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**AB-181 State employment: State Bargaining Units: agreements: compensation and benefits.** (2023-2024)

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**Assembly Bill No. 181**

**CHAPTER 1001**

An act to amend Sections 19829.9852, 19829.9853, and 19829.9854 of, and to add Section 19829.9855 to, the Government Code, relating to public employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[ Approved by Governor September 30, 2024. Filed with Secretary of State September 30, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 181, Committee on Budget. State employment: State Bargaining Units: agreements: compensation and benefits.

(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 have elapsed since the memorandum was received by the Legislative Analyst.

This bill, notwithstanding the above-described statutory provisions, would approve provisions of agreements entered into by the state employer and State Bargaining Units 5, 8, and 10. The bill would provide that the provisions of the agreements 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 those specified 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 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 of 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 also include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employee benefits to state employees covered by the memoranda of understanding for State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), and State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive).

Existing law, for the 2025–26 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 2025 is not enacted by July 1, 2025.

This bill would also include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employee benefits to state employees covered by the memoranda of understanding for State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), and State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive).

Existing law, for the 2026–27 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 2026 is not enacted by July 1, 2026.

This bill also would include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employee benefits to state employees covered by the memoranda of understanding for State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), and State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive).

This bill, for the 2027–28 fiscal year, if the Budget Act of 2027 is not enacted by July 1, 2027, with respect to the memoranda of understanding for State Bargaining Unit 5 and State Bargaining Unit 10, as described above, would continuously appropriate to the Controller from the General Fund unallocated special funds in the amount necessary for the payment of compensation and employee benefits to state employees covered by those memoranda of understanding until the Budget Act of 2027 is enacted, subject to certain conditions.

(2) The bill would appropriate the sum of \$89,035,000 for State Bargaining Units 5, 8, and 10 and employees excluded from collective bargaining, in accordance with a specified schedule.

(3) 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

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## 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 5, 8, and 10 pursuant to Section 3517.5 of the Government Code.

**SEC. 2.** Notwithstanding Section 19829.5 of the Government Code, the provisions of the memoranda of understanding or addendum, or both, prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 5 memorandum of understanding, dated August 20, 2024, State Bargaining Unit 8 memorandum of understanding, dated July 30, 2024, and State Bargaining Unit 10 memorandum of understanding, dated August 2, 2024, 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 memoranda of understanding approved 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 5, 8, and 10 may reopen negotiations on all or part of the memoranda of understanding or addenda, or both.

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

**SEC. 5.** 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 memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 2 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025,

inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023 to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 19 (effective July 2, 2023, to June 30, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023 to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026 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 memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 2 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 19 (effective July 2, 2023, to June 30, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, 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 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 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 2 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 19 (effective July 2, 2023, to June 30, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, inclusive), memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 2 expires on June 30, 2025, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 4 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 5 expires on June 30, 2027, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2025, the memorandum of understanding for State Bargaining Unit 7 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 8 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 9 expires on June 30, 2025, the memorandum of understanding for State Bargaining Unit 10 expires on July 1, 2027, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 12 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 13 expires on June 30, 2025, the

memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 18 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 19 expires on June 30, 2025, the memorandum of understanding for State Bargaining Unit 20 expires June 30, 2026, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2026.

**SEC. 6.** Section 19829.9853 of the Government Code is amended to read:

**19829.9853.** (a) Notwithstanding Section 13340, for the 2025–26 fiscal year, if the Budget Act of 2025 is not enacted by July 1, 2025, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, 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 2025 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memorandum of understanding for work performed between July 1, 2025, of the 2025–26 fiscal year and the enactment of the Budget Act of 2025.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, 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 2025, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2025 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2026, the memorandum of

understanding for State Bargaining Unit 4 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 5 expires on June 30, 2027, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2025, the memorandum of understanding for State Bargaining Unit 7 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 8 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 10 expires on July 1, 2027, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 12 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 18 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 20 expires on June 30, 2026, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2026.

**SEC. 7.** Section 19829.9854 of the Government Code is amended to read:

**19829.9854.** (a) Notwithstanding Section 13340, for the 2026–27 fiscal year, if the Budget Act of 2026 is not enacted by July 1, 2026, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, 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 2026 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, 2026, of the 2026–26 fiscal year and the enactment of the Budget Act of 2026.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026 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 2026, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2026 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026 inclusive), memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memoranda of understanding have expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 4 expires on June 30, 2026, the memorandum of understanding for

State Bargaining Unit 5 expires on June 30, 2027, the memorandum of understanding for State Bargaining Unit 7 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 8 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 10 expires on July 1, 2027, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 12 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 20 expires June 30, 2026, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2026.

**SEC. 8.** Section 19829.9855 is added to the Government Code, to read:

**19829.9855.** (a) Notwithstanding Section 13340, for the 2027–28 fiscal year, if the Budget Act of 2027 is not enacted by July 1, 2027, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive) and State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, 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 2027 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, 2027, of the 2027–28 fiscal year and the enactment of the Budget Act of 2027.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive) and State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, 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 applicable 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 2027, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2027 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, 2024, to June 30, 2027, inclusive) or State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the applicable memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 5 expires on June 30, 2027, and the memorandum of understanding for State Bargaining Unit 10 expires on July 1, 2027.

**SEC. 9.** The sum of eighty-nine million thirty-five thousand dollars (\$89,035,000) is hereby appropriated for State Bargaining Units 5, 8, and 10 and 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 2024, in accordance with the following schedule:

(a) Forty million six hundred seventy-six thousand dollars (\$40,676,000) from the General Fund in augmentation of Item 9800-001-0001 of Section 2.00 of the Budget Act of 2024.

(b) Thirty-four million nine hundred thirty-four thousand dollars (\$34,934,000) from unallocated special funds in augmentation of Item 9800-001-0494 of Section 2.00 of the Budget Act of 2024.

(c) Thirteen million four hundred twenty-five thousand dollars (\$13,425,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988 of Section 2.00 of the Budget Act of 2024.

**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.