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## California State Senate

COMMITTEE ON  
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL  
SACRAMENTO, CA 95814

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### Agenda August 23, 2012 Upon Call of the Chair, Room 4203

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<u>Bill</u>	<u>Author</u>	<u>Subject</u>
AB 1468	Committee on Budget	Health Cleanup
AB 1471	Committee on Budget	Human Services
AB 1476	Committee on Budget	Education
AB 1477	Committee on Budget	Budget Bill Jr
AB 1478	Committee on Budget	Dept. of Parks and Recreation
AB 1481	Committee on Budget	Public Safety
AB 1487	Committee on Budget	Special Funds
AB 1488	Committee on Budget	State Hospitals
AB 1489	Committee on Budget	Boards & Commissions; Reports
AB 1496	Committee on Budget	2011 Realignment

## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1468  
Author: Committee on Budget  
RN: 1222902  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Public social services: Medi-Cal

Subject of Amendments: Health-related statutory revisions necessary to implement the Budget Act of 2012.

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown  
If yes, from whom?

Purpose of Amendments: The bill makes technical statutory revisions affecting health programs necessary to implement the Budget Act of 2012.

ANALYSIS: This bill:

1. **Duals Demonstration Project.** The Budget Act of 2012 included changes to authorize a duals demonstration project in eight counties that integrates the delivery of medical services, long-term services and supports (including In-Home Supportive Services), and behavioral health services through Medi-Cal managed care plans for persons who are eligible for both Medicare and Medi-Cal. This bill makes technical corrections and clarifications to the duals demonstration project. In addition, it:
  - a. Requires persons enrolled in a Medi-Cal home and community-based waiver program to be mandatorily enrolled in Medi-Cal managed care (for medical services and long-term supports and services). This change is consistent with how Seniors and Persons with Disabilities, who are enrolled in a Medi-Cal home and community-based waiver program, are mandatorily enrolled in Medi-Cal managed care. These persons would still

receive their home and community-based waiver program services through the waiver program/provider.

- b. Eliminates the requirement that the Department of Managed Health Care (DMHC) monitor health plans participating in the duals demonstration project on a quarterly basis to determine whether the beneficiaries are able to receive timely access to primary and specialty care services as federal law (42 C.F.R. § 422.402) preempts DMHC from performing this activity on Medicare plans.
2. **Hospital Supplemental Payments.** Makes technical corrections to the eligibility language for various hospital supplemental funds. AB 1467, a budget trailer bill, amended Welfare and Institutions Code Sections 14166.12 and 14166.17 to include the eligibility requirements for various hospital supplemental funds. These sections should reference the Selective Provider Contract program's statute.
3. **Primary Care Provider Payments.** Makes technical corrections to ensure that Medi-Cal primary care provider payment increases (as required by federal health care reform and implemented by AB 1467, a budget trailer bill) do not apply to state-only programs.

Federal health care reform requires that specified primary care services be reimbursed at no less than the Medicare rate from January 1, 2013 through December 31, 2014. The marginal rate increase is fully funded by the federal government for services provided in the Medi-Cal program. This change is necessary to clarify that no increases will be provided in state-only programs.

4. **Healthy Families Program Transfer to Medi-Cal.** The Budget Act of 2012 transferred the Healthy Families Program to Medi-Cal (starting no sooner than January 1, 2013). This bill makes various technical corrections to the statute that transfers the Healthy Families Program to Medi-Cal.

Additionally, it includes language allowing the Department of Health Care Services (DHCS) to have exemptions from contracting competitive bidding rules for the purposes of implementing and maintaining the necessary systems and activities for providing health care coverage to optional targeted low-income children in the Medi-Cal Program for purposes of Accelerated Enrollment application processing by Single Point of Entry, non-eligibility-related case maintenance and premium collection, maintenance of the Health-E-App web portal, call center staffing and operations,

Certified Application Assistant services, and reporting capabilities. This bill also permits DHCS to enter into a contract with the Health Care Options Broker of the department for purposes of managed care enrollment activities. These specified contracts may be initially completed on a noncompetitive bid basis and are exempt from the Public Contract Code. Subsequent contracts for these purposes shall use a competitive bid basis and shall be subject to the Public Contract Code.

