibits a complex needs home from using any non-emergency restraints or seclusion.
- 2) **Stabilization, Training, Assistance and Reintegration (STAR) Homes.** Requires the department to work jointly with the regional center to identify or develop alternative services and supports in the event the department determines that an individual cannot be safely served in a STAR home. Prohibits a STAR home from using any non-emergency restraints or seclusion.
- 3) **Developmental Services Equity and Oversight:**
  - a. Requires the department to establish common data definitions to promote service access and equity in all regional center services and programs.

- b. Requires regional centers to record the race and ethnicity and preferred language of individuals served at the time of initial intake, assessment, and individual program plan meeting following their 18<sup>th</sup> birthday.
  - c. Requires data collection to be integrated with the department's new case management system.
  - d. Requires the department to establish a standardized process for assessing an individual's need for respite services.
  - e. Requires the department to establish a standardized individual program plan template and procedures.
  - f. Requires the department to establish standard vendorization procedures.
  - g. Requires the department to establish a standardized intake process.
  - h. Requires the department to report specified information regarding the definition of generic services, options to improve the coordination of generic services, barriers to accessing generic services, and the feasibility of tracking generic services in its new case management system.
  - i. Requires the department to evaluate the availability of common services and supports, including inconsistencies in the availability of services by geography and language, and recommendations for addressing inconsistencies.
  - j. Establishes regional center responsibilities for determining eligibility and conducting intake, and requires regional centers to provide notification on the outcome of an eligibility determination.
- 4) **Extension of Liquidation Period for Early Start Federal Funds.** Extends the liquidation date from January 28, 2024 to March 31, 2025 of federal funds authorized by the 2021 American Rescue Plan Act (ARPA) – Federal Individuals with Disabilities Education Act (IDEA) Part C, to support early intervention services, consistent with pending approval by the federal Department of Education.

*Department of Rehabilitation (DOR)*

- 5) **Business Enterprises Program for the Blind (BEP) Workers' Compensation Self-insurance Program.** Authorizes BEP vendors licensed by DOR to operate a facility with workers' compensation insurance provided by the Business Enterprises Program's group policy. Allows DOR to secure payment of compensation through a self-insurance fund or insurance against liability.

*Department of Social Services*

- 6) **Adoptions Technical Changes.** Makes technical changes to clarify that persons or organizations authorized as adoption services providers under California law are not impacted by the prohibitions against unlicensed adoption agencies as set out in current law. Recasts “birth” parent with the term “legal” parent.

**Fiscal Effect:** Extends the liquidation date from January 28, 2024 to March 31, 2025 of federal funds authorized by the 2021 American Rescue Plan Act (ARPA) – Federal Individuals with Disabilities Education Act (IDEA) Part C, to support early intervention services, consistent with pending approval by the federal Department of Education.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 140 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 28, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Elizabeth Schmitt

**Subject:** Early Care and Education

**Summary:** Provides for statutory changes necessary to enact early care and education related provisions of the Budget Act of 2023.

**Background:** As part of the 2023-24 budget package, this bill makes statutory changes to implement the budget act.

**Proposed Law:** This bill includes the following provisions, which ratify the agreement entered into by the Governor and Child Care Providers United California (CCPU) on June 30, 2023.

- 1) **Cost of Care Plus Rates.** Allocates funding to the Department of Social Services (CDSS) and the Department of Education (CDE) to provide a monthly “cost of care plus rate” per child to all subsidized child care providers. The rate per child ranges between \$98 and \$211 per month based on the child care provider type and the region in which the child care provider is located. Provides for administrative funding to process monthly cost of care plus rates.
- 2) **One-time Payments.** Allocates funding to CDSS and CDE to provide child care providers with a one-time payment to all providers who were reimbursed for subsidized child care or California State Preschool Program (CSPP) services in April 2023. The one-time payment ranges from \$500 to \$3,000 per provider. Provides for administrative funding to process one-time payments.
- 3) **Health, Retirement, and Training for Family Child Care Providers.** Authorizes a contribution of \$15 million to the Joint CCPU Training Partnership Fund. Authorizes a contribution of \$100.1 million to the CCPU Workers Health Care Fund. Appropriates \$80.1 million for the establishment of the CCPU Retirement Trust for the purpose of providing retirement benefits to family child care providers. Contributions to each fund described depend on an annual report detailing the distribution of funds from the prior year and any remaining balance, provided by CCPU.
- 4) **Part-time and full-time definitions.** Defines “part-time” as care certified for a child for fewer than 25 hours per week, and defines “full-time” as care certified for a child for 25 or more hours per week, for purposes of all subsidized child care programs and the California State Preschool Program (CSPP).

- 5) **Payment Timeliness.** Requires contractors operating CSPP through a family childcare home education network, and each county and contractor that reimburses subsidized child care providers, to develop, implement, and publish a plan for timely payment to family childcare home providers, as specified.
- 6) **Two-year extension of reimbursement flexibility.** Provides that all subsidized child care providers shall be reimbursed at 100 percent of the contract maximum reimbursable amount or net reimbursable amount or net reimbursable program costs, whichever is less, through June 30, 2025.
- 7) **Alternative Methodology for setting child care reimbursement rates.** Requires CDSS to define elements of the state's proposed single rate structure for setting childcare rates and report to the Legislature on progress made to conduct an alternative methodology by February 15, 2024. Requires CDSS to report to the Legislature on the status of the state's draft Child Care and Development Fund state plan, including the state's proposed single rate structure to be submitted to the United States Department of Health and Human Services, Administration for Children and Families, by May 15, 2024. Requires CDSS to submit necessary information to support use of a single rate structure utilizing the alternative methodology to the Administration for Children and Families in the Child Care and Development Fund state plan or an amendment to the state plan by July 1, 2024. Requires the department to report to the Legislature on implementation components for the approved single rate structure within 60 days of federal approval.
- 8) **Suspensions and expulsion.** Requires CDSS and CDE to report recommendations for potential changes related to suspensions and expulsions to the Legislature.
- 9) **Technical Clean-up.** Makes a conforming change to clarify that family fees for CSPP are not cost neutral.

**Fiscal Effect:** Appropriates \$80.1 million for the establishment of the CCPU Retirement Trust for the purpose of providing retirement benefits to family child care providers.

**Support:** None.

**Opposed:** None.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 141 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 27, 2023 As amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Yong Salas

**Subject:** Education finance: education omnibus budget trailer bill

**Summary:** This bill provides for statutory changes necessary to enact the K-12 and child care-related provisions of the Budget Act of 2023.

**Proposed Law:** This bill makes statutory changes needed to implement the 2023-24 Budget Act. Specifically, this bill:

- 1) Extends the encumbrance rate for re-allocated funds from the PreKindergarten Planning and Implementation Grant program.
- 2) Prevents local educational agencies from incurring fiscal penalties due to expanded learning program closures as a result of emergency conditions, as provided.
- 3) Extends the authority to allow substitute teachers for 60 cumulative days, to July 1, 2024.
- 4) Exempts Paradise Unified School District from maximum ratios of administrators to teachers for the 2021-22 fiscal year to the 2023-24 fiscal year.
- 5) Makes other various technical amendments.

**Fiscal Effect:** This bill appropriates \$1.5 million General Fund for the California Teachers Collaborative for Holocaust and Genocide Education.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 142 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 28, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Christopher Francis

**Subject:** Higher Education

**Summary:** This bill makes necessary changes to implement the higher education provisions adopted as a part of the Budget Act of 2023.

