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CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

STATE CAPITOL – ROOM 5019
SACRAMENTO, CA 95814



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COMMITTEE ASSISTANT
MARY TEABO

(916) 651-4103
FAX (916) 668-7004

Agenda

June 18, 2018

11:30 a.m. – State Capitol Room 4203

<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
A.B. 1808	Committee on Budget	Education Finance
A.B. 1809	Committee on Budget	Higher Education
A.B. 1810	Committee on Budget	Health
A.B. 1811	Committee on Budget	Human Services
A.B. 1812	Committee on Budget	Public Safety
A.B. 1813	Committee on Budget	Courts
A.B. 1821	Committee on Budget	Taxation
A.B. 1827	Committee on Budget	No Place Like Home Act of 2018
A.B. 1832	Committee on Budget	General Government and Public Employment
A.B. 1837	Committee on Budget	Income Taxes: Credits: Motion pictures

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2017 - 2018 Regular

Bill No:	AB 1808	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 As amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Elisa Wynne		

Subject: Education finance: education omnibus trailer bill

Summary: Provides for statutory changes necessary to enact the K-12 statutory provisions of the Budget Act of 2018.

Background: As part of the 2018-19 budget package, AB 1808 makes statutory changes to implement the 2018-19 budget act.

Proposed Law: Specifically, this bill:

Early Childhood Education

- 1) Updates the standard reimbursement rate and state preschool reimbursement rate, commencing July 1, 2018, to reflect a cost-of-living adjustment and other increases provided in the 2018-19 budget.
- 2) Updates the infant reimbursement rate adjustment factor from 1.7 to 2.44 and the toddler reimbursement rate adjustment factor from 1.4 to 1.8. In addition, the adjustment factor for children with exceptional needs is increased from 1.2 to 1.54 and the adjustment factor for severely disabled children is increased from 1.5 to 1.93. These rate adjustment factors are intended to account for the higher costs of serving children in these categories.
- 3) Makes permanent a provision to hold providers receiving the regional market rate (RMR) for voucher-based child care harmless so that no provider receives less under current rates than it received under the regional market rate ceiling that existed in that region on December 31, 2017 (previously this hold harmless expired December 31, 2018).
- 4) Allocates \$167.2 million in Proposition 98 funding for the Inclusive Early Education Expansion program. Under this program grants will be provided to local educational agencies (LEAs) to increase access to subsidized early care and education programs for children from ages zero to five. Priority for grants shall be given to those applicants that have a need for expanded access to inclusive early care, serve low-income communities, leverage local partnerships, are able to serve a broad range of disabilities, and plan to, or already do, serve children with disabilities in proportion to the rate of identification similar to LEAs in their area. Funds may be used for one-time infrastructure costs, adaptive equipment, and professional development, and grantees must provide a local match. The California Department

of Education (CDE) will administer the program, conduct an evaluation of the program and direct a related stakeholder workgroup.

- 5) Establishes the Inclusive Early Care Pilot Program. Under this program, county offices of education may apply to receive grants to increase access to early care and education programs for children with exceptional needs, including severe disabilities, from ages zero to five. Grantees may use funds for a variety of purposes to build local and regional capacity, including, but not limited to, outreach coordinators, placement navigators, adaptive equipment, professional learning, and assessment and evaluation tools, among others. Priority shall be given to applicants with a demonstrated need for expanded access to inclusive early care and education within their county, particularly within low-income and high-need communities. The CDE shall administer the program and conduct an evaluation. For purposes of this program, \$10 million in one-time federal funding is provided in the 2018-19 budget.
- 6) Requires the CDE to adopt regulations for California State Preschool programs under Title 5, on or before July 1, 2019, related to outdoor shade, drinking water, restrooms, supervision of children, and maintenance of indoor and outdoor space. Allows the CDE to adopt emergency regulations to meet the requirements of this section. Clarifies that the licensing flexibility provisions apply to any LEA-operated classroom that is funded in whole or part under the State Preschool Program. In addition, the Uniform Complaint Procedures section of this bill adds related provisions establishing a process for complaints related to the preschool health and safety requirements added to Title 5 regulations pursuant to this section.
- 7) Makes other technical changes, including specifying that alternative payment programs have between 12 and 24 months to expend funds allocated within a fiscal year.

K-12 Education

- 1) Allocates \$3.67 billion in ongoing Proposition 98 funding to further implement the Local Control Funding Formula (LCFF) for school districts and charter schools, bringing the total amount provided for LCFF to \$61.1 billion in the 2018-19 fiscal year. This funding includes a 3.7 percent cost-of-living adjustment for the 2018-19 fiscal year for purposes of calculating the LCFF targets for school districts and charter schools.
- 2) Provides \$697.8 million in discretionary one-time Proposition 98 funding to be distributed to school districts, charter schools and county offices of education on a per-student basis and offsets any applicable mandate reimbursement claims owed to schools. Allows for these funds to first offset an LEA's allocation with the balance of any payments due to the state for the Medi-Cal billing settlements. States legislative intent that these funds be prioritized for deferred maintenance, professional development, beginning teacher induction programs, instructional materials, technology infrastructure, and any other investments necessary to support implementation of state academic standards.

- 3) Allocates \$300 million in one-time Proposition 98 funding for the Low-Performing Students Block Grant, in order to provide LEAs with additional funding for low-performing students who are not otherwise identified for supplemental grant funding under the LCFF or eligible for special education services. This funding is provided on a per-student basis for students that do not meet specified achievement standards on state English language arts or mathematics assessments. Specifies that funds shall be used for evidence-based services that directly support pupil academic achievement, including, but not limited to, professional development activities for certificated staff, instructional materials, or additional student supports. Requires LEAs to develop a plan for how the funds will be used and to report to the Superintendent. Requires the CDE to compile the plans and report to the Legislature.
- 4) Includes \$100 million in one-time General Fund for the Full-Day Kindergarten Facilities Grant Program. The State Allocation Board is charged with allocating grants to school districts that lack the facilities to provide full-day kindergarten. Priority for grants is provided for districts with financial hardship or districts that have a high population of low-income students. Requires a local match, except for those districts that meet the financial hardship requirements.
- 5) Dedicates \$150 million in ongoing Proposition 98 funding to establish the K-12 component of the Strong Workforce Program for purposes of expanding the availability of high-quality, industry-aligned career technical education (CTE). Funding is allocated through the Community College Chancellor's Office to existing regional consortia based on the following factors in each region: 1) the unemployment rate (33 percent) 2) the region's total average daily attendance for students in grades 7 to 12 (33 percent), and 3) the proportion of projected job openings (34 percent). Regional consortia are required to collaborate with regional workforce and educational entities, develop a grant application process and allocate grants to LEAs to implement or expand CTE programs aligned with the consortia's regional plan. Requires grantees to provide a local match and requires specified data to be reported to the consortia and CDE. Includes \$14 million in ongoing Proposition 98 funding to support Workforce Pathway Coordinators, K-14 Technical Assistance Providers and the consortia administrative costs. Requires the Workforce Pathway Coordinators and Technical Assistance Providers to also provide technical assistance for grantees of the CTE Incentive Grant program.
- 6) Dedicates \$150 million in ongoing Proposition 98 funding for the existing CTE Incentive Grant program. Makes changes to the CTE Incentive Grant program to include a 2:1 local match requirement, includes additional reporting requirements for the CDE, eliminates the CTE Incentive Grant technical assistance coordinators and specifies that the K-12 Workforce Pathway Coordinators and the K-14 Technical Assistance Providers established through the Strong Workforce program will provide technical assistance to grant applicants.
- 7) Dedicates a total of \$75 million in one-time Proposition 98 funding for locally sponsored teacher residency programs for teacher shortage subject areas. Specifies that \$50 million is for teacher residency programs for special education teachers and \$25 million is for teacher residency programs for science, technology, engineering and mathematics (STEM) and bilingual education teachers. The Commission on

Teacher Credentialing is charged with administering the program to provide competitive grants to LEAs of up to \$20,000 per teacher. Grantees are required to provide a 1:1 local match. Funds can be used for a variety of purposes, including stipends for new teachers, mentor teachers, or tuition at a partner university.

- 8) Provides \$50 million in one-time Proposition 98 funding for the Local Solutions Grant program. Requires the Commission on Teacher Credentialing to provide competitive grants to LEAs to develop and implement new, or to expand existing, locally identified solutions that address a need for special education teachers. Grant funding may be used for teacher career pathways, signing bonuses for newly credentialed teachers, mentors for existing teachers, professional learning communities, service awards, teacher service scholarships, student debt payment, living stipends for newly credentialed teachers, or other solutions. Requires teacher participants who receive a teacher service scholarship, signing bonus, or student debt payment to teach at a school within the LEA jurisdiction for four years.
- 9) Provides \$50 million in one-time Proposition 98 funding for the Classified School Employee Professional Development Block Grant Program. Under this program, LEAs would receive a grant based on the number of classified school employees employed by the LEA in the immediately preceding fiscal year. Funds received pursuant to the program may be expended for specified purposes relating to the professional development of classified school employees, with first priority being professional development for the implementation of school safety plans, if applicable.
- 10) Provides \$50 million in one-time Proposition 98 funding for the Classified School Employee Summer Assistance Program. LEAs may elect to participate in this program, under which an LEA may withhold an amount from an eligible classified employee's monthly paycheck during the 2019–20 school year and deposit the amounts in an account within its general fund, to be known as the Classified School Employee Summer Assistance Program Fund. The CDE shall apportion funds to participating LEAs to provide a participating classified employee up to \$1 for each \$1 that a participating classified employee has elected to have withheld from his or her monthly paychecks. During the summer recess period, the LEA would be required to pay the participating classified employee from the Classified School Employee Summer Assistance Program Fund the amounts withheld in accordance with the classified employee's choices, plus the amount apportioned by the CDE that is attributable to the amount withheld from that classified employee's paychecks during the school year, as specified.
- 11) Amends statute to develop and align a statewide system of support for struggling LEAs and to promote continuous improvement of LEAs for all students in the identified state priority areas. Specifically, this bill establishes the following structure for the statewide system of support:
 - a. Refines requirements for county offices of education to support school districts in need of technical assistance to align to the development, by the State Board of Education, of a tiered support system, including a description of the requirements of the county office of education to provide technical assistance, and the ability of a school district to seek assistance from the

