

Joint Legislative Budget Committee

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GOVERNMENT CODE SECTIONS 9140-9143

CALIFORNIA LEGISLATURE

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December 27, 2013

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Ms. Julie Chapman, Director
Department of Human Resources
1515 S Street, North Building, Suite 400
Sacramento, California 95811-7258

Dear Ms. Chapman:

On December 13, 2013, the Department of Human Resources submitted to the Joint Legislative Budget Committee (JLBC) an addendum to the memorandum of understanding (MOU) with Bargaining Unit 1 and various addenda to the MOU with Bargaining Unit 6. The affected Unit 1 employees are aviation consultants at the Division of Aeronautics in the California Department of Transportation (Caltrans) and are represented by Service Employees' International Union, Local 1000. The affected Unit 6 employees are correctional officers at various state prisons and are represented by the California Correctional Peace Officers' Association. The JLBC determines whether MOU addenda require legislative approval.

Unit 1 Addendum Requires Legislative Approval. Under current law, an agreement requires legislative approval if it involves the expenditure of funds not already approved by the Legislature. The proposed agreement with Unit 1 requires the expenditure of funds to increase the affected employees' pay by 7.5 percent retroactively to July 2, 2013. Although you indicated that Caltrans would absorb these costs (about \$45,000 in 2013-14) within its existing budgetary authority, it is an expenditure of funds that was not previously approved by the Legislature in the Unit 1 MOU or the *2013-14 Budget Act*. Accordingly, the agreement requires legislative approval.

Administration May Implement Unit 6 Addenda. The various agreements with Unit 6 would not require the expenditure of funds. Accordingly, the administration may implement these Unit 6 agreements immediately without need for further legislative action.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Leno". The signature is written in a cursive, flowing style.

Mark Leno
Chair

cc: Members of the Joint Legislative Budget Committee
Michael Cohen, Director of Finance