

## Employee Compensation: Budget Augmentations and Other Actions

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### Issues in Conference (All Funds, Dollars in Millions)

Agenda Page	Department/Item	Conference Issue	Senate	Assembly	LAO
2	Judicial Branch	Whether to approve an 8.5 percent pay increase in addition to the cost-of-living adjustment already provided in statute.	\$14.7, BBL, and TBL	—	Assembly
67	Tahoe Regional Planning Agency	Whether to approve \$200,000 for pay increases and TBL to require future baseline budget adjustments in line with pay increases for state employees.	—	\$0.2 and TBL	Senate
74	Department of Forestry and Fire Protection	Whether to approve funds to address salary compaction issues for supervisors and managers outside of regular administrative process.	—	\$3.0	Senate
75	Department of Forestry and Fire Protection	Whether to approve additional funds for overtime costs that may be required by tentative agreement with Unit 8, which awaits legislative consideration.	\$0.1	\$22.6	\$0
85	Department of Fish and Game	Whether to increase salaries for game wardens before expiration of their bargaining unit contract in 2007 and adopt TBL requiring the administration to move toward pay equity with public safety officers in negotiations.	\$17.5 and TBL	\$10.0 and BBL	\$0
242	Department of Personnel Administration and Augmentation for Employee Compensation—Item 9800	Whether to approve BBL directing administration to present to the Legislature a proposed contract to extend <i>Plata v. Schwarzenegger</i> pay increases to doctors and nurses throughout state government, at an estimated cost of \$82 million.	—	BBL	Senate
Note: Does not include University of California and California State University base augmentations intended for faculty and staff compensation increases.					

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### Issues Not in Conference



Both houses approved \$522 million for employee compensation augmentations, including:

- Contractual salary increases for 5 of 21 bargaining units and managers/supervisors of those units' employees.
- Statutory pay increases for judges.
- Pay increases for California Department of Corrections and Rehabilitation (CDCR) and Department of Mental Health nurses and doctors resulting from *Plata*.
- Pay increases and recruitment bonuses for CDCR psychiatrists and other mental health positions in response to *Coleman v. Schwarzenegger* lawsuit.
- Increased overtime costs resulting from requirements of 2001 contract with Bargaining Unit 8 firefighters.

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***Vacancy Problems Exist Elsewhere.*** Vacancy problems exist in numerous departments and classifications throughout state government—not just with employees targeted by one or both houses in these compensation actions.



***The Ripple Effect of Targeted Pay Increases.*** Pay increases for one group of employees (such as game wardens, who are one part of a larger bargaining unit) can have ripple effects and cause other workers to (1) demand more compensation at the bargaining table or (2) leave for higher paid positions, creating new vacancy challenges.



***Stick With Processes Already in Place.*** The Legislature generally should rely on the processes it has already established for setting employee pay and benefit levels.

- The collective bargaining process for rank-and-file state employees.
- Department of Personnel Administration action for supervisors and managers.
- Existing state law provides for regular pay increases for judges.
- Compliance with court orders to increase pay, when applicable.

If existing processes are ineffective, the Legislature can modify them—rather than make ad hoc budget decisions.

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***Generally Avoid Laws That Favor Select Groups.*** The Legislature generally should avoid adopting laws mandating that the administration favor particular groups in collective bargaining.

- The clearest exception to this rule should be legislative action to adjust salaries and improve recruitment and retention, when (1) the administration has failed to act and (2) continued failure to act risks costly future litigation.



***Reject Contracts That Do Not Address Legislative Priorities.*** Beyond the budget, the Legislature can exercise its prerogative to reject part or all of any proposed labor agreement that does not address problems with departmental vacancies, recruitment, and retention. The Legislature also can inform the administration of its expectations for labor agreements at oversight hearings prior to negotiations.