ASSEMBLY BILL No. 106

Introduced by Assembly Member Ting Committee on Budget (Assembly Members Ting (Chair), Arambula, Bloom, Chiu, Cooper, Frazier, Cristina Garcia, Jones-Sawyer, Limón, McCarty, Medina, Mullin, Nazarian, O’Donnell, Ramos, Reyes, Luz Rivas, Blanca Rubio, Mark Stone, Weber, Wicks, and Wood)

December 3, 2018

An act relating to the Budget Act of 2019. An act to amend Sections 19829.9848, 19829.9849, 19829.9850, 20677.5, 20683.71, 20683.9, 20683.91, and 22944.5 of, and to add Sections 19829.9851, 19829.9852, 20677.5.1, and 20683.81.3 to, the Government Code, relating to state employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL’S DIGEST


(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.

This bill would approve the agreements entered into by the state employer and State Bargaining Unit 12 - Craft and Maintenance, and State Bargaining Unit 13 - Stationary Engineers. The bill would also approve provisions requiring the expenditure of funds in the addenda entered into between the state employer and State Bargaining Unit 12.
- Craft and Maintenance, and State Bargaining Unit 13 - Stationary Engineers. The bill would also, among other things, make the conforming statutory changes for the agreements entered into by the state employer and State Bargaining Unit 2 - Attorneys and Hearing Officers, State Bargaining Unit 5 - Highway Patrol, State Bargaining Unit 7 - Protective Services and Public Safety, State Bargaining Unit 8 - Firefighters, State Bargaining Unit 9 - Professional Engineers, State Bargaining Unit 10 - Professional Scientific, State Bargaining Unit 16 - Physicians, Dentists, and Podiatrists, State Bargaining Unit 18 - Psychiatric Technicians, and State Bargaining Unit 19 - Health and Social Services/Professional. The bill would provide that provisions of the memoranda of understanding or addenda, or both, described above and approved by this bill or previously approved that require the expenditure of funds will not take effect unless funds for those provisions are specifically appropriated by the Legislature. The bill would authorize the state employer or these state bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature.

This bill would require the provisions of these memoranda of understanding or addenda, or both, that require the expenditure of funds to become effective even if these provisions are approved by the Legislature in legislation other than the annual Budget Act.

Existing law, for the 2020–21 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 for that fiscal year is not enacted by July 1, 2020. Existing law includes within this appropriation provision a memorandum of understanding for State Bargaining Unit 5, effective July 1, 2019, to June 30, 2023.

This bill would revise the expiry date of the memorandum of understanding described above for State Bargaining Unit 5 to July 3, 2024. The bill would also include, within that continuous appropriation provision, the amount necessary for the payment of compensation and employee benefits to state employees covered by memorandum of understanding entered into between the state employer and State Bargaining Unit 12 (effective July 1, 2020, to June 30, 2021, inclusive),
and State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive).

Existing law, for the 2021–22 and 2022–23 fiscal years, 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 is not enacted by July 1, 2021, for the 2021–22 fiscal year, or by July 1, 2022, for the 2022–23 fiscal year, respectively.

This bill would further include, within these continuous appropriation provisions, the amount necessary for the payment of compensation and employee benefits to state employees covered by the memorandum of understanding entered into for State Bargaining Unit 16. The bill would also change the expiry date of the memorandum of understanding described above for State Bargaining Unit 5 to July 3, 2024.

This bill, for the 2023–24 and 2024–25 fiscal years, would continuously appropriate 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 covered by the memorandum of understanding entered into between the state employer and State Bargaining Unit 5, if the Budget Act is not enacted by July 1, 2023, for the 2023–24 fiscal year, or by July 1, 2024, for the 2024–25 fiscal year.

