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STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD

UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: **Case No:** **Date Filed:**

INSTRUCTIONS: File this charge form via the e-PERB Portal, with proof of service. Parties exempt from using the e-PERB Portal may file the original charge in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES ☐ If so, Case No. NO ☑

1. CHARGING PARTY: EMPLOYEE ☐ EMPLOYEE ORGANIZATION ☑ EMPLOYER ☐ PUBLIC[1] ☐

a. Full name: Service Employees International Union, Local 1000

b. Mailing address: 1808 14th Street, Sacramento, CA 95811

c. Telephone number: [redacted]

d. Name and title of person filing charge: [redacted]

Telephone number: [redacted]

E-mail Address: [redacted]

e. Bargaining unit(s) involved: 1, 3, 4, 11, 14, 15, 17, 20, and 21

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION ☐ EMPLOYER ☑

a. Full name: State of California, Department of Human Resources

b. Mailing address: 1515 S Street, North Building, Ste. 500, Sacramento, CA 95811

c. Telephone number: [redacted]

d. Name and title of agent to contact: [redacted]

Telephone number: [redacted]

E-mail Address: [redacted]

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name: State of California

b. Mailing address: 1021 0 Street, Ste. 9000, Sacramento, CA 95814

c. Agent: Gavin Newsom, Governor

[1] An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.

5. GRIEVANCE PROCEDURE

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☑ No ☐ Unknown ☐

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)

☑ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)

☐ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)

☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)

☐ One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code., § 98160 et seq.)

☐ The Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Supervisory Employees of the Los Angeles County Metropolitan Authority (Pub. Util. Code, § 99560 et seq.)

☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)

☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are: Government Code section 3519(a), (b) and (c) Unknown ☐

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are ***(a copy of the applicable local rule(s) MUST be attached to the charge)*****:**

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (*Use and attach additional sheets of paper if necessary.*) See attached ☑

[SEE STATEMENT OF THE CHARGE]

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on 07/22/2026
(Date)

at Sacramento, California.
(City and State)

[redacted] [redacted]
(Type or Print Name and Title, if any) (Signature)

Mailing Address: 1808 14th Street, Sacramento, CA 95811

E-Mail Address: [redacted] Telephone Number: [redacted]

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PROOF OF SERVICE

I declare that I am a resident of or employed in the County of Sacramento,

State of California. I am over the age of 18 years. The name and address of my

Residence or business is 1808 14th Street, Sacramento, CA 95811

On July 22, 2026, I served the Unfair Practice Charge
(*Date*) (*Description of document(s)*)

in Case No. .
(*Description of document(s) continued*) PERB Case No., if known)

on the parties listed below by (check the applicable method(s)):

☑ placing a true copy thereof enclosed in a sealed envelope for collection and delivery by the United States Postal Service or private delivery service following ordinary business practices with postage or other costs prepaid;

☐ personal delivery;

☐ electronic service - I served a copy of the above-listed document(s) by transmitting via electronic mail (e-mail) or via e-PERB to the electronic service address(es) listed below on the date indicated. (*May be used only if the party being served has filed and served a notice consenting to electronic service or has electronically filed a document with the Board. See PERB Regulation 32140(b).*)

(*Include here the name, address and/or e-mail address of the Respondent and/or any other parties served.*)

California Department of Human Resources
C/O Director Monica Erickson
1515 S Street, North Building, Suite 500
Sacramento, California 95811-7258

State of California
Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on July 22, 2026,
(*Date*)

at Sacramento California.
(*City*) (*State*)

[redacted] [redacted]

(*Type or print name*) (*Signature*)

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STATEMENT OF CHARGE

I. INTRODUCTION

This charge challenges the State's delays, and failure and refusal to bargain in good faith over the successor-agreement with SEIU Local 1000 on behalf of Units 1, 3, 4, 11, 14, 15, 17, 20 and 21. The State's conduct violates Government Code section 3519(a), (b), and (c), including by interfering with the Union's protected bargaining rights, denying the Union rights guaranteed by the Dills Act, and refusing or failing to meet and confer in good faith. For months, the Union approached successor bargaining with the seriousness required by the Dills Act. The Union operates in a main table structure for economic and other provisions that affect or apply to all nine units, and at unit tables for bargaining unit specific proposals. The Union appeared at scheduled unit-table and main-table bargaining sessions, presented written proposals, and attempted to move unresolved issues to resolution.