**Proposed Law:** This bill makes various statutory changes to the higher education provisions of the 2023-24 budget. Specifically, this bill:

- 1) ***California Community Colleges (CCC) Student Housing Support.*** Makes the following changes:
  - a. Expresses legislative intent that, no later than the adoption of the 2024 Budget Act, a statewide lease revenue bond, or other statewide financing or fiscal approach will be developed and included within the 2024 Budget Act to support California community college affordable student housing projects that have been approved as part of the Higher Education Student Housing Grant Program.
  - b. Shifts the support of three CCC and University of California (UC) intersegmental projects from CCC to UC. This shift facilitates UC issuance of revenue bonds for the CCC portions of three intersegmental UC-CCC affordable housing projects selected in the Higher Education Student Housing Grant Program.
  - c. States that the three CCC and UC intersegmental projects to be covered through UC issuance of revenue bonds will retain a split in the number of beds for low-income students between the participating campuses that is consistent with the Higher Education Student Housing Grant Program application approved by the state and further defined in the subsequent operating agreements between each UC campus and the CCC district partnership.
  - d. Clarifies that the CCC campuses that received General Fund support for grants in the Budget Act of 2022 shall revert those General Fund resources by June 29, 2024, or upon the enactment of the 2024 Budget Act, whichever is later.
- 2) ***Middle Class Scholarship (MCS) Clarification.*** Senate Bill 117 (Committee on Budget and Fiscal Review), Chapter 50, Statutes of 2023 exempts, commencing with the 2023-24 academic year, emergency housing assistance and emergency

basic needs assistance that are only in excess of the student contribution amount of \$7,898 from the MCS award calculation. This trailer bill clarifies that emergency assistance includes emergency assistance awarded by an institution-based foster youth support program.

- 3) ***Online and Hybrid Education Review and Recommendations.*** Senate Bill 117 (Committee on Budget and Fiscal Review), Chapter 50, Statutes of 2023 provided funding and directed the California Community College Chancellor's Office to contract with a third-party research institution to study the impacts of online courses on student access and outcomes at community colleges. This trailer bill clarifies the types of study that could be conducted and requires nationally-recognized research design standards.
- 4) ***CalKIDS College Savings.*** Creates a pilot program in which the Scholarshare Board will enter into data-sharing agreements with two local education agencies to improve outreach and participation in the California Kids Investment and Development Savings Program, which provides college savings account for California students.
- 5) ***Golden State Teacher Grant (GSTG) Program Modifications.*** Expands program eligibility to institutions that offer services online to students and are either accredited by the Senior Colleges and Universities Commission of the Western Association of Schools and Colleges or regionally accredited by an agency recognized by the United States Department of Education. Caps the percentage of GSTG appropriated funds that can be allocated to support the \$10,000 award level for students taking teacher preparation coursework at these eligible institutions to eight percent of the total appropriations provided to support the program.
- 6) ***CCC Part-Time Faculty Health Insurance.*** Allows districts that contract with the California Public Employees' Retirement System (CalPERS) to provide CalPERS health benefits to all faculty that have two courses or 40 percent of the cumulative equivalent of a minimum full-time teaching assignment.
- 7) ***Budget Act of 2021 Technical Change.*** Extends the expenditure or encumbrance date for a 2021 Budget Act appropriation to UC Riverside to support scientific social survey of Asian American and Pacific Islanders (AAPI) being conducted by the AAPI Data project from June 30, 2024 to June 30, 2027.

**Fiscal Effect:** This bill is a budget trailer bill within the overall 2023-24 budget package to implement actions related to higher education, and makes an appropriation.

**Support:** None on file

**Opposed:** None on file

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 143 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 29, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Diego Lopez

**Subject:** State Government

**Summary:** This general government budget trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2023.

**Proposed Law:** This bill makes the following statutory changes:

- 1) **Portability of Professional Licenses for Servicemembers.** Conforms state statutes with recent federal law enabling the portability of professional licenses for servicemembers and spouses if certain requirements are met, as specified.
- 2) **Physician Post-Graduate Training License.** Provides an extension to March 31, 2024 for physician post-graduate training licenses expiring between June 1, 2023 and December 1, 2023. Clarifies that medical school graduates must obtain a post-graduate training license 180 days after beginning a training program. Extends the amount of time from 90 days to 180 days for applicants who have completed 12 months of approved postgraduate training in another state or Canada to obtain a physician and surgeon's license.
- 3) **Goat Herders.** Extends the sunset date, from January 1, 2024 to July 1, 2026, for labor provisions that are applicable to both sheepherders and goat herders. States that the Labor Commissioner shall now issue a report on employment of sheepherders and goat herders in California, including minimum wage and overtime on or before January 1, 2026 instead of on or before January 1, 2024.
- 4) **Women in Construction Priority Unit Clarification.** Clarifies that pre-apprenticeship programs are eligible for resources provided by this unit.
- 5) **State Allocation Board Appointments.** Provides the President Pro Tempore of the Senate appointment authority for Senators to the State Allocation Board.
- 6) **Bagley-Keene Open Meeting Act.** Authorizes state entities to hold public meetings, subject to specified notice and accessibility requirements, through teleconferencing and making public meetings accessible telephonically or otherwise electronically to the public, as specified. The bill sunsets these provisions on December 31, 2023.

- 7) **CalFIRE Public Works.** Provides technical cleanup to address a drafting error in SB 122 (Committee on Budget and Fiscal Review, Chapter 51, Statutes of 2023) that conflicts with existing California Department of Human Resources (CalHR) authority.
- 8) **Microbusinesses.** Extends the gross income exclusion for the California Microbusiness COVID-19 Relief Program grants through the 2024 tax year consistent with the repeal date of the program.
- 9) **Budget Bill Listing.** Updates the list of statutes making up the Budget Act for each fiscal year as referenced in the Government Code.
- 10) **Hazardous Waste Generation and Handling Fee.** Creates an exception for the recently established hazardous waste generation and handling fee (\$49.23 per ton of hazardous waste) for a generator site meeting specified criteria, such as (1) the project will provide at least 2,000 new housing units, (2) the generator of the hazardous waste acquired ownership of the property subject to cleanup prior to July 1, 2022, and (3) cleanup activity commenced activity, as described, began prior to July 1, 2022. The bill sets an alternative fee rate of \$5.72 per ton of hazardous waste generated for projects subject to this exception.
- 11) **Hunter's Point.** Exempts the Candlestick Point-Hunters Point Shipyard phase 2 from the limitation of time for establishing loans, advances, and indebtedness, the time for applying for tax increment, the number of tax dollars, and other matters from provisions of the Redevelopment Property Tax Trust Fund established for that agency and Community Redevelopment Law, which imposed specified limitation on redevelopment plans. Requires any changes to establish or change time limits for the Candlestick Point-Hunters Point Shipyard Phase 2 project agreement be approved by the oversight board, and is subject to department approval.
- 12) **Loan Repayment Assistance Program.** Clarifies that providing loan repayment assistance through the program administered by the Access to Justice Commission must be for attorneys doing qualified work, as defined, in order to be a permissible use of the Equal Access Fund.
- 13) **Dream for All.** Directs the California Housing Finance Agency to do both of the following with respect to the Dream for All shared appreciation loan program for first-time homebuyers: (1) make specified program adjustments designed to better target recipients who would otherwise be shut out of homeownership; and (2) develop and report to the Legislature about options for financing an expansion of the available loan pool.
- 14) **Forced Sterilization.** Sets the final payments for the Forced or Involuntary Sterilization Program defined in Chapter 1.6 of the Health and Safety Code at \$20,000, and extends the program end by six months to allow for all pending appeals to be processed.