(2) The Public Employees’ Retirement Law (PERL) creates the Public Employees’ Retirement System for the purpose of providing public employees pension and other benefits, which are funded by employee and employer contributions and investment returns. Contributions and investment returns are deposited in the Public Employees’ Retirement Fund, which is continuously appropriated for the payment of benefits and administration of the system. 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 adjusts the normal rate of contribution for specified state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 to 10% of compensation in excess of $317 per month paid to a member whose service is not included in the federal
system and to 9% of compensation in excess of $513 per month paid to a member whose service has been included in the federal system, if certain conditions occur.

This bill would adjust those contribution rates, effective July 1, 2022, to 9½% of compensation in excess of $317 per month paid to a member whose service is not included in the federal system and to 8½% of compensation in excess of $513 per month paid to a member whose service is included in the federal system.

Existing law authorizes the Director of the Department of Human Resources to establish the normal rate of contribution, as described above, for a state employee who is excepted from a specific statutory definition of “state employee” and an officer or employee of the executive branch of state government who is not a member of the civil service, subject to certain conditions.

This bill would require the normal rate of contribution for the above-described members to be consistent with the normal rate of contribution for all members identified in this provision.

This bill, effective July 1, 2023, would require the normal contribution rates for state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 to be adjusted when both: (A) the total normal cost rate for the category in effect for the 2022–23 fiscal year has increased or decreased by at least 1% and (B) 50% of the new normal cost rate, as rounded, is greater or less than the established normal contribution rate, as specified. The bill would require the board, if, on July 1, 2023, those conditions are met, to adjust the normal rate of contribution for those members to 50% of the normal cost rate of contributions, subject to certain conditions. The bill would require, each year thereafter, the rate to be adjusted only if the board determines the normal cost rate increases or decreases by more than 1% of payroll, as specified, and would prohibit the increase from exceeding 1% per year, applicable to specified compensation. The bill would authorize the Director of the Department of Human Resources to exercise their discretion to establish the normal rate of contributions for a state employee who is excepted from a specified definition of “state employee” and an officer or employee of the executive branch who is not a member of civil service, subject to the normal rate of contribution being the same for all members identified in this provision, as specified.

This bill, effective July 1, 2023, would also require the normal contribution rate for state safety members who are represented by State Bargaining Unit 2 to be adjusted when both: (A) the normal total cost
rate for the category in effect for the 2020–21 fiscal year has increased or decreased by at least 1% and (B) 50% of the new normal cost rate, as rounded, is greater or less than the normal contribution rate established, as specified. The bill would require the board, if, on July 1, 2023, these conditions have been met, to adjust the normal rate of contribution for these members to 50% of the normal cost, and each year thereafter, to adjust the rate only if the board determines that the total normal cost increases by more than 1% of payroll, as specified, subject to certain limits.

Existing law requires the normal contribution rate for state industrial members who are represented by State Bargaining Unit 10 to be adjusted when specified conditions occur. Existing law requires the normal rate of contribution rate to return to the normal rate established on July 1, 2021.

This bill would instead require that contribution rate to return to the normal rate on July 1, 2020.

Existing law, applicable to state industrial members who are represented by State Bargaining Unit 10, authorizes the Director of the Department of Human Resources to exercise discretion to establish the normal contribution rate for a related state employee who is excepted from a specific definition of “state employee” and an officer or employee of the executive branch of state government who is not a member of the civil service, consistent with the normal rate of contribution for certain members.

This bill would require the normal rate of contribution to be the same for all of those employee identified above.

Existing law, with respect to the normal contribution rate for patrol members and state miscellaneous members represented by State Bargaining Unit 5, requires an adjustment to these rates, effective July 1, 2020.

This bill would instead require that adjustment to be effective July 1, 2022, or July 1, 2023, depending on when the employees’ and employer’s monthly contribution for prefunding other postemployment benefits is restored. The bill would require the normal rate of contribution, for a related state employee who is excepted from the definition of a “state employee” and an officer or employee of the executive branch who is not a member of civil service, to be the same for all of members identified in that category, as prescribed.

