



SB-148 State employment: State Bargaining Units: agreements: compensation and benefits. (2023-2024)

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Senate Bill No. 148

CHAPTER 197

An act to amend Sections 7522.34, 19829.9851, 19829.9852, 19829.9853, 19878.5, and 22944.5 of, and to add Sections 19829.9854, 20677.61, 20677.92, 20677.93, 20677.94, 20683.41, 20683.51, and 22871.10 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 13, 2023. Filed with Secretary of State September 13, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 148, Committee on Budget and Fiscal Review. 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 1, 3, 4, 5, 7, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21. 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 approved by the Legislature in legislation other than the annual Budget Act.

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 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 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 7 (effective July 1, 2023, to June 30, 2026, 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 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).

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 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 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 7 (effective July 1, 2023, to June 30, 2026, 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 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).

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 a specified memorandum of understanding between the state employer and State Bargaining Unit 18, 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 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 7 (effective July 1, 2023, to June 30, 2026, 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 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, inclusive).

This bill, for the 2026–27 fiscal year, if the Budget Act of 2026 is not enacted by July 1, 2026, with respect to the memoranda of understanding for State Bargaining Units 1, 3, 4, 7, 11, 12, 14, 15, 17, 20, and 21, 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 this memorandum of understanding until the Budget Act of 2026 is enacted, subject to certain conditions.

(2) Under existing law, an eligible employee is entitled to receive up to 6 weeks of benefits during a 12-month period for Nonindustrial Disability Insurance Family Care Leave. Existing law defines “eligible employee” for purposes of those provisions, and includes an employee enrolled in the annual leave program and represented by State Bargaining Unit 2 or 9 and for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization, as specified.

This bill would delete the above-referenced bargaining units and would instead refer to an employee enrolled in the annual leave program and represented by a specific bargaining unit that has Nonindustrial Disability Insurance Family Care Leave language in a ratified memorandum of understanding approved by the Legislature.

(3) The Public Employees’ Retirement Law (PERL) creates the Public Employees’ Retirement System (PERS) for the purpose of providing public employees’ pension and benefits to state employees and their beneficiaries. Under PERL, benefits are funded by investment income and employer and employee contributions, which are deposited into the Public Employees’ Retirement Fund, a continuously appropriated trust fund administered by the system’s board of administration. The PERL and labor agreements

prescribe different normal rates of contribution for employees depending on bargaining unit, employer, and inclusion of service in the federal social security system, among other factors.

Existing law that prescribes these normal rates of contribution for certain categories of employees also authorizes the Director of the Department of Human Resources to exercise discretion in establishing the normal rate of contribution for a state employee who is excepted from a specific statutory definition of "state employee" or is an officer or employee of the executive branch of state government who is not a member of the civil service, subject to certain conditions.

Existing law adjusts the normal rate of contribution for state miscellaneous or state industrial members who are represented by State Bargaining Unit 12 to 11% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system and to 10% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system.

This bill, effective July 1, 2024, would revise the normal contribution rate for state miscellaneous and industrial members represented by State Bargaining Unit 12 to 9.5% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and to 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2025, would revise the normal rate of contribution for state miscellaneous members represented by State Bargaining Unit 12 to 9% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and to 10% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2025, would provide that the normal contribution rate for state industrial members represented by State Bargaining Unit 12 shall remain at 9.5% of compensation in excess of \$513 per month paid to a member whose service has been in the federal system and 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill would provide that the above employee contribution rates would remain in effect beginning July 1, 2026, for those members unless the board makes certain determinations with respect to the normal cost rates, as specified.

Existing law, effective January 1, 2019, establishes the normal rate of contribution for state safety members represented by State Bargaining Unit 12 as 11% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system or in excess of \$513 for a member whose service is included in the federal system, in accordance with certain provisions.

This bill, effective July 1, 2026, would require the normal rate of contribution for state safety members who are represented by State Bargaining Unit 12, as described, to remain in effect unless the board makes certain determinations with respect to increases or decreases in the normal cost rates, as specified.