The State's conduct stood in sharp contrast. Although the Union submitted its core economic proposals between May 27 and June 3, 2026, the State delayed responses to those proposals without meaningful counterproposals or substantive bargaining. Instead, the State rejected seven economic proposals on June 9, 2026, and then rejected nine additional economic proposals on June 30, 2026, the final day before the parties' agreement was set to expire. Eight of the June 30 economic rejections were delivered together at 11:32 a.m., including the Union's salaries proposal, supplemental health benefits proposal, night shift differential, geographic pay differential, recruitment and retention proposal, seniority differential, and overtime meal benefits/allowances.

The State's June 30 conduct confirmed what its course of bargaining had already shown: the State had predetermined its economic position, lacked meaningful authority or willingness to bargain economics, delayed meaningful engagement, and treated a prior side letter as controlling successor-agreement economics. Rather than bargain toward agreement, the State presented the Union with a *fait accompli*: the deferred 3% increase would be treated as the State's entire economic position, and all other differentials, special salary adjustments ("SSAs"), healthcare proposals, and economic proposals would be rejected.

As set forth below, the State's conduct constitutes surface bargaining, inflexible bargaining, and bad faith. The State relied on a 2025 Sideletter as controlling and dispositive of successor bargaining despite language to the contrary expressly stated therein.[1] (The 2025 Sideletter addressed unfunded contract terms for the 2025 budget year. Attached hereto as Exhibit A.)

[1] The June 28, 2025 Side Letter was a budget-related agreement modifying the 2023–2026 MOU. In relevant part, it deferred the July 1, 2026 3% GSI until July 1, 2027; suspended OPEB contributions through June 30, 2027; created PLP 2025 from July 1, 2025 through June 30, 2027, under which full-time employees receive a 3% pay reduction and five hours of PLP leave each pay period; suspended the State's return-to-office requirements until July 1, 2026; and preserved the remainder of the MOU except as modified. Most importantly for successor bargaining, the Side Letter expressly provides: "This Side Letter does not preclude bargaining of the parties' successor MOU to the current MOU that expires on June 30, 2026, including but not limited to the employees' and employer's OPEB contribution or any other matters."

II. FACTUAL ALLEGATIONS

A. The Union bargained in good faith over several months.

The Union began successor bargaining through unit-table and main-table proposals grounded in member surveys, workplace experience, classification-specific inequities, recruitment and retention problems, healthcare affordability, telework and return-to-office impacts, mandatory overtime, technology and Artificial Intelligence ("AI") protections, workload concerns, and other matters within the scope of bargaining.

Across April, May, and June 2026, the Union appeared at scheduled bargaining sessions, submitted written proposals, explained the basis for those proposals, responded to State questions, revised language to address the State's concerns, and attempted to narrow issues where possible. The Union did not treat bargaining as a formality. It came prepared to bargain, to reach tentative agreements where possible, and to continue discussions where the State raised legitimate questions.

The Union's good-faith posture continued through June 30, 2026, the final day of the parties' agreement. At the start of that session, the Union expressly stated that it was "looking forward to TA [tentative agreement]," had counters to present, understood that the State also had proposals, and wanted "to keep moving forward to reach a resolution." The State responded, "100%."

The Union then proceeded to bargain substantively. It presented and explained proposals on overtime, automation and new technology, and video-recording protections. During the automation and AI discussion, the Union clarified that it was not attempting to intrude on management rights or State Personnel Board ("SPB") jurisdiction but was attempting to ensure that employees are protected when AI or new technology affects pay, working conditions, productivity expectations, performance, schedules, or other employment-related decisions. The Union's subject-matter expert explained the Union's proposal sought consultation before technology was fully procured or implemented. The Union further clarified that its role would be "not to make decisions, but to make suggestions."

This conduct reflected good-faith bargaining. The Union clarified intent, acknowledged areas of agreement, modified language to address the State's concerns, offered practical examples, used subject-matter expertise, and attempted to continue the bargaining process.

B. The Union submitted economic proposals weeks before the State's final-day rejection.

The Union's economic proposals were submitted timely and staged over multiple sessions. A main-table summary dated July 10, 2026 states that the Union's economic proposals were proposed to the State between May 27 and June 3, 2026. (Summary attached hereto as Exhibit B.) Those proposals are maintained as confidential per the designated bargaining process, however, the topics included standard economic terms - wages, health care, differentials, allowances, dues, reimbursements, leaves, etc. By filing this charge the Union does not waive any confidentiality associated with bargaining discussions but confirms herein by attestation that the economic proposals sought improvements in existing wages and financial benefits in standard provisions in the Memoranda of Understanding ("MOUs").

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Despite having those proposals for weeks, the State delayed its response and any meaningful economic counterpackage. To increase its leverage, the State delayed its response and then rejected seven economic proposals on June 9, 2026, and nine more on June 30, 2026. Eight of the June 30 rejections were lumped together at 11:32 a.m.