By increasing employee contributions into a continuously appropriated fund, this bill would make an appropriation.
(3) The Public Employees’ Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees’ Retirement System, prescribes methods for calculating the state employer contribution for postemployment health care benefits for eligible retired public employees and their families and for the vesting of these benefits. PEMHCA establishes the Annuitants’ Health Care Coverage Fund, which is continuously appropriated, for the purpose of prefunding health care coverage for annuitants, including administrative costs.

PEMHCA requires the state and employees in specified State Bargaining Units to prefund retiree health care and other postemployment benefits, subject to certain conditions. PEMHCA requires employees in State Bargaining Unit 9 to make contributions to prefund retiree health care and the state to make a matching contribution, as specified. PEMHCA suspends those employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years beginning on the first day of the pay period following ratification and ending on June 30, 2022.

This bill would provide that the above employees’ monthly contribution for prefunding those other benefits is suspended and shall not be withheld from employees’ salaries beginning with the July 2020 pay period and ending on June 30, 2022.

PEMHCA requires the employees in State Bargaining Unit 10 to prefund retiree health care and the state to make a matching contribution, which, effective July 1, 2020, is 2.8% of pensionable compensation.

This bill instead would suspend the requirement that those employees make a monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires the employees in State Bargaining Unit 12 to make contributions to prefund retiree health care based on a specified schedule, and the state to make a matching contribution, as provided. The act further requires, effective July 1, 2020, an additional 1.1% for a total employee contribution of 4.6% of pensionable compensation.

This bill would suspend the above-described employee contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.
PEMHCA law requires the employees in State Bargaining Unit 2 to make contributions to prefund retiree health care based on a specified schedule, and the state to make a matching contribution. The act further requires, effective July 1, 2019, an additional 0.7% compensation be made for a total employee contribution of 2% of pensionable compensation.

This bill would suspend the employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires the employees in State Bargaining Unit 7 to make contributions to prefund retiree health care, as specified, with that rate set at an additional 1.3% of compensation for a total employee contribution of 4% of pensionable compensation effective July 1, 2019.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires the employees in State Bargaining Unit 8 to make contributions to prefund retiree health care, as specified, and the state to make a matching contribution. Existing law requires, effective July 1, 2019, an additional 1.4% compensation for a total employee contribution of 4.4% of pensionable compensation.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 fiscal year, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires the employees in State Bargaining Unit 13 to make contributions to prefund retiree health care, as specified, and the state to make a matching contribution. The act requires, effective July 1, 2019, an additional 1.3% contribution, for a total employee contribution of 3.9% of pensionable compensation.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires the employees in State Bargaining Unit 18 to make contributions to prefund retiree health care based, as specified, and the state to make a matching contribution. PEMHCA requires, after July 1, 2019, a total employee contribution of 4% of pensionable
compensation and that the employer and employee contribution percentages be adjusted based on actuarially determined total normal costs, as specified. PEMHCA further requires, commencing no sooner than July 1, 2021, and on July 1 of each fiscal year thereafter, if an adjustment is determined to be necessary, that the employer and employee contribution percentages be increased to maintain a 50% cost sharing of actuarially determined normal costs, as specified.

This bill would suspend the employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires employees in State Bargaining Unit 19 to make contributions to prefund retiree health care and the state to make a matching contribution, with that rate for the total employee contribution being 3% of pensionable compensation effective July 1, 2019.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires employees in State Bargaining Unit 16 to make contributions to prefund retiree health care and the state to make a matching contribution, with that rate for the total employee contribution being set at 1.4% effective July 1, 2018.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.

PEMHCA requires employees in State Bargaining Unit 5 to make contributions to prefund retiree health care and the state to make a matching contribution. The act further requires, after July 1, 2020, the employer and employee contributions to be adjusted based on actuarially determined total normal costs. The act requires, commencing July 1, 2021, and July 1 of each fiscal year thereafter, that if the adjustment is necessary, the employer and employee contribution percentages be increased or decreased to maintain a 50% cost sharing of actuarially determined normal costs, as specified.

