

AMENDED IN SENATE JUNE 18, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 754

**Introduced by Committee on Public Employees, Retirement and
Social Security (Hernandez (Chair), Mullin, Soto, and Torrico)**

February 22, 2007

~~An act relating to memoranda of understanding.~~ *An act to amend
Section 20035.1 of the Government Code, relating to public employees,
and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 754, as amended, Committee on Public Employees, Retirement and Social Security. ~~Memoranda of understanding; addenda.~~ *Public employees.*

~~Existing~~

(1) ~~Existing~~ law requires the Department of Personnel Administration to provide any side letter, appendix, or other addendum to a properly ratified memorandum of understanding that requires the expenditure of \$250,000 or more related to salary and benefits and that is not already contained in the original memorandum of understanding or the Budget Act to the Joint Legislative Budget Committee. Existing law requires the Joint Legislative Budget Committee, within 30 days after receiving the side letter, appendix, or other addendum, to determine if the addendum presents substantial additions that are not reasonably within the parameters of the original memorandum of understanding and thereby requires legislative action to ratify the addendum.

This bill would approve addenda to memoranda of understanding entered into by the state employer and State Bargaining Units 1, 7, and 16 that require the expenditure of funds. The bill would approve provisions of the addenda that require the expenditure of funds. The bill would provide that those provisions shall not take effect unless the funds are specifically appropriated by the Legislature or already exist within available appropriations, and would allow the reopening of negotiations if the Legislature does not approve or fully fund any addendum included in the bill.

(2) *The Public Employees' Retirement Law provides a comprehensive set of rights and benefits based upon age, service credit, and final compensation. Existing law defines final compensation variously for different member classifications and bargaining units and, in this regard, defines final compensation for a state member for the purpose of calculating retirement benefits as the highest annual average compensation earnable by the member during a designated 12-month period.*

Existing law provides that final compensation for certain patrol members, including patrol members in State Bargaining Unit 5, for specified patrol service shall be increased by 6% if the member retires or dies on or after July 1, 2007, but prior to July 1, 2008, by 4% if the member retires or dies on or after July 1, 2008, but prior to July 1, 2009, and by 2% if the member retires or dies on or after July 1, 2009, but prior to July 1, 2010.

This bill would provide that final compensation for these patrol members shall be increased by 6% if the member retires or dies on or after July 1, 2008, but prior to July 1, 2009, by 4% if the member retires or dies on or after July 1, 2009, but prior to July 1, 2010, and by 2% if the member retires or dies on or after July 1, 2010, but prior to July 1, 2011.

(3) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares that the
2 purpose of this act is to approve addenda to memoranda of

1 understanding entered into by the state employer and the state
2 bargaining units that require the expenditure of funds.

3 SEC. 2. The provisions of the addenda to memoranda of
4 understanding entered into by the state employer and the state
5 bargaining units that require the expenditure of funds are hereby
6 approved for the purposes of Section 3517.63 of the Government
7 Code.

8 SEC. 3. Addenda to memoranda of understanding entered into
9 by the state employer and the following state bargaining units are
10 hereby approved:

11 (a) State Bargaining Unit 1, addendum dated September 15,
12 2006, effective January 1, 2007.

13 (b) State Bargaining Unit 7, addendum dated March 8, 2007,
14 effective December 18, 2006.

15 (c) State Bargaining Unit 16, addendum dated May 3, 2007,
16 effective April 1, 2007; and addendum dated May 8, 2007, effective
17 April 1, 2007.

18 SEC. 4. The provisions of the addenda to memoranda of
19 understanding approved by Sections 2 and 3 of this act and that
20 require the expenditure of funds shall not take effect unless funds
21 for these provisions are specifically appropriated by the Legislature
22 or already exist within available appropriations. If the Legislature
23 does not approve or fully fund any addendum included in this act,
24 either party may reopen negotiations on all or part of the addendum.

25 SEC. 5. *Section 20035.1 of the Government Code is amended*
26 *to read:*

27 20035.1. For patrol members in State Bargaining Unit 5, patrol
28 members excepted from the definition of “state employee” in
29 subdivision (c) of Section 3513, and patrol members who are
30 officers or employees of the executive branch of state government
31 who are not members of the civil service, the member’s final
32 compensation shall be increased as follows:

33 (a) For a member who retires or dies on or after July 1, 2001,
34 and prior to July 1, 2004, the member’s final compensation for
35 patrol service subject to Section 21362.2 shall be increased by
36 one-half of the normal rate of contribution specified in subdivision
37 (a) of Section 20681.

38 (b) For a member who retires or dies on or after July 1, 2004,
39 and prior to July 1, ~~2007~~ 2008, the member’s final compensation
40 for patrol service subject to Section 21362.2 shall be increased by

1 the normal rate of contribution specified in subdivision (a) of
2 Section 20681.

3 (c) For a member who retires or dies on or after July 1, ~~2007~~
4 2008, and prior to July 1, ~~2008~~ 2009, the member's final
5 compensation for patrol service subject to Section 21362.2 shall
6 be increased by three-fourths of the normal rate of contribution
7 specified in subdivision (a) of Section 20681.

8 (d) For a member who retires or dies on or after July 1, ~~2008~~
9 2009, and prior to July 1, ~~2009~~ 2010, the member's final
10 compensation for patrol service subject to Section 21362.2 shall
11 be increased by one-half of the normal rate of contribution specified
12 in subdivision (a) of Section 20681.

13 (e) For a member who retires or dies on or after July 1, ~~2009~~
14 2010, and prior to July 1, ~~2010~~ 2011, the member's final
15 compensation for patrol service subject to Section 21362.2 shall
16 be increased by one-fourth of the normal rate of contribution
17 specified in subdivision (a) of Section 20681.

18 ~~(f) This~~

19 (f) This section shall remain in effect only until July 1, ~~2010~~
20 2011, and as of January 1, ~~2011~~ 2012, is repealed, unless a later
21 enacted statute, that is enacted before January 1, ~~2011~~ 2012, deletes
22 or extends that date.

23 *SEC. 6. This act is an urgency statute necessary for the*
24 *immediate preservation of the public peace, health, or safety within*
25 *the meaning of Article IV of the Constitution and shall go into*
26 *immediate effect. The facts constituting the necessity are:*

27 *In order for the provisions of this act to be applicable as soon*
28 *as possible in the 2007–08 fiscal year, and thereby facilitate the*
29 *orderly administration of state government at the earliest possible*
30 *time, it is necessary that this act take effect immediately.*