5. **Inadvertent Chaptering Out of Omnibus Health Trailer Bill Changes.** Sections of AB 1467 (a budget trailer bill) regarding the rural expansion of Medi-Cal managed care and the consideration of safety net providers when factoring managed care plan costs in the default managed care assignment algorithm were inadvertently chaptered out by another budget trailer bill (SB 1008). This bill restores the AB 1467 changes.
  
6. **References to the Department of Mental Health.** Changes references to the Department of Mental Health (DMH) to the appropriate state departments, as DMH was eliminated in Budget Act of 2012.

By: Senate Budget and Fiscal Review--(*Michelle Baass*)  
Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1471  
Author: Committee on Budget  
RN: 1222920  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Human services

Subject of Amendments: Human services

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

Purpose of Amendments: Necessary statutory and technical changes to implement Human Services-related provisions of the Budget Act of 2012.

ANALYSIS: This bill contains the following provisions:

1) **Match Waiver:** Extends by one year (through the 2012-13 state fiscal year) a “match waiver” policy that was in effect for the 2010-11 and 2011-12 state fiscal years. Under the waiver, counties can receive the full state General Fund allocation for CalFresh administration without paying their share of nonfederal costs for the amount above an applicable maintenance of effort requirement (which is tied to 1996-97 expenditures). This extension was adopted by both houses earlier in the year, but inadvertently left out of the previous human services budget trailer bills.

2) **Coordinated Care Initiative (Human Services):** The 2012-13 Budget included changes to authorize a demonstration project in eight counties that integrates the delivery of medical services, long-term services and supports (including In-Home Supportive Services), and behavioral health services through Medi-Cal managed care plans. As part of this demonstration project, SB 1036 also established an IHSS Statewide Authority for specified purposes of collective bargaining as IHSS becomes a benefit provided through managed care. In addition to other technical changes to these provisions, this bill would:

a) Clarify that counties maintain the responsibility to establish emergency back-up services, as specified;

b) Specify additional circumstances under which an agency seeking certification to provide IHSS can verify its financial status. More specifically, it would allow a nonprofit or public entity to utilize a signed letter of support from the organization or entity that is responsible for the majority of the applicant's revenue.

c) Require the Department of Finance to consult with counties regarding implementation of IHSS MOE provisions; and

d) Clarify that the state is immune from, and managed care health plans are not considered employers of IHSS providers for purposes of, liability resulting from implementation of specified laws or from the negligence or intentional acts of a contract provider.

3) **Licensing:** Existing law, the California Community Care Facilities Act, authorizes a licensee of certain adult residential facilities or group homes to utilize secured perimeters, as defined and under specified circumstances. Recent budget trailer bill language (AB 1472, Chapter 25, Statutes of 2012) also specified that these perimeters may not be utilized in residences of children in foster care under the jurisdiction of the juvenile court. This bill would make technical changes to the definition of when that criterion is applicable.

Another recent human services budget trailer bill, SB 1009 (Chapter 34, Statutes of 2012), transferred responsibility for licensing psychiatric health facilities and mental health rehabilitation centers from the Department of Mental Health to the Department of Social Services (DSS). To implement required criminal background checks, this bill would make changes to require an applicant, licensee, or direct care staff person, as appropriate, to submit fingerprint images and other information to the Department of Justice (DOJ) in order for DOJ to send the results to DSS. Provisions of SB 1009 would instead have required DSS to submit that information to DOJ.

4) **CalWORKs:** A recent budget trailer bill, SB 1041 (Chapter 47, Statutes of 2012), made significant changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) welfare-to-work program. This bill would make technical and conforming changes, including clarification of the timing of adjustments in benefits that result from changes in income for families subject to annual eligibility reporting requirements and of the transitional eligibility for assistance of pregnant women who would otherwise have been eligible for aid under the Cal-Learn program, as specified.

5) **Developmental Services:** AB 1472 established new restrictions on admissions to Developmental Centers. This bill would clarify that the admissions and recommitment criteria applicable prior to these changes would continue to apply to individuals who were admitted to Developmental Centers pursuant to Section 6500 of the Welfare and Institutions Code prior to July 1, 2012.