This bill would suspend the above employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, and would not permit that contribution amount to be withheld from employees’ salaries during a specified timeframe.
The bill would provide that, effective July 1, 2022, if the Director of Finance does not restore the state and employee share of other postemployment benefits, the employer and employee contributions shall be restored and the parties shall incorporate the 3.5% employee share of pensionable compensation into a specified salary survey. The bill would also provide that if projected state revenues continue to be insufficient to fully fund existing statutory and constitutional obligations, and the above postemployment benefit contributions, the employees’ and employer’s other postemployment benefit contributions and the inclusion of the 3.4% employee share shall become effective on July 1, 2023. The bill would grant sole discretion to the Department of Finance to determine funding availability under this provision.

This bill, upon the other postemployment benefits being restored for employees in State Bargaining Unit 5, as described above, would then require those employees and the state to make contributions based on a specified schedule, which, effective July 1, 2022, or July 1, 2023, would require employees to contribute 1.1% and the employer to contribute 5.7% of pensionable compensation for a total of 6.8% pensionable compensation. The bill would also adjust these rates for future years, as specified.

The bill would appropriate the sum of $5,913,000 for Bargaining Units 2, 5, 7, 8, 10, 12, 13, 16, and 19 for expenditure in augmentation of, and for the purpose of, state employee compensation, in accordance with a specified schedule.

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

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2019.


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 entered into by the state employer and State Bargaining Units 12 and 13 and to make the conforming statutory changes for the agreements entered into by the state employer and State Bargaining Units 2, 5, 7, 8, 9, 10, 12, 16, 18, and 19 pursuant to Section 3517.5 of the Government Code.
SEC. 2. Notwithstanding Section 19829.5 of the Government Code, the provisions of the addenda prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 12 dated July 22, 2020, and State Bargaining Unit 13 dated July 21, 2020, and that require the expenditure of funds, are hereby approved for purposes of Section 3517.6 of the Government Code.

SEC. 3. Notwithstanding Section 19829.5 of the Government Code, the provisions of the memoranda 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 Unit 19 dated June 23, 2020, and June 30, 2020, State Bargaining Unit 7 dated June 24, 2020, and June 26, 2020, State Bargaining Units 10 and 12 dated June 25, 2020, State Bargaining Unit 5 dated June 29, 2020, and June 30, 2020, and State Bargaining Units 2, 8, 9, 16, and 18 dated June 30, 2020, and that require the expenditure of funds, were approved pursuant to Section 3 of Chapter 23 of the Statutes of 2020.

SEC. 4. The provisions of the memoranda of understanding or addenda, or both, included in Section 2 and 3 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 2, 5, 7, 8, 9, 10, 12, 13, 16, 18, and 19 may reopen negotiations on all or part of the memoranda of understanding or addenda, or both.

SEC. 5. Notwithstanding Section 3517.6 of the Government Code, the provisions of the memoranda of understanding or addenda, or both, included in Section 2 or 3 of this act that require the expenditure of funds shall become effective even if the provisions of the memoranda of understanding or addenda, or both, are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 6. Section 19829.9848 of the Government Code is amended to read:

19829.9848. (a) Notwithstanding Section 13340, for the 2020–21 fiscal year, if the Budget Act of 2020 is not enacted by July 1, 2020, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective
January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 2 (effective July 2, 2019, to July 1, 2020, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June 30, 2023, inclusive), State Bargaining Unit 6 (effective July 3, 2019, to July 2, 2020, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2020, inclusive), State Bargaining Unit 8 (effective January 1, 2017, to July 1, 2021, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 10 (effective January 1, 2018, to July 1, 2020, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2020, to June 30, 2021, inclusive), State Bargaining Unit 13 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective July 2, 2019, to July 1, 2022, inclusive), State Bargaining Unit 19 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2020 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, 2020, of the 2020–21 fiscal year and the enactment of the Budget Act of 2020.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 2 (effective July 2, 2019, to July 1, 2020, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June 30, 2023, inclusive), State Bargaining Unit 6 (effective July 3, 2019, to July 2, 2020, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2020, inclusive), State Bargaining Unit 8 (effective January 1, 2017, to July 1, 2021, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 10 (effective January 1, 2018, to July 1, 2020, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2020, to June 30, 2021, inclusive), State Bargaining Unit 13 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective July 2, 2019, to July 1, 2022, inclusive), State Bargaining Unit 19 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2020 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, 2020, of the 2020–21 fiscal year and the enactment of the Budget Act of 2020.
Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June 30, 2023; July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2019, to July 2, 2020, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 8 (effective January 1, 2017, to July 1, 2021, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 10 (effective July 1, 2018, to July 1, 2020, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2020, to June 30, 2021, inclusive), State Bargaining Unit 13 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 19 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) are in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the memoranda of understanding referenced above, unless otherwise provided for by the Budget Act or other legislative enactment.