C. The State rejected new economics while agreeing only to non-economic or previously funded items.

As of July 9, 2026, the parties had reached 13 tentative agreements at main table. But those tentative agreements did not include new or additional costs to the State. They primarily updated language, aligned the contract with current law, clarified existing practices, added a bargaining unit to an existing provision, or memorialized stipend/differential provisions found in other sections.

This contrast is significant. The State was willing to reach tentative agreements on non-economic items or previously agreed and funded items but rejected new economic proposals *en masse*. That pattern supports the conclusion that economics were never meaningfully open for bargaining.

D. On June 30, the State disclosed its predetermined economic position.

The breakdown on June 30 did not occur because the Union refused to bargain. It occurred only after the State finally disclosed its overall economic position.

At approximately 11:32 a.m., the State stated that its responses were "not necessarily based on the merit of the requests." The State then announced that "the economic proposals at the unit tables and a common table are rejected." The State stated that it "stand[s] by the Side letter," that the July 1, 2027 deferred 3% increase was controlled by the side letter, and that it was "rejecting all differentials, SSA, and economic proposals."

The State did not provide a meaningful counterpackage. It did not bargain through the Union's proposals individually. It did not identify which proposals it could accept, which it could modify, which it believed were too costly, or what alternative economic structure could move the parties toward agreement. Instead, the State treated the prior side letter as the answer to successor-agreement economics and rejected the Union's economic package wholesale.

E. The State's reliance on the side letter transformed successor bargaining into a *fait accompli*.

The State did not have to expressly say, "the Union waived bargaining," because the State's June 30 statement had that practical effect. By stating unequivocally that it "stand[s] by the Side letter," combined with the statement that the deferred 3% increase controlled, and complete repudiation of any other economics – e.g. that all differentials, SSAs, and economic proposals were rejected - the State treated the prior side letter as a pre-determined ceiling on successor-agreement bargaining.

That position converted a temporary deferral of a general salary increase into a complete bar against meaningful negotiations over wages, differentials, recruitment and retention problems, healthcare affordability, and unit-specific economic inequities. The State's position was not

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ordinary hard bargaining. It was a predetermined economic outcome delivered on the final day of the parties' agreement.

F. The State's budget posture further supports the inference of fiscal pretext and predetermined bargaining.

The State's claimed fiscal posture further proves it bargained in bad faith during the successor negotiations. During the same budget window, General Fund spending increased from $232 billion in FY 2024-25 to $252 billion in FY 2026-27, a $20 billion increase. The Union's research also identified a $6.4 billion deposit into the Projected Surplus Temporary Holding Account, separate from the Rainy Day Fund, and a $1.3 billion revenue increase between the May Revision and the final budget. The Union's experts also estimate that Local 1000 represented employees sacrificed approximately $762 million through PLPs (from the 2025 Sideletter).

The State also continued to fund outsourcing while rejecting compensation proposals designed to address the same recruitment and retention problems the State cited to justify privatizing civil-service work. Union research identified two custodial and healthcare-service outsourcing arrangements worth just under $240 million, an amount the Union estimates could fund approximately two percentage points of a statewide General Salary Increase ("GSI"). The same materials state that the State's official justifications for outsourcing custodial and healthcare services include asserted difficulty recruiting and retaining Custodians, Nurses, and Licensed Vocational Nurses ("LVNs").

The Union does not allege that the State was required to accept every economic proposal, nor that budget information alone proves bad faith. However, when the State uses dire fiscal constraint as a non-negotiable conclusion while refusing to engage in meaningful economic give-and-take, its conduct is transformed into bad faith. The State had available fiscal choices, including multiple budget tools like surplus-holding mechanisms, increased revenues, reserves, program allocations, and outsourcing expenditures. Yet at the bargaining table, it treated fair compensation for state workers as categorically unavailable and unworthy of any response other than an *en masse* rejection.

III. STATEMENT OF CHARGES

Charge One: Failure to Meet and Confer in Good Faith

The State violated its obligation to meet and confer in good faith by failing to meaningfully bargain over subjects within the scope of representation, including wages, differentials, special salary adjustments, healthcare affordability, recruitment and retention, overtime meal benefits/allowances, and other compensation-related proposals.

To determine whether a party has negotiated with the requisite subjective intention of reaching an agreement, PERB considers all evidence relevant to intent, including the parties' conduct away from the bargaining table. The ultimate question is whether the respondent's conduct, viewed in its totality, was sufficiently egregious to frustrate negotiations. (*City of San Jose* (2013) PERB Decision No. 2341-M, pp. 19, 22-23.) A single indicator of bad faith, if sufficiently egregious, may support a finding that a party failed to bargain in good faith.