6) **Additional minor, technical changes** to provisions recently enacted in human services-related budget trailer bills.

This bill would also appropriate \$1,000 from the General Fund to the California Health and Human Services Agency.

By: Senate Budget and Fiscal Review—  
(*Jennifer Troia*)

Date: August 22, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1476  
Author: Committee on Budget  
RN: 1223021  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Education finance

Subject of Amendments: Education

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown.

Purpose of Amendments: Statutory changes necessary to implement education-related provisions of the 2012 Budget Act.

**ANALYSIS:** These amendments make the following statutory revisions affecting K-12 and higher education, including postsecondary financial aid, as part of the 2012-13 budget, as follows:

### **K-12 Education**

- 1. Technical Revisions to Proposition 98 Reappropriations.** Amends the Budget Act of 2011 to correct scoring that is a part of a Proposition 98 funding swap for special education utilized to achieve one-time budget savings in 2011-12.
- 2. Technical Correction to Quality Education Investment Act (QEIA) Appropriation.** Corrects the appropriations for the QEIA program in 2013-14 to reflect amounts agreed to as a part of the 2012-13 budget.
- 3. Technical Clean Up Affecting Financing of Working Capital for Charter Schools.** Makes changes to existing statute to ensure that intercept payments relating to facilities working capital financing/ bond issuances under the California School Financing Authority for districts, counties, and charter schools include funds dispersed



pursuant to the Education Protection Account should the tax initiative pass. This language is needed to implement charter school facilities working capital refinancing options enacted as a part of the 2012-13 budget.

- 4. Technical Update for Education Mandates Funding.** Adds five, small mandates to the K-12 education mandate block grant established by the 2012-13 budget. These very small mandates were inadvertently left off the mandates block grant list.
  
- 5. Modification of Behavior Intervention Plan Mandate to Eliminate Unnecessary Costs.** Makes statutory changes regarding positive behavior interventions for students with disabilities in order to maintain protections for students contained in federal law and specific state regulations, and to reduce state mandate costs. More specifically, the amendments clarify state law in order to conform to federal law governing the use of positive behavior interventions for students with disabilities whose behavior interferes with his or her learning or that of others. The amendments repeal existing regulations found to be mandated activities while also codifying provisions of these current state regulations that both prohibit behavior interventions that are harmful to students, and continue emergency interventions and emergency reports. In addition, the amendments also appropriate one-time federal carryover funds to the Department of Education to develop procedures and provide technical assistance to school districts about the use of positive behavior interventions.

## **Higher Education**

- 1. 2012-13 Enrollment Target for the University of California (UC).** Reinstates the expectation that the UC will enroll a total of 209,977 state-supported full-time equivalent students during the 2012-13 academic year. This target was included in the Budget Act of 2012 but was subsequently vetoed by the Governor. As a condition of receipt of state GF in 2012-13, requires the UC to report to the Legislature by May 1, 2013, on whether it has met the enrollment goal.
  
- 2. UC Merced Academic Building: Design Phase Funding.** Appropriates \$4.75 million in 2006 General Obligation bond funds for the costs of preliminary plans and working drawings for a new Classroom and Academic Office Building at UC Merced. Includes budget bill provisional language, which has been included in the past several budgets on GO-bond funded UC capital outlay projects, to

authorize expenditure of any savings as specified and require payment of prevailing wage rates.

3. **Cal Grant Program: Institutional Eligibility.** Clarifies existing law, adopted as part of the 2011 Budget Act, that an institution that is ineligible to participate in the Cal Grant program shall regain its eligibility in the academic year for which it satisfies the eligibility requirements. Under current law, federally reported cohort default rate (CDR) and graduation rate data is certified by the California Student Aid Commission (CSAC) in October of each year. That data becomes the basis for program eligibility in the following academic year. Current law also specifies that an institution must have a CDR under 15.5 percent and a graduation rate greater than 30 percent to be eligible for the program. This amendment clarifies that an institution that is ineligible in the 2012-13 academic year shall regain its eligibility in the 2013-14 academic year if it satisfies the eligibility tests based on the fall 2012 data. The CSAC has interpreted current law to read as a two-year exclusion from the program.