(c) Expenditures related to any warrant drawn pursuant to subdivision (a) are not augmentations to the expenditure authority of a department. Upon the enactment of the Budget Act of 2020, these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2020 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 2 (effective July 2, 2019, to July 1, 2020, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June
July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2019, to July 2, 2020, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 8 (effective January 1, 2017, to July 1, 2021, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 10 (effective July 1, 2018, to July 1, 2020, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 13 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective July 2, 2019, to July 1, 2022, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the terms 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, 2023, the memorandum of understanding for State Bargaining Unit 2 expires on July 1, 2020, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 4 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 5 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2020, the memorandum of understanding for State Bargaining Unit 7 expires on July 1, 2023, the memorandum of understanding for State Bargaining Unit 8 expires on July 1, 2021, the memorandum of understanding for State Bargaining Unit 9 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 10 expires on July 1, 2020, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 12 expires on June 30, 2021, the memorandum of understanding for State Bargaining
Unit 13 expires on June 30, 2022, the memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 18 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 19 expires on June 30, 2023, and the memorandum of understanding for State Bargaining Unit 20 expires on June 30, 2023, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2023.

SEC. 7. Section 19829.9849 of the Government Code is amended to read:

19829.9849. (a) Notwithstanding Section 13340, for the 2021–22 fiscal year, if the Budget Act of 2021 is not enacted by July 1, 2021, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 6 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 7 (effective July 1, 2019, to June 30, 2023, inclusive), State Bargaining Unit 8 (effective July 1, 2019, to June 30, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2019, to June 30, 2023, inclusive), State Bargaining Unit 10 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 12 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 19 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other
fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2021 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, 2021, of the 2021–22 fiscal year and the enactment of the Budget Act of 2021.

(b) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June 30, 2023, July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2022, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective July 2, 2019, to July 1, 2022, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) is in effect and approved by the Legislature, the compensation and contribution for employee benefits for state employees represented by these bargaining units shall be at a rate consistent with the 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 2021,
these expenditures shall be subsumed by the expenditure authority approved in the Budget Act of 2021 for each affected department.

(d) This section shall only apply to an employee covered by the terms of the State Bargaining Unit 1 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 3 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 4 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 5 (effective July 1, 2019, to June 30, 2023, July 3, 2024, inclusive), State Bargaining Unit 6 (effective July 3, 2020, to July 2, 2022, inclusive), State Bargaining Unit 7 (effective July 2, 2019, to July 1, 2023, inclusive), State Bargaining Unit 9 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 11 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 13 (effective July 1, 2019, to June 30, 2022, inclusive), State Bargaining Unit 14 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 15 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 16 (effective July 1, 2020, to July 1, 2022, inclusive), State Bargaining Unit 17 (effective January 2, 2020, to June 30, 2023, inclusive), State Bargaining Unit 18 (effective July 2, 2019, to July 1, 2022, inclusive), State Bargaining Unit 20 (effective January 2, 2020, to June 30, 2023, inclusive), and State Bargaining Unit 21 (effective January 2, 2020, to June 30, 2023, inclusive) memoranda of understanding. Notwithstanding Section 3517.8, this section shall not apply after the term of the memorandum of understanding has expired. For purposes of this section, the memorandum of understanding for State Bargaining Unit 1 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 3 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 4 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 5 expires on June 30, 2023, July 3, 2024, the memorandum of understanding for State Bargaining Unit 6 expires on July 2, 2022, the memorandum of understanding for State Bargaining Unit 7 expires on July 1, 2023, the memorandum of understanding for State Bargaining Unit 9 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 11 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 13 expires on June 30, 2022, the memorandum of understanding for State Bargaining Unit 14
expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2023, the memorandum of understanding for State Bargaining Unit 18 expires on July 1, 2022, the memorandum of understanding for State Bargaining Unit 20 expires on June 30, 2023, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2023.