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Here, the totality of the State's conduct demonstrates bad faith. The Union submitted economic proposals between May 27 and June 3, 2026. The State had weeks to review those proposals. Yet the State failed to provide a meaningful economic counterpackage and instead rejected seven economic proposals on June 9 and nine more on June 30 (the final day of the existing MOU), with eight June 30 rejections delivered together at 11:32 a.m.

The State's June 30 statement confirms the lack of good faith. The State admitted that its responses were "not necessarily based on the merit of the requests." This shocking admission was combined with the arbitrary conclusion that it "stand[s] by the Side letter," and that it was rejecting "all differentials, SSA, and economic proposals." A blanket rejection not based on the merits of the proposals, delivered on the final day of the agreement, without a meaningful counterpackage or path to agreement, is inconsistent with the duty to bargain in good faith.

The State's reliance on the 2025 Side Letter further demonstrates the failure to bargain in good faith because it used the Side Letter as false camouflage for a predetermined economic position. The Side Letter did not foreclose successor bargaining. To the contrary, under the heading "Effect on Negotiations of Successor MOU," the Side Letter states that it "does not preclude bargaining" over the parties' successor MOU, including OPEB contributions or "any other matters." Despite that express language, the State invoked the Side Letter on June 30 as the basis for rejecting all differentials, SSAs, and economic proposals. That position was contrived: it relied on the existence of the Side Letter while disregarding the very provision preserving successor bargaining. The State's use of an agreement that expressly preserved bargaining as a justification for refusing meaningful economic bargaining supports the conclusion that the State's review of the Union's proposals was perfunctory and that its economic position was predetermined.

When the State signed the Side Letter, and when the Legislature approved it, the State acknowledged that the Side Letter did not preclude bargaining over the successor MOU or "any other matters." The 3% deferral was therefore not a ceiling on successor-agreement economics. It was a temporary deferral adopted as part of the 2025 budget agreement, with successor bargaining expressly preserved.

On June 30, 2026, however, the State attempted to play the Uno Reverse card – flipping the duty to bargain. After receiving the benefit of the Side Letter, the State baldly invoked it to reject all differentials, SSAs, and economic proposals. In effect, the State treated a side letter that expressly preserved successor bargaining as though it waived or foreclosed successor bargaining. That position was contrary to the Side Letter's text, inconsistent with the parties' agreement, and evidence that the State's economic position was predetermined rather than the product of good-faith bargaining.

The State cannot use the Side Letter as both a shield and a sword. It cannot rely on the Side Letter to justify the 2025 deferral, while disregarding the same Side Letter's express preservation of successor bargaining. By treating the deferred 3% as the ceiling for successor economics, the State converted a temporary budget concession into a purported waiver of bargaining rights that the Union never agreed to and that the Side Letter expressly disclaims.

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Charge Two: Surface Bargaining

The State engaged in surface bargaining by going through the appearance of negotiations while maintaining a predetermined economic position and refusing to engage in meaningful give-and-take over mandatory subjects. In addition to the facts and arguments set forth above, this additional conduct shows the utmost bad faith.

PERB has found bad faith where an employer adopts a take-it-or-leave-it posture, provides only a perfunctory review of the union's proposals, and shows a predetermination to impose its own position without carefully and mutually reviewing the union's proposals, issues, and concessions. (*City of San Ramon* (2018) PERB Decision No. 2571-M, p. 9.)

The State's conduct fits that pattern. The State allowed economic proposals to be presented at unit tables, common table, and main table, but when those proposals reached the point of decision, the State rejected them *en masse*. The State did not carefully and substantively review the Union's proposals. It did not respond with meaningful counters. It did not explain which proposals were unacceptable, which could be modified, or what economic movement was possible. It instead disclosed that it was standing by the side letter and rejecting all differentials, SSAs, and economic proposals. The State's words to the effect – "we're not looking at the merits of your proposals" focuses a bright light on its bad faith.

The State's willingness to TA non-economic or previously negotiated/funded items does not cure the bad faith. To the contrary, it highlights the problem. The State was willing to bargain around the edges, but not over the central economic terms of the successor agreement. As of July 9, the parties had reached 13 tentative agreements, none containing new or additional costs to the State, while the State rejected all new economic proposals.

That is surface bargaining: the appearance of process without a genuine willingness to reach agreement on the core mandatory subjects in dispute.