Existing law establishes the normal contribution rate for state miscellaneous or state industrial members who are represented by State Bargaining Unit 19 as 11% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system or in excess of \$513 for a member whose service is included in the federal system.

This bill, effective July 1, 2024, would instead require the normal contribution rate for state miscellaneous and industrial members who are represented by State Bargaining Unit 19 to be 9.5% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and to be 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2025, would provide that the normal rate of contribution for state miscellaneous members who are represented by State Bargaining Unit 19 would be 9% of compensation in excess of \$513 per month paid to a member whose service is included in the federal system and would be 10% of compensation in excess of \$317 per month paid to a member whose service is included in the federal system.

The bill, effective July 1, 2025, would provide that the normal contribution rate for state industrial members represented by State Bargaining Unit 19 would remain at 9.5% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. This bill, effective July 1, 2026, would require the normal rate of contribution for state safety members who are represented by State Bargaining Unit 19, as described above, to remain in effect unless the board makes certain determinations with respect to increases or decreases in the normal cost rates, as specified.

Existing law establishes the normal contribution rate for state safety members represented by State Bargaining Unit 19 at 11% percent of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system or in excess of \$513 for one whose service is included in the federal system.

This bill, effective July 1, 2026, would require the normal rate of contribution for state safety members who are represented by State Bargaining Unit 19, as described, to remain in effect unless the board makes certain determinations with respect to increases or decreases in the normal cost rates, as specified.

Existing law, on and after July 1, 2017, adjusts the normal rate of contribution for specified employees of State Bargaining Unit 16 to 50% of the normal cost rate rounded to the nearest quarter 1%, as specified, if certain conditions occur. Existing law authorizes the Director of the Department of Human Resources to exercise their discretion to establish the normal rate of contribution for a related state employee or an officer or employee of the executive branch who is not a member of the civil service.

This bill, effective July 1, 2024, would revise the normal contribution rate for state miscellaneous and industrial members who are represented by State Bargaining Unit 16 to 9.5% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and to 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2025, would revise the normal contribution rate for state miscellaneous members who are represented by State Bargaining Unit 16 to 9% of compensation in excess of \$513 per month paid to a member whose service has been included in the federal system and to 10% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2025, would provide that the normal contribution rate for state industrial members who are represented by State Bargaining Unit 16 shall remain at 9.5% of compensation in excess of \$513 per month paid to a member whose service has been in the federal system and at 10.5% of compensation in excess of \$317 per month paid to a member whose service is not included in the federal system. The bill, effective July 1, 2026, would require the normal rate of contribution for specified members who are represented by Bargaining Unit 16, including state miscellaneous members, state industrial members, and state safety members, to remain in effect unless the board makes certain determinations with respect to increases or decreases in the normal cost rates, as specified.

The bill, effective July 1, 2026, would provide that the normal rate of contribution for state safety members who are represented by State Bargaining Unit 16, as specified, shall remain in effect unless the board makes certain determinations with respect to increases or decreases in the normal cost rates, as specified.

The bill would also permit the Director of the Department of Human Resources, consistent with the above-described provisions, to exercise discretion in establishing normal contribution rates for related exempt state employees and executive branch officers or employees who are not civil service members, as specified.

(4) 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 establishes the normal rate of contribution with respect to employees in State Bargaining Units 1, 4, 11, 14, 15, 17, 20, and 21 in an amount equal to 80% of the weighted average of certain health benefit plan premium costs, as prescribed.

This bill would instead provide that the employer contribution for each employee in the above bargaining units would equal 80% of the weighted average of the basic health benefit plan premiums for active civil service employees enrolled in a specified plan and an additional 80% of the weighted average for enrolled family members, subject to certain conditions. The bill would also require the employer contribution to include an additional amount of up to \$165 toward the monthly employer benefit contribution for each employee, effective no earlier than December 1, 2023, under specified circumstances.