- county office of education and other providers. Makes similar amendments to the process for the Superintendent of Public Instruction (SPI) to assist struggling county offices of education. Establishes a formula for providing funding for county offices of education to support school districts that are in need of improvement as identified under the California School Dashboard (dashboard). Under this formula, county offices of education would receive base funding plus additional funding determined by the number of school districts identified as in need of differentiated assistance on the dashboard. County offices of education are also required to report on their plans for provision of technical assistance to the CDE, which in turn will compile the information and make it available on their website by November 1 of each year, beginning in 2019. Specifies the definition of, and methods of evaluation for, alternative schools within the state's accountability system.
- b. Establishes a structure for the selection and support of between six and 10 county offices of education as geographic lead agencies in their region. The responsibilities of the lead county offices of education would include building the capacity of other county offices of education in the region, coordinating and collaborating technical assistance across the region, providing technical assistance to a school district if a county office of education is unable to, and identifying existing resources and developing new resources upon request of the California Collaborative for Educational Excellence (CCEE) or the SPI. Subject to budget act appropriation, provides for creation of an additional county office of education expert lead agency specifically to provide support on a specified statewide issue. Clarifies how school districts, county offices of education, lead agencies, the CCEE, and the CDE will collaborate within the technical assistance process and how geographic lead agencies will be held accountable for improving student outcomes in their regions.
 - c. Establishes a structure for the selection and support of between six and 10 Special Education Local Plan Areas (SELPA) to serve as special education resource leads to work with county offices of education to improve outcomes for students with disabilities. Incorporates special education resource leads into the statewide system of support and specifies that at least three resource leads selected shall be focused directly on building SELPA capacity to work with county offices of education. Aligns the SELPA planning process with the Local Control and Accountability Plan (LCAP) process for LEAs. Requires the CDE to develop a template for a SELPA annual assurances support plan and a template for a summary document that supplements the SELPA plan and links SELPA budgeted activities with services and activities identified within, and that demonstrate consistency with, the LCAPs of LEAs in the SELPA. Requires SELPA annual assurances support plans to be updated to be three-year plans beginning July 1, 2019.
 - d. Clarifies the operations of the CCEE, including ongoing professional development activities, support of lead agencies, and direct technical assistance to LEAs under limited circumstances. Further clarifies the authority of the board of the CCEE to determine the acceptance and expenditure of CCEE revenues not appropriated by the Legislature.

- 12) Clarifies and consolidates statute related to the Uniform Complaint Procedures (UCP), including specifying instances in which a 60-day timeline is applicable for the CDE to complete UCP appeals. In addition, adds complaints related to preschool health and safety requirements, as required to be added to Title 5 under provisions allowing for licensing flexibility for State Preschool Programs operated by LEAs, to the UCP with specific timelines.
- 13) Allocates \$27.4 million in one-time Proposition 98 funding for the CDE for development of a computer-based English Language Proficiency Assessment for California (ELPAC) and a computer-based alternative ELPAC for students with disabilities.
- 14) Allocates \$15 million in one-time Proposition 98 funding to the Orange County Department of Education to expand upon past investments in Multi-Tiered Systems of Support (MTSS). The Orange County Department of Education, jointly with the Butte County Office of Education and a selected California postsecondary educational institution, is charged with building and disseminating statewide resources specifically focused on improving school climate, including social emotional learning, restorative justice and positive behavioral interventions, among others. Additionally, the designated county offices of education and the selected postsecondary educational institution are required to implement a pilot program to assist school districts in creating a positive school climate. In selecting school districts for the pilot program, priority is provided for those with a demonstrated need to improve school climate, as measured by the California School Dashboard. The designated county offices of education are also required to submit an annual report on how these funds were used.
- 15) Allocates \$15 million in one-time Proposition 98 funding for the After School Kids Code Grant Program. Requires the CDE to determine grant criteria and provide grants for eligible After School Education and Safety (ASES) programs that operate or plan to operate computer coding programs as part of their curriculum.
- 16) Provides \$13.3 million in one-time Proposition 98 funding to establish the Community Engagement Initiative. Specifically the initiative provides funding to the CCEE and a lead county office of education to solicit teams and establish three phases of professional learning networks focused on building the capacity of communities, school districts and county offices of education to engage more effectively in the LCAP process. The CCEE is also required to conduct statewide training on community engagement based on the findings of the professional learning networks.
- 17) Includes Legislative intent to enact legislation in the 2017-18 Regular Session to redesign the LCAP template. The intended changes to the template include streamlining the template to increase accessibility for parents and other local stakeholders and presenting information in a manner that more clearly shows whether services are being targeted to specific school sites or provided on a districtwide, countywide, or charterwide basis. Also includes Legislative intent to appropriate \$200,000 in one-time Proposition 98 funding for this purpose.

- 18) Requires each LEA to provide a parent-friendly budget summary that links budget expenditures to corresponding goals, actions, and services in the school district's LCAP. Requires the summary for parents to be included as part of the LCAP document and provides \$200,000 in one-time Proposition 98 funding to contract with the San Joaquin County Office of Education to incorporate the budget summary in the LCAP template.
- 19) Requires the CDE to post online the amount of supplemental and concentration grant funding awarded to each LEA on an annual basis once LEAs are funded at their LCFF targets.
- 20) Extends the date by which the State Board of Education may revise the Local Control and Accountability Plan (LCAP) template under the state's open meeting law rather than through the formal regulatory process, from December 31, 2018 to January 31, 2019.
- 21) Requires the Superintendent of Public Instruction to provide a third year of average daily attendance relief for school districts where no less than 5 percent of the residences were destroyed by the 2017 wildfires.
- 22) Allocates \$6 million in one-time General Fund for the Superintendent of Public Instruction to allocate to the San Francisco Unified School District to support a facilities project at A.P. Giannini Middle School.
- 23) Allocates \$3 million in one-time Proposition 98 funding for the Southern California Regional Occupational Center, pursuant to the 2017-18 Budget Act agreement.
- 24) Allocates \$2 million in one-time General Fund for the Superintendent of Public Instruction to allocate to the Special Olympics of Northern and Southern California for specified programs.
- 25) Allocates \$2 million in one-time General Fund for the Superintendent of Public Instruction to allocate to the Sweetwater Union High School District to support a facility project at Mar Vista High School.
- 26) Allocates \$1.7 million in one-time General Fund for the Superintendent of Public Instruction to identify evidence-based training programs for LEAs on suicide prevention and to provide a grant to a county office of education to acquire and disseminate a training program identified by CDE to LEAs at no cost.
- 27) Allocates \$1 million in one-time Proposition 98 funding for the Superintendent of Public Instruction for the California-Grown Fresh School Meals Grant Program to incentivize the purchase of California-grown food by schools and to expand the number of freshly prepared school meals offered within the state that use California-grown ingredients.
- 28) Provides \$716,000 Educational Telecommunication Fund to augment first-year funding for the Standardized Account Code Structure (SACS) system replacement project.

- 29) Allocates \$300,000 in one-time Proposition 98 funding for the CDE to contract with the San Joaquin County Office of Education to update the California School Dashboard interface.
- 30) Requires the CDE, on or before June 30, 2020, to develop a standardized English language teacher observation protocol for use by teachers in evaluating students' English language proficiency. The 2018 Budget Act reappropriates \$437,000 in federal Title III carryover for this purpose.
- 31) Makes technical amendments to the school district and county office of education local appropriations limit calculations to conform to the CDE's current practice and funding under the LCFF.
- 32) Removes the amount allocated to special education local plan areas (SELPAs) for program specialist/regionalized services (PS/RS) and allocates funds based on the statewide average PS/RS rate for all SELPAs.
- 33) Permanently authorizes Necessary Small High School funding determination based on geographical circumstances and size of the school.
- 34) Eliminates the sunset date for the California Assessment of Student Performance and Progress (CAASPP) system.
- 35) Exempts school districts impacted by the 2017 wildfires, upon receipt of a waiver from the United States Department of Education, from the requirement to administer CAASPP during the 2017–18 school year.
- 36) Eliminates the recently repealed California High School Exit Exam from the K-12 Mandates Block Grant.
- 37) Eliminates the sunset date of a provision of law that disallows the use of suspension based on acts of willful defiance for students in grades K-3.
- 38) Repeals a section of law that specifies the meal reimbursement rates for LEAs for school aged children and meal reimbursement rates for child care centers and homes. These reimbursement rates are updated annually in the Budget Bill.
- 39) Makes the following changes to the Charter School Facility Grant Program:
 - a. Requires the California School Finance Authority to verify facility and lease costs. Requires verified facility agreements to not exceed the prior year's costs, plus a cost-of-living adjustment, and requires the costs to be at or below market rate based on an independent appraisal.
 - b. Eliminates the requirement for the California School Finance Authority to first use funding to reimburse eligible charter schools for unreimbursed costs from the prior school year.