By: Senate Budget and Fiscal Review –  
Kim Connor & Kris Kuzmich

Date: August 22, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1477  
Author: Committee on Budget  
RN: 1223112  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Budget Act of 2012

Subject of Amendments: Budget Act of 2012

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

Urgency: This bill qualifies as a budget bill under subdivision (e) of Section 12 of Article IV of the California Constitution, and takes effect immediately.

Purpose of Amendments: This bill amends certain provisions of AB 1464 and AB 1497, which together comprise the Budget Act of 2012.

**ANALYSIS:** The majority of the amendments to this bill make minor, technical corrections to the Budget Act of 2012. The amendments also include the following major changes to the Budget Act of 2012:

**1. Children's Health and Human Services Special Fund.**

Appropriates an *additional* \$183 million (Children's Health and Human Services Special Fund) to the Healthy Families Program for 2012-13. This additional appropriation is scheduled across Item 4280 (Managed Risk Medical Insurance Board, Healthy Families Program) and reflects a total appropriation of \$968.7 million (total funds) for the Healthy Families Program. With the additional \$183 million, the total amount appropriated within the Children's Health and Human Services Special Fund will be \$191.8 million.

The revenues for the Children's Health and Human Services Special Fund are generated from the gross premiums tax on Health Plans participating in the Medi-Cal Managed Care Program as originally

enacted in AB 1422, Statutes of 2009. However, the authority for this tax expired as of July 1, 2012.

Legislation to reauthorize this tax is proceeding this Session and AB 1479 has a contingency clause that the additional \$183 million (Children's Health and Human Services Special Fund) appropriation is operative only if revenues as specified are obtained for this purpose.

- 2. California Police Activities League.** Appropriates \$123,000 to the California Police Activities League to fund programs and services. The resources for this appropriation were collected pursuant to a check-off contribution option placed on the personal income tax return.
- 3. California State University.** Authorizes the CSU Chancellor to transfer balances from extension programs in order to mitigate impacts of GF reductions to state-supported instructional programs. The prior language provided this authority contingent on appropriations being reduced pursuant to "trigger cuts" authorized in subdivision (a) of Section 3.62. Reinstates the expectation that the CSU will enroll a total of 331,716 state-supported full-time equivalent students during the 2012-13 academic year. This target was included in the Budget Act of 2012 but was subsequently vetoed by the Governor. Requires the CSU to report to the Legislature by: (a) May 1, 2013, on whether it has met the enrollment goal and (b) June 30, 2013, on the impact of any transfer on self-supporting instructional programs and related fees and the use of any transferred funds.
- 4. University of California Capital Outlay Projects Provisional Language.** Adds budget bill provisional language that was inadvertently omitted from appropriations of 1992 and 1996 General Obligation bond funds for construction of Phase 2 Infrastructure Improvements at UC Santa Cruz. The provisional language, which has been included in the past several budgets on GO-bond funded UC capital outlay projects, authorizes expenditure of any savings as specified and requires payment of prevailing wage rates.
- 5. Reduction for Employee Compensation.** Amends existing budget control section language to ratify the addenda with statewide Bargaining Units 2 (CASE), 7 (CSLEA), and 10 (CAPS), which were submitted to the Joint Legislative Budget Committee by July 1, 2012. These additional addenda, similar to those ratified in the 2012 Budget Act for other statewide bargaining units, specify that state employees in Bargaining Units 2, 7, and 10 have agreed to participate in the Personal Leave Program 2012 (PLP 2012) for the period from July 1,

2012, to June 30, 2012. These changes further implement Control Section 3.90 of the Budget Act of 2012, which achieves employee compensation-related savings of \$402 million GF.