PEMHCA requires the state and employees in specified bargaining units to prefund retiree health care costs, subject to certain conditions. This includes employees in State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, as prescribed in a specified schedule, which includes an additional 1.2% for a total employee contribution of 3.5% of pensionable compensation effective July 1, 2020.

This bill, effective the first day of the pay period following ratification, would reduce that contribution percentage by .5%, for a total employee contribution of 3.0% of pensionable compensation. Effective July 1, 2024, and each July thereafter, the bill would require contribution percentages for the above-described bargaining units to be adjusted based on actuarially determined total normal costs.

(5) The California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan. PEPRA defines "pensionable compensation" for a new member and excludes certain categories of compensation from this definition. Under PEPRA, the state employer is authorized to determine if excluded compensation shall apply to nonrepresented state employees who are aligned with state employees subject to a specified memorandum of understanding.

This bill would revise that provision on excluded compensation to authorize the state employer to determine if excluded compensation, as identified, would apply to nonrepresented state employees who are either excluded from the definition of state employee, as specified, or nonelected officers or employees of the executive branch of government who are not members of the

civil service, under the above-described circumstances. The bill would also authorize the state employer to make certain related determinations regarding whether to designate a form of compensation as pensionable compensation for new members.

(6) This bill would incorporate additional changes to Sections 19829.9851, 19829.9852, and 19829.9853 of the Government Code proposed by AB 151, SB 151, or both, to be operative only if this bill and either AB 151, SB 151, or both, are enacted and this bill is enacted last.

(7) The bill would appropriate the sum of \$1,333,028,000 for State Bargaining Units 1, 3, 4, 7, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21, and employees excluded from collective bargaining, in accordance with a specified schedule.

(8) 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, 5, 7, 11, 12, 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, dated August 24, 2023 (Health Care Facility Retention Payment), State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21, dated August 19, 2023 (Memorandum of Understanding), State Bargaining Unit 5, dated August 22, 2023 (Alternate Work Week Schedule Pilot Project), State Bargaining Unit 7, dated August 30, 2023 (Memorandum of Understanding), State Bargaining Unit 12, dated July 13, 2023 (Memorandum of Understanding), State Bargaining Unit 13, dated August 11, 2023 (Health Care Facility Retention and Wildfire Emergency Response), State Bargaining Unit 16, dated September 1, 2023 (Memorandum of Understanding), State Bargaining Unit 16, dated September 1, 2023 (Health Provider Recognition Payment), State Bargaining Unit 19, dated August 2, 2023 (Memorandum of Understanding), and State Bargaining Unit 19, dated June 9, 2023 (Health Care Facility Retention Payment), 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 or addenda, or both, 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 1, 3, 4, 7, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21 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 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 7522.34 of the Government Code is amended to read:

7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules, subject to the limitations of subdivision (c).

(b) Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid.

(c) Notwithstanding any other law, "pensionable compensation" of a new member does not include the following:

(1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments made to a member.

(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.

(9) Employer contributions to deferred compensation or defined contribution plans.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation a public retirement board determines should not be pensionable compensation.

(13) (A) Any form of compensation identified that has been agreed to be nonpensionable pursuant to a memorandum of understanding for state employees bound by the memorandum of understanding. The state employer subject to the memorandum of understanding shall inform the retirement system of the excluded compensation and provide a copy of the memorandum of understanding.

(B) The state employer may determine if excluded compensation identified in subparagraph (A) shall apply to nonrepresented state employees who are either excluded from the definition of state employee in Section 3513, or are nonelected officers or employees of the executive branch of government who are not members of the civil service and aligned with state employees subject to the memorandum of understanding described in subparagraph (A). The state employer shall inform the retirement system of the exclusion of this compensation and provide a copy of the public pay schedule detailing the exclusion.

