SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 1582 (Ortega)
Version: June 8, 2026
Hearing Date: June 30, 2026
Fiscal: Yes
Urgency: No
ID

SUBJECT

Higher Education Employer-Employee Relations Act: collective bargaining: unfair labor practices

DIGEST

This bill makes various acts by a higher education employer, with respect to arbitrations over violations of a collective bargaining agreement relating to the contracting out of bargaining unit work, unfair practices, as specified.

EXECUTIVE SUMMARY

Under the Higher Education Employee Relations Act of 1978 (HEERA), employees at the University of California (UC) and California State University (CSU) have the right to organize and collectively bargain. (Gov. Code §§ 3560 et seq.) HEERA provides various processes for UC and CSU employees to organize and form a union, and for the good faith bargaining between a recognized union and the university. It is administered by the Public Employment Relations Board (PERB), the quasi-judicial state agency that administers various state public employer-employee relations statutes. HEERA also permits the parties to agree in their collective bargaining agreements (CBAs) to submit to arbitration to resolve disputes regarding the CBA or conflicts between the parties. (Gov. Code § 3589.) However, the author reports that, in numerous instances, the UC has delayed the arbitration process regarding issues relating to the UC contracting out bargaining unit work, or has failed to implement or abide by the arbitrator's decision. In such instances, the only recourse for the UC workers' union is to go to court. AB 1582 proposes to make such actions regarding subverting the arbitration process an unfair practice, thereby allowing an aggrieved party to allege such an unfair practice before PERB, as specified.

AB 1582 is sponsored by AFSCME Local 3299 and AFSCME Council 57, and is supported by a number of other AFSCME chapters and unions. It is opposed by the UC, the California State University, the California Chamber of Commerce, and other groups.

It previously passed out of the Senate Labor, Public Employment and Retirement Committee by a vote of 4 to 1.

PROPOSED CHANGES TO THE LAW

Existing law:

1) Establishes the University of California (UC) as a public trust under the administration of the Regents of the University of California and grants the Regents all the powers necessary or convenient for the effective administration of this public trust. Establishes that the UC Regents are subject only to such legislative control as may be necessary to insure the security of its funds, to ensure compliance with the terms of the endowments of the university, and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. (California Constitution, Article XIV, § 9.)

2) Establishes HEERA, which provides a statutory framework to regulate labor relations between the UC, CSU, and the University of California College of the Law, San Francisco (UC Law SF), and their respective employees. (Gov. Code §§ 3560 et seq.)

3) Defines "Higher Education Employer" to mean any of the following: the UC Board of Regents, the UC Law SF Board of Directors, the California State University (CSU) Board of Trustees, or a person acting as an agent of one of the aforementioned entities. (Gov. Code §3562 (g).)

4) Defines "scope of representation" for HEERA's application to UC to mean, and be limited to, wages, hours of employment, and other terms and conditions of employment, but not does not include consideration of the merits, necessity, or organization of any service, activity, or program established by law or resolution of the regents or the directors, except for the terms and conditions of employment of employees who may be affected thereby. (Gov. Code § 3562 (q).)

5) Establishes the Public Employment Relations Board (PERB) to administer the several collective bargaining statutes covering specified California public employees, including HEERA. PERB functions as a quasi-judicial administrative agency responsible for adjudicating employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers and employee organizations (Gov. Code § 3541.)

6) Provides that a HEERA employer and an exclusive representative who enter into a written memorandum of understanding (MOU) may agree to procedures for final

and binding arbitration of disputes that may arise under the memorandum of understanding or between the parties. (Gov. Code § 3589 (a).)

7) Authorizes an aggrieved party to an MOU to seek a court order directing that the arbitration proceed pursuant to the MOU's procedures if the other party fails, neglects, or refuses to proceed to arbitration. (Gov. Code § 3589 (b).)

8) Makes an arbitration award final and binding upon the parties and enforceable by a court pursuant to Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure. (Gov. Code § 3589 (c).)

9) Defines "Arbitration" in HEERA to mean a method of resolving a rights dispute under which the parties to a controversy must accept the award of a third party. (Gov. Code § 3562 (a).)

10) Provides that PERB will defer adjudicating an unfair labor practice complaint where the parties have agreed to the arbitration procedure, as specified. (see *Regents of the University of California* (San Francisco) (1984) PERB Decision No. Ad -139-H.)