- 40) Extends the sunset date to 2034 for various education programs to align with the date specified in the Tax Extension to Fund Education and Healthcare (Proposition 55).
- 41) Makes technical changes in order to implement full-funding of the LCFF.
- 42) Exempts a school district with average daily attendance of more than 400,000 from the administrator to teacher ratio penalties pursuant to Education Code Section 41404 for the 2018-19 fiscal year.
- 43) Authorizes the Department of Finance to be a designated party to all LEA audit appeals submitted to the Education Audit Appeals Panel.
- 44) Allows the California School Finance Authority to charge administration costs to the 2016 facilities bond funding and to specify that required audits must be completed within one year of project completion.
- 45) Eliminates the cap for the maximum grant a summer program can receive under the After School Education and Safety Program and specifies that a program can dedicate up to 30 percent of their total grant amount for a summer program.
- 46) Specifies that joint power authorities may participate in and receive funding through the School Bus Replacement Program.
- 47) Exempts nonpublic schools and nonpublic agencies that provide special education services from an annual audit requirement.
- 48) Clarifies which average daily attendance will be used in the following cases:
 - a. When prior year and current year average daily attendance are equal, for purposes of apportionment determination, current year will be used.
 - b. When reporting out-of-state average daily attendance, second principal apportionment average daily attendance will be used instead of annual principal apportionment because those students are now credited to their district of residence under LCFF and not the county office of education.
- 49) Requires the Department of Finance, by June 30, 2019, to adjust funding provided to the CDE if the amount of revenues distributed to LEAs for special education programs are more or less than the estimated amount reflected in the 2018 Budget Act.
- 50) Requires the Department of Finance, by January 30, 2019, to adjust funding provided to the CDE, if revenues distributed to LEAs for special education programs are less than estimated due to fire-related property tax reductions in areas impacted by the 2017 wildfires.
- 51) Requires the Department of Finance, by January 30, 2019, to adjust funding provided to the CDE to reimburse basic aid school districts for property tax losses incurred in the 2017-18 fiscal year as a result of the 2017 wildfires.

52) Extends through the 2018-19 fiscal year the existing funding allocation method for the Out-of-Home Care program for foster students with exceptional needs.

53) Suspends the Proposition 98 statutory split between K-12 education and the California Community Colleges.

54) Makes a variety of technical clean-up changes to code references.

55) Declares that special statute is necessary due to unique circumstances for specified school districts.

56) Provides that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to existing law.

57) Declares this bill to take effect immediately as a bill providing appropriations related to the budget bill.

Fiscal Effect: The funding related to the changes in this bill is contained in the 2018-19 Budget Act. In addition, this bill appropriates funding for K-14 education programs, totaling approximately \$5.2 billion.

Support: None on file.

Opposed: None on file.

Comments: This bill provides the necessary statutory changes to enact the 2018-19 budget related to K-12 education.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1809	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 As amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Anita Lee		

Subject: Higher education trailer bill

Summary: This bill enacts various statutory changes necessary to implement the higher-education provisions for the Budget Act of 2018.

Proposed Law: Specifically, this bill:

- 1) University of California (UC) Systemwide Programs and Initiative Report. Requests that the University of California annually report on Office of the President systemwide programs and initiatives, including a description of activities, costs, and sources of revenue.
- 2) UC and California State University (CSU) Financial Aid Reports. Amends a reporting requirement for the California State University and a reporting request for the University of California regarding student financial aid. The amendments reduce the number of annual reports from two to one, and seek information on institutional aid programs, including the percentage of students receiving aid, demographic information regarding the students who receive aid, and demographic information regarding low-income students who do not receive aid.
- 3) CSU Other Post-Employment Benefits. Changes the vesting period for specified CSU employees for retiree health and dental benefits to ten years of state service.
- 4) CSU Admissions Policy Report. Requires CSU to report annually on the impacts of admissions policy changes enacted in the 2017 Budget Act. The changes redirect CSU applicants who are denied admission to an impacted campus to a non-impacted campus, if they meet CSU qualifications, and provide local students with an admissions advantage if they are applying to impacted programs.
- 5) California Community College (CCC) Financial Aid Processing. Provides \$13.5 million one-time Proposition 87 General Fund to support technology advancements and innovations in financial aid processing and management systems at the community colleges to streamline financial aid verification.
- 6) Science Technology Engineering and Manufacturing (STEM) Pathway Program. Establishes the California STEM Pathways Grant Program, and provides \$10 million one-time Proposition 98 General Fund for this purpose. Specifically, the program would provide students in grade nine through 14 with education pathways focused

on STEM programs, and establish partnerships between community colleges, high schools, and industry.

- 7) CCC Apprenticeship Programs. Makes changes to the apprenticeship program to allow some apprenticeship programs to receive community college credit funding and require additional reporting on instructional hours and costs. Places the California Apprenticeship Initiative New and Innovative Grant Program into statute and gives grant recipients five years to spend initiative funds. The bill also provides \$36.5 million in one-time Proposition 98 General Fund to reimburse local education agencies for unfunded instructional hours in the apprenticeship program.
- 8) CCC Student Success and Completion Grant. Creates the Community Colleges Student Success Completion Grant by combining the Community College Completion Grant and the Full-Time Student Success Grant. The new financial aid grant program provides eligible community college students with an additional \$649 per semester or quarter equivalent for enrolling in 12-14 units, and \$2,000 for students enrolled in 15 or more units. Students must maintain satisfactory academic progress.
- 9) CCC Reentry Grant. Provides \$5 million in one-time Proposition 98 General Fund to establish a reentry grant program at the community colleges to provide support for currently and formerly incarcerated students for their reentry into their communities. Grant activities include academic counseling, mentoring services, referral to on-and-off campus resources, career counseling and placement. The Chancellor's Office is required to report use and outcomes of funds by July 31, 2022.
- 10) Student Equity and Achievement Program. Establishes the Student Equity and Achievement Program (SEAP) by combining the Student Success and Support Program, the Student Success for Basic Skills program, and the Student Equity Program. As a condition of receiving funds, colleges must maintain student equity plans, provide student matriculation services, adopt multiple measures placement policies, and provide all eligible students with an education plan.
- 11) CCC Online Education Resources. Provides \$6 million to the Academic Senate of the California Community Colleges to support the development and expansion of the use of open educational resources at the CCC. The Academic Senate is required to report the use and outcomes of funds by February 1, 2022.
- 12) CCC Undocumented Legal Services. Provides \$10 million in one-time Proposition 98 General Funds to the CCC to contract with the Department of Social Services, which would contract with qualified nonprofit legal services to provide legal services to undocumented and immigrant students.
- 13) Online Community College. Creates a new online college. The new college – the 115th in the community college system - will be administered by the Board of Governors and develop courses and programs that lead to short-term credentials and certifications with labor market value. The new college will not develop programs already offered at existing colleges, and must report to the Legislature on progress toward achieving accreditation.

- 14) CCC Online Education Initiative Grant: Provides \$15 million in one-time Proposition 98 General Fund to the Online Education Initiative to provide competitive grants to community college districts to develop online programs and courses that either (1) lead to short-term, industry valued certificates, credentials or programs or (2) enable a student in a pathway developed by the Online College to continue their education in a career pathway offered at an existing community college. The 2018-19 budget also provides \$20 million one-time Proposition 98 General Fund for this purpose.
- 15) College and Career Access Pathway: Allows charter schools to participate in College and Career Access Pathways (CCAPs), and specifies the instructional time requirements for charters schools.
- 16) Civic Center Act: Allows community colleges to negotiate rental prices with for-profit entities for use of facilities, property or grounds that are no less than the fair rental value.
- 17) CCC 2017-18 Apportionment. Reduces the community colleges' apportionment schedule by \$124.1 million, as initially provided in the 2017 Budget Act, to reflect unused prior year enrollment growth funding, revised local revenue estimates, revised estimate of offsetting student fees, and other base adjustments.
- 18) CCC Audit Manual. Removes the requirement for the Department of Finance to review the community colleges' audit manual.
- 19) Adult Education. Limits the amount of funding that can be used for administrative costs for adult education consortium members to five percent of funding received. This bill also extends the three-year planning cycle for adult education regional consortia by one year, to allow for an extra year of planning. Lastly, it requires adult education programs and community colleges to use a statewide student identifier consistent with the identifiers assigned to students in K-12 education programs, if the student is not already identified by a social security number in the data system of the adult school or other local educational agency providing the adult education programs, courses, or classes. This will allow for better tracking of student outcomes.
- 20) Tuition for Students with Special Immigrant Visas. Fixes a technical error regarding 2017 legislation that exempts students with special immigrant visas from nonresident tuition at community colleges.
- 21) Community College Student Focused Funding Formula: Adopts the Student Focused Funding Formula, which reforms the apportionment funding formula for community colleges. Specifically, the new apportionment funding is based on: (1) a base allocation, which accounts for total number of students enrolled, (2) a supplemental allocation, which provides funding based on the number of financially needy students enrolled, and (3) a student success allocation, which provides funding based on the numbers of degrees and certificates awarded, transfers to four-year universities and colleges, and numbers of students who earn a regional living wage within one year of program completion. Under the student success allocation, colleges receive an additional weight for financially needy students who complete a degree or certificate.

The funding formula will be phased in over a three year period. In 2018-19, the base, supplemental, and student success allocation would account for approximately, 70, 20, and 10 percent of the funding formula, respectively. In 2019-20, this distribution grows to 65, 20, and 15 percent. Finally, in 2020-21, the distribution will be 60, 20, and 20 percent.

