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SB-196 State employment: State Bargaining Units: agreements. (2021-2022)

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Senate Bill No. 196

CHAPTER 69

An act to amend Sections 19829.9850, 19829.9851, 19829.9852, and 22944.5 of the Government Code, relating to state employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 30, 2022. Filed with Secretary of State June 30, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 196, Committee on Budget and Fiscal Review. State employment: State Bargaining Units: agreements.

(1) Existing law provides that a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.

Existing law requires the Department of Human Resources to provide a memorandum of understanding to the Legislative Analyst who then has 10 calendar days from the date the tentative agreement is received to issue a fiscal analysis to the Legislature. Existing law prohibits the memorandum of understanding from being subject to legislative determination until either the Legislative Analyst has presented a fiscal analysis of the memorandum of understanding or until 10 calendar days has elapsed since the memorandum was received by the Legislative Analyst.

This bill, notwithstanding the above statutory provisions, would approve provisions of agreements entered into between the state employer and State Bargaining Units 1, 3, 4, 8, 11, 13, 14, 15, 16, 17, 19, 20, and 21. The bill would provide that the provisions of the addenda or memorandum of understanding that require the expenditure of funds will not take effect unless funds for these provisions are specifically appropriated by the Legislature. The bill would authorize the state employer or these state bargaining units to reopen negotiations if funds for these provisions are not specifically appropriated by the Legislature. The bill would require the provisions of the agreements that require the expenditure of funds to become effective even if the provisions are approved by the Legislature in legislation other than the annual Budget Act.

Existing law, for the 2022–23 fiscal year, continuously appropriates to the Controller from the General Fund unallocated special funds, including federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by specified memoranda of understanding, if the Budget Act of 2022 is not enacted by July 1, 2022.

This bill would further include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employment benefits to state employees covered by the memorandum of understanding for State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive).

Existing law, for the 2023–24 fiscal year, continuously appropriates to the Controller from the General Fund unallocated special funds, including federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are

compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by specified memoranda of understanding if the Budget Act of 2023 is not enacted by July 1, 2023.

This bill would further include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employment benefits to state employees covered by the memorandum of understanding for State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive).

Existing law, for the 2024–25 fiscal year, continuously appropriates to the Controller from the General Fund unallocated special funds, including federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment and compensation and employee benefits to state employees covered by specified memoranda of understanding if the Budget Act of 2024 is not enacted by July 1, 2024.

This bill would further include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employee benefits to state employees covered by the memorandum of understanding for State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive).

(2) The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, prescribes methods for calculating the state employer contribution for postemployment health care benefits for eligible retired public employees and their families and for the vesting of these benefits. PEMHCA establishes the Annuitants' Health Care Coverage Fund, which is continuously appropriated, for the purpose of prefunding health care coverage for annuitants, including administrative costs.

PEMHCA requires the state and employees in specified State Bargaining Units to prefund retiree health care costs, subject to certain conditions. PEMHCA requires employees in State Bargaining Unit 13 to make contributions to prefund retiree health care and the state employer to make a matching contribution, as specified. PEMHCA suspends those employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year. PEMHCA provides that the employer's monthly contribution for prefunding other postemployment benefits continues in the 2020–21 fiscal year.

This bill, with respect to State Bargaining Unit 13, would adjust the employer and employee contributions, effective the first day of the pay period following ratification by both parties, based on the actuarially determined normal costs, subject to certain conditions. The bill, commencing no sooner than July 1, 2022, would increase or decrease the employer and employee contribution percentages to maintain a 50% cost sharing of actuarially determined total normal costs, as specified.

(3) This bill would appropriate the sum of \$59,535,000 for State Bargaining Units 1, 3, 4, 8, 11, 13, 14, 15, 16, 17, 19, 20, 21, and all employees excluded from collective bargaining, for the purpose of state employee compensation, as provided in specified items of the Budget Act of 2022, in accordance with a specified schedule.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve the agreements and make conforming statutory changes for the agreements entered into by the state employer and State Bargaining Units 1, 3, 4, 8, 11, 13, 14, 15, 16, 17, 19, 20, and 21 pursuant to Section 3517.5 of the Government Code.