11) Makes it unlawful for the UC to engage in numerous acts, including denying employee unions rights guaranteed by HEERA, refusing or failing to engage in meeting and conferring with an exclusive representative, and others. (Gov. Code § 3571.)

12) Empowers PERB to investigate unfair practices and violations of HEERA's provisions, and to take any action necessary to resolve any such violations or unfair labor practices charges. Also empowers PERB to bring an action in court to enforce its orders or to obtain temporary relief or a restraining order upon the issuance of an unfair practice charge. (Gov. Code § 3563.)

This bill:

1) Makes it an unfair practice, with respect to arbitrations over violations of a collective bargaining agreement that relate to the contracting out of bargaining unit work, for a higher education employer to:
    a) Fail or refuse to schedule an arbitration within a reasonable period of time after the union has appealed the matter to arbitration, unless the exclusive representative has placed the grievance in abeyance, or the parties have agreed to do so;
    b) Fail or refuse to implement an arbitration award and remedy in full within 60 days of a decision on the merits;
    c) Circumvent or disregard an arbitrator's decision by: extending or renewing an existing contract or entering into one or more new contracts for the same or similar services at the same location, or otherwise violating

the same contract term or terms already interpreted by an arbitrator to prohibit the employer's conduct;

i. For such cases, prohibits PERB from deferring repeat offenses to subsequent arbitration proceedings;

d) Fail or refuse to remedy, in whole or in part, an arbitrator's decision that remands the remedy to be determined by the parties. For these cases, requires PERB to defer to the merits of the arbitration award, but prohibits deferring disputes regarding the remedy to subsequent arbitration proceedings absent agreement of the parties.

2) Specifies that the remedies for a violation of (1), above, include the charging party's attorney's fees and costs.

3) Specifies that, except as expressly set forth above, these provisions do not limit PERB's broad remedial authority.

COMMENTS

1. Author's statement

In support of this measure, the author states:

> For decades, the University of California (UC) has contracted out service work. In recent years, UC agreed to an arbitration process in their collective bargaining agreements with service and patient care technical workers to resolve disagreements over contracting out.
>
> UC is now consistently violating the arbitration process. UC doesn't follow the arbitrator's decisions.
>
> Current law does not provide an adequate enforcement remedy to address the harms suffered by workers related to a higher education employer's refusal to respect the arbitration process and the arbitrator's decisions regarding the contracting out of work.
> AB 1582 restores the integrity of arbitration.

2. The UC and AFSCME's labor dispute over contract work

This bill comes out of the long-running dispute between UCLA and the union that represents 40,000 of its service, patient case, and skilled craft employees, the American Federation of State, County and Municipal Employees (AFSCME). UCLA and AFSCME were in negotiations for more than two years before finally ratifying a contract earlier this year, though disputes and negotiations between UCLA and AFSCME Local 3299

have been ongoing over the last several years.[1] The union's previous contract expired in 2024, and the union has struck five times since then, alleging that UCLA has engaged in bad faith bargaining and unfair labor practices. The collective bargaining agreement (CBA) signed by UCLA and AFSCME earlier this year provided a $1,500 one-time payment to permanent employees and increased the union's minimum wage to $30.10 by April 2029, with annual increases thereafter.[2]

Under the 2020 CBA between UCLA and AFSCME, UCLA is prohibited from contracting out work covered by the bargaining unit, with narrow exceptions. These exceptions include contracting out to address an emergency and for temporary, short-term needs.[3] The prohibition on contracting out work is important, as outsourcing work otherwise covered by unionized employees is a common way in which employers subvert the power of the union and deny the union's benefits to workers conducting work that would otherwise be covered by the bargaining unit. If UCLA decides to contract out covered services under the exceptions, it must notify the union to review. If the parties disagree relating to the contracting out of services, they must enter into negotiations. Under the CBA, disputes between the parties must be resolved first through arbitration, thereby avoiding expensive and drawn-out proceedings in court.

However, UCLA has not been complying with the limitation on contracting out union worker services and has refused multiple times to comply with the decisions of arbitrators over the outsourcing of covered services.[4] In 2021, UCLA contracted out work within its dining halls, rather than hiring unionized employees, and without giving AFSCME the required notice. When AFSCME challenged the outsourcing of employee work, UCLA stalled the arbitration and ultimately refused to comply with multiple arbitrator decisions that found that its contracting out violated its CBA with the union.