This trailer bill provides community college districts with hold harmless provisions in 2018-19, 2019-20, and 2020-21 to ensure that no district would receive less funding than they received in 2017-18, adjusted for the Cost-of-Living. In 2021-22 and future years, districts will receive no less in apportionment funding than they received in 2017-18.

This trailer bill also provides stability funding for community college districts. This establishes a one-year delay to districts experiencing a reduction in their apportionment funding because they are declining in enrollment.

- 22) Student Hunger Services and Report Funding. Provides \$10 million one-time Proposition 98 General Fund to community colleges to support campus efforts to address student hunger and basic needs. Allows for \$250,000 to be spent on a systemwide study of student hunger, housing and basic needs issues.
- 23) CCC Mental Health Services. Appropriates \$10 million in one-time Proposition 98 General Fund to community colleges to expand mental health services and training.
- 24) CCC Veterans Resource Centers. Provides \$6.2 million in one-time Proposition 98 General Fund to community colleges to support creation of and expansion of campus veterans resource centers. Additional funding for this purpose is provided in the 2018 Budget Act.
- 25) CCC Part-Time Faculty Office Hours. Appropriates \$30 million in one-time Proposition 98 General Fund to support part-time faculty office hours.
- 26) Middle Class Scholarship. Adjusts the statutory appropriation to the Middle Class Scholarship to reflect the estimated caseload for the program.
- 27) Private Non-Profit. Allows the maximum Cal Grant award for students attending accredited nonprofit colleges and universities to stay at \$9,084 if the nonprofit sector admits at least 2,000 community college students who earned an associate degree for transfer in 2019-20, 3,000 such students in 2020-21, and 3,500 in 2021-22. The required number of transfer students is to increase after that by the percentage growth in transfers to the sector as a whole.
- 28) Cal Grant for Foster Youth. Expands eligibility for the Cal Grant B entitlement award for students who are current or former foster youth. This bill expands the the window of time in which they can qualify for an award to up to age 26 and increases the amount of time they can receive an award from four years to eight years.

- 29) Sunset Related to Use of For-Profit Library Services. Eliminates the sunset provision of a law requiring cities seeking to contract for library services with a for-profit company to conduct a public notice and competitive bidding process.
- 30) Student Authors Pilot Program. Creates the California Student Authors Program, which will provide competitive grants to nonprofit organizations to work with and publish the writings of student authors in public housing developments.
- 31) Student Hunger Reporting and Workgroup. Requires campus level reporting on the use of student anti-hunger funding and other campus efforts to address student basic needs. This bill also creates a working group involving campuses, counties and state officials to ensure better cooperation related to enrollment of low-income students in federal benefit programs to which they are entitled.
- 32) Testing Reporting Language. Amends state law to allow college testing companies to provide data to an appropriate state agency or post information on company websites. Previous statute required the reporting of data to the California Postsecondary Education Commission, which is no longer funded.
- 33) The California Education Learning Lab. Creates the California Education Learning Lab, which will provide grants to groups of faculty to design online courses in science, technology, engineering and math and work to address achievement gaps in these courses.
- 34) Refugees Career Pathways Funding. Provides \$5 million in one-time Proposition 98 General Fund to community colleges to support the development of career pathway programs for refugees. Participating colleges will partner with a nonprofit organization with demonstrated expertise in supporting refugees to provide career readiness training.

Fiscal Effect: This bill appropriates approximately \$157.2 million in one-time Proposition 98 General Fund one-time.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1810	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Health

Summary: This bill is the omnibus health trailer bill, and contains changes to implement the 2018-19 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2018. Specifically, this bill:

- 1) **Medi-Cal General Fund Loan Authority.** Augments General Fund loan authority to the Department of Health Care Services (DHCS) from \$1 billion to \$2 billion for operation of the Medi-Cal program for years in which there is a deficiency, and appropriates the corresponding federal matching funds for payments made with loan funds.
- 2) **Covered California Options for Affordable Coverage.** Directs the California Health Benefits Exchange (Covered California) to, in consultation with stakeholders and the Legislature, develop and report options for providing financial assistance to help low- and middle-income Californians access health care coverage by February 1, 2019.
- 3) **Council on Health Care Delivery Systems.** Establishes the intent of the Legislature to provide coverage and access through a unified financing system for all Californians, to control health care and administrative costs, to ensure high-quality health care, to limit out-of-pocket costs, to train and employ an adequate health care workforce, and to ensure all Californians have timely access to necessary health care. Creates the Council on Health Care Delivery Systems, with three members appointed by the Governor and one each from the Senate Rules Committee and Speaker of the Assembly. Directs the council, on or before October 1, 2021, to submit a plan to the Legislature and Governor with options that include a timeline of the benchmarks and steps necessary to implement health care delivery system changes, including steps necessary to achieve a unified financing system.
- 4) **Use of Federal Standards for State Regulation of Facilities.** Authorizes the Department of Public Health (DPH) to continue using federal regulatory standards for state licensing standards for chronic dialysis clinics, rehabilitation clinics, and ambulatory surgical clinics. Authorizes DPH to continue using federal regulatory standards during the rulemaking process for regulations for intermediate care facilities for individuals with developmental disabilities.

- 5) **Los Angeles County Supplemental Licensing Fee.** Authorizes DPH to assess a supplemental licensing fee on facilities located in Los Angeles County. The fee will be used to cover the costs to administer and enforce state licensure standards and other federal compliance activities for facilities located in the county, as described in the department's annual fee report.
- 6) **Sunset Extension for Needle Exchange Programs.** Eliminates the sunset for authorization of needle exchange programs. Allows a state-funded syringe exchange supply clearing house to provide materials that are needed to prevent the transmission of viral hepatitis, fatal overdose, and other potentially deadly or disabling conditions.
- 7) **Eliminate Treatment Limits for Breast and Cervical Cancer Treatment.** Removes the current treatment limitations for beneficiaries in the state-funded Breast and Cervical Cancer Treatment Program of 18 months for breast cancer treatment and 24 months for cervical cancer treatment, consistent with other beneficiaries of the program.
- 8) **Lead-Related Construction Certification.** Sets the application fee for certification to perform lead-related construction work in residential and public buildings under the Lead-Related Construction program at a level sufficient to ensure that application processing times do not exceed an average of 60 days.
- 9) **Modify and Expand Pre-Exposure Prophylaxis (PrEP) Assistance Program.** Expands eligibility requirements, benefits, and confidentiality provisions for the PrEP Assistance Program within the AIDS Drug Assistance Program.
- 10) **Expansion of the Black Infant Health Program.** Expands the Black Infant Health Program by providing grants to counties to develop local Community Centers of Excellence in perinatal health. Directs Community Centers of Excellence to adopt evidence-based or evidence-informed strategies to reduce black infant mortality and prevent preterm births.
- 11) **Health Care Cost Transparency Database.** Directs the Office of Statewide Health Planning and Development (OSHPD) to establish and administer the Health Care Cost Transparency Database to collect data from health care service plans, health insurers and other payers regarding payments and pricing for health care services. Directs OSHPD to convene a review committee of health care stakeholders and experts to provide guidance for developing the database.
- 12) **Incompetent to Stand Trial Mental Health Diversion.** Authorizes pre-trial diversion program for individuals with certain mental disorders alleged to have committed a misdemeanor or felony offense. Directs the Department of State Hospitals (DSH), in consultation with the Council on Criminal Justice and Behavioral Health, to establish a county grant program for counties to develop or expand pretrial diversion programs for individuals with certain mental disorders alleged to have committed a misdemeanor or felony offense. Requires county programs to provide clinically appropriate or evidence-based mental health treatment and wraparound services across a continuum of care to meet the individual needs of

diversion participants, as well as a connection to services in the community upon completion of the diversion program.

- 13) **Competency Restoration Assessments.** Authorizes a court to make a determination that a patient has regained competency prior to admission into the proposed Los Angeles County Restoration in Community Treatment Program facility or a DSH facility.
- 14) **Repeal of Clinic and Community Treatment Facility Supplemental Payment Program.** Repeals statutory provisions requiring the establishment of a supplemental payment program in Medi-Cal for certain clinics and community treatment facilities, as conditions of federal approval resulted in few facilities being eligible for the program.
- 15) **Diabetes Prevention Program Implementation.** Revises eligibility requirements for the Diabetes Prevention Program at DHCS authorized in the 2017 Budget Act to be consistent with requirements for the federal Centers for Disease Control and Prevention's Diabetes Prevention Recognition Program.
- 16) **Cost-Based Reimbursement Clinic Directed Payment Program.** Authorizes DHCS to implement the Cost-Based Reimbursement Clinic (CBRC) Directed Payment Program to provide additional reimbursement to CBRCs that contract with a Medi-Cal managed care plan.
- 17) **Erroneous Payment Correction Recoupment.** Authorizes DHCS, when seeking to recoup or recover funds from Medi-Cal fee-for-service providers for overpayments, federally approved rate or payment reductions, or audit-related payment recoveries, to allow for modification of the amounts withheld from a provider payment or the timing of repayments upon request of the provider and a demonstration of hardship.

Fiscal Effect: This bill augments General Fund loan authority to the Department of Health Care Services from \$1 billion to \$2 billion for operation of the Medi-Cal program for years in which there is a deficiency, and appropriates the corresponding federal matching funds for payments made with loan funds.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 1811 **Hearing Date:** June 18, 2018
Author: Committee on Budget
Version: June 12, 2018 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Theresa Pena

Subject: Human services omnibus

Summary: Provides for statutory changes necessary to enact human-services related provisions of the Budget Act of 2018.

Background: As part of the 2018-19 budget package, Assembly Bill 1811 makes statutory changes to implement the budget act.