Charge Three: Inflexible Bargaining / Predetermined Outcome / *Fait Accompli*

The State further violated its duty to bargain in good faith by engaging in inflexible bargaining and presenting the Union with a predetermined economic outcome.

The State's position was not that individual Union proposals required modification, that some proposals were too costly, or that the State had alternative proposals to address the same issues. The State's position was categorical: it stood by the side letter, treated the deferred 3% increase as controlling, and rejected all differentials, SSAs, and economic proposals.

This transformed bargaining into a *fait accompli*. The economic outcome had already been determined before meaningful bargaining occurred. The State's representatives appeared at the table, but the final economic decision had effectively been reserved elsewhere or predetermined by executive direction. The State therefore lacked meaningful authority or willingness to bargain economics in any real sense.

The State's June 30 position was also repudiatory in effect. When the State signed the 2025 Side Letter, it agreed that the Side Letter "does not preclude bargaining" over the successor MOU or "any other matters." Having received the benefit of that bargain, the State then attempted to

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reverse it by treating the deferred 3% as a ceiling on successor economics and using the Side Letter to reject the Union's economic proposals wholesale. The State cannot rely on the Side Letter to justify the 2025 deferral while ignoring the Side Letter's express preservation of successor bargaining. By doing so, the State converted a temporary budget agreement into a purported waiver or limitation that the Union never agreed to and that the Side Letter expressly disclaims. That conduct supports the Union's allegation that the State presented a predetermined economic *fait accompli* rather than engaging in genuine successor bargaining.

A party may bargain hard. It may reject proposals. It may insist on positions. But it may not enter bargaining with a closed mind, delay meaningful responses until the contract is expiring, reject proposals wholesale without regard to their merits, and treat a prior side letter as foreclosing successor-agreement economic bargaining when the express language of the side letter stated the contrary. The State's conduct frustrated negotiations and deprived the Union of the meaningful opportunity to bargain required by law.

Charge Four: Refusal to Consider Unit-Specific Economic Issues

The State also failed to meaningfully consider unit-specific economic issues that had been raised through the unit-table process and moved to main table for resolution.

PERB has recognized that it may be bad faith for an employer to insist that it will not agree to different terms for different employee groups. (*Regents of the University of California* (1983) PERB Decision No. 356-H, p. 21.) Here, the Union presented economic proposals tied to specific classifications, units, worksites, recruitment and retention problems, differential needs, and operational realities. The State's global rejection swept those issues aside without proposal-by-proposal bargaining.

The State rejected, among other things, proposals on existing unit specific provisions concerning geographic pay, recruitment and retention, night shift differential, seniority differential, supplemental health benefits, and overtime meal benefits/allowances. These were not abstract or generic proposals. They were tied to concrete workplace problems and unit-specific inequities.

By rejecting those proposals *en masse*, the State failed to meaningfully consider the Union's unit-specific issues, proposals, and concessions. That conduct further supports the Union's claim that the State engaged in surface and inflexible bargaining.

Charge Five: Bad Faith Bargaining Over Economics / Fiscal Pretext

The State's economic bad faith is further shown by the mismatch between its bargaining position and its actual fiscal priorities. At the table, the State treated worker compensation as categorically unavailable, rejected the Union's economic proposals *en masse*, and relied on the prior side letter as though it controlled successor-agreement economics. Outside the table, however, the State continued to reserve and direct public funds toward other priorities, including surplus-holding mechanisms and private outsourcing. This artificial decrease in the availability of funds is nothing more than a contrived "poverty" bargaining position. The State's claimed lack of funds has copied the hallmark moves of *Ocean's Eleven*: move the money, stage the distraction, and then insist the vault is empty.

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Union research identified a $6.4 billion deposit into the Projected Surplus Temporary Holding Account, a $1.3 billion revenue increase between the May Revision and final budget, approximately $762 million in Local 1000 represented employee PLP sacrifices, and nearly $240 million in just two custodial and healthcare-service outsourcing arrangements.

The outsourcing facts are especially probative because the State has justified custodial and healthcare-service outsourcing by citing alleged recruitment and retention problems, while simultaneously rejecting the Union's recruitment-and-retention and compensation proposals for the very workforce needed to perform that work. The State cannot claim that recruitment and retention problems justify sending civil-service work to private vendors, yet refuse to bargain meaningfully over the wages and differentials necessary to recruit and retain civil-service employees.

Again, the Union does not contend that the State's budget choices required acceptance of any particular proposal. The bad faith lies in the State's refusal to bargain over economic choices at all. The State did not identify available tradeoffs, did not propose a different economic framework, did not counter the Union's recruitment and retention proposals, and did not explain why public funds could be reserved, held, outsourced, or redirected elsewhere but not meaningfully discussed at the bargaining table for state worker compensation.