**Fiscal Effect:** This bill appropriates \$1,000,000 from the Labor and Workforce Development Fund to develop a report on the conditions of sheep and goat herders, including wage violations, minimum wage and overtime, compliance with labor standards, and demographic information, as specified.

**Support:** None

**Opposed:** None

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 148 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 28, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Hans Hemann

**Subject:** State Employment: State Bargaining Units

**Summary:** Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs) between Bargaining Units (BUs) 1, 3, 4, 11, 12, 14, 15, 17, 19, 20, and 21 and the state, and MOU side letter agreements between BUs 1, 3, 4, 5, 11, 13, 14, 15, 17, 19, 20, and 21 and the state. The agreements cover state employees represented by five exclusive employee representatives, as follows:

Service Employees International Union, Local 1000 (SEIU 1000)

- BU 1: Administrative, Financial, and Staff Services
- BU 3: Professional Educators and Librarians
- BU 4: Office and Allied
- BU 11: Engineering and Scientific Technicians
- BU 14: Printing Trades
- BU 15: Allied Services
- BU 17: Registered Nurses
- BU 20: Medical and Social Services
- BU 21: Education Consultants and Library Employees

California Association of Highway Patrolmen (CAHP)

- Bargaining Unit 5: Highway Patrol

International Union of Operating Engineers (IUOE)

- Bargaining Unit 12: Craft and Maintenance

International Union of Operating Engineers (IUOE)

- Bargaining Unit 13: Stationary Engineers

American Federation of State, County and Municipal Employees (AFSCME)

- Bargaining Unit 19: Health and Social Services/Professional

**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 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 three MOUs and four MOU side letters entered into between the state and various bargaining units. Includes provisions to take effect immediately. Specifically, this measure ratifies the following:

**Memorandum of Understanding with BUs 1, 3, 4, 11, 14, 15, 17, 20 and 21.** This bill ratifies an MOU entered into between the state and BUs 1, 3, 4, 11, 14, 15, 17, 20 and 21 on August 19, 2023, represented by the Service Employees International Union, Local 1000 (SEIU). The MOU agreement is, as follows:

#### Compensation

##### *General Salary Increase (GSI)*

- 1) Effective July 1, 2023, retroactively, all SEIU employees shall receive a three percent (3%) GSI.
- 2) Effective July 1, 2024, all SEIU employees shall receive a three percent (3%) GSI.
- 3) Effective July 1, 2025, all SEIU employees shall receive a three percent (3%) GSI.

- a. At the time of the May Revision to the 2025-2026 Governor's Budget, if the Department of Finance projects sufficient excess funding, then the General Salary Increase in this MOU shall be four percent (4.0%) on July 1, 2025.
- b. The determination of sufficient excess funding shall be at the sole discretion of the Director of the Department of Finance based on the specified consideration.

### Special Salary Adjustment (SSA)

#### *Wage Equity Adjustment*

- 1) Various low paying classifications in BUs 1, 4, 11, 14, 15, and 20 will receive a four percent (4%) SSA on July 1, 2023.

#### *Bargaining Unit 1*

- 1) Effective July 1, 2023, employees in the following classifications shall receive an SSA percent increase as listed:
  - Driver Safety Hearing Officer (4.0%)
  - Conservancy Project Development Analyst II (15.76%)
  - Conservancy Project Development Analyst I (15.78%)
  - Public Land Management Specialist IV (3.25%)
  - Public Land Management Specialist III (15.75%)
  - Public Land Management Specialist II (15.80%)
  - Public Land Management Specialist I (10.29%)
- 2) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of two and one-half percent (2.5%):
  - Workers' Compensation Compliance Officers, Aviation Safety Officer II, and Insurance Rate Analysts.
- 3) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Correctional Case Records Analysts, Hearing Reporters, Payroll Specialist, Personnel Specialists, Legal Assistants and Analysts, Health Facilities Evaluator Specialists, Financial Institutions Examiners, Tax Auditors, Business Taxes Specialists, Public Utility Financial Examiner IV, Environmental Planners, Transportation Planners, Conservancy Project Development Specialist, Right of Way Agents, Coastal Program Analysts, Research Data Specialists and Analysts, Health Facilities Evaluators, Insurance Compliance Officers, Employment Program Representatives, and Disability Insurance Program Representatives.



*Bargaining Unit 3*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Teachers, Substitute Teachers, and Teacher Specialists.

*Bargaining Unit 4*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Secretaries, Mailing Machines Operators II, Dispatcher-Clerks, Library Technical Assistants, Health Record Technician II, Senior Motor Vehicle Technician, Tax Technicians, Lottery Ticket Sales Senior Specialist, Control Cashiers, Senior Benefit Program Specialist, Senior Pension Program Representative, Program Technician III, and Sr. Word Processing Technician.

*Bargaining Unit 11*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Plant Quarantine Inspector, Agricultural Pest Control Specialist, Water Resources Engineering Associate, Water Resources Technicians, Civil Engineers, Material and Research Engineering Associate, Steel Inspectors, Bridge Architectural Trainee/Assistant/Associate, Construction Supervisors & Inspectors, Seismological Instrument Technicians, and Transportation Engineering Technicians.
  - Supervising Laboratory Assistant I (5.55%).

*Bargaining Unit 14*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Printing Trades Production Coordinator, Webfed Offset Press Operators, Bookbinders, Printing Plant Machinist, and Printing Trades Assistant II.

*Bargaining Unit 15*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA percent increase as listed:
  - Cook Specialists (5.0%)
  - Correctional Supervising Cook (5.0%)
  - Custodian II (6.61%)
  - Laundry Supervisor (4.0%)

*Bargaining Unit 17*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Health Facilities Evaluator Nurses, Nurse Evaluators, Health Services Specialists, Public Health Nurses, and Nurse Practitioners.

*Bargaining Unit 20*

- 1) Effective July 1, 2023, employees in the following general classifications shall receive an SSA of five percent (5.0%):
  - Clinical Laboratory Technologists, Certified Nursing Assistants, Resident Care Specialists, Transportation Coordinators, Readers, Night Attendants, and Counselor Orientation Center for the Blind.

*Bargaining Unit 21*

- 1) Effective July 1, 2023, employees in the following classifications shall receive an SSA of five percent (5.0%):
  - Private Postsecondary Education Senior Specialist, Nursing Education Consultant, and Transportation Programs Consultant.

Health Benefits

*Employer Contribution for Active State Employees*

- 1) The state's monthly benefit contribution for BU 3 employees shall continue to be a flat dollar amount equal to 80 percent of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. For each employee with enrolled family members, the employer shall continue to contribute an additional flat dollar amount equal to 80 percent of the weighted average of the additional premiums. The flat dollar amounts shall be adjusted as appropriate pursuant to the formulas on January 1, 2024, January 1, 2025, and January 1, 2026.

*Out-of-State Supplemental Health Care Program*

- 1) The current program, \$1,200 per year, will expire at the end of the November 2023 pay period. Effective with the December 2023 pay period, employees who are headquartered out-of-state and enrolled in a CalPERS sponsored Preferred Provider Organization health plan because they cannot enroll in a CalPERS sponsored HMO plan, will receive a monthly payment based on their health plan party code enrollment.

*Supplemental Health Benefits Contribution*

- 1) All health benefits-eligible SEIU BU employees will receive an additional monthly amount of up to one hundred and sixty-five dollars (\$165) towards the monthly employer health benefits contribution.

