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January 12, 2015

Mr. Richard Gillihan, Acting Director
Department of Human Resources
1515 S Street, North Building, Suite 400
Sacramento, California 95811-7258

Dear Mr. Gillihan:

On December 18, 2014, the Department of Human Resources (CalHR) submitted to the Joint Legislative Budget Committee (JLBC) 11 addenda to memoranda of understanding (MOUs) with state employees, including:

- Seven addenda to the Bargaining Unit 6 MOU. Bargaining Unit 6 consists primarily of state correctional officers and parole agents employed by the California Department of Corrections and Rehabilitation (CDCR) and is represented by the California Correctional Peace Officers' Association. Five of these agreements were signed in either July or August 2014.
- Two addenda to the Bargaining Unit 18 and 19 MOUs. Bargaining Unit 18 consists of psychiatric technicians and is represented by the California Association of Psychiatric Technicians. Bargaining Unit 19 consists of medical staff and is represented by the American Federation of State, County, and Municipal Employees. The affected employees work in CDCR institutions.
- Two addenda to the MOUs with Bargaining Units 1, 4, 11, and 20. The affected employees work for the Department of Veterans Affairs and the Department of Motor Vehicles and are represented by the Service Employees International Union, Local 1000.

The amount of time that elapsed before the CDCR agreements were submitted to JLBC concerns me. Under state law, any provision of an MOU that requires the expenditure of funds may become effective only if approved by the Legislature. As required by Chapter 499, Statutes of 2005 (SB 621, Speier), the JLBC determines whether legislative approval is necessary. In

order for this legislative oversight to be meaningful, the administration must submit agreements to the JLBC as soon as possible. Further, it is imperative that JLBC review MOU addenda *before* the administration implements them. In at least four instances in recent years, the JLBC has expressed concerns about the timing of past addenda submissions.

Submit Written Plan to Prevent Delayed Submissions for Legislative Review. I request that CalHR and CDCR jointly develop and submit to JLBC a written plan to prevent future delays in addenda submissions.

Administration May Implement Addenda. Under state law, the Legislature must approve any provision of an MOU or similar agreement that requires the expenditure of funds. These addenda would not result in the expenditure of funds. Accordingly, the administration may implement these agreements with Bargaining Units 1, 4, 6, 11, 18, 19, and 20 immediately without the need for additional legislative action.

Sincerely,



Mark Leno
Chair

cc: Members of the Joint Legislative Budget Committee
Michael Cohen, Director of Finance
Jeffrey A. Beard, Secretary of CDCR