Proposed Law:

For the Department of Social Services (DSS):

CalWORKs: This bill includes provisions pertaining to the CalWORKs program, including:

- 1) **Ending Childhood Deep Poverty.** Increases the maximum aid payment (MAP) amounts for CalWORKs recipients by 10 percent effective April 1, 2019, and states the intent of the Legislature to provide future grant increases in 2019-20 and 2020-21, in order to increase grants to no less than 50 percent of the Federal Poverty Level. Specifies that if an incremental adjustment is made to the MAP, the county share of the adjustment is either based on the total incremental adjustment or the increase in the California Necessities Index, whichever is lower when the adjustment becomes effective. The Budget Act includes \$360 million General Fund ongoing for this purpose.
- 2) **Cost-of-Living Adjustment (COLA).** Provides for a COLA, beginning in 2022-23, to the MAP in the CalWORKs program, contingent upon funding in the annual Budget Act.
- 3) **Home Visiting Initiative.** Establishes the CalWORKs Home Visiting Initiative beginning January 1, 2019, as a voluntary program for the purpose of supporting positive health, development, and well-being outcomes for eligible pregnant and parenting women, families, and infants born into poverty. Includes case management and evidence-based home visiting, as defined, as a primary component of the program, and requires home visiting to be offered to an individual who meets certain criteria and to include, but not be limited to, specified resources and referrals relating to prenatal, infant, and toddler care, among other things. Makes participation in the program optional for counties and requires a county that applies for funds under the program to agree to the terms of the program and to

include specified information in its application. Subject to an appropriation in the annual Budget Act, requires DSS to award funds to participating counties for the purposes of the program.

- 4) **Homeless Assistance Program (HAP) Voucher Increase.** Increases the daily rate for CalWORKs temporary homeless assistance from \$65 a day to \$85 a day for a family with up to four members, and increases the daily maximum from \$124 to \$145, based on the current \$15 increase per additional family member. The HAP helps homeless CalWORKs families pay for up to 16 consecutive days of temporary shelter while the family is searching for permanent housing.
- 5) **Welfare to Work Study Time.** Authorizes hours required for study time to be provided for by an educational or training institution when determining the minimum number of hours of participation in educational or vocational training necessary for a CalWORKs recipient to be exempt from concurrent work activities.

Supplemental Security Income/State Supplemental Payment (SSI/SSP): This bill includes provisions pertaining to the SSI/SSP program, including:

- 1) **Ends SSI Cashout with Hold Harmless for Current Cases.** Grants CalFresh eligibility, as specified, to recipients of SSI, SSP, or both as of June 1, 2019, or an alternate implementation date determined by the department that is no later than August 1, 2019. Requires a county welfare department to determine continuing eligibility and benefits for households, as specified. Establishes the SSI/SSP Cash-In Supplemental Nutrition Benefit (SNB) Program to provide nutrition benefits to a CalFresh household that had its benefits reduced when a previously excluded SSI or SSP recipient was added to the household under the new eligibility provisions. Establishes the SSI/SSP Cash-In Transitional Nutrition Benefit (TNB) Program to provide nutrition benefits to a CalFresh household that became ineligible when a previously excluded SSI or SSP recipient was added to the household under the new eligibility provisions. Provides that the SNB and TNB program benefits would be granted only to the extent funding is appropriated in the annual Budget Act. States legislative intent to continue funding a hold harmless for populations as specified, until natural program attrition negates the need for future funding. States legislative intent to provide ongoing funding for county administration for implementation for the duration of the hold harmless. The Budget Act includes \$200 million General Fund to enable the beginning of this initiative.
- 2) **Cost-of-Living Adjustment (COLA).** Provides for a COLA, beginning in 2022-23, to the benefits under the SSI/SSP program, contingent upon funding in the annual Budget Act.

Child Welfare Services: This bill includes provisions pertaining to Child Welfare Services, including:

- 3) **Resource Family Approval (RFA) Long-Term Funding Solution.** The RFA process was designed to be completed in 90 days; however, in its first year of implementation, families were not receiving payment for well beyond this timeframe. AB 110 (Committee on Budget), Chapter 8, Statutes of 2018, was enacted to provide a short-term solution providing payment to families through June 2018 who

saw a delay beyond 90 days. This bill proposes a long-term solution beginning July 1, 2018 by providing payment at the time of placement for emergency caregivers. In 2018-19, families who experience a delay in payment beyond 90 days can receive an extension of up to either 180 days or 365 days. Counties will need to provide documentation showing that specific conditions are met for either extension, including that the delay was beyond the control of the family or the county. For 2019-20 and beyond, emergency caregivers will still receive payment at the time of placement, and if the RFA process takes longer than 90 days, DSS will consider extensions if it makes the determination that the RFA process cannot be completed within the 90 days due to circumstances beyond a county's control. Payments will be made through the Emergency Assistance (EA) Program and use Temporary Assistance for Needy Families (TANF) funds, with a 70 percent share funded by the state and a 30 percent share funded by the county.

- 4) **Continuum of Care Reform (CCR) Placement Contingency Plan.** Authorizes DSS to grant an extension to a group home to, on a case-by-case basis, extend its rate beyond December 31, 2018, upon a county child welfare department submitting a written request on behalf of a provider and providing required documentation. Authorizes such extensions in increments of up to 6 months, not to exceed a total of 12 months. In order to be eligible to maintain placement of foster youth in a group home receiving an extension, the county child welfare agency, in partnership with the county mental health plan, shall submit a plan to DSS by August 15, 2018.
- 5) **CCR True-Up Reconciliation.** Requires the Department of Finance, in consultation with the DSS, the County Welfare Directors Association of California, the Chief Probation Officers of California, and the California State Association of Counties, to develop and implement a methodology for determining the state's and each county's overall actual costs and savings resulting from the CCR initiative.
- 6) **Improving Outcomes for Older Youth in Shelters/Group Homes.** Requires each group home, transitional shelter care facility, short-term residential therapeutic program, and temporary shelter care facility to develop protocols that dictate the circumstances under which law enforcement may be contacted in response to the conduct of a child residing at the facility. Requires the protocols to, among other things, specify that contacting law enforcement shall only be used as a last resort once all other de-escalation and intervention techniques have been exhausted and only upon approval of a staff supervisor. Requires DSS to allocate funds appropriated to provide training and community-based, culturally relevant, trauma-informed services in order to reduce the frequency of law enforcement involvement and delinquency petitions arising from incidents at group homes and other facilities licensed to provide residential care to dependent children. The budget provides one-time funding for these purposes.
- 7) **Chafee Grant Foster Youth Support.** Commencing with the 2018-19 award year and contingent upon an appropriation of sufficient funds in the annual Budget Act for this purpose, adds the condition that the student not be 26 years of age or older by July 1 of the award year in order to receive a Chafee grant award. Requires the commission to annually report to the Legislature specified information regarding Chafee grant awards for the preceding award year, including the number of students that apply to receive the Chafee grant award, and the number of, and age of, students receiving grants through the program.

- 8) **Home Based Family Rate.** Clarifies that the new Home-Based Family Care (HBFC) rate structure, established as part of the CCR, does not apply for cases that went to permanency on or before December 31, 2016 for the Adoption Assistance Program (AAP), the Kinship Guardian Assistance Payment (Kin-GAP) program, and the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, and Non-Related Legal Guardian cases. These cases will continue receiving the rates that existed at the time permanency was established.

In-Home Supportive Services (IHSS): This bill includes provisions pertaining to the IHSS program, including:

- 1) **Waiver Personal Care Services (WPCS) Provider Parity.** WPCS providers are currently excluded from the same collective bargaining rights as IHSS workers. This bill establishes county public authorities and nonprofit consortia as the employers of record for WPCS providers, and extends the same collective bargaining rights and structures that currently exist for IHSS providers to WPCS providers. Wages and benefits would be the same for WPCS providers as those of IHSS providers in the counties in which they serve.
- 2) **Paid Sick Leave Workgroup.** No later than February 1, 2019, requires the DSS, in consultation with the Department of Finance and stakeholders, to reconvene the paid sick leave workgroup for in-home supportive services. Requires the workgroup to discuss how paid sick leave affects the provision of in-home supportive services and to consider the potential need for a process to cover an in-home supportive services recipient's authorized hours when a provider should need to utilize his or her sick time. Requires the workgroup to complete its work by November 1, 2019.

CalFresh: This bill includes provisions pertaining to the CalFresh program, including:

- 1) **CalFresh Fruit and Vegetable EBT Pilot.** Establishes the California Fruit and Vegetable EBT Pilot Project in order to increase the purchase and consumption of California-grown fruits and vegetables that are financially out-of-reach for low-income residents. Requires DSS, in consultation with the Department of Food and Agriculture and stakeholders, to include within the EBT system a supplemental benefits mechanism that allows an authorized retailer to deliver and redeem supplemental benefits. Requires DSS to evaluate the pilot and make recommendations to further refine and expand the supplemental benefits mechanism, and submit a report to the Legislature no later than January 1, 2022.

Additionally, for DSS, this bill:

- 1) **Deaf Access Program.** Requires the DSS to contract with public agencies or private nonprofit corporations pursuant to a competitive bid process to provide deaf access services. Authorizes those contracts to be negotiated for a term not to exceed five years. Requires a private nonprofit corporation to submit a financial statement for its most recent fiscal year prior to any new award or renewal of a contract.