SEC. 8. Section 19829.9850 of the Government Code is amended to read:

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

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

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

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

SEC. 9. Section 19829.9851 is added to the Government Code, to read:
19829.9851. (a) Notwithstanding Section 13340, for the
2023–24 fiscal year, if the Budget Act of 2023 is not enacted by
July 1, 2023, for the memorandum of understanding entered into
between the state employer and State Bargaining Unit 5 (effective
July 1, 2019, to July 3, 2024, inclusive), 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 memorandum 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 memorandum of understanding for work performed
between July 1, 2023, of the 2023–24 fiscal year and the enactment

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

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

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

SEC. 10. Section 19829.9852 is added to the Government Code,
to read:
(a) Notwithstanding Section 13340, for the 2024–25 fiscal year, if the Budget Act of 2024 is not enacted by July 1, 2024, for the memorandum of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 1, 2019, to July 3, 2024, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the Budget Act of 2024 is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2024, of the 2024–25 fiscal year and the enactment of the Budget Act of 2024.

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

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

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

SEC. 11. Section 20677.5 of the Government Code is amended to read:
Notwithstanding any provisions of Section 20677.4 to the contrary, effective with the beginning of the pay period following the operative date of the amendments to this section made by Senate Bill 151 of the 2011–12 Regular Session, the normal rate of contribution for state miscellaneous or state industrial members who are subject to Section 21353 or 21354.1, and who are represented by State Bargaining Unit 2, shall be:

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

2. 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.

3. Effective July 1, 2022, nine and one-half percent of compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system.

4. Effective July 1, 2022, eight and one-half percent of compensation in excess of five hundred thirteen dollars ($513) per month paid to a member whose service is included in the federal system.

(b) 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.

(c) The consistent with the normal rate of contribution for all members identified in this section, the Director of the Department of Human Resources may establish the normal rate of contribution for a 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. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of the Department of Human Resources.
but shall be no earlier than the beginning of the pay period following the date the board receives notification.

SEC. 12. Section 20677.5.1 is added to the Government Code, to read:

20677.5.1. (a) Notwithstanding Sections 20677.4, 20677.5, and 20683.1, effective July 1, 2023, the normal contribution rates for state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 shall be adjusted in accordance with this section when both of the following occur:

1. The total normal cost rate for the category in effect for the 2022–23 fiscal year has increased or decreased by at least 1 percent.

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 rate established in Section 20677.5.

(b) If on July 1, 2023, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state miscellaneous or state industrial members who are represented by State Bargaining Unit 2 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines 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. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department Human Resources may exercise their discretion to establish the normal rate of contributions for a 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. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources but shall be no earlier than the beginning of the pay period following the date the board receives notification.

(f) 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.

SEC. 13. Section 20683.81.3 is added to the Government Code, to read:

20683.81.3. (a) Notwithstanding Sections 20683.1, 20683.2, and 20683.81.2, effective July 1, 2023, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 2 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2020–21 fiscal year has increased or decreased by at least 1 percent.

(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 rate established in Section 20683.81.2.

(b) If on July 1, 2023, the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state safety members who are represented by State Bargaining Unit 2 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines 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. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system.

(e) Consistent with the normal rate of contribution for all members identified in this section, the Director of the Department Human Resources may exercise their discretion to establish the normal rate of contributions for a 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. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources but shall be no earlier than the beginning of the pay period following the date the board receives notification.