(d) Notwithstanding any other law, if a form of compensation is expressly designated as pensionable compensation for a new member pursuant to a memorandum of understanding for state employees, the memorandum of understanding shall be controlling as to that form of compensation without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act. This subdivision does not apply to any form of compensation that is excluded from the definition of pensionable compensation pursuant to paragraphs (1) through (9), inclusive, of subdivision (c). The state employer shall inform the retirement system of the inclusion of this form of compensation and provide a copy of the public pay schedule detailing the inclusion.

(e) The state employer may determine if a form of compensation shall be designated as pensionable compensation for new members, who are nonrepresented state employees excluded from the definition of state employee in Section 3513, or are nonelected officers or employees of the executive branch of government who are not members of the civil service. This subdivision does not apply to any form of compensation that is excluded from the definition of pensionable compensation pursuant to paragraphs (1) through (9), inclusive, of subdivision (c). The state employer shall inform the retirement system of the inclusion of this form of compensation and provide a copy of the public pay schedule detailing the inclusion.

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 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, 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 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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 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 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, 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 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to July 1, 2025, 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 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 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, 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 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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 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 June 30, 2026, the memorandum of understanding for State Bargaining Unit 8 expires on June 30, 2024, the memorandum of understanding for State Bargaining Unit 9 expires on June 30, 2025, 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 on June 30, 2026, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2026.

SEC. 6.5. 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 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, 2019, to July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 1, 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, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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 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 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, 2019, to July 3, 2024, 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, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to July 1, 2025, 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 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 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, 2019, to July 3, 2024, 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, 2022, to June 30, 2024, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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 the 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 July 3, 2024, 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, 2024, the

memorandum of understanding for State Bargaining Unit 9 expires on June 30, 2025, 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. 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 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, 2019, to July 3, 2024, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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, 2019, to July 3, 2024, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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, 2019, to July 3, 2024, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025, 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 July 3, 2024, the memorandum of understanding for State Bargaining Unit 7 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 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. 7.5. 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, 2019, to July 3, 2024, 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 9 (effective July 1, 2022, to June 30, 2025, 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, 2019, to July 3, 2024, 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 9 (effective July 1, 2022, to June 30, 2025, 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, 2019, to July 3, 2024, 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 9 (effective July 1, 2022, to June 30, 2025, 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 July 3, 2024, 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 9 expires on June 30, 2025, 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. 8. 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 expires on June 30, 2026, 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. 8.5. 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 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 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 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 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 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 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 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 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. 9. Section 19829.9854 is added to the Government Code, 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 (effective July 1, 2023, to June 30, 2026, 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 7 expires on June 30, 2026, 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. 10. Section 19878.5 of the Government Code is amended to read:

19878.5. (a) For purposes of this article relating to Nonindustrial Disability Insurance Family Care Leave, an “eligible employee” is either of the following:

(1) An employee excluded from the definition of “state employee” in subdivision (c) of Section 3513 or a nonelected officer of the executive branch exempt from civil service and eligible for managerial benefits, who has enrolled in the annual leave program under Article 2.5 (commencing with Section 19858.3).

(2) An employee enrolled in the annual leave program and represented by a specific bargaining unit that has Nonindustrial Disability Insurance Family Care Leave language in a ratified memorandum of understanding approved by the Legislature pursuant to law.

(b) An eligible employee shall be entitled to receive up to six weeks of benefits during a 12-month period for Nonindustrial Disability Insurance Family Care Leave in accordance with this article.

SEC. 11. Section 20677.61 is added to the Government Code, to read:

20677.61. (a) Notwithstanding Sections 20677.4 and 20677.6, effective July 1, 2024, the normal contribution rate for state miscellaneous and industrial members who are represented by State Bargaining Unit 12 shall be as follows:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to that member whose service is not included in the federal system.