Post-Employment Benefits*Prefunding of Other Post-Employment Benefits (OPEB)*

- 1) Effective on the first day of the pay period following ratification, the employees' monthly contributions shall decrease from 3.5 to 3.0 percent to prefund OPEB.
- 2) Effective July 1, 2024, and each July thereafter, the contribution percentages will be adjusted based on the actuarially determined total normal cost. If the total normal cost increases or decreases by more than half a percent from the total normal cost contribution in effect at that time, the employer and employee contribution percentages will be increased or decreased July 1 each fiscal year thereafter, to maintain a 50 percent cost sharing of actuarially determined total normal cost. The increase or decrease to the employer or employee contribution shall not exceed 0.5 percent per year.

Miscellaneous*Electronic Device Access*

- 1) The California Department of Corrections and Rehabilitation (CDCR) and California Correctional Health Care Services (CCHCS) will allow SEIU Local 1000 executive board members and one steward, per watch, per worksite, institution or facility to bring an authorized cellular device within the security areas of worksites, institutions or facilities for the purpose of SEIU representation upon written notification and approval of the Appointing Authority.

*Bereavement Leave*

- 1) Increased the number of days from three to five to incorporate recent statutory changes.

*Union Leave*

- 1) Increased union reimbursement rates payable to the State for authorized Union Leave. Reimbursement rates shall be increased from the current rate of thirty-five percent (35%) by two percent (2%) each year of the Agreement.

*Business and Travel Expenses*

- 1) During the term of this contract the State shall implement a business and travel expense reimbursement program that includes adopting the federal standard meal and incidental expense rate and lodging rates established by the federal General Services Administration (GSA). This shall include:
  - Adopting the federal standard meal and incidental expense (M&IE) rate established by the GSA at time of travel for in-state and out-of-state travel;

- Adopting federal standard and non-standard reimbursement rates at time of travel for in-state, out-of-state, and out-of-country lodging;
- Simplifying current reimbursement policy and administration and providing up to 75 percent (75%) of the federal standard rate established by the GSA for M&IE on the first and last day of travel;
- Eliminating the state's long-term travel reimbursement rates and adopting the federal standard M&IE reimbursement rates for long-term 12 meals, and receipted lodging shall be reimbursed up to the maximum federal standard and non-standard reimbursement rates.

#### *Transportation Incentives*

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 100 percent (100%) discount on public transit passes up to the exclusion amount provided by the Internal Revenue Service (IRS).
- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools or driving vanpools will be eligible for a 100 percent (100%) reimbursement of the monthly fee up to the exclusion amount provided by the IRS.

#### *Uniform Replacement Allowance*

- 1) Effective the first pay day of the pay period following ratification by both parties, the uniform replacement allowance will increase to six hundred and fifty dollars (\$650) per year for employees who are required to wear a uniform as a condition of employment, when the State does not provide a uniform.
- 2) Increase in the safety footwear allowance from \$100 to \$165.

#### Duration

- 1) July 1, 2023, through June 30, 2026.

#### Fiscal

- 1) Fiscal Year 2023-24 Cost: \$635.9 million (\$291.4 million General Fund).

**Memorandum of Understanding with BU 12.** This bill ratifies an MOU entered into between the state and BU 12 on July 13, 2023, represented by the International Union of Operating Engineers (IUOE). The MOU agreement is, as follows:

#### Compensation

##### *Special Salary Adjustments (SSA)*

- 1) Effective July 1, 2023, all BU 12 employees in the following classifications shall receive a SSA of five percent (5%):

- Maintenance Aide (Seasonal)
  - Maintenance Aide (Seasonal)(Angel Island)
  - Foundation Driller
  - Foundation Driller Leadworker
  - Senior Foundation Driller
- 2) Effective July 1, 2023, all BU 12 employees in the following classifications shall receive a SSA as follows:
- Automotive Pool Attendant III 4.66%
  - Lead Automobile Mechanic 4.41%
  - Lead Motorcycle Mechanic 4.41%
  - Telecommunications Facilities Technician II, CHP 4.19%
  - Park Landscape Maintenance Technician 6.70%
  - Park Maintenance Worker II 4.80%
- 3) Effective July 1, 2023, all BU 12 employees in the following classifications shall receive a SSA of four percent (4%):
- State Park Equipment Operator
  - Military Department Heavy Equipment Operator
  - Caltrans Equipment Operator I/II
  - Caltrans Highway Maintenance Worker
  - Caltrans Highway Maintenance Leadworker
  - Caltrans Landscape Maintenance Worker
  - Caltrans Landscape Maintenance Leadworker
  - Maintenance Worker, California Highway Patrol
  - Tractor Operator - Laborer
  - Tractor Operator - Laborer (Correctional Facility)
  - Commercial Vehicle Inspection Specialist
  - Heavy Truck Driver
  - Heavy Truck Driver, Correction Facility
  - Automobile Mechanic
  - Automobile Mechanic (Correctional Facility)
  - Automotive Pool Attendant I/II
  - Automotive Technician I/II
  - Motorcycle Mechanic
  - Caltrans Heavy Equipment Mechanic
  - Caltrans Heavy Equipment Mechanic Leadworker
  - Heavy Equipment Mechanic Apprentice, Caltrans
  - Heavy Equipment Mechanic
  - Heavy Equipment Mechanic (Correctional Facility)
  - Equipment Maintenance Supervisor (Correctional Facility)
  - Pest Control Technician
  - Pest Control Technician (Correctional Facility)
  - Groundskeeper
  - Lead Groundskeeper
  - Groundskeeper (Correctional Facility)
  - Skilled Laborer

- Lead Groundskeeper I (Correctional Facility)
- Supervising Groundskeeper II (Correctional Facility)
- Supervising Groundskeeper I
- Lead Groundskeeper (Correctional Facility)
- Industrial Supervisor, Prison Industries (Bakery)
- Industrial Supervisor, Prison Industries (Bindery)
- Industrial Supervisor, Prison Industries (Coffee Roasting and Grinding)
- Industrial Supervisor, Prison Industries (Crop Farm)
- Industrial Supervisor, Prison Industries (Dairy)
- Industrial Supervisor, Prison Industries (Dental Laboratory)
- Industrial Supervisor, Prison Industries (Detergent Plant)
- Industrial Supervisor, Prison Industries (Digital Services)
- Industrial Supervisor, Prison Industries (Egg Production)
- Industrial Supervisor, Prison Industries (Fabric Products)
- Industrial Supervisor, Prison Industries (Food and Beverage)
- Industrial Supervisor, Prison Industries (Knitting Mill)
- Industrial Supervisor, Prison Industries (Laundry)
- Industrial Supervisor, Prison Industries (Maintenance + Repair)
- Industrial Supervisor, Prison Industries (Mattress + Bedding)
- Industrial Supervisor, Prison Industries (Meatcutting/Processing)
- Industrial Supervisor, Prison Industries (Metal Fabrication)
- Industrial Supervisor, Prison Industries (Optical Products)
- Industrial Supervisor, Prison Industries (Poultry Processing)
- Industrial Supervisor, Prison Industries (Printing)
- Industrial Supervisor, Prison Industries (Sausage Making/Cured Meats)
- Industrial Supervisor, Prison Industries (Sewing Machine Repair)
- Industrial Supervisor, Prison Industries (Shoe Manufacturing)
- Industrial Supervisor, Prison Industries (Tool + Die)
- Industrial Supervisor, Prison Industries (Upholstery)
- Industrial Supervisor, Prison Industries (Wood Products)
- Industrial Warehouse and Distribution Specialist, Prison Industries
- Prison Canteen Manager I
- Materials and Stores Supervisor II (Correctional Facility)
- Plumber Apprentice
- Plumber I/II
- Plumber II/III (Correctional Facility)
- Plumber Supervisor
- Telecommunications Facilities Technician I, CHP
- Park Maintenance Assistant
- Park Maintenance Assistant (Angel Island)
- Park Maintenance Worker I
- Park Maintenance Worker I (Angel Island)

4) Effective July 1, 2023, all BU 12 employees (except classifications identified above) shall receive a SSA of three percent (3%).

