
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 566 (Leyva) - Public postsecondary education: California State University: support staff employees: merit salary adjustments

Version: February 18, 2021

Urgency: No

Hearing Date: March 22, 2021

Policy Vote: ED. 4 - 1

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill requires each support staff employee of the California State University (CSU) to receive an annual five percent merit salary adjustment upon meeting the standards for satisfactory performance in their position.

Fiscal Impact: According to CSU, this bill would result in General Fund costs of approximately \$78.8 million in the first year and growing to about \$158.7 million by the 10th year of implementation. This estimate assumes annual growth of three percent due to the addition of employees, reclassifications, and in-range progressions on top of the annual five percent increases each year.

Background: Employees at CSU are explicitly exempt from civil service, and their salary terms are a negotiated item in collective bargaining agreements and subject to approval by the Trustees. The Higher Education Employer-Employee Relations Act (HEERA) provides a statutory framework to regulate labor relations at the University of California, CSU, and Hastings College of Law, and their employees. Under HEERA, terms and conditions of employment, such as wages, hours, and working conditions are considered to be within the mandatory scope of bargaining or scope of representation. Matters that are not within the scope of representation include: "consideration of the merits, necessity, or organization of any service, activity, or program established by statute or regulations adopted by the trustees, except for the terms and conditions of employment of employees who may be affected thereby."

The Public Employment Relations Board (PERB) has the authority to enforce HEERA. PERB has issued thousands of decisions regarding what matters are within the scope of HEERA, which generally are those matters that: (1) are reasonably related to wages, hours, or conditions of employment, (2) areas where management and employees are likely to conflict, and (3) areas that would not significantly abridge the employer's freedom to exercise managerial choices.

Proposed Law: This bill requires the CSU, upon completion of each CSU support staff employees' first year and after completion of each subsequent year, to provide a 5 percent merit salary intermediate step adjustment. The bill specifies that the merit adjustment may only occur when employees meet the standard for satisfactory performance in the position, as determined by the employees' appropriate administrator pursuant to a uniform employee evaluation process.

This bill requires that on or after the operative date of this measure, any language that effectuates its provisions shall automatically be incorporated into any pertinent

memorandum of understanding or collective bargaining agreement entered into, or renewed, by the CSU. This bill also provides that any costs the CSU incurs to implement this measure shall be paid for by existing CSU resources, and makes the provisions of this measure inoperative on July 1, 2032.

Related Legislation: AB 369 (Weber, 2019) was similar to this measure and held on the Senate Floor pending attempts by CSUEU to negotiate a salary steps agreement per the following directive by Governor Newsom:

“...I urge the CSU to address a longstanding inequity faced by dedicated and skilled employees who are facing stagnant wages and declining market rate salaries due to a lack of merit steps...it is my expectation that the CSU tackle this issue head on during upcoming collective bargaining negotiations.

“The upcoming negotiations should result in an agreement with our labor partners that erases the inversion gap, provides salary steps, and fairly and justly compensates these staff for their hard work.”

AB 1231 (Weber, 2018) was also similar to this measure and vetoed by former Governor Brown with the following message:

While the bill is laudable in its goals of trying to raise wages and create salary progression for support staff at the CSU, most of whom are within lower paid classifications, collective bargaining should be the tool to effectuate such changes. I do believe, however, that the CSU should undertake a diligent examination of pay disparities and opportunities for upward mobility for its lowest wage workers.

As I stated in a message to the University of California last year, "As the UC prides itself on being an agent of social mobility for students, it might follow that UC could similarly be an agent of social mobility for lower-wage workers at its campuses." I believe that CSU can and should strive to do the same.

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