This fiscal posture reinforces the totality-of-circumstances showing of bad faith. The State's "no money" position was not presented as a negotiable counterproposal. It was presented as a predetermined conclusion. That conclusion foreclosed meaningful bargaining over the central economic terms of the successor agreement.

IV. CONCLUSION

The evidence demonstrates a consistent pattern.

First, the Union bargained in good faith. It presented proposals, explained them, revised language, brought subject-matter experts, answered questions, and attempted to reach tentative agreements. On June 30 itself, the Union opened by saying it was "looking forward to TA" and wanted "to keep moving forward to reach a resolution."

Second, the State delayed meaningful economic engagement. The Union's economic proposals were submitted between May 27 and June 3, yet the State rejected seven on June 9 and then waited until June 30 - the final day of the agreement - to reject nine more, with eight rejected together at 11:32 a.m.

Third, the State's June 30 rejection was not meaningful bargaining. The State said its responses were "not necessarily based on the merit of the requests," stood by the side letter, and rejected all differentials, SSAs, and economic proposals. That is not proposal-by-proposal bargaining; it is a global predetermined rejection.

Fourth, the State's tentative agreements confirm the pattern. The State was willing to reach agreement on non-economic items, language updates, clarifications, existing practices, and provisions already negotiated in the 2025 State Special Schools Side Letter, but not on new economic proposals.

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Fifth, the State's fiscal position was not presented as a negotiable economic counter. The State did not provide a meaningful alternative package, did not identify available tradeoffs, and did not engage the Union over how to address economic priorities. Instead, it relied on the side letter and fiscal constraint while the budget included surplus-holding mechanisms, increased revenue, substantial employee PLP sacrifices, and continued outsourcing expenditures.

Taken together, these facts show that the State did not approach economics with a subjective intent to reach agreement. The State appeared at the table, but the economic outcome had already been decided. The State's conduct frustrated negotiations and violated the duty to bargain in good faith. The Union cannot bargain alone or in a vacuum. The State must present itself at the table with the requisite good faith to make a good faith deal.

V. REQUESTED REMEDY

The Union requests that PERB issue a complaint and order all appropriate remedies, including but not limited to:

1. A declaration that the State violated the Dills Act by failing and refusing to bargain in good faith;
2. An order requiring the State to cease and desist from surface bargaining, inflexible bargaining, and presenting predetermined economic positions as *fait accompli*;
3. An order requiring the State to return to the bargaining table with representatives who possess meaningful authority to bargain over successor-agreement economics;
4. An order requiring the State to bargain in good faith over the Union's economic proposals, including wages, differentials, SSAs, healthcare affordability, recruitment and retention proposals, overtime meal benefits/allowances, and other compensation-related proposals;
5. An order requiring the State to provide meaningful counterproposals or substantive responses to the Union's economic proposals;
6. A posting notice; and
7. Any other remedy PERB deems just and proper.

EXHIBIT A

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Side Letter of Agreement
Service Employees International Union, Local 1000
Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, 21

Tentative Agreement Date: June 28, 2025; 11:28pm

This Agreement is a Side Letter to the current Memorandum of Understanding (MOU) effective July 1, 2023, through June 30, 2026, between Service Employees International Union, Local 1000 (Union) and the State of California (State).

This Agreement responds to the budget shortfalls within the State of California's Budget. It is the intent of the parties to maintain the spirit and the letter of the 2023-2026 MOU, except as modified herein.

The Union and the State do hereby agree as follows:

SALARIES

Effective July 1, 2025, all SEIU Local 1000 represented employees shall receive a General Salary Increase (GSI) of 3% pursuant to Section 11.1 of the MOU.

Section 11.1 is modified as follows:
Effective July 1, 2026, all SEIU Local 1000 represented employees shall receive a General Salary Increase (GSI) of 3%, which will be immediately deferred until July 1, 2027.

OPEB CONTRIBUTION

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' and employer's monthly contribution of prefunding other post-employment benefits for the 2025-26 and 2026-27 fiscal years, as described in Section 9.24 paragraphs B and

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C, is suspended and shall not be withheld from employees' salaries or contributed by the employer beginning the first day of the pay period following ratification by both parties of this Side Letter but no earlier than July 31, 2025, and ending on June 30, 2027.

PERSONAL LEAVE PROGRAM (PLP) 2025

Effective July 1, 2025 through June 30, 2027, SEIU Local 1000 represented employees shall participate in the Personal Leave Program 2025 (PLP 2025) for 5 hours per month in the manner outlined below.