- 6. Public Utilities Commission Special Fund Allocations.** Adjusts special fund allocations at the commission to reflect revised fund balances and caseload projections.
- 7. Renewable Resources Trust Fund.** Re-establishes an annual audit of the fund by the Office of State Audits and Evaluations that was inadvertently deleted in previous legislation.
- 8. Parks and Recreation Water and Wastewater Projects.** Extends the encumbrance period for previously appropriated water and wastewater projects. This will allow the department to use these funds for projects to keep parks from closing due to adverse actions caused by water pollution violations.
- 9. Parks and Recreation National Parks Agreements.** Provides appropriation authority to the department specifically for funding received by the federal government for parks where they have taken over full or partial funding of operations.
- 10. Vote-by-mail Ballots and Election Results Statements.** Due to the closure of several Postal Distribution Centers, the receipt of vote-by-mail ballots may be negatively impacted. This provision would provide the Department of Finance with \$5 million to reimburse County Registrars for costs related to changes in law requiring registrars to count absentee ballots postmarked on or before the date of an election.
- 11. CalWORKs.** Makes a technical adjustment to the cost-per-case with respect to employment services in the CalWORKs welfare-to-work program. Funds this adjustment through the early reversion of \$80 million that was appropriated for CalWORKs in the 2011-12 fiscal year.
- 12.K-12 Education Mandate Reimbursements.** Adds reimbursement funding for several small mandates, most of which were inadvertently left out of the budget. Amendments provide \$1,000 each for five mandates.

By: Senate Budget and Fiscal Review—  
(*Keely Martin Bosler and Mark Ibele*)  
Date: August 22, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1478  
Author: Committee on Budget  
RN: 1222837  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: State Parks and Recreation Fund

Subject of Amendments: State Parks

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown  
If yes, from whom?

Purpose of Amendments: These amendments provide the necessary statutory changes in the area of Resources and State Parks and Recreation Department in order to enact the 2012 Budget Act.

ANALYSIS: This is the State Parks and Recreation Trailer Bill for the Budget Act of 2012. It contains necessary changes to implement the Budget Act of 2012. Key statutory changes are as follows:

1. **Moratorium on Park Closures for Two Years.** Prohibits the department from closing or proposing the closure of a state park in the 2012-13 and 2013-14 fiscal years.
1. **Provides Matching Funds for Park Donors and Local Agreements.** Provides a one-time appropriation of \$10 million from revenues generated by the department to be allocated to match contributions from donors and local partner agreements for 2012-13 and 2013-14.
2. **Provides Funding to Prevent Park Closures.** Provides a one-time appropriation of \$10 million to parks that remain at-risk of closure in order to maintain a two-year moratorium on park closures.

3. **Provides Funding for Audits and Investigations.** Provides a one-time appropriation of \$500,000 to ensure that all ongoing internal and external investigations into the department are fully funded.
4. **Funding for Capital Projects.** Provides a \$10 million one-time appropriation of bond funds for capital improvements projects to prevent full or partial park closures.
5. **State Park and Recreation Commission.** Establishes criteria for membership positions on the commission including requirements for cultural and park management experience. Requires the appointment of two ex officio legislative members by the Assembly and Senate Rules committees, respectively. Allows the commission a more direct oversight role of the department, particularly over the department's deferred maintenance backlog.
6. **Clarifies Funding for the Park Enterprise Fund.** Clarifies funds appropriated to the California State Park Enterprise Fund, established to enable the department to set revenue targets and goals, and are transferred appropriately from the State Parks and Recreation Fund. Provides for annual accounting and reporting.

By: Senate Budget and Fiscal Review—  
(*Catherine Freeman*)

Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1481  
Author: Committee on Budget  
RN: 1222935  
Set: 1  
Submitted by: Leno

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**SUBJECT OF BILL:** Public Safety

**Subject of Amendments:** Public Safety amendments necessary to implement the 2012-13 budget.

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

**Purpose of Amendments:** This bill makes technical amendments necessary to implement Public Safety components of the 2012-13 budget.

**ANALYSIS:** Specifically, this bill:

1. Clarifies that at least one party demanding a jury on each side of a civil case shall pay a non-refundable fee of one hundred fifty dollars (\$150), and that all plaintiffs shall be considered one side of the case, and all other parties shall be considered the other side of the case. In addition, specifies that the fee shall be due at least five days before the trial date for unlawful detainer actions and makes other non-substantive clarifying changes related to the jury deposit fee.
2. Makes clarifying technical change to exclude Division of Juvenile Justice (DJJ) wards committed pursuant to *In re C.H.* from recently enacted statute (SB 1021, Leno) that changed the maximum age of jurisdiction for DJJ wards from 25 to 23. DJJ wards committed pursuant to *C.H.* have a maximum age of jurisdiction of 21 and should not have been subject to the jurisdictional change made in SB 1021.
3. Clarifies the operative date for the recently enacted prohibition on the use of time-adds as a DJJ disciplinary tool and removes the requirement that the



DJJ promulgate regulations relating to ward discharge consideration date extensions.