- 2) **Home Safe Program.** Establishes the Home Safe Program, which would require the DSS to award grants to counties, tribes, or groups of counties or tribes, that provide services to elder and dependent adults who experience abuse, neglect, and exploitation and otherwise meet the eligibility criteria for adult protective services, for the purpose of providing prescribed housing-related supports to eligible individuals. Requires the DSS to develop criteria and procedures to award the grants, and requires the DSS to enter into a contract with an independent evaluation and research agency to evaluate the impacts of the program. The Budget Act provides one-time funding of \$15 million General Fund for these purposes.
- 3) **CalSAWS Stakeholder Workgroup.** Requires the DSS, the Department of Health Care Services (DHCS), the Office of Systems Integration (OSI), and the California Statewide Automated Welfare System (SAWS) project consortia to engage with stakeholders to discuss current and planned functionality changes, system demonstrations of public portals and mobile applications, and advocates' identification of areas of concern. Requires these meetings to commence in the summer of 2018 and to continue at least quarterly through development, implementation, and maintenance. Also requires the DSS, the DHCS, and the OSI to develop, in consultation with the County Welfare Directors Association of California, the SAWS consortia, and stakeholders, a formal process for health and human services advocates and clients to provide input into new or changing public facing elements of CalACES and the California Automated Consortium Eligibility System (CalSAWS).
- 4) **Tribal-State Title IV-E Agreements – Start Up Allocations.** Provides start-up funds from existing allocations and funding for tribes who have executed Tribal/State Title IV-E Agreements to provide child welfare service programs. This funding will be available for the first three years of implementation of the agreement.

For the Department of Aging:

- 1) **Long-Term Care Ombudsman.** Increases the base allocation for local Long-Term Care Ombudsman offices to \$100,000 annually.

For the Department of Child Support Services:

- 2) **Child Support Services Data Reporting and Workgroup.** Requires the director of the Department of Child Support Services and the president of the Child Support Directors Association of California to jointly lead discussions for purposes of identifying program-wide operational efficiencies and further refinements to the budget methodology for the child support program beginning July 1, 2018, and requires the department to submit a report to chairs of the budget committees of each house of the Legislature that includes a description of the topics discussed and recommendations by July 1, 2019. Repeals these provisions on January 1, 2021.

Fiscal Effect: Funding related to the changes in this bill is contained in the 2018-19 budget.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 1812 **Hearing Date:** June 18, 2018
Author: Committee on Budget
Version: June 12, 2018 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Christopher Francis

Subject: Public safety omnibus

Summary: Provides for statutory changes to enact the public safety-related provisions of the Budget Act of 2018.

Background: As part of the 2018-19 budget package, AB 1812 makes statutory changes to implement the budget act.

Proposed Law: This bill makes the following statutory changes:

- 1) **Juvenile Justice Reform:** Requires a person who is committed to the Division of Juvenile Justice (DJJ), Department of Corrections and Rehabilitation (CDCR) on or after July 1, 2018 for one of specified offenses and who, at the time of adjudication would have been eligible for transfer to a court of criminal jurisdiction and was adjudicated of a crime or crimes that, in criminal court, would have carried a maximum possible sentence of seven years or more, to be discharged upon the expiration of a two-year period of control, or when he or she attains 23 years of age, whichever occurs later, unless an order for further detention has been made by the committing court, as specified. Adds language protecting youth staying at DJJ prior to this bill who would not benefit from additional time in DJJ facilities from being subject to the age of jurisdiction extension. Establishes a seven-year young adult pilot program to provide more robust rehabilitative programming for transition-aged youth.
- 2) **Juvenile Justice ID Card:** Sets forth an interagency agreement between the DJJ and the Department of Motor Vehicles to grant eligible juveniles being released an identification card. Sets forth criteria for identification card acquisition.
- 3) **CDCR Training Initiatives:** Increases number of academy hours from 480 to 520.
- 4) **CalPIA Vehicles:** Gives CalPIA authority to purchase vehicles to meet demand.
- 5) **AB 900 Reduction in Lease Revenue:** Reduces the lease revenue debt authority provided by AB 900 (Solario), Chapter 7, Statutes of 2007, for Phase II (County Jail Projects) by \$2.6 million, due to Stanislaus' savings from their completed county jail project.
- 6) **Correctional Clinic Model- Pharmaceuticals:** Establishes a correctional clinic model under the CDCR.

- 7) **CDCR Division of Fiscal and Business Services:** Establishes the Division of Fiscal and Business Services at CDCR. Documents an internal reorganization in statute.
- 8) **CDCR Wellness Initiatives:** Amends leases of state-owned facilities for employee wellness initiatives. Enables healthy food vendors to come on site to state prisons and establish their businesses on the property.
- 9) **Extension of Sunset for County-to-County Transfer:** Extends the sunset date for provisions of law that allow a county, when adequate facilities are not available for prisoners in its adult detention facilities, to enter into agreements with one or more counties that have adequate facilities, as specified. The existing authority sunsets on July 1, 2018, and this bill extends it to July 1, 2021.
- 10) **Court Holding Cell Clarification:** Includes court holding facilities within a superior court that are operated by or supervised by specified personnel in the definition of a local detention facility. Currently, a local detention facility is defined as a city, county, city and county, or regional facility used for confinement of adults or both adults and minors.
- 11) **Coroner's Fee Revenue Shift to State Penalty Fund:** Amends the Penal Code and the Health and Safety Code to replace references to the Peace Officers' Training Fund, which is no longer used by the Commission on Peace Officer Standards and Training, with references to the State Penalty Fund.
- 12) **Standards and Training for Local Corrections:** Amends language in Penal Code Section 6040 by striking references to the Corrections Training Fund and broadly referring to funds used for the costs of administration, the development of appropriate standards, the development of training, and program evaluations.
- 13) **Law Enforcement Trainings on use of force:** Establishes an innovation grant to develop and providing trainings to reduce officer-involved shootings
- 14) **Facility and Capital Outlay Plan:** Establishes a plan to reduce CDCR's capacity in response to continuing population reductions, in a manner that maximizes long-term state facility savings and provides sufficient flexibility to meet the court ordered 137.5 percent institutional population limit.
- 15) **Youth Reinvestment Grant Program:** Creates the Youth Reinvestment Grant Program, which is dedicated to addressing trauma-informed diversion for youth, including, but not limited to, a focus on serving Native American youth. It also creates guidelines for administration of funds and reporting requirements.
- 16) **Makes technical fixes to AB 41 (Chiu), Chapter 694, Statutes of 2017** regarding the reporting of information related to sexual assault evidence kits.
- 17) **1170 (d) Resentencing:** Authorizes the courts, when resentencing a defendant, to reduce a defendant's term of imprisonment and modify the judgement, including a judgement entered after a plea agreement, if it is in the interest of justice. Authorizes the courts to consider specific post-conviction factors when resentencing a defendant.

- 18) **Contraband Interdiction:** Adds reporting requirements to the CDCR's proposal to best inform future policy decisions.
- 19) **Cocoran Levee Assessment:** Appropriates \$1.8 million General Fund to the Department of Corrections and Rehabilitation to provide funding for the Cocoran Levee Assessment.
- 20) **CAL-FIRE/CDCR Fire Training Program:** Gives CAL-FIRE the authority to grant Emergency Medical Responder (EMR) certifications to formerly incarcerated participants of the CAL-FIRE training program. Stipulates that EMR acquisition is subject to participants working towards a high school diploma or equivalent and receiving a recommendation from director of CAL-FIRE upon graduation from the program.

Fiscal Effect: This bill appropriates \$1.8 million General Fund for specified purposes. The remaining funding related to the changes in this bill is contained in the 2017-18 Budget Act.

Support: None on file.

Opposed: None on file.

Comments: This bill provides the necessary statutory changes to enact the 2018-19 budget related to public safety.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1813	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Christopher Francis		

Subject: Courts: omnibus

Summary: Provides for statutory changes to enact the courts-related provisions of the Budget Act of 2018.

Background: As part of the 2018-19 budget package, AB 1813 makes statutory changes to implement the budget act.

Proposed Law: This bill makes the following statutory changes:

- 1) **Cy Pres:** Reestablishes California's previous cy pres rule without specific earmarks to the organizations previously listed. In addition, requires attorneys to disclose to the court their connection or relationship to a cy pres recipient that creates the appearance of impropriety and requires the California Research Bureau, starting January 1, 2024, to publish a report every five years on cases awarding cy pres distributions.
- 2) **Appellate Judgeship:** Increases the number of judges in the division of the Court of Appeal in the Fourth District in San Bernardino/Riverside from seven to eight.
- 3) **Riverside County Court Judgeships:** Increases the number of judges for Riverside County from 51 to 53.
- 4) **Trial Court Construction Projects:** Re-evaluates the criteria that are used to select future court construction projects and requires a long-term fund condition statement for the construction account associated with each construction funding request to ensure that the Legislature has sufficient information to determine whether a proposed project should begin or continue.
- 5) **Court Fee Sunset Extension:** Extends the sunset for the operation of the \$40 supplemental fee for filing any first paper in civil proceedings from July 1, 2018 to July 1, 2023. Extends the sunset for the operation of the \$1,000 complex case fee and \$18,000 total fee limitation from July 1, 2018 to July 1, 2023. Extends operation of the \$60 filing fee for filing any specified motion, application, order to show cause, or any other paper requiring a hearing subsequent to the first paper from July 1, 2018 to July 1, 2023. Extends the operation of the \$40 filing fee for a request for special notice to January 1, 2024.