A. Each full-time employee shall continue to work their assigned work schedule and shall have a reduction in pay equal to 3%.

B. Each full-time employee shall be credited with five (5) hours of PLP 2025 on the first day of each pay period for the duration of the PLP 2025 program. The accrual rates for Bargaining Unit 3 employees working an academic year shall be pursuant to the chart in Section V below.

C. Salary rates and salary ranges shall remain unchanged.

D. Employees will be given maximum discretion to use PLP 2025 subject to severe operational considerations. However, whenever feasible, PLP 2025 should be used in the pay period it was earned.

E. PLP 2025 must be used before any other leave except for sick leave and Professional Development Days. Employees may elect to use PLP in lieu of approved sick leave.

F. PLP 2025 shall be requested and used by the employee in the same manner as vacation/annual leave in Section 8.1.

G. When an employee has requested to use PLP 2025, and the request is denied on two separate, consecutive occasions, the employee's third request for PLP 2025 shall be approved subject to severe operational considerations that make granting the request a health or safety risk.

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H. PLP 2025 accruals do not expire.

I. PLP 2025 may be cashed out upon separation from state service.

J. PLP 2025 will be considered eligible leave as described in 19.2 and 19.2.17, regarding time worked for mandated overtime.

K. A State employee shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivor's benefits the employee would have received had the PLP 2025 not occurred.

L. PLP 2025 shall not cause a break in State service, nor a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement. PLP 2025 does not affect other leave accumulations, nor count as service towards a merit salary adjustment.

M. PLP 2025 shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death nor disability benefits to supplement those benefits with paid leave.

N. The PLP 2025 reductions shall not affect transfer determinations between state civil service classifications.

O. Part time employees shall be subject to the same conditions as stated above, on a pro-rated basis pursuant to the chart below.

Time Base	PLP 2025 Hours
9/10	4.50
7/8	4.38
4/5	4.00
3/4	3.75
7/10	3.50
5/8	3.13
3/5	3.00

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1/2	2.50
2/5	2.00
3/8	1.88
3/10	1.50
1/4	1.25
1/5	1.00
1/8	0.63
1/10	0.50

P. PLP 2025 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the chart in Section U below.

Q. PLP 2025 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.

R. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from the PLP 2025 for that month.

S. Seasonal and temporary employees are not subject to PLP 2025.

T. Employees, excluding Permanent Intermittents, not eligible for healthcare are not subject to PLP 2025.

U. All Permanent Intermittent and Special School employees who are subject to the State Special Schools 10-month compensation agreement shall be subject to the pro-ration of salary and PLP 2025 credits pursuant to the chart below:

Hours Worked During Credit Pay Period	PLP 2025 Hours
0-10.9	0.50
11-30.9	0.63
31-50.9	1.25
51-70.9	1.88
71-90.9	2.50
91-110.9	3.13

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111-130.9	3.75
131-150.9	4.38
151 or over	5.00

V. Bargaining Unit 3 employees who work academic calendars will accrue PLP 2025 on a pro-rated basis, as follows:

Days Per Academic Year	FT
176	3.75
184	3.75
194	3.75
204	4.38
209	4.38
220	4.38

W. Continuation of the Voluntary PLP (VPLP) during the duration of PLP 2025 shall be at the discretion of the employee. If the employee elects to alter their participation in VPLP, they shall be allowed to opt out or change at any time during the PLP 2025 program.

X. SEIU agrees not to support litigation challenging the 2025 PLP program.

Y. Effective July 1, 2025, no SEIU Local 1000 represented employee shall make less than minimum wage as a result of the implementation of PLP 2025.

Z. The 640-hour leave cap shall be increased to 760 hours until June 30, 2027.

RETURN TO OFFICE

The State and the Union agree the State's return to office requirements, as noticed under Executive Order N-22-25 for employees in bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21, excluding California Highway Patrol, will

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be suspended until July 1, 2026. Nothing in this Side Letter prohibits a department from modifying employees' telework agreements as long as departments comply with the requirements of the MOU, except for ninety (90) days following the ratification of this Side Letter, departments will not initiate any changes to telework policies.

Departmental return to office notices and updated policies tied to Executive Order N-22-25 issued on or after March 3, 2025 are hereby rescinded without further action. Any telework agreements for SEIU Local 1000 employees that were altered to comply with Executive Order N-22-25 will revert to their status as of March 2, 2025.

No earlier than March 1, 2026, the State and Union will meet and confer on the reinstitution of the return to office requirement as specified in Executive Order N-22-25 or any successor order.