(b) Effective July 1, 2025, the normal contribution rate for state miscellaneous members who are represented by State Bargaining Unit 12 shall be as follows:

(1) Nine percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(c) Effective July 1, 2025, the normal contribution rate for state industrial members who are represented by State Bargaining Unit 12 shall remain at:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(d) Effective July 1, 2026, the employee contribution rates in subdivisions (b) and (c) shall remain in effect for state miscellaneous or industrial members unless the board determines that:

(1) The total normal cost rate increases or decreases by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the normal cost rate rounded to the nearest one-quarter of 1 percent is greater or lesser than the employee contribution rates in subdivisions (b) and (c).

(e) When the board determines that paragraphs (1) and (2) of subdivision (d) have been met, the employee contribution rate for miscellaneous or industrial members shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent on July 1 of the fiscal year after the determination.

(f) (1) Each year thereafter, the employee contribution rate shall not be adjusted again on account of a change to the normal cost rate unless the board determines that the normal cost rate has increased or decreased by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(2) Employee contributions shall continue to be a percentage of pensionable compensation in excess of five hundred and thirteen dollars (\$513) per month paid to the member whose service has been included in the federal system or in excess of three hundred and seventeen dollars (\$317) per month paid to the member whose service has not been included in the federal system.

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

(h) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 12. Section 20677.92 is added to the Government Code, to read:

20677.92. (a) Notwithstanding Sections 20683 and 20677.9, effective July 1, 2026, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 12 described in Section 20677.9 shall remain in effect unless the board has determined that both of the following conditions have been met:

(1) The total normal cost rate has increased or decreased by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the normal contribution rates established in Section 20677.9.

(b) If the board determines that the requirements of paragraph (1) and (2) of subdivision (a) have been met, the normal contribution rate for state safety members who are represented by State Bargaining Unit 12 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent on July 1 of the fiscal year after the determination.

(c) (1) Each year thereafter, the rate shall only be adjusted if the board determines that the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(2) Employee contributions shall continue to be a percentage of pensionable compensation in excess of three hundred and seventeen dollars (\$317) per month paid to the member.

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

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 13. Section 20677.93 is added to the Government Code, to read:

20677.93. (a) Notwithstanding Sections 20677.4 and 20677.6, effective July 1, 2024, the normal contribution rate for state miscellaneous and industrial members who are represented by State Bargaining Unit 19 shall be as follows:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to that member whose service is not included in the federal system.

(b) Effective July 1, 2025, the normal contribution rate for state miscellaneous members who are represented by State Bargaining Unit 19 shall be as follows:

(1) Nine percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(c) Effective July 1, 2025, the normal contribution rate for state industrial members who are represented by State Bargaining Unit 19 shall remain at:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(d) Effective July 1, 2026, the employee contribution rates in subdivisions (b) and (c) shall remain in effect unless the board has determined that both of the following conditions have been met:

(1) The total normal cost rate increases or decreases by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the normal cost rate rounded to the nearest one-quarter of 1 percent is greater or lesser than the employee contribution rates in subdivisions (b) and (c).

(e) When the board determines that paragraphs (1) and (2) of subdivision (d) have been met, the employee contribution rate for miscellaneous or industrial members shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent on July 1 of the fiscal year after the determination.

(f) Each year thereafter, the employee contribution rate shall not be adjusted again on account of a change to the normal cost rate unless the board determines that the normal cost rate has increased or decreased by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(g) Employee contributions shall continue to be a percentage of pensionable compensation in excess of five hundred and thirteen dollars (\$513) per month paid to the member whose service has been included in the federal system or in excess of three hundred and seventeen dollars (\$317) per month paid to the member whose service has not been included in the federal system.

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

(i) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 14. Section 20677.94 is added to the Government Code, to read:

20677.94. (a) Notwithstanding Sections 20677.9 and 20683, effective July 1, 2026, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 19 described in Section 20677.9 shall remain in effect unless the board has determined that both of the following conditions have been met:

(1) The total normal cost rate has increased or decreased by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the normal contribution rates established in Section 20677.9.