3. PERB and the limits of the current system

Under the Higher Education Employee Relations Act of 1978 (HEERA), employees at the UC and CSU have the right to organize and collectively bargain. (Gov. Code §§ 3560 et seq.) HEERA provides various processes for UC and CSU employees to organize and form a union, and for the good faith bargaining between a recognized union and the university. It is administered by the Public Employment Relations Board (PERB), the quasi-judicial state agency that administers various state public employer-employee relations statutes. Under HEERA, it is unlawful for the UC to engage in numerous acts

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[1] Alex Muchnik, "AFSCME Local 3299 employees vote to ratify contract," https://dailybruin.com/2026/05/22/afscme-local-3299-employees-vote-to-ratify-contract.
[2] *Id.*
[3] *UC and AFSCME CBA, Article 5, § H.*
[4] *See.* https://afscme3299.org/blog/ucla-violates-contract-refuses-to-insource-workers/; https://www.afscme.org/blog/afscme-members-stand-up-against-outsourcing-at-university-of-california.

that effectively deny an employee their right to organize and collectively bargain, including denying employee unions the rights guaranteed by HEERA, refusing or failing to engage in meeting and conferring with an exclusive representative, and others acts. (Gov. Code § 3571.) PERB is empowered under HEERA to investigate unfair labor practices and violations of HEERA's provisions, and to take any action necessary to resolve any such violations or unfair labor practices charges. (Gov. Code § 3563.) PERB is also empowered to bring an action in court to enforce its orders or to obtain temporary relief or a restraining order upon the issuance of an unfair labor practice charge. (Gov. Code § 3563.)

HEERA also permits the parties to agree in their CBAs to submit to arbitration to resolve disputes regarding the CBA or conflicts between the parties. (Gov. Code § 3589.) If a party to such a CBA is aggrieved by the other party's refusal, failure, or neglect to proceed to arbitration, it can bring a civil action in court to direct the other party to proceed with arbitration. (*Ibid.*) Any arbitration decision is final and binding upon the parties, and also may be enforced in court. (*Ibid.*)

4. <u>AB 1582 proposes to allow a party to go to PERB for a violation of an arbitrator's decision</u>

According to the author, the UC has repeatedly failed to engage in arbitration with AFSCME regarding issues of contracting out work covered by unionized employees, and has repeatedly refused to comply with arbitrator awards when they do comply with arbitration. This has resulted in significant delays for the union, and the continued unlawful contracting out of unionized employees' work. When there has been a dispute regarding UCLA's failure to comply with the arbitrator's awards, AFSCME has had to go to court, an expensive and drawn out process.

AB 1582 proposes to allow a party aggrieved by the other party's failure to engage in arbitration or follow an arbitrator's decision regarding contracting out of union workers' services to go directly to PERB for that violation. It makes it an unfair practice to: fail or refuse to schedule an arbitration within a reasonable time; fail or refuse to implement an arbitration award and remedy in full within 60 days; fail or refuse to remedy, in whole or in part, an arbitrator's decision that remands the remedy to be determined by the parties; and circumvent or disregard an arbitrator's decision by extending or renewing an existing contract or entering into one or more new contracts for the same or similar services at the same location, or otherwise violating the same contract term or terms already interpreted by an arbitrator to prohibit the employer's conduct. These provisions are aimed at preventing a party from delaying arbitration or the implementation of an arbitration award, or otherwise getting around the arbitrator's decision by signing new contracts to contract out similar work. Such actions can undermine the decisions of the arbitrator, and prolong a dispute that was meant to be resolved by the arbitrator.

AB 1582's provisions would allow the union or the UC to go to PERB, instead of court, to resolve a dispute regarding an arbitrator's decision or to resolve the other party's failure to arbitrate. This is notable because PERB has specific expertise in labor law, and can review and decide the unfair labor practice more efficiently than a court. To the degree it needs to enforce its decision on such an unfair labor practice, PERB also can go to court to do so.

In addition, AB 1582's provisions make clear that certain acts regarding the arbitration process constitute a hinderance or denial an employee's rights under HEERA to collectively bargain. If an employee's remedy is arbitration, but arbitration can be excessively delayed or an arbitrator's decisions ignored, the employee does not have much of a right. Such tactics deny the employee their rights and the union those remedies that the union and the employer agreed to in signing the CBA.