- 5) Effective July 1, 2023, following the three percent (3%) SSA increase, all BU12 employees in the Senior Maintenance Aide (Seasonal) minimum salary step shall be realigned to be five percent (5%) above the maximum salary step of the Maintenance Aide (Seasonal) classification with the establishment of five percent (5%) step differentials between the remaining steps.
- 6) Effective July 1, 2024, all BU 12 employees in the following classifications shall receive a SSA of five percent (5%):
  - Senior Foundation Driller
  - Foundation Driller Leadworker
  - Foundation Driller
- 7) Effective July 1, 2024, the maximum salary range for all BU 12 classifications (except driller classifications) shall be increased by four percent (4%). Employees who have been at the maximum salary for 12 qualifying pay periods will be moved to the new maximum salary.
- 8) Effective July 1, 2025, all BU 12 classifications shall be adjusted by increasing the maximum of the salary range by 4 percent (4%). Employees who have been at the maximum salary for 12 qualifying pay periods will be moved to the new maximum salary.

#### *Workforce Stability Stipend*

- 1) Effective July 1, 2023, BU 12 employees are eligible to accrue a Workforce Stability Stipend up to a maximum of \$3,600. Employees shall accrue \$100 for each qualifying pay period during 6-month eligibility periods. Pay is processed in six payments of up to \$600 in January 2024, August 2024, January 2025, August 2025, January 2026, and August 2026.

#### *Night Shift Pay Differential*

- 1) Effective July 1, 2023, increase the night shift pay differential from \$1 per hour to \$1.50 per hour for work shifts that fall between 6 p.m. and 12 midnight.
- 2) Effective July 1, 2023, increase the night shift pay differential from \$2 per hour to \$2.50 per hour for work shifts that fall between 12 midnight and 6 a.m.

#### *Special Duty Pay*

- 1) Effective July 1, 2023, certain BU 12 employees at the California Highway Patrol (CHP) who are required to transport, operate, or deploy in a snow caterpillar will be eligible to receive special duty pay of \$10 per hour.

#### *Recruitment and Retention Differential*

- 1) Effective July 1, 2023, certain BU 12 classifications in designated work locations within Inyo, Shasta, and San Luis Obispo counties at the California Department of Transportation (Caltrans) and within Butte County at the

- Department of Water Resources are identified as eligible for recruitment at the top step plus receive an additional monthly retention differential.
- 2) Effective July 1, 2023, driller classifications will be eligible for recruitment at the top step plus receive a monthly differential of \$200.
  - 3) Effective July 1, 2023, certain Caltrans designated field mechanics shall be eligible to receive a special duty pay of two percent (2%) while so assigned.

*Commercial Driver's License Differential*

- 1) Effective July 1, 2023, the monthly differential shall be calculated to reflect five percent (5%) of the employee's monthly base pay.
- 2) Effective July 1, 2023, certain BU 12 classifications within the CHP are identified as eligible to receive the Commercial Driver's License differential.

*Agricultural Pest Control License Differential*

- 1) Effective July 1, 2023, increase the Qualified Applicator's Certificate monthly differential from \$50 to \$100.
- 2) Effective July 1, 2023, increase the Pest Control Advisor Certificate monthly differential from \$75 to \$150.

*Well Drilling License Pay Differential*

- 1) Effective July 1, 2023, increase the C-57 Well Drilling license monthly pay differential from five percent (5%) to 15 percent (15%).

*Caltrans Winter Operations Pay Differential*

- 1) Effective the first day of the pay period following ratification by both parties, certain BU 12 classifications in designated work locations within Caltrans are identified as eligible to receive a Winter Operations Pay Differential while so assigned. Certain BU 12 classifications may qualify for either a five percent (5%) base pay differential per month or a \$1 per hour differential while so assigned.

*Commercial Vehicle Inspection Specialist Pay Differential*

- 1) Effective July 1, 2023, certain CHP Commercial Vehicle Inspection Specialists who pass the Cargo Tank Inspection exam shall receive a \$200 pay differential each month.

*Footwear Allowance*

- 1) Effective July 1, 2023, the footwear reimbursement changes to an annual allowance and is increased to \$175 for BU 12 employees who are required to



wear specific footwear. BU 12 classifications in the Department of State Hospitals have been added to the list as eligible to receive the annual footwear allowance. BU 12 classifications in the Department of Parks and Recreation and CalFire shall also be eligible for the annual footwear allowance while maintaining the remaining uniform reimbursement.

*Shift Premium for Department of Water Resources (DWR)*

- 1) Effective July 1, 2023, employees covered by the DWR Rotating Shift Operations will receive the following increases to their shift pay differential:
  - Rotating Shift employees who work evening or night shifts shall receive an increase from \$1 to \$1.50 per hour.
  - Employees working the evening shift and working four or more hours between 6 p.m. and midnight shall receive an increase from \$1 to \$1.50 per hour.
  - Employees working the night shift and working four or more hours between midnight and 6:00 a.m. shall receive an increase from \$2 to \$2.50 per hour.
  - Rotating shift employees who work both the evening and the night shift as identified above, shall only receive the combined rate. This rate has been increased from \$1.90 to \$2.90 per hour.

*Health Care Facility Retention and Wildfire Emergency Response*

- 1) BU 12 employees who were employed on January 1, 2022, and remain employed on the first day of the pay period following ratification, and who have been working more than fifty percent of the time in a correctional facility, correctional health care facility, Veteran's home, state hospital and/or developmental services, and/or formally deployed and reassigned to work on emergency wildfire response efforts shall receive a one-time payment of \$1,500.

Retirement Formula Employee/Employer Contribution

*First Tier A Retirement Formula, First Tier B Retirement Formula and Public Employees' Pension Reform Act Retirement Formula Employee Contribution/Final Compensation*

- 1) Effective July 1, 2024, the employee contribution rate for miscellaneous and industrial members shall be reduced by 0.5 percent (0.5%).
- 2) Effective July 1, 2025, the employee contribution rate for miscellaneous members shall be reduced by 0.5 percent (0.5%).
- 3) Effective July 1, 2026, and each year thereafter, if the actuarially determined total normal cost increases or decreases by more than one percent (1%) from the total normal cost contribution in effect at that time, the employee contribution percentage will be increased or decreased, no sooner than July

1, 2026, to reach 50 percent (50%) of the actuarially determined total normal cost, rounded to the nearest quarter of one percent.

*Retirement Formula for Safety Members: State Safety A Formula, State Safety B Formula and Public Employees' Pension Reform Act Retirement Formula Employee Contribution/Final Compensation*

- 1) Effective July 1, 2026, and each year thereafter, if the actuarially determined total normal cost increases or decreases by more than one percent (1%) from the total normal cost contribution in effect at that time, the employee contribution percentage will be increased or decreased, no sooner than July 1, 2026, to reach 50 percent (50%) of the actuarially determined total normal cost, rounded to the nearest quarter of one percent.