By: Senate Budget and Fiscal Review—  
(*Joe Stephenshaw*)

Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1487  
Author: Committee on Budget  
RN: 1223037  
Set: 1  
Submitted by: Leno

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**SUBJECT OF BILL:** Financial Reports and Reconciliation

**Subject of Amendments:** Special Fund Accounting and Reporting

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? No

**Purpose of Amendments:** The amendments would clarify and expand the requirements for financial reporting regarding state funds and require certain financial control actions by the State Controller's Office and the Department of Finance.

**ANALYSIS:** The bill would address certain aspects of the state's financial reporting and fund reconciliation requirements.

**Background:** California has in excess of 500 special funds that have specific funding sources and specific programmatic program responsibilities. These funds range from very large transportation-related funds to small specialized accounts. Different state special funds are accounted for using differing methods of accrual as well as having different measurement focuses. A key component of fund accounting is the determination of fund balances within reach account. Generally, the fund balance is based on the amount derived by subtracting fund liabilities from fund assets.

Various financial reports are prepared at different times of year for different purposes. Some of the major financial reports are: Budgetary-Legal Basis Annual Report, prepared by the State Controller's Office (SCO), prepared on the same basis as the Governor's budget document and released after the end of each fiscal year; Comprehensive Annual Financial Report (CAFR), prepared by the SCO to represent financial results in compliance with generally accepted accounting principles (GAAP), released after the end of

each fiscal year; and, Governor's Budget Fund Condition Statements, prepared in conjunction with the January Budget and the May Revision , prepared on a budgetary basis. The financial documents prepared by the SCO and the budget documents cannot be directly compared without significant adjustments since they are prepared using different methods.

The Department of Finance's (DOF's) recent review of special funds revealed significant discrepancies in the fund balances, particularly for a few funds. Overall, a total of \$3.9 million in accounting differences were detected. The DOF balance was lower in some accounts totaling \$1.7 billion, and higher for other accounts totaling \$2.1 billion, for a net impact of about \$415 million lower. Although some of the differences were due to mistakes or the situation with State Parks, about 80 percent of the differences were the result of methodological and timing issues largely stemming from different information being provided by departments to DOF and the SCO.

**Proposal Law:** The bill would provide greater clarity with respect to financial accounting and reporting. The bill would:

1. Require that the SCO Budgetary-Legal Basis Annual Report be prepared on the same basis as the applicable Governor's Budget and the Budget Act;
2. Clarify that an additional annual report be prepared by the SCO in accordance with GAAP;
3. Require the dissemination of financial reports by the SCO through print and posting to the agency's website;
4. Require departments and agencies to make consistent reporting to the SCO and DOF according to methods and bases provided in regulations, budget letters or other directives of DOF;
5. Provide that the adoption, amendment, or repeal of regulations, budget letters, or other directives related to the reporting requirements are exempt from Administrative Procedure Act;
6. Stipulate that DOF and SCO consult regarding significant changes to financial and accounting methods, unless such changes are otherwise specified in law;
7. Direct DOF to implement procedures to facilitate annual reconciliation of General Fund and special fund balances provided to SCO and DOF;

8. Make an appropriation to DOF for implementation of the provisions of the bill.

By: Senate Budget and Fiscal Review—  
(Mark Ibele)

Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1488  
Author: Committee on Budget  
RN: 1222550  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Budget Act of 2012

Subject of Amendments: State Hospitals

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

Purpose of Amendments: Makes non-substantive technical changes related to the State Hospitals part of the 2012-13 budget.

ANALYSIS: Specifically, this bill:

Makes non-substantive technical changes primarily related to the abolishment of the Department of Mental Health (DMH) and the establishment of the State Department of State Hospitals (DSH). The majority of changes delete statutory references to DMH and insert DSH.