SEC. 2. Notwithstanding Section 19829.5 of the Government Code, the provisions of the memorandum of understanding or addenda, or both prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 (Telework Stipends), dated April 27, 2022, State Bargaining Unit 1, dated June 10, 2022 (Special Salary Adjustments), State Bargaining Unit 8, dated June 15, 2022 (Extension of Special Salary Adjustments), State Bargaining Unit 13, dated June 14, 2022 (Memorandum of Understanding), State Bargaining Unit 16, dated May 17, 2022 (Department of Juvenile Justice Retention Pay Differential), and June 23, 2022 (Telework Stipends), and State Bargaining Unit 19, dated May 12, 2022 (Department of Juvenile Justice Retention Pay Differential), and June 23, 2022 (Telework Stipends), and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the addenda included in Section 2 of this act that require the expenditure of funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If funds for these provisions are not specifically appropriated by the Legislature, either the state employer or State Bargaining Units 1, 3, 4, 8, 11, 14, 15, 16, 17, 19, 20, and 21 may reopen negotiations on the memorandum of understanding.

The provisions of the memorandum of understanding included in Section 2 of this act that require the expenditure of funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If funds for these provisions are

not specifically appropriated by the Legislature, either the state employer or State Bargaining Unit 13 may reopen negotiations on all or part of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of the memorandum of understanding or addenda, or both, included in Section 2 of this act that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding or addenda, or both, are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. Section 19829.9850 of the Government Code is amended to read:

19829.9850. (a) Notwithstanding Section 13340, for the 2022–23 fiscal year, if the Budget Act of 2022 is not enacted by July 1, 2022, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2021, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2022 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2022, of the 2022–23 fiscal year and the enactment of the Budget Act of 2022.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2021, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) are in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the memoranda of understanding referenced above, unless otherwise provided for by the Budget Act or other legislative enactment.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2022, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2022 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2021, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires

on June 30, 2023, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 4 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 5 expires on July 3, 2024, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2023, the memorandum of understanding for State Bargaining Unit 7 expires on July 1, 2023, the memorandum of understanding for State Bargaining Unit 9 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 12 expires June 30, 2023, the memorandum of understanding for State Bargaining Unit 13 expires June 30, 2025, the memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2023, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 19 expires on July 1, 2023, the memorandum of understanding for State Bargaining Unit 20 expires on June 30, 2023, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2023.

SEC. 6. Section 19829.9851 of the Government Code is amended to read:

19829.9851. (a) Notwithstanding Section 13340, for the 2023–24 fiscal year, if the Budget Act of 2023 is not enacted by July 1, 2023, for the memorandum of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), and State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2023 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2023, of the 2023–24 fiscal year and the enactment of the Budget Act of 2023.

(b) If the memorandum of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), and State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), is in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the memorandum of understanding referenced above, unless otherwise provided for by the Budget Act or other legislative enactment.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2023, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2023 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2023, inclusive), and State Bargaining Unit 19 (effective July 2, 2020, to July 1, 2023, inclusive), memorandum of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 5 expires on July 3, 2024, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2023, the memorandum of understanding for State Bargaining Unit 13 expires on June 30, 2025, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2023, and the memorandum of understanding for State Bargaining Unit 19 expires on July 1, 2023.

SEC. 7. Section 19829.9852 of the Government Code is amended to read:

19829.9852. (a) Notwithstanding Section 13340, for the 2024–25 fiscal year, if the Budget Act of 2024 is not enacted by July 1, 2024, for the memorandum of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), and State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2024 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2024, of the 2024–25 fiscal year and the enactment of the Budget Act of 2024.