Health and Welfare - Family Care Leave (FCL)

- 1) Effective no later than January 1, 2024, BU 12 employees who are enrolled in the annual leave program will be eligible for the non-industrial disability insurance FCL program. This program provides eligible employees up to six weeks of paid leave (50% of gross salary) within a 12-month period for the care of a seriously ill family member or to bond with a newborn child, adopted child or foster care placement. Employees have the option to use their own leave credits to supplement up to 75 or 100 percent income benefit.

Health Benefits

*Health, Dental, Vision*

- 1) 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, 2024, January 1, 2025 and January 1, 2026.

Miscellaneous Benefits

*Union Leave*

- 1) Increase union reimbursement rates payable to the State for authorized Union Leave. Reimbursement rates shall reflect the actual expenses related to the affected employee's salary and benefits for all of the time the employee is out on Union Leave.

*Business and Travel Expenses*

- 1) During the term of this contract the State shall implement a business and travel expense reimbursement program that includes adopting the federal standard meal and incidental expense rate and lodging rates established by the federal General Services Administration (GSA). This shall include:

- Adopting the federal standard meal and incidental expense (M&IE) rate established by the GSA at time of travel for in-state and out-of-state travel;
- Adopting federal standard and non-standard reimbursement rates at time of travel for in-state, out-of-state, and out-of-country lodging;
- Simplifying current reimbursement policy and administration and providing up to 75 percent (75%) of the federal standard rate established by the GSA for M&IE on the first and last day of travel;
- Eliminating the state's long-term travel reimbursement rates and adopting the federal standard M&IE reimbursement rates for long-term meals, and receipted lodging shall be reimbursed up to the maximum federal standard and non-standard reimbursement rates.

#### *Transportation Incentives*

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 100 percent discount on public transit passes up to the exclusion amount provided by the Internal Revenue Service (IRS).
- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools or driving vanpools will be eligible for a 100 percent (100%) reimbursement of the monthly fee up to the exclusion amount provided by the IRS.

#### *Classification Consolidation - Trades*

- 1) With over 300 trades classifications within BU 12, the parties agree it will be advantageous to consolidate, simplify, and reallocate a number of state job classifications to better align with current and projected workforce needs. The parties agree to meet for purposes of considering and discussing potential consolidation of classifications necessary and appropriate.

#### Duration

- 1) July 1, 2023, through June 30, 2026

#### Fiscal

- 1) Fiscal Year 2023-24: \$68.2 million (\$27.2 million General Fund)

**Memorandum of Understanding with BU 19.** This bill ratifies an MOU entered into between the state and BU 19 on June 9, 2023, represented by the American Federation of State, County and Municipal Employees (AFSCME). The MOU agreement is, as follows:

#### Compensation

##### *General Salary Increases (GSI)*

- 1) Effective July 1, 2023, all BU 19 employees shall receive a three percent (3%) GSI.
- 2) Effective July 1, 2024, all BU 19 employees shall receive a 2.5 percent (2.5%) GSI.

*Special Salary Adjustments (SSA)*

- 1) Effective July 1, 2023, or August 2, 2023, BU 19 employees in the various specified classifications shall receive a SSA ranging from 2.5 percent (2.5%) to 9.63 percent (9.63%).
- 2) Effective July 1, 2023, the maximum of the salary range for BU 19 employees in Clinical Social Worker classes shall be increased in the range of 2.65 percent (2.65%) to three percent (3%).
- 3) Effective July 1, 2023, the maximum of the salary range for BU 19 employees in Psychology classes shall be increased by 10 percent (10%).

*Hours of Work and Overtime*

- 1) Increases the amount of time credited for overtime from 10 minutes to 15 minutes.
- 2) Increases the amount of compensating time off used from 10 minutes to 15 minutes.

*On-Call/Call Back Assignment for CDCR/CCHCS Exempt Employees*

- 1) Changes Compensating Time Off (CTO) for on-call employees from eight hours per seven (7) days to \$10 per hour while on-call.

*Psychologist Additional Workload Pay*

- 1) Effective the first pay period following ratification by both parties, salaried Psychologists at California Department of Corrections and Rehabilitation/Correctional Health Care Services are eligible for straight-time compensation for working additional caseload.

*Clinical Supervision Differential*

- 1) Effective the first pay period following ratification by both parties, the differential for providing clinical supervision to unlicensed individuals increases from \$100 to \$500.

*Retention Bonus Psychologists and Clinical Social Workers*

- 1) Effective the first pay period following ratification by both parties, Psychologists and Clinical Social Workers newly hired into the classifications will be eligible for bonus payments annually through 84 months. Employees

currently performing the duties eligible for the bonus, employed over 84 months, and not receiving the bonus under the previous differential are eligible for a one-time payment of \$10,000.

*Optometrist Special Salary Adjustment*

- 1) Effective the first pay period following ratification by both parties, the Optometrist classification will be converted from a daily rate of pay to monthly salary pay along with a onetime SSA of 69.46%.

*Registered Dietitian – Department of Developmental Services, Porterville Developmental Center Recruitment and Retention Differential*

- 1) Effective the first pay period following ratification by both parties, Registered Dietitians at Porterville Developmental Center will receive a monthly differential of \$400.

*Audiologist – Department of Developmental Services, Porterville Developmental Center Recruitment and Retention Differential*

- 1) Effective the first pay period following ratification by both parties, Audiologists at Porterville Developmental Center will receive a monthly differential of \$1,000.

*Psychologist – Department of Developmental Services, Porterville Developmental Center Recruitment and Retention Differential*

- 1) Effective the first pay period following ratification by both parties, Psychologists at Porterville Developmental Center will receive a monthly differential of \$1,000 and Unlicensed Psychologists will receive a monthly differential of \$800.

*Occupational Therapist – California School for the Deaf, Riverside Recruitment and Retention Differential*

- 1) Effective the first pay period following ratification by both parties, Occupational Therapists at California School for the Deaf, Riverside will receive a monthly differential of 10 percent (10%) of base pay.

Retirement Formula Employee/Employer Contribution

*First Tier A Retirement Formula, First Tier B Retirement Formula and Public Employees' Pension Reform Act Retirement Formula Employee Contribution/Final Compensation*

- 1) Effective July 1, 2024, the employee contribution rate for miscellaneous and industrial members shall be reduced by 0.5 percent (0.5%).
- 2) Effective July 1, 2025, the employee contribution rate for miscellaneous members shall be reduced by 0.5 percent (0.5%).

- 3) Effective July 1, 2026, and each year thereafter, if the actuarially determined total normal cost increases or decreases by more than one percent (1%) from the total normal cost contribution in effect at that time, the employee contribution percentage will be increased or decreased, no sooner than July 1, 2026, to reach 50 percent (50%) of the actuarially determined total normal cost, rounded to the nearest quarter of one percent.

*Retirement Formula for Safety Members: State Safety A Formula, State Safety B Formula and Public Employees' Pension Reform Act Retirement Formula Employee Contribution/Final Compensation*

- 1) Effective July 1, 2026, and each year thereafter, if the actuarially determined total normal cost increases or decreases by more than one percent (1%) from the total normal cost contribution in effect at that time, the employee contribution percentage will be increased or decreased, no sooner than July 1, 2026, to reach 50 percent (50%) of the actuarially determined total normal cost, rounded to the nearest quarter of one percent.

Miscellaneous Benefits

*Union Leave*

- 1) Increases union reimbursement rates payable to the State for authorized Union Leave. Reimbursement rates shall reflect the actual expenses related to the affected employee's salary and benefits for all of the time the employee is out on Union Leave.