(f) 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.

SEC. 14. Section 20683.71 of the Government Code is amended to read:

20683.71. (a) Notwithstanding Sections 20677.4, 20677.71, and 20683.2, effective July 1, 2019, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 10 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the category in effect for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of the new normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater than or less than the normal contribution rate established in Section 20683.2.
(b) On the July 1 of the fiscal year that the board determines that the requirements of paragraphs (1) and (2) of subdivision (a) have been met, the normal rate of contribution for state industrial members who are represented by State Bargaining Unit 10 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of 1 percent, but not to increase or decrease by more than 1 percent.

(c) Once established, the normal rate of contribution shall not be adjusted on account of a change to the normal cost rate unless the normal cost rate increases or decreases by more than 1 percent of payroll above or below the normal cost rate in effect at the time the normal rate of contribution is first established or, if later, the normal cost rate in effect at the time of the last adjustment to the normal rate of contribution under this subdivision. Furthermore, the increase or decrease to the normal rate of contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system.

(e) On July 1, 2021, the normal rate of contribution shall return to the normal contribution rate established in Section 20683.2.

(f) Consistent with the normal rate of contribution for all members identified in this subdivision, section, the Director of the Department of Human Resources may exercise his or her 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. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources, but shall be no earlier than the beginning of the pay period following the date the board receives notification.

(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.

SEC. 15. Section 20683.9 of the Government Code is amended to read:

20683.9. (a) Notwithstanding Sections 20677.8, 20681, 20683.2, and 20694, effective July 1, 2020, 2022, or July 1, 2023, depending on when the employees’ and employer’s monthly contribution for prefunding other postemployment benefits is restored, pursuant to Section 22944.5, the normal rate of contribution for patrol members who are represented by Bargaining Unit 5 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the current employee contribution rate.

(b) On July 1 of the fiscal year after the board determines that the requirement of paragraphs (1) and (2) of subdivision (a) above have been met, the normal rate of contribution for patrol members who are represented by Bargaining Unit 5 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines 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. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of eight hundred sixty-three dollars ($863) per month.

(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 their 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. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources, but shall be no earlier than the beginning of the pay period following the date the board receives notification.

(f) 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.

SEC. 16. Section 20683.91 of the Government Code is amended to read:

20683.91. (a) Notwithstanding Sections 20677.4 and 20677.7, effective July 1, 2020, 2022, or July 1, 2023, depending on when the employees' and employer's monthly contribution for prefunding other postemployment benefits is restored, pursuant to Section 22944.5, the normal rate of contribution for state miscellaneous members who are represented by Bargaining Unit 5 shall be adjusted in accordance with this section when both of the following occur:

(1) The total normal cost rate for the 2016–17 fiscal year has increased or decreased by at least 1 percent.

(2) Fifty percent of that normal cost rate, rounded to the nearest one-quarter of 1 percent, is greater or less than the current employee contribution rate.

(b) On July 1 of the fiscal year after the board determines that the requirement of paragraphs (1) and (2) of subdivision (a) above have been met, the normal rate of contribution for state miscellaneous members who are represented by Bargaining Unit 5 shall be adjusted to 50 percent of the normal cost rate rounded to the nearest one-quarter of 1 percent.

(c) Each year thereafter, the rate shall only be adjusted if the board determines 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. The increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year.

(d) The normal rate of contribution established pursuant to this section shall be applied to the compensation in excess of three hundred seventeen dollars ($317) per month paid to a member whose service is not included in the federal system or in excess of five hundred thirteen dollars ($513) for one whose service is included in the federal system. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective at the beginning of the pay period indicated by the Director of the Department of Human Resources, but shall be no earlier than the beginning of the pay period following the date the board receives notification.

(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 their 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.

(f) 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.

SEC. 17. 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 and 2021–22 fiscal years, 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 with the July 2020 pay period and ending on June 30, 2022. The employer’s monthly contribution for prefunding other post employment benefits will continue in the 2020–21 and 2021–22 fiscal years, 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) Effective July 1, 2021, 2.8 percent of pensionable compensation.