(b) If the board determines that the requirements of paragraph (1) and (2) of subdivision (a) have been met, the normal contribution rate for state safety members who are represented by State Bargaining Unit 19 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent on July 1 of the fiscal year after the determination.

(c) (1) Each year thereafter, the rate shall only be adjusted if the board determines that the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(2) Employee contributions shall continue to be a percentage of pensionable compensation in excess of three hundred and seventeen dollars (\$317) per month paid to the member.

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

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 15. Section 20683.41 is added to the Government Code, to read:

20683.41. (a) Notwithstanding Sections 20677.4, 20677.6, and 20683.4, effective July 1, 2024, the normal contribution rate for state miscellaneous and industrial members who are represented by State Bargaining Unit 16 shall be as follows:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to that member whose service is not included in the federal system.

(b) Effective July 1, 2025, the normal contribution rate for state miscellaneous members who are represented by State Bargaining Unit 16 shall be as follows:

(1) Nine percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(c) Effective July 1, 2025, the normal contribution rate for state industrial members who are represented by State Bargaining Unit 16 shall remain at:

(1) Nine and one-half percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid to that member whose service has been included in the federal system.

(2) Ten and one-half percent of compensation in excess of three hundred seventeen dollars (\$317) per month paid to the member whose service is not included in the federal system.

(d) Effective July 1, 2026, the employee contribution rates in subdivisions (b) and (c) shall remain in effect unless the board has determined that both of the following conditions have been met:

(1) The total normal cost rate increases or decreases by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the normal cost rate rounded to the nearest one-quarter of 1 percent is greater or lesser than the employee contribution rates in subdivisions (b) and (c).

(e) When the board determines that paragraphs (1) and (2) of subdivision (d) have been met, the employee contribution rate for miscellaneous or industrial members shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent on July 1 of the fiscal year after the determination.

(f) Each year thereafter, the employee contribution rate shall not be adjusted again on account of a change to the normal cost rate unless the board determines that the normal cost rate has increased or decreased by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(g) Employee contributions shall continue to be a percentage of pensionable compensation in excess of five hundred and thirteen dollars (\$513) per month paid to the member whose service has been included in the federal system or in excess of three hundred and seventeen dollars (\$317) per month paid to the member whose service has not been included in the federal system.

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

(i) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 16. Section 20683.51 is added to the Government Code, to read:

20683.51. (a) Notwithstanding Sections 20677.9, 20683, and 20683.5, effective July 1, 2026, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 16 described in Section 20677.9 shall remain in effect unless the board has determined that both of the following conditions have been met:

(1) The total normal cost rate has increased or decreased by more than 1 percent from the 2025–26 fiscal year total normal cost.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the normal contribution rates established in Section 20677.9,

(b) If the board determines that the requirements of paragraph (1) and (2) of subdivision (a) have been met, the normal contribution rate for state safety members who are represented by State Bargaining Unit 16 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent on July 1 of the fiscal year after the determination.

(c) (1) Each year thereafter, the rate shall only be adjusted if the board determines that the total normal cost rate increases or decreases by more than 1 percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted.

(2) Employee contributions shall continue to be a percentage of pensionable compensation in excess of three hundred and seventeen dollars (\$317) per month paid to the member.

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

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may exercise discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

SEC. 17. Section 20871.10 is added to the Government Code, to read:

20871.10. (a) Notwithstanding Section 22871.9, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Units 1, 4, 11, 14, 15, 17, 20, and 21 shall be as described in subdivision (b).

(b) Effective with the beginning of the pay period following ratification by the affected union membership and enactment of this section, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) Effective the first day of the pay period following ratification but no earlier than December 1, 2023, the employer contribution shall include an additional amount of up to \$165 (one hundred sixty-five dollars) toward the monthly employer health benefit contribution for each employee who is enrolled in a CalPERS sponsored health plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall

be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

SEC. 18. 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).