*Business and Travel Expenses*

- 1) During the term of this contract the State shall implement a business and travel expense reimbursement program that includes adopting the federal standard meal and incidental expense rate and lodging rates established by the federal General Services Administration (GSA). This shall include:
  - Adopting the federal standard meal and incidental expense (M&IE) rate established by the GSA at time of travel for in-state and out-of-state travel;
  - Adopting federal standard and non-standard reimbursement rates at time of travel for in-state, out-of-state, and out-of-country lodging;
  - Simplifying current reimbursement policy and administration and providing up to 75 percent (75%) of the federal standard rate established by the GSA for M&IE on the first and last day of travel;
  - Eliminating the state's long-term travel reimbursement rates and adopting the federal standard M&IE reimbursement rates for longterm meals, and receipted lodging shall be reimbursed up to the maximum federal standard and non-standard reimbursement rates.

*Transportation Incentives and Parking Rates*

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 100 percent (100%) discount on public transit passes up to the exclusion amount provided by the Internal Revenue Service (IRS).
- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools or driving vanpools will be eligible for a 100 percent (100%) reimbursement of the monthly fee up to the exclusion amount provided by the IRS.

*Chaplains'/Native American Spiritual Leaders' Required Conventions and Professional Education and Training*

- 1) Effective the first pay period following ratification by both parties, Chaplains/Native American Spiritual Leaders allotted leave for attending required conventions or gatherings increases from five (5) days to seven (7) days per fiscal year.

*Leave for Required Continuing Education*

- 1) Adds three (3) classifications to the list of classifications eligible for paid educational leave to obtain continuing education units.
- 2) Changes annual \$500 payment for Required Continuing Education Units from a reimbursement to an annual payment.

Contract Term

- 1) July 2, 2023, through June 30, 2025

Fiscal

- 1) Fiscal Year 2023-24: \$77.6 million (\$71.6 million General Fund)

**12-Hour Alternate Work Week Schedule Pilot Program – Bargaining Unit 5.** This bill ratifies an MOU side letter entered into between the state and BU 5 (CAHP) on August 22, 2023, as follows:

- 1) Allows for a pilot project to test a 12-Hour Alternate Work Week schedule for road patrol officers. To participate in the pilot project, a majority of the affected employees in an Area office must vote to approve the Alternate Work Week schedule. If approved, all road patrol officers will be required to participate in the alternate workweek program.

**Health Care Facility Retention Payment – Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20 and 21.** This bill ratifies an MOU side letter entered into between the state and BUs 1, 3, 4, 11, 14, 15, 17, 20 and 21 (SEIU) on August 24, 2023 as follows:

- 1) SEIU members employed at a correctional facility, correctional health facility, State Hospital, Veteran's home, and/or Developmental Services facility "who

have been in-person supporting the delivery of care to the most acute patients during the COVID-19 pandemic” are eligible for a one-time payment of \$1,450.

- 2) SEIU members employed at the California Department of Public Health in one of the following classifications: Nurse Consultant I, II, III; Health Facilities Evaluator Nurse; Public Health Nurse; Laboratory Assistant; Senior Laboratory Assistant; Public Health Laboratory Technician I, “who have been in-person supporting the delivery of care to the most acute patients during the COVID-19 pandemic” are eligible for a one-time payment of \$1000.
- 3) SEIU members employed at the State Special School for the Deaf or Blind “who have been in-person supporting the delivery of care to the most acute patients during the COVID-19 pandemic” are eligible for a one-time payment of \$625.
- 4) To be eligible, employees must have been employed by the state on January 1, 2022, and remained employed by the state upon the first day of the pay period following ratification.
- 5) Eligible employees must have provided services in-person and onsite 50% or more of the time during the pandemic.
- 6) This measure appropriates \$5,122,000 (\$4,956,000 General Fund) one-time for expenditure in the 2023-24 fiscal year for the cost of the one-time payments.

**Health Care Facility and Public Safety Retention Payment – Bargaining Unit 13.**

This bill ratifies an MOU side letter entered into between the state and BU 13 (IUOE) on August 11, 2023, as follows:

- 1) BU 13 members employed at a correctional facility, correctional health facility, State Hospital, Veteran's home, Developmental Services facility, and/or were formally deployed and reassigned to work on emergency wildfire response efforts are eligible for a one-time payment of \$1,500.
- 2) Eligible employees must have been employed by the state on January 1, 2022, and remained employed by the state upon the first day of the pay period following ratification.
- 3) Eligible employees must have provided services in-person and onsite 50% or more of the time during the pandemic.
- 4) This measure appropriates \$878,000 (\$585,000 General Fund) one-time for expenditure in the 2023-24 fiscal year for the cost of the one-time payments.

**Health Care Facility Retention Payment – Bargaining Unit 19.** This bill ratifies an MOU side letter entered into between the state and BU 19 (AFSCME) on June 9, 2023, as follows:

- 1) BU 19 members employed at a correctional facility, correctional health facility, State Hospital, Veteran's home, and/or Developmental Services facility “who



have been in-person supporting the delivery of care to the most acute patients during the COVID-19 pandemic” are eligible for a one-time payment of \$1,450.

- 2) BU 19 members employed by the Department of Rehabilitation “who have been in-person supporting the delivery of care to the most acute patients during the COVID-19 pandemic” are eligible for a one-time payment of \$750.
- 3) Eligible employees must have been employed by the state on January 1, 2022, and remained employed by the state upon the first day of the pay period following ratification and provided services onsite 50% or more of the time during the pandemic.
- 4) This measure appropriates \$5,845,000 (\$5,389,000 General Fund) one-time for expenditure in the 2023-24 fiscal year for the cost of the retention payments.

This measure includes a notwithstanding clause from Government Code Section 19829.5, which requires the Legislative Analyst to prepare a fiscal analysis within ten days of receiving any tentative agreement from the Department of Human Resources, prior to the final legislative ratification of an MOU.

This measure includes chaptering out amendments to ensure that if AB 148 and AB 151 are both signed, both measures will take effect immediately.

**Fiscal Effect:** This bill appropriates \$1,158,179,000 (\$596,214,000 General Fund) to implement the MOUs and all of the side letter agreements as described above.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 151 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 28, 2023 As amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Hans Hemann

**Subject:** State employment: State Bargaining Unit 6 agreement

**Summary:** Makes necessary statutory changes to ratify and implement a memorandum of understanding (MOU) between the state and Bargaining Unit (BU) 6. The agreement covers state employees represented by:

California Correctional Peace Officers Association (CCPOA)

- Bargaining Unit 6: Correctional Peace 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 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 on August 19, 2023 between the state and BU 6, represented by the California Correctional Peace Officers Association. Includes provisions to take effect immediately. The MOU agreement is as follows:

### Compensation

#### *General Salary Increases (GSI)*

- 1) Effective July 1, 2023, retroactively, all BU 6 classifications shall receive a GSI of 3 percent (3%).
- 2) Effective July 1, 2024, all BU 6 classifications shall receive a GSI of 3 percent (3%).

#### *Retention Differential for Hard-to-Keep/Fill Institutions*

- 1) Effective the first day of the pay period following ratification by both parties, 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 (2) payments during the term of the MOU. For the first payment, BU 6 employees shall receive \$416.66 for each qualifying pay period worked between July 2023 and June 2024, to be paid in a single lump sum on July 1, 2024. For the second payment, BU 6 employees shall receive \$416.66 for each qualifying pay period worked between July 2024 through June 2025, to be paid in a single lump sum on July 1, 2025.