(E) The employees’ monthly contribution for prefunding other
postemployment benefits for the 2020–21 and 2021–22 fiscal years,
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, 2022.
The employer’s monthly contribution for prefunding other
postemployment benefits will continue in the 2020–21 and 2021–22
fiscal years, 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 and 2021–22 fiscal
years, 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, 2022. The employer’s monthly
contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years, 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).

(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 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years, as described in subparagraph (C).

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

(A) Effective July 1, 2017, 1.3 percent of pensionable compensation.
(B) Effective July 1, 2018, an additional 1.4 percent for a total employee contribution of 2.7 percent of pensionable compensation.
(C) Effective July 1, 2019, an additional 1.3 percent for a total employee contribution of 4.0 percent of pensionable compensation.

(D) The employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years, as described in subparagraph (C).

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

(A) Effective July 1, 2018, 1.2 percent of pensionable compensation.
(B) Effective July 1, 2019, an additional 1.1 percent for a total employee contribution of 2.3 percent of pensionable compensation.
(C) Effective July 1, 2020, an additional 1.2 percent for a total employee contribution of 3.5 percent of pensionable compensation.

(D) The employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other post employment benefits will continue in the 2020–21 and 2021–22 fiscal years, as described in subparagraph (C).
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).

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 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years as described in subparagraph (C).

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 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years, as described in subparagraphs (C) and (D).

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

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

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

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

(D) The employees’ monthly contribution for prefunding other postemployment benefits for the 2020–21 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will
continue in the 2020–21 and 2021–22 fiscal years, 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 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will continue in the 2020–21 and 2021–22 fiscal years, 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.
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 and 2021–22 fiscal years, 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, 2022. The employer’s monthly contribution for prefunding other postemployment benefits will also be suspended during the 2020–21 and 2021–22 fiscal years, as described in subparagraphs (B) and (C), beginning with the July 2020 pay period and ending on June 30, 2022. 

(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 July 1, 2022, if the Director of Finance does not restore the state and employee share of other postemployment benefits, the employer and employee contributions shall be restored and 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. If projected state revenues continue to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the aforementioned other postemployment benefits contributions, the employee and employer other postemployment benefits contributions and inclusion of the 3.4 percent employee share for other postemployment benefits into the salary survey shall become effective on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of Finance. 

(G) Upon the other postemployment benefits contributions being restored pursuant to subparagraph (F), 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 July 1, 2022, or July 1, 2023, employees shall contribute 1.1 percent of pensionable compensation and the
employer shall contribute 5.7 percent of pensionable compensation, for a total of 6.8 percent pensionable compensation.

(ii) Effective July 1, 2023, or July 1, 2024, employees shall contribute 2.3 percent of pensionable compensation and the employer shall contribute 4.5 percent of pensionable compensation, for a total of 6.8 percent pensionable compensation.

(iii) Effective July 1, 2024, or July 1, 2025, 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 pensionable compensation.

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

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

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

(f) This section shall also apply to a state employee related to a bargaining unit described in subdivision (a) who is excepted from the definition of “state employee” in subdivision (c) of Section 3513.

(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. 18. The sum of five million nine hundred thirteen thousand dollars ($5,913,000) is hereby appropriated for State Bargaining Units 2, 5, 7, 8, 10, 12, 13, 16, and 19 for expenditure in the 2020–21 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 2020, in accordance with the following schedule:

(a) Three million one hundred thirty-three thousand dollars ($3,133,000) from the General Fund in augmentation of Item 9800-001-0001 of Section 2.00 of the Budget Act of 2020.

(b) One million eight hundred sixty-three thousand dollars ($1,863,000) from unallocated special funds in augmentation of Item 9800-001-0494 of Section 2.00 of the Budget Act of 2020.

(c) Nine hundred seventeen thousand dollars ($917,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988 of Section 2.00 of the Budget Act of 2020.

SEC. 19. 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.

SECTION 1. It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2019.