(b) If the memorandum of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), and State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), is in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the memorandum of understanding referenced above, unless otherwise provided for by the Budget Act or other legislative enactment.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2024, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2024 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), and State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), memorandum of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 5 expires on July 3, 2024, and the memorandum of understanding for State Bargaining Unit 13 expires on June 30, 2025.

SEC. 8. Section 22944.5 of the Government Code is amended to read:

22944.5. (a) (1) The state and employees in State Bargaining Unit 2, 7, 8, 9, 10, 13, 18, or 19 shall prefund retiree health care, with the goal of reaching a 50-percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2019.

(2) The state and employees in State Bargaining Units 6 and 16 shall prefund retiree health care, with the goal of reaching a 50-percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2018.

(3) The state and employees in the judicial branch shall prefund retiree health care, with the goal of reaching a 50-percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2017.

(4) The state and employees in State Bargaining Unit 1, 3, 4, 5, 11, 12, 14, 15, 17, 20, or 21 shall prefund retiree health care, with the goal of reaching a 50-percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2020.

(b) (1) The employees in State Bargaining Unit 9 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 0.5 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 0.5 percent for a total employee contribution of 1.0 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.0 percent for a total employee contribution of 2.0 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning with the July 2020 pay period and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(2) The employees in State Bargaining Unit 10 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 0.7 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 0.7 percent for a total employee contribution of 1.4 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.4 percent for a total employee contribution of 2.8 percent of pensionable compensation.

(D) Effective July 1, 2020, the employer and employee contribution percentages will be increased or decreased to maintain a 50-percent cost sharing of the actuarially determined total normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined total normal costs increase or decrease by more than one-half of 1 percent from the total normal cost contribution percentages in effect on July 1, 2019. The increase or decrease to the employer or employee contribution shall not exceed 0.5 percent per year.

(E) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (D), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (D).

(3) The employees in State Bargaining Unit 6 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2016, 1.3 percent of pensionable compensation.

(B) Effective July 1, 2017, an additional 1.3 percent for a total employee contribution of 2.6 percent of pensionable compensation.

(C) Effective July 1, 2018, an additional 1.4 percent for a total employee contribution of 4.0 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning on July 1, 2020, and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(4) The state employees in the judicial branch shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2016, 1.5 percent of pensionable compensation.

(B) Effective July 1, 2017, up to an additional 1.5 percent for a total employee contribution of up to 3.0 percent of pensionable compensation. The additional amount shall be determined by the Director of Finance no later than April 1, 2017, based on the actuarially determined normal costs identified in the state valuation.

(C) This paragraph does not apply to a judge who is subject to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.

(5) The employees in State Bargaining Unit 12 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.5 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.0 percent for a total employee contribution of 2.5 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.0 percent for a total employee contribution of 3.5 percent of pensionable compensation.

(D) Effective July 1, 2020, an additional 1.1 percent for a total employee contribution of 4.6 percent of pensionable compensation.

(E) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (D), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (D).

(F) Effective the first day of the pay period following ratification by both parties, but no sooner than July 1, 2021, the employer and employee contribution percentages shall be increased or decreased to maintain a 50-percent cost sharing of the actuarially determined total normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined total normal costs increase or decrease by more than one-half of 1 percent from the total normal cost contribution percentages in effect at the time. The increase or decrease to the employer or employee contribution shall not exceed 0.5 percent per year.

(6) The employees in State Bargaining Unit 2 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 0.7 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 0.6 percent for a total employee contribution of 1.3 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 0.7 percent for a total employee contribution of 2.0 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(7) The employees in State Bargaining Unit 7 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.3 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.4 percent for a total employee contribution of 2.7 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.3 percent for a total employee contribution of 4.0 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(8) The employees in State Bargaining Unit 1, 3, 4, 11, 14, 15, 17, 20, or 21 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2018, 1.2 percent of pensionable compensation.

(B) Effective July 1, 2019, an additional 1.1 percent for a total employee contribution of 2.3 percent of pensionable compensation.