- 6) **Pilot Project for Online Traffic Adjudications:** Requires the Judicial Council, until June 30, 2022, to sponsor a pilot program that facilitates online adjudication of infraction violations of the Vehicle Code for which a personal appearance is not required. Additionally, it requires the council to seek to select at least eight courts that are willing to participate in the program. Furthermore, it requires the program to offer online adjudication of traffic infractions, including, among other things, an ability-to-pay determination. Establishes the procedures for determining a defendant's ability to pay. Moreover, authorizes the pilot court, among other dispositions, to waive, reduce, or suspend the amount due, in whole or in part, extend the time for payment or establish an installment plan, or to allow community service in lieu of the amount due, as specified. Finally, the bill requires the Judicial Council to submit a report on the implementation of the pilot program to the Legislature on January 1, 2020, and January 1, 2021, and to submit an evaluation of the program to the Legislature no later than June 30, 2022.
- 7) **Language Access Plan Augmentation:** Appropriates \$4 million from the General Fund to the Judicial Council, for transfer by the Controller to the Trial Court Trust Fund, to further the effort to expand interpreter services into all civil proceedings, as specified.

Fiscal Effect: The funding related to the changes in this bill is contained in the 2018-19 budget act.

Support: None on file.

Opposed: None on file

Comments: This bill provides the necessary statutory changes to enact the 2018-19 budget related to the judicial branch.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1821	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 13, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Joe Stephenshaw		

Subject: Taxation

Summary: AB 1821 is the Revenue and Tax trailer bill and makes changes necessary to implement the 2018 Budget Act.

Proposed Law: Specifically, this bill includes the following provisions:

1) Earned Income Tax Credit (EITC)

- a. Expands the EITC to working individuals who are aged 18 to 24 or over age 65, by revising the age range for the definition of an “eligible individual.”
- b. Expands the qualifying income range for the EITC so that employees who have one or more dependents, and who are working up to full-time at the 2019 minimum wage of \$12 per hour, would qualify for the credit.
- c. By expanding the EITC and, thus, authorizing new payments from the Tax Relief and Refund Account, this bill would make an appropriation.

2) New Employment Credit

- a. Extends, until January 1, 2026, the allowance of the current credit for hiring qualified full-time employees within a specified census tract or economic development area. The credit is an amount equal to 35 percent of qualified wages, paid to qualified employees, multiplied by an applicable percentage for the taxable year.

3) Reservation-Sourced Income

- a. Excludes from gross income the earned income of an eligible taxpayer that is derived from sources within Indian country in this state.

4) California Competes Tax Credit

- a. Extends the California Competes Tax Credit until January 1, 2030 and provides for the allocation of credit amounts of \$180 million for each fiscal year from 2018-19 to 2022-23.

- b. Beginning with the 2018-19 fiscal year, requires that, when determining whether to enter a specific written agreement related to the California Competes Tax Credit, the Governor's Office of Business and Economic Development (GO-Biz) consider the extent to which the credit will influence the taxpayer's ability, willingness, or both, to create jobs in California. Additionally, requires GO-Biz to consider the amount of training opportunities offered for employees by the taxpayer.
- c. Requires that, on or before October 1, 2019, GO-Biz provide to the Legislative Analyst's Office (LAO) a report on credits allocated for the 2018-19 fiscal year, including a detailed description of the methodology used to evaluate applications and allocated credits. Additionally, requires the LAO to report to the Legislature, as specified, regarding an evaluation of the GO-Biz report.
- d. Requires GO-Biz to provide a member of the California Competes Tax Credit Committee, or their designated representative, upon request of that member, with any information necessary to fulfill their duties related to the tax credit.

5) Tax Data Exchange Repeal Date

- a. Removes the repeal date of January 1, 2019 for a tax data exchange agreement between the Franchise Tax Board (FTB) and local governments and makes clarifying changes.

Fiscal Effect: By extending, modifying, or establishing various tax provisions, this bill would result in General Fund revenue impacts of approximately \$242 million.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2017 - 2018 Regular

Bill No:	AB 1827	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	James Hacker		

Subject: No Place Like Home Act of 2018

Summary: This bill establishes the No Place Like Home (NPLH) Act of 2018, which amends provisions previously enacted as part of the NPLH program. Amends the Mental Health Services Act to, among other things, permit the Legislature to appropriate funds from the Mental Health Services Fund, as specified, and provides an opportunity for voter approval in the November 6, 2018, statewide general election.

Background: In 2004, California voters approved and established the Mental Health Services Act (MHSA), which imposes a one percent income tax on individual who earn more than \$1 million annually, and deposits the specified revenue in the Mental Health Services Fund.

Assembly Bill 1618 (Committee on Budget), Chapter 43, Statutes of 2016 created the No Place Like Home Program (NPLH). AB 1618 requires the Department of Housing and Community Development (HCD) to award \$2 billion to counties for permanent supportive housing for the homeless, establishes the framework for financing the NPLH program through the counties, requires counties to annually report to HCD on program status, addresses the process for validation of the financing, and addresses other matters regarding the NPLH program. Assembly Bill 1628 (Committee on Budget), Chapter 322, Statutes of 2016, authorized the issuance of bonds by the California Health Facilities Financing Authority (CHFFA) for purposes of financing a grant program for counties to develop and administer permanent supportive housing for individuals who are homeless, chronically homeless, and at risk of chronic homelessness **that was** enacted by AB 1618. That measure established a framework for the provision of housing through authorized service contract, addressed loans to be made by CHFFA for supportive housing, specified the use for funds for projects across the state, and provided administrative structure for the program.

Proposed Law: This bill provides the following:

November 6, 2018 Statewide General Election. This bill establishes the NPLH Act of 2018, which is to be submitted to voters in the November 6, 2018 election as a single measure, and provides for the Act to become operative upon adoption by voters. It provides for voter ratification and approval of AB 1618, AB 1628, technical amendments made by Assembly Bill 1516 (Cunningham), Chapter 561, Statutes of 2017, and other amendments made by this bill.

Voter pamphlets. The bill requires the Secretary of State to include in mailed ballot pamphlets information regarding the No Place Like Home Act of 2018. If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet.

Supportive Housing Program Subaccount. Under provisions of this bill, the Controller must, before any transfer or expenditure from the fund for any other purpose for the month following any transfer from the fund, transfer moneys appropriated from the Mental Health Service Fund to the subaccount in equal amounts over the following 12-month period, beginning no later than 90 days after the effective date of the appropriation by the Legislature. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount, are insufficient to fully pay the amount appropriated for transfer pursuant to this paragraph, the shortfall shall be carried over to the next month.

Fiscal Effect: The bill provides for the following appropriations:

- This bill specifies details regarding allowable transfers from the Mental Health Services Fund to the Supportive Housing Program Subaccount, up to an amount of \$140 million per year prior to the issuance of revenue bonds. Any amount appropriated for transfer and deposited in the No Place Like Home Fund shall reduce the authorized but unissued amount of bonds that the California Health Facilities Financing Authority may issue pursuant to Section 15463 of the Government Code by a corresponding amount.
- This bill provides that all moneys in the subaccount that were transferred as specified are reserved and continuously appropriated, without regard to fiscal years, for transfer to the No Place Like Home Fund.
- This bill provides for the issuance by the California Health Facilities Financing Authority of bonds in an amount not to exceed \$2 billion for the purposes of financing permanent supportive housing pursuant to the No Place Like Home Program. In addition, the fiscal estimate assumes a 30-year debt service at a rate of 4.2 percent for approximately \$120 million annually.
- This bill would result in one-time General Fund costs to the Secretary of State (SOS) in the range of \$438,000 to \$584,000, likely in 2018-19, for printing and mailing costs to place the measure on the ballot in a statewide election. Actual costs may be higher or lower, depending on the length of required elements and the overall size of the ballot.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1832	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 13, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Anita Lee		

Subject: Employment

Subject: General Government and Public Employment

Summary: This bill enacts various statutory changes necessary to implement labor and public employment provisions for the Budget Act of 2018.

Proposed Law:

- 1) Clarifies that the State Personnel Board (SPB) has authority over appointments as outlined in Article VII of the Constitution.
- 2) Redefines transfer to mean the appointment of an employee to a different class for which the employee satisfies the minimum qualifications and that has substantially the same level of duties, responsibility, and salary, as determined by board rule, and makes related conforming changes.
- 3) Clarifies that individuals who successfully pass an evaluation period, not only a probationary period, are considered a permanent employees.
- 4) Specifies that references to rules are equivalent to board rules and rules of the board.
- 5) Removes the requirements that state entities can only offer job examinations on a continuous basis if the entity experiences difficulty in maintaining a qualified candidate pool.
- 6) Provides that the department, consistent with board rules, can prescribe conditions in which individuals to take promotional examinations.
- 7) Removes the rule that individuals can only apply for a job if they are on an examination list for that specific job classification, even if the person is on a list for a classification that is substantially similar.
- 8) Provides that a transfer may be accomplished without examination pursuant to board rules.
- 9) Revises Government Code Section 19051 to state that civil service appointments shall only be made to a class that is appropriate for the duties, functions, and responsibilities that will be performed.

- 10) Removes rules concerning certifying candidates for managerial positions.
- 11) Allows the department to combine a Limited Examination and Appointment Program (LEAP) eligibility list for a job with a non-LEAP eligibility list.
- 12) Provides that job seekers with a disability can become employed through the LEAP process when they work at the job during a six-month evaluation period to demonstrate that they can perform the job duties, instead of the standard process where the individual takes an examination and has probationary period to demonstrate they qualify for the job.
- 13) Replaces "reference to female-dominated jobs" with reference to jobs that employ a higher proportion of females than males.
- 14) Requires the Public Employees' Retirement System to assist the Department of Human Resources (department), upon request, by providing retiree names and addresses for notifying retirees of eligibility for enrollment into a dental plan, vision plan, group legal insurance plan, or life insurance plan offered by the department. Provides that any information provided to the department shall be treated as confidential.
- 15) Repeals and adds language specifying that the department may provide training programs to any public employee. Also defines "public employee or officer" and provides that the department may give priority to a public employee or officer.
- 16) Provides that with the goal of reaching a 50 percent cost sharing of actuarially determined normal costs for both employer and employees by July 1, 2020, the department may establish the total employee contribution to prefund retiree health care as a percentage of pensionable compensation for (1) a state employee who is not related to a bargaining unit or who is excepted from the definition of state employee, or (2) an officer or employee of the executive branch of state government who is not a member of the civil service.