(E) Effective the first day of the pay period following ratification by both parties, the employer and State Bargaining Unit 2 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 the first day of the pay period following ratification, and on July 1 of each fiscal year thereafter, 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.

(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) Effective the first day of the pay period following ratification, the contribution percentage in subparagraph (C) shall be reduced by 0.5 percent for a total employee contribution of 3.0 percent of pensionable compensation.

(E) Effective July 1, 2024, and each July thereafter, State Bargaining Unit 1, 3, 4, 11, 14, 15, 17, 20, or 21 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. 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.

(F) 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).

(E) Effective the first day of the pay period following ratification by both parties, but no sooner than November 1, 2022, the employer and employee contribution will be decreased by 1 percent from 4.4 percent to 3.4 percent.

(F) Effective July 1, 2023, the contribution percentages will be adjusted based on the actuarially determined total normal cost. 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" or "one-half of 1 percent" from the normal total cost contribution percentages in effect at the time. If it is determined that an adjustment to the contribution rate is necessary, commencing no sooner than July 1, 2023, and July 1 of each fiscal year thereafter, 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.

(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).

(F) 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 the first day of the pay period following ratification, and on July 1 of each fiscal year thereafter, 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.

(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 Annuity's 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. 19. (a) Section 6.5 of this bill incorporates amendments to Section 19829.9851 of the Government Code proposed by this bill, Assembly Bill 151, and Senate Bill 151. That section of this bill shall only become operative if (1) this bill and either Assembly Bill 151 or Senate Bill 151, or both, are enacted and become effective on or before January 1, 2024, (2) this bill and either Assembly Bill 151 or Senate Bill 151, or both, amend Section 19829.9851 of the Government Code, and (3) this bill is enacted after Assembly Bill 151, Senate Bill 151, or both, in which case Section 6 of this bill shall not become operative.

(b) Section 7.5 of this bill incorporates amendments to Section 19829.9852 of the Government Code proposed by this bill, Assembly Bill 151, and Senate Bill 151. That section of this bill shall only become operative if (1) both this bill and either Assembly Bill 151 or Senate Bill 151, or both, are enacted and become effective on or before January 1, 2024, (2) this bill and either Assembly Bill 151 or Senate Bill 151, or both, amend Section 19829.9852 of the Government Code, and (3) this bill is enacted after Assembly Bill 151, Senate Bill 151, or both, in which case Section 7 of this bill shall not become operative.

(c) Section 8.5 of this bill incorporates amendments to Section 19829.9853 of the Government Code proposed by this bill, Assembly Bill 151, and Senate Bill 151. That section of this bill shall only become operative if (1) both this bill and either Assembly Bill 151 or Senate Bill 151, or both, are enacted and become effective on or before January 1, 2024, (2) this bill and either Assembly Bill 151 or Senate Bill 151, or both, amend Section 19829.9853 of the Government Code, and (3) this bill is enacted after Assembly Bill 151, Senate Bill 151, or both, in which case Section 8 of this bill shall not become operative.

SEC. 20. The sum of one billion three hundred thirty-three million twenty-eight thousand dollars (\$1,333,028,000) is hereby appropriated for State Bargaining Units 1, 3, 4, 7, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 21, and employees excluded from collective bargaining for expenditure in the 2023–24 fiscal year in augmentation of, and 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 2023, in accordance with the following schedule:

(a) Seven hundred six million two hundred seven thousand dollars (\$706,207,000) from the General Fund in augmentation of Item 9800-001-0001 of Section 2.00 of the Budget Act of 2023.

(b) Four hundred twenty-four million four hundred sixty thousand dollars (\$424,460,000) from unallocated special funds in augmentation of Item 9800-001-0494 of Section 2.00 of the Budget Act of 2023.

(c) Two hundred two million three hundred sixty-one thousand dollars (\$202,361,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988 of Section 2.00 of the Budget Act of 2023.

SEC. 21. 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.