5. Amendments

The author has agreed to amendments that will revise the language in the bill to include any time limits and other requirements of any collective bargaining agreement, and to clarify that its provisions do not alter the terms of the parties' collective bargaining agreement or authorize PERB to alter the arbitrator's decision. A mock-up of the amendments is attached at the end of this analysis.

6. Arguments in support

According to AFSCME Local 3299, which is the sponsor of this bill:

> For decades UC has used the practice of contracting out jobs and replacing us with cheap labor. The State Auditor has documented that UC's private contractors pay less, provide fewer benefits, and mistreat workers with impunity.
>
> When we have challenged contracting out practices and prevailed in arbitration, a process agreed upon in our collective bargaining agreements, UC has responded with disrespect and defiance. They extend the same prohibited contracts, enter into new agreements for identical services, and simply wait for us to go back through the arbitration process again — at our own expense and at the cost of years of delay. This cycle of deliberate noncompliance renders our collective bargaining agreements meaningless and makes a mockery of the arbitration system that both parties agreed to honor.
>
> AB 1582 establishes that it is an unfair labor practice for a higher education employer to circumvent or disregard an arbitrator's decision by renewing or re-entering contracts for the same prohibited services. It prohibits the Public Employment Relations Board (PERB) from deferring repeat violations back to arbitration. It authorizes civil penalties of $1,000 per day for repeat offenders and

requires that employers who violate these provisions pay the charging party's attorney's fees and costs. These are not punitive measures – they are minimum accountability standards.

7. Arguments in opposition

According to the University of California, which opposes AB 1582:

Codifying a Single Grievance into a Statutory Mandate Is Bad Public Policy. Arbitration is inherently designed to resolve specific, isolated disputes between parties based on unique local circumstances. It should never be used to dictate broad statutory mandates. AB 1582 sets a dangerous precedent by turning narrow and specific arbitration rulings into a blanket prohibitions on service contracts at a UC campus or medical facility.

Under the rigid framework proposed by this bill, if a UC campus or medical center commits a minor technical infraction, such as an administrative failure to provide notice within a specific timeframe, that isolated mistake can be used to block that location from using essential service agreements in perpetuity. This applies even when such agreements would otherwise be allowed under a recently negotiated collective bargaining agreement.

The bill's "same or similar services" language creates an unworkable standard for UC campuses and medical centers, which often have multiple locations across various regions of California. This is a deliberate attempt to enforce a blanket shutdown of vital day-to-day operations, directly impacting medical center operations (hospital assistants, medical technicians, and frontline clinical staff) and campus infrastructure (dining, food services, building maintenance, custodial care, and security services).

AB 1582 Directly Threatens Patient Safety. Public policy must balance workforce protections with the operational reality of delivering life-saving healthcare. No hospital system can maintain a permanent, standing workforce deep enough to handle unpredictable regional disasters or sudden public health surges on short notice. If a UC medical center faces an unexpected surge in patient demand or a severe flu season, this bill would handcuff UC hospitals and clinics from scaling up temporary care. This restriction will directly result in longer patient wait times and delayed clinical care; a severe, compounding strain on frontline healthcare teams; and restricted access to specialized clinical expertise when patients need it most.

SUPPORT

American Federation of State, County and Municipal Employees (AFSCME) Local 3299 (co-sponsor)
American Federation of State, County and Municipal Employees (AFSCME) Council 57 (co-sponsor)
American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO
California Faculty Association
CFT – a Union of Educators & Classified Professionals, AFT, AFL-CIO
Pajaro Valley Federation of Teachers, AFT 1936
Teamsters California
UC Irvine Faculty Association
Union of American Physicians and Dentists
United Domestic Workers/AFSCME Local 3930
UPTE-CWA 9119

OPPOSITION

Bay Area Council
California Chamber of Commerce
California Hospital Association
California State University, Office of the Chancellor
Central City Association of Los Angeles
Los Angeles Business Council
Los Angeles Chamber of Commerce
Los Angeles County Business Federation (BIZ-FED)
Sacramento Metropolitan Chamber of Commerce
San Diego Regional Chamber of Commerce
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Silicon Valley Leadership Group (SVLG)
Valley Industry and Commerce Association (VICA)
West Los Angeles Chamber of Commerce

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

SB 23 (Durazo, Ch. 480, Stats. 2023) required UC vendors to provide their employees with the total compensation specified by the vendor's contract, as well as make certain payroll information available to employees, the UC, and exclusive employee

representatives. Additionally, it provided a pathway for employees of a vendor contracting with the UC to recover compensation and civil damages, as specified.