By: Senate Budget and Fiscal Review—  
(*Joe Stephenshaw*)

Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1489  
Author: Committee on Budget  
RN: 1222887  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Budget Act of 2012

Subject of Amendments: Boards and Commissions

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

Purpose of Amendments: To amend the 2012 Budget Act.

**ANALYSIS:** The bill would eliminate the following entities as included in the Governor's May Revision to the 2012-13 Budget. After further review staff has determined that the following entities have either completed their assigned task, are redundant, or inactive.

**Accountancy Board Advisory Committee on Ethics Curriculum.** The Committee was created in 2009 under the jurisdiction of the California Board of Accountancy to develop guidelines for new units of ethics study required for licensure. The Committee submitted its report on July 21, 2011, thus completing its task.

**Advisory Committee on Automobile Insurance Fraud.** The Committee was created in 1994 to advise the Department of Insurance on ways to coordinate the investigation, prosecution and prevention of automobile insurance claims fraud. The Committee has not met in 7 to 8 years.

**Committee on Executive Salaries.** Created in the early 1970s, the Committee is intended to investigate and study all pertinent data regarding salary changes of state personnel and similar executive positions in private and other government organizations in order to assist the Governor and the Legislature in maintaining equitable salary relations internally among the various executives. It is difficult to determine when the Committee last met,

or if it ever met. The Administration notes that some executive salaries are set in statute, while other salaries for positions exempt from collective bargaining are determined by the Department of Human Resources.

**Crime Lab Review Task Force.** The task force was created to review and make recommendations as to how best to configure, fund, and improve the delivery of state and local crime laboratory services in the future. The task force was required to publish a report in 2009 regarding its recommendations, which it did. It has not met since then.

**Lead in Candy Interagency Collaborative.** The purpose of the collaborative is to provide oversight and recommendations to the Department of Public Health and the Office of Environmental Health Hazard Assessment in the implementation of the bill's provisions and the development and revision of regulatory standards for lead in candy. The collaborative may periodically consult with federal agencies such as the United States Food and Drug Administration and United States Consumer Products Safety Commission, the candy industry, and recognized experts in the field. This committee last met in 2007.

**Naturopathic Childbirth Attendance Advisory Subcommittee.** The Subcommittee was created to issue recommendations to the Osteopathic Medical Board of California concerning the practice of naturopathic childbirth attendance based on review of naturopathic medical education and training. The Subcommittee has submitted its recommendations to the Legislature.

**State Social Services Advisory Board Committee on Welfare and Social Services.** This Committee was eliminated in 1993 but a statutory reference remains in the Welfare and Institutions Code (Welfare and Institutions Code 10605.2.). The Administration is seeking a technical clean-up that would eliminate this reference.

By: Senate Budget and Fiscal Review--(*Brady Van Engelen*)

Date: August 21, 2012

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## SENATE FLOOR AMENDMENTS COMMITTEE ANALYSIS

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Bill No: AB 1496  
Author: Committee on Budget  
RN: 1222609  
Set: 1  
Submitted by: Leno

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SUBJECT OF BILL: Budget Act of 2012

Subject of Amendments: Realignment

Amendments are: Technical / Substantive / Re-write Bill / New Bill

Were these amendments discussed in committee? No

Likely opposition to amendments? Unknown

Purpose of Amendments: Make technical changes related to Public Safety Realignment funding portions of the 2012-13 budget.

ANALYSIS: Specifically, this bill:

1. Makes corrective technical amendments specifying that 94.481 percent of funds allocated to the Juvenile Justice Subaccount be allocated, by the Controller, to the Youthful Offender Block Grant Special Account and that 5.519 percent be allocated to the Juvenile Reentry Grant Special Account. These allocations are consistent with projected base funding for each program (\$93.3 million for the Youthful Offender Block Grant Special Account and \$5.4 million for the Juvenile Reentry Grant Special Account).
2. Makes non-substantive clarifying amendment related to the Controller's allocation of funds deposited into the CalWORKS Maintenance of Effort Subaccount.

By: Senate Budget and Fiscal Review--(*Joe Stephenshaw*)  
Date: August 21, 2012

\*\*\*\* END \*\*\*\*