(C) Effective July 1, 2020, an additional 1.2 percent for a total employee contribution of 3.5 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning on July 1, 2020, and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(9) The employees in State Bargaining Unit 8 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.5 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.5 percent for a total employee contribution of 3.0 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.4 percent for a total employee contribution of 4.4 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(10) The employees in State Bargaining Unit 13 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.3 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.3 percent for a total employee contribution of 2.6 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.3 percent for a total employee contribution of 3.9 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning with the August 2020 pay period and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(E) Effective the first day of the pay period following ratification by both parties, the employer and employee contribution percentages will be adjusted based on actuarially determined total normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined total normal costs increase or decrease by more than 0.5 percent from the total normal cost contribution percentages in effect at the time. Commencing no sooner than July 1, 2022, the employer and employee contribution percentages will be increased or decreased to maintain a 50 percent cost sharing of actuarially determined total normal costs. Furthermore, the increase or decrease to the employer or employee contribution in any given fiscal year shall not exceed 0.5 percent per year.

(11) The employees in State Bargaining Unit 18 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.3 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.3 percent for a total employee contribution of 2.6 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.4 percent for a total employee contribution of 4.0 percent of pensionable compensation.

(D) After July 1, 2019, the employer and employee contribution percentages will be adjusted based on actuarially determined total normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined total normal costs increase by more than 0.5 percent from the total normal cost contribution percentages in effect at the time. Commencing no sooner than July 1, 2021, and on July 1 of each fiscal year thereafter, if it is determined that an adjustment to the contribution rate is necessary, the employer and employee contribution percentages will be increased to maintain a 50-percent cost sharing of actuarially determined total normal costs. The increase to the employer or employee contribution in any given fiscal year shall not exceed 0.5 percent per year.

(E) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraphs (C) and (D), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraphs (C) and (D).

(12) The employees in State Bargaining Unit 19 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1.0 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 1.0 percent for a total employee contribution of 2.0 percent of pensionable compensation.

(C) Effective July 1, 2019, an additional 1.0 percent for a total employee contribution of 3.0 percent of pensionable compensation.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (C), is suspended and shall not be withheld from employees' salaries beginning with the July 2020 pay period and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (C).

(13) The employees in State Bargaining Unit 16 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(A) Effective July 1, 2017, 1 percent of pensionable compensation.

(B) Effective July 1, 2018, an additional 0.4 percent for a total employee contribution of 1.4 percent of pensionable compensation.

(C) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraph (B), is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 fiscal year, as described in subparagraph (B).

(14) Notwithstanding Section 22944.3 of the Government Code, the state and employees in State Bargaining Unit 5 shall prefund retiree health care, with the goal of reaching a 50-percent cost sharing of actuarially determined total normal costs for both employer and employees by July 1, 2020.

(A) The employees in State Bargaining Unit 5 shall make contributions to prefund retiree health care based on the following schedule, and the state shall make a matching contribution:

(B) Effective July 1, 2020, 0.0 percent of pensionable compensation for employees and 3.4 percent of pensionable statutory salary increases redirected to prefund OPEB paid for by the employer.

(C) After July 1, 2020, the employer and employee contribution percentages will be adjusted based on actuarially determined total normal costs. Adjustments to both the employer and employee contribution percentages will occur if the actuarially determined total normal costs increase or decrease by more than 0.5 percent from the total normal cost contribution percentages in effect at the time. Commencing no sooner than July 1, 2021, and on July 1 of each fiscal year thereafter, if it is determined that an adjustment to the contribution rate is necessary, the employer and employee contribution percentages will be increased or decreased to maintain a 50-percent cost sharing of actuarially determined total normal costs. The increase or decrease to the employer or employee contribution in any given fiscal year shall not exceed 0.5 percent per year.