If the July 1, 2026 reinstitution date is extended for any reason, or as a result of a fully ratified labor agreement, during the term of this Side Letter, the parties agree to meet and confer over that extension applying to SEIU Local 1000 employees.

The Union shall withdraw with prejudice any and all unfair practice charges, grievances, administrative complaints, or any other claims of any kind, filed against the State of California and any of its agencies, departments, officers, agents, or employees, arising out of or relating to in any way, the State's implementation or enforcement of any telework policies or return to office mandates, including but not limited to, Executive Order N-22-25, and any other associated policies or directives.

<u>NO FURTHER REDUCTIONS</u>

The remainder of the SEIU Local 1000 MOU, including economic terms of the agreement not specifically related to the items contained within this Side Letter, shall continue in full force and effect. The State shall not implement a Furlough Program or additional Personal Leave Program

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(PLP) while SEIU Local 1000 represented employees are subject to the PLP 2025 outlined above.

EFFECT ON NEGOTIATIONS OF SUCCESSOR MOU

This Side Letter does not preclude bargaining of the parties' successor MOU to the current MOU that expires on June 30, 2026, including but not limited to the employees' and employer's OPEB contribution or any other matters.

DISPUTE RESOLUTION PROCESS

This Side Letter shall be subject to the grievance and arbitration process outlined in the MOU.

FOR THE STATE:	FOR THE UNION:
Brian E. Lin Walsh	
Brian E. Lin Walsh Principal Labor Relations Officer Labor Relations, CalHR	Susan Rodriguez Chief Negotiator SEIU Local 1000

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EXHIBIT B

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Main Table Economic Rejections Summary

The first table below is a list of all the Union's economic proposals, which were all proposed to the State between the dates of May 27 and June 3, 2026, of which all were rejected by the State. On June 30, 2026, the State rejected nine (9) economic proposals, of which eight (8) were lumped into one rejection at 11:32 am, including 11.1 Salaries.

Comparatively, in the second table below, the Union and the State have reached Tentative Agreement on a total of 13 proposals, none containing new or additional costs to the State, i.e. non-economic.

Economic Proposals in order of State Rejection Date (highlighted proposals were all rejected together on 6/30/2026 at 11:32 am):

Economic Proposal	Union Proposal Date	State Rejection (R) Date
[redacted]	6/1/2026 11:01	6/9/2026 12:19
[redacted]	5/28/2026 16:08 (UP1) 6/15/2026 15:22 (UP2)	6/9/2026 12:21 (R1) 6/22/2026 15:10 (R2)
[redacted]	5/27/2026 14:30	6/9/2026 12:24
[redacted]	6/2/2026 16:05	6/9/2026 12:25
[redacted]	6/2/2026 11:23	6/9/2026 12:27
[redacted]	6/2/2026 11:28	6/9/2026 12:30
[redacted]	6/2/2026 15:48	6/9/2026 12:33
[redacted]	6/3/2026 14:27	6/29/2026 12:09
[redacted]	5/27/2026 14:12	6/30/2027 11:27
[redacted]	**6/1/2026 10:52**	**6/30/2026 11:32**
[redacted]	**6/1/2026 10:48**	**6/30/2026 11:32**
[redacted]	**6/1/2026 10:43**	**6/30/2026 11:32**
[redacted]	**5/27/2026 14:17**	**6/30/2026 11:32**
[redacted]	**5/28/2026 16:11**	**6/30/2026 11:32**
[redacted]	**5/28/2026 16:17**	**6/30/2026 11:32**

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[redacted]	**5/27/2026 14:26 (UP1)** **6/18/2026 14:59 (UP2)**	**6/9/2026 12:22 (R1)** **6/30/2026 11:32 (R2)**
[redacted]	**5/27/2026 14:36**	**6/30/2027 11:32**

List of all Tentative Agreements as of 7/9/2026 By Order of TA Date:

Article#	Article-Name	TA Date
[redacted]	[redacted]	6/3/2026 14:19
[redacted]	[redacted]	6/3/2028 14:18
[redacted]	[redacted]	6/9/2026 12:37
[redacted]	[redacted]	6/9/2026 12:37
[redacted]	[redacted]	6/10/2026 12:00
[redacted]	[redacted]	6/10/2026 13:59
[redacted]	[redacted]	6/17/2026 11:27
[redacted]	[redacted]	6/17/2026 11:28
[redacted]	[redacted]	6/18/2026 10:38
[redacted]	[redacted]	6/18/2026 10:39
[redacted]	[redacted]	6/18/2026 10:40
[redacted]	[redacted]	6/22/2026 10:44
[redacted]	[redacted]	6/22/2026 15:17