SCA 7 (Umberg, 2023) would have established a broad-based constitutional right for any person in California to form or join a union and for that union to represent the person in collective bargaining with the person's respective employer. It also would have prohibited the passing of any statute or ordinance that interferes with, negates, or diminishes these rights. SCA 7 died in the Senate Elections and Constitutional Amendments Committee.

SB 27 (Durazo, Ch. 480, Stats. 2023) made it unlawful for any vendor, as defined, to accept payment from the university pursuant to a contract for prescribed services if the vendor is performing services or supplying the university with employees to perform services who are paid less than the higher of the total compensation rate specified in the vendor's contract with the university or as required by university policy.

ACA 6 (Haney, 2023) would have required individuals who perform work for the UC Regents to have the right to specified basic state labor standards. The measure died in the Senate Elections and Constitutional Amendments Committee.

SB 1364 (Durazo, 2022) was similar to SB 27 and additionally provided for a vendor in violation to pay a ten percent civil penalty to the General Fund and be disqualified from contracting with the UC for five years. The bill was vetoed by the Governor, who stated "While I support the enforcement of Regents Policy 5402 and the terms of Article 5, as UC is still implementing their audit mechanisms of the policies, this bill is premature."

ACA 14 (Gonzalez, 2019) would have amended the California Constitution, Article IX, to require the UC Regents ensure that all UC contract workers receive the same equal employment opportunity standards as UC employees that perform similar services. The measure died on the Senate Floor.

PRIOR VOTES:

Senate Labor, Public Employment and Retirement Committee (Ayes 4, Noes 1)
Assembly Floor (Ayes 67, Noes 7)
Assembly Appropriations Committee (Ayes 13, Noes 2)
Assembly Public Employment and Retirement Committee (Ayes 7, Noes 0)
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Mock-up of proposed amendments to AB 1582 (Ortega)

(Amendments may be subject to technical changes required by Legislative Counsel)

The people of the State of California do enact as follows:

SECTION 1. Section 3571.01 is added to the Government Code, to read:

3571.01.

(a) With respect to arbitrations over violations of a collective bargaining agreement that relate to the contracting out of bargaining unit work, it shall be an unfair practice for a higher education employer to do any of the following:

(1) Fail or refuse to schedule an arbitration **within any time limits established in the collective bargaining agreement, or** within a reasonable period of time ~~after the union has appealed the matter to arbitration~~ **if no time limit is specified,** unless the exclusive representative has placed the grievance in abeyance or the parties have agreed to do so. **An employer does not violate this paragraph if the exclusive representative has not met its obligation under the parties' agreement to move forward with arbitration, including, but not limited to, filing a timely appeal, providing information necessary for the parties to select an arbitrator and providing availability. An employer does not violate this paragraph if the selected arbitrator or the exclusive representative are not available within the time limits set in the collective bargaining agreement or if the parties stipulated to alternative timelines.**

(2) Fail or refuse to implement an arbitration award and remedy in full within ~~60:~~ **(1) 180** days of ~~a~~ **an arbitration** decision on the merits **that does not include specific timelines; (2) the implementation timelines specified in the arbitrator's decision; or (3) the parties' stipulated timelines.**

(3) (A) Circumvent or disregard an arbitrator's decision by extending or renewing an existing contract or entering into one or more new contracts for the same or similar services at the same location, or otherwise violating the same contract term or terms already interpreted by an arbitrator to prohibit the employer's conduct.

(B) In the cases described in subparagraph (A), the board shall not defer repeat offenses to subsequent arbitration proceedings.

(4) (A) Fail or refuse to remedy, in whole or in part, an arbitrator's decision that remands the remedy to be determined by the parties.

(B) In the cases described in subparagraph (A), the board shall defer to the merits of the arbitration award but shall not defer disputes regarding the remedy to subsequent arbitration proceedings absent agreement of the parties.

(b) Remedies for a violation of this section shall include the charging party's attorney's fees and costs.

(c) Except as expressly set forth in this section, this section does not limit the board's broad remedial authority**, alter the terms of the parties' collective bargaining agreement related to the contracting out of bargaining unit work, or authorize the board to alter an arbitrator's decision.**