#### *Employer Contributions to Savings Plus*

- 1) Effective with the November 2024 pay period, the state shall make a one-time contribution in the amount of \$475 to a Savings Plus 401(k) plan on behalf of all permanent full-time employees in the bargaining unit who are active as of November 1, 2024. Effective with the January 2025 pay period, the state shall make a monthly contribution equivalent to one percent (1%) of the employee's monthly base salary to a Savings Plus 401(k) plan on behalf of all permanent full-time employees in the bargaining unit.

#### *Mental Health and Wellness Differential*

- 1) Effective the first day of the pay period following ratification by both parties, BU 6 employees will receive two (2) one-time payments of \$1,200 to be paid once in November 2023 and once in November 2024 for employees to support their health and well-being. To be eligible for this mental health and

wellness differential, employees must be on pay status as of November 1, 2023, and November 1, 2024.

*Location Incentive Bonus*

- 1) Effective the first day of the pay period following ratification by both parties, cadets who accept/choose to work at one of the 13 eligible institutions listed below will be eligible to receive a \$5,000 location incentive bonus, payable in two (2) payments, upon graduation from the academy and reporting to the institution if the following applies:
  - The institution they accept/choose is 50 or more miles away from their current home address; and,
  - They are required to move their home address.

The first payment of \$2,500 will be provided upon graduation from the academy and the second payment of \$2,500 will be provided within thirty (30) calendar days upon reporting to the institution.

Eligible Institutions include:

Salinas Valley State Prison (SVSP)  
California State Prison, Sacramento (SAC)  
R.J. Donovan Correctional Facility (RJD)  
Kern Valley State Prison (KVSP)  
California Health Care Facility (CHCF)  
Pelican Bay State Prison (PBSB)  
High Desert State Prison (HDSP)  
San Quentin State Prison (SQ)  
Substance Abuse Treatment Facility and State Prison, Corcoran (SATF)  
California State Prison, Los Angeles County (LAC)  
California State Prison, Corcoran (COR)  
Correctional Training Facility (CTF)  
California Medical Facility (CMF)

*Class B Driver's License*

- 1) Effective the first day of the pay period following ratification by both parties, an employee who is required by their Hiring Authority to obtain, maintain, and utilize a Commercial Driver's License (CDL) as part of their duties shall receive a \$200 per month CDL pay differential.

*Cash Out of Vacation/Annual Leave*

- 1) All BU 6 employees shall be eligible for a one-time cash out of up to eighty (80) hours of compensable leave (compensable leave does not include sick leave) in 2023.

*Commute Program*

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 100

percent (100%) discount on public transit passes up to the exclusion amount provided by the Internal Revenue Service.

- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools or driving vanpools will be eligible for a 100 percent (100%) reimbursement of the monthly fee up to the exclusion amount provided by the Internal Revenue Service.

*Bilingual Differential Pay*

- 1) Effective the first day of the pay period following ratification by both parties, the bilingual pay differential will increase from \$100 to \$200 per month.

*Night Shift/Weekend Differential*

- 1) Effective the first day of the pay period following ratification by both parties, the night shift pay differential shall increase from \$1.50 per hour to \$2.50 per hour for work shifts that fall between 1800 and 0600.
- 2) Effective the first day of the pay period following ratification by both parties, the weekend pay differential shall increase from \$1.50 per hour to \$2.50 per hour.

*Education Incentive Pay*

- 1) Effective the first day of the pay period following ratification by both parties, Parole Services Associates (PSA) who have attained either an Associate of Arts degree from an accredited college or university, sixty (60) semester units from an accredited college or university or the equivalent quarter units, or a Bachelor's Degree or higher from an accredited college or university, will receive an additional \$100, or the equivalent of two point two percent (2.2%) of the top step of their salary range, per qualifying pay period.

Health Benefits

*Health, Dental, Vision*

- 1) 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, 2024, and January 1, 2025.

Miscellaneous Benefits

*California State Payroll System Project*

- 1) The parties shall, upon notice, reopen pertinent contract sections needed to implement changes required by the California State Payroll System Project.

*Video Recordings*

- 1) Language is added to allow employees to view body worn camera recordings before investigative interviews are conducted.

*Bereavement Leave*

- 1) Language added to incorporate statutory requirements expanding bereavement leave to five (5) unpaid days.
- 2) Clarifies a workday is eight (8) hours.

*Union Leave*

- 1) Increases union reimbursement rates payable to the State for authorized Union Leave as follows:
  - January 1, 2024, increase from 132% to 153% of base pay.
  - January 1, 2025, increase from 153% to the actual total expenses related to the affected employee's salary and benefits, equal to 174.25% of base salary.

*Holidays*

- 1) Language added to include four (4) recognized unpaid holidays.

Duration

- 1) July 3, 2023, through July 2, 2025.

Fiscal

- 1) Fiscal Year 2023-24: \$230.8 million General Fund.

This measure includes a notwithstanding clause from Government Code Section 19829.5, which requires the Legislative Analyst to prepare a fiscal analysis within ten days of receiving any tentative agreement from the Department of Human Resources, prior to the final legislative ratification of an MOU

This measure includes chaptering out amendments to ensure that if AB 148 and AB 151 are both signed, both measures will take effect.

**Fiscal Effect:** This bill appropriates \$296,891,000 General Fund to implement the MOU described above.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2023 - 2024 Regular

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**Bill No:** AB 152 **Hearing Date:** August 30, 2023  
**Author:** Committee on Budget  
**Version:** August 29, 2023 As amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Diego Lopez

**Subject:** Background Checks and Fingerprinting

**Summary:** This general government budget trailer bill implements the Budget Act of 2023 and includes technical changes to implement federal criminal history background check provisions for state employees and license applicants.

**Background:** The California Department of Justice (DOJ) notified certain state departments that the U.S. Federal Bureau of Investigation (FBI) has determined these state entities have insufficient statutory authority to obtain federal background check information. In some instances, the FBI has offered a grace period of 12 months for impacted entities to correct these deficiencies, after which it will revoke their access. Without further legislative changes, impacted departments will be ineligible to access federal level criminal history information (background checks) beginning December 31, 2023.

In addition, departments are notified on a case-by-case basis by the DOJ when the FBI informs them that a given licensing act does not contain sufficient clarity and specificity to justify access to federal criminal history information for applicants for licensure under that particular statute. A department is typically given a 12-month grace period in which to correct the deficiencies. For some departments, the FBI has flagged a single statute impacting just one area of licensing, whereas for others the entire licensing regime has been identified as insufficient.

This bill provides necessary statutory changes to continue to allow several departments to perform background checks for state employees and license applicants in line with their respective regulatory duties.

Because this bill amends background check statutes for the Department of Cannabis Control, originally enacted through a 2016 voter initiative, this bill is subject to a 2/3 vote.

**Proposed Law:** This bill implements the Budget Act of 2023 and includes technical changes to implement federal criminal history background check provisions for state employees and license applicants. Specifically, this bill:

Requires the Department of Toxic Substances Control, the California Horse Racing Board, the Department of Cannabis Control, the Department of Financial Protection and Innovation, the Department of Real Estate, the Department of Public Health Food and Drug Branch, the Office of Youth and Community Restoration, the Department of State

Hospitals, the Department of Housing and Community Development, and FISCAL to submit to the Department of Justice fingerprint images and related information required by the Department of Justice for employees, prospective employees, contractors, and subcontractors, as specified.

**Fiscal Effect:** This bill appropriates \$10,000 from the General Fund to the Department of Justice for the purposes of implementing the bill's provisions.

**Support:** None on file.

**Opposed:** None on file.

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