(D) The employees' monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, as described in subparagraphs (B) and (C), is suspended and shall not be withheld from employees' salaries beginning with the July 2020 pay period and ending on June 30, 2021. The employer's monthly contribution for prefunding other postemployment benefits will also be suspended during the 2020–21 fiscal year, as described in subparagraphs (B) and (C), beginning with the July 2020 pay period and ending on June 30, 2021.

(E) Effective July 1, 2020, the statutory increase redirected as a result of subdivision (a) of Section 19827 shall count towards the employee contribution percentage when determining the 50-percent cost sharing of actuarially determined total normal costs.

(F) Effective the first day of the pay period following ratification by both parties, but no sooner than July 1, 2021, the parties shall incorporate the 3.4 percent employee share of pensionable compensation into the salary survey conducted pursuant to Section 19827 of Government Code.

(G) Effective the first day of the pay period following ratification by both parties, but no sooner than July 1, 2021, the employees in State Bargaining Unit 5 and the state shall make contributions to prefund retiree health care based on the following schedule:

(i) Effective the first day of the pay period following ratification by both parties, but no sooner than July 1, 2021, employees shall contribute 0.9 percent of pensionable compensation and the employer shall contribute 5.9 percent of pensionable compensation, for a total of 6.8 percent pensionable compensation.

(ii) Effective July 1, 2022, or July 1, 2024, employees shall contribute 1.7 percent of pensionable compensation and the employer shall contribute 5.1 percent of pensionable compensation, for a total of 6.8 percent pensionable compensation.

(iii) Effective July 1, 2023, or July 1, 2025, employees shall contribute 2.6 percent of pensionable compensation and the employer shall contribute 4.2 percent of pensionable compensation, for a total of 6.8 percent pensionable compensation.

(iv) Effective July 1, 2024, employees shall contribute 3.4 percent of pensionable compensation and the employer shall contribute 3.4 percent of pensionable compensation, for a total of 6.8 percent of pensionable compensation.

(c) This section only applies to employees who are eligible for health benefits, including permanent intermittent employees.

(d) Contributions paid pursuant to this section shall be deposited in the Annuitants' Health Care Coverage Fund and shall not be refundable under any circumstances to an employee or the employee's beneficiary or survivor.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding or addenda, or both, reached pursuant to Section 3517.5, that memorandum of understanding or addenda, or both, shall be controlling without further legislative action, except that if those provisions of the memorandum of understanding or addenda require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(f) This section shall also apply to a state employee related to a bargaining unit described in subdivision (a) who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and the Director of the Department of Human Resources may establish the total employee contribution to prefund retiree health care as a percentage of pensionable compensation.

(g) (1) With the goal of reaching a 50-percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2020, the Director of the Department of Human Resources may establish the total employee contribution to prefund retiree health care as a percentage of pensionable compensation for the following:

(A) A state employee who is not related to a bargaining unit described in subdivision (a) and who is excepted from the definition of "state employee" in subdivision (c) of Section 3513.

(B) An officer or employee of the executive branch of state government who is not a member of the civil service.

(2) An employee or officer to whom this subdivision applies shall make contributions to prefund retiree health care based on the percentages established in paragraph (1), and the state shall match the contributions.

SEC. 9. The sum of fifty-nine million five hundred thirty-five thousand dollars (\$59,535,000) is hereby appropriated for State Bargaining Units 1, 3, 4, 8, 11, 13, 14, 15, 16, 17, 19, 20, 21, and all employees excluded from collective bargaining for the purpose of state employee compensation, as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2022, in accordance with the following schedule:

(a) Thirty-three million three hundred five thousand dollars (\$33,305,000) from the General Fund in augmentation of Item 9800-001-0001 of Section 2.00 of the Budget Act of 2022.

(b) Eighteen million seven hundred twenty-nine thousand dollars (\$18,729,000) from unallocated special funds in augmentation of Item 9800-001-0494 of Section 2.00 of the Budget Act of 2022.

(c) Seven million five hundred one thousand dollars (\$7,501,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988 of Section 2.00 of the Budget Act of 2022.

SEC. 10. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.