Provides that an employee or officer to whom this subdivision applies shall make contributions to prefund retiree health care based on specified percentages and the state shall make matching contributions.
- 17) Clarifies, for an amendment to the charter of the County of San Diego, how the calculation of qualified electors is computed, as specified.
- 18) Requires an employee hired by the Kern County Hospital Authority on or after the operative date of this act, to participate in the Kern County Employees' Retirement Association, except as modified in an applicable memorandum of understanding.
- 19) Allows the State Controller, upon order by the director of Finance, to transfer the amount of Proposition 2 (Rainy Day Budget Stabilization Fund Act, 2014) debt repayment funds allocated to make a supplemental pension payment to CalPERS to pay the state's unfunded liability or repay the Pooled Money Investment Account (PMIA) for principal and interest costs for a cash loan made to supplement the state's retirement contributions.

- 20) Requires the California Complete Count Census to submit reports relating to various aspects of the federal decennial census to the Joint Legislative Budget Committee, the Assembly Select Committee on the Census, and the Senate Select Committee on the 2020 United States Census.
- 21) Clarifies existing law to make explicit that employee organizations and bona fide associations are authorized to request payroll deductions.
- 22) Clarifies existing law to provide that employees, including retired employees, of a public employer, in addition to any other prescribed and authorized purpose, may authorize deduction from their salary, wages, or retirement allowance for the payment of dues in, or for any other service by, an employee organization or bona fide association, as defined and specified; that the public employer must honor employee authorizations for such deductions; and, that the revocation of an authorization must be determined by the terms of the authorization.
- 23) Clarifies and makes explicit that all public employers must honor employee authorizations for dues deduction; that the revocability of an authorization is determined by the terms of the authorization; that a public employer or the Controller shall rely on information provided by the employee organization regarding whether the request is in conformity with the authorization; and, that the employee organization must indemnify the public employer, governing body of a public school employer or community college district for any claims made by the employee for deductions made in reliance on that information.
- 24) Authorizes employers, as specified, to deduct the actual reasonable costs of making the deduction from the amount transmitted to the organization.
- 25) Clarifies, by making explicit, the period in which payroll deductions commence after the employer has received notification from a certified or recognized employee organization that it possesses a written authorization for deduction.
- 26) Prohibits a certified or recognized employee organization that certifies it has and will maintain individual employee authorizations from being required to submit a copy of the written authorization to the public employer to commence payroll deductions, unless a dispute arises about the existence or terms of the authorization.
- 27) Clarifies the administration of payroll deductions and salary deductions by public employers or the Controller for these purposes.
- 28) Provides for administration, procedures, deductions, cancellations or other changes relating to payroll deductions by state employees of public agencies not under the uniform payroll system.
- 29) Requires all public employers to direct employee requests to cancel or change deductions to the employee organization.
- 30) Clarifies, by making explicit as declaratory of existing law, that applicants for public employment also are among those whom the public employer is strictly prohibited from deterring or discouraging from becoming or remaining members of an

employee organization, and expressly applies these prohibited activities involving the authorization of dues or fee deductions to an employee organization.

- 31) Provides the Public Employment Relations Board (PERB) with jurisdiction over these provisions such that the powers and duties of the board apply, as provided in existing law, and as appropriate.
- 32) Amends existing law regarding public employee communications to include certain employees covered under the Judicial Council Employer-Employee Relations Act and those in public transit districts not within the jurisdiction of the PERB.
- 33) Clarifies existing law by requiring that the date, time, and place of a new public employee orientation must not be disclosed in advance of the orientation to anyone other than the employees, the exclusive representative, or a vendor that is contracted to provide a service for purposes of the orientation.
- 34) Clarifies existing law related to trial court employees and court interpreters regarding the authorization of dues deduction from employee's salary, and the requirement that the employer must honor such requests, as provided.
- 35) Includes a legislative finding and declaration relating to new employee orientation and the public's right of access to the meetings of public bodies or writings of public officials and agencies, as provided pursuant to Section 3 of Article I of the California Constitution, that specified provisions, and the entirety of this Act balance the right of the public to access such writing of public agencies while protecting the privacy of employees.
- 36) For the purposes prescribed by specified provisions herein, clarifies the definition of the following terms:
 - a. "State employee" means all persons who receive wages for services through the uniform payroll system established and administered by the Controller, as prescribed.
 - b. "Public agency" includes counties, cities, municipal corporations, political subdivisions, public districts, and other public agencies of the state.
 - c. "Employee organization" means an organization which represents employees of a public employer and that has been recognized or certified by the public employer or the PERB as the exclusive representative of the employees.
 - d. "Bona fide association" means an organization of employees and former employees of an agency of the state and the California State University, and which does not have as one of its purposes representing these employees in their employer-employee relations.
 - e. "Deduction" does not include direct deposit by electronic funds transfer, as specified, and authorized.
 - f. "Public employer" means the state, the Regents of the University of California, the Trustees of the California State University and the California State

University, the Judicial Council, a trial court, a county, city, district, public authority, including transit district, public agency, or any other political subdivision or public corporation of the state, except as provided.

- g. "Employee organization" means an organization employees granted rights by collective bargaining statutes, including employees of a public transit agency, the labor relations of which are regulated by the Public Utilities Code.
- h. "Public employer" means employers subject to collective bargaining statutes under the jurisdiction of the PERB, including the employer of record for in-home supportive services, as provided, and public transit districts not within the jurisdiction of the PERB, excluding a public school employer or community college district for purposes of transmittal of payroll deductions to professional organizations or employee organizations, as these entities must be governed by specific Sections of the Education Code, as provided and as may be applicable.
- i. "Mass communication" means a written document, script for an oral or recorded presentation or message that is intended for delivery to multiple public employees.

This bill prescribes procedures for public employers to disseminate mass communications to public employees concerning employee rights to join, support, or refrain from joining or supporting an employee organization. These provisions also require the public employer to meet and confer with the exclusive representative concerning the content of the mass communication and the process of disseminating mass communications to employees, if the parties are unable to agree on the content of communication, as provided, but exempts those communications that have been adopted by the PERB or the Department of Human Resources.

- j. "Exclusive representative" means the exclusive representative or recognized employee organization for the bargaining unit.
- k. "Interest arbitration" means a process whereby an employer and an exclusive representative submit a dispute concerning the terms of access to new employee orientations for resolution to a third-party arbitrator who is then authorized to approve either party's proposal in its entirety, to approve a proposal using both the employer's and exclusive representative's final proposals, or to modify the proposals by the parties.
- l. "New employee orientation" means the onboarding process of a newly hired public employee, whether in person, online, or through other means or mediums, in which employees are advised of their employment status, rights, benefits, duties and responsibilities, or any other employment-related matters.
- m. "Newly hired public employee" means any employee, whether permanent, temporary, full-time, part-time, or seasonal, hired by a public employer, to which this chapter applies and who is still employed as of the date of the new employee orientation.

- 37) Establishes the Pre-Release Construction Trades Certification Program to increase employment opportunities in the construction trades for inmates upon release.
- 38) Requires the California Workforce Development Board to administer a prison-to-employment program and award grants for purposes that include the development of regional partnerships and regional plans to provide and coordinate the necessary workforce, education, supportive, and related services that formerly incarcerated and other justice-involved individuals need to secure and retain employment and reduce chances of recidivism.
- 39) Establishes the Breaking Barriers in Employment for Adults with Autism Pilot Program to run until January 1, 2022, in Sacramento and Los Angeles.

Fiscal Effect: This bill authorizes the State Controller to transfer Proposition 2 funds to pay the state's unfunded liabilities or repay the supplemental pension payment loan from 2017-18.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No:	AB 1837	Hearing Date:	June 18, 2018
Author:	Committee on Budget		
Version:	June 12, 2018 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Joe Stephenshaw		

Subject: Income taxes: credits: motion pictures

Summary: AB 1837 makes changes necessary to implement the Budget Act of 2018 related to budgetary reserves.

Background: In 2009, the Legislature enacted a tax credit for qualified motion picture production in California, directing the California Film Commission (CFC) to annually allocate \$100 million in credits until the 2012-13 fiscal year, commonly known as “Film and TV Tax Credit 1.0”. Film and TV Credit 1.0 directed the CFC to allocate two years’ worth of credits (\$200 million) in 2009-10, so the CFC allocated the next year’s credits for each fiscal year from 2010-11 onward. For example, when the CFC allocated credits in July 2014, the allocation was for credits authorized in fiscal year 2015-16. In 2011, the Legislature extended the program for one year to 2014-15, then extended it again for two years until 2016-17. Because the initial bills directed the CFC to allocate the next year’s credits, the CFC allocated the last \$100 million tranche of Film and TV Credit 1.0 on July 1, 2015.

In 2014, the Legislature enacted “Film and TV Tax Credit 2.0,” which directed the CFC to allocate \$230 million in credits in 2015-16, and \$330 million in credits each fiscal year through 2019-20; the lower initial amount reflected the \$100 million remaining under Film and TV Credit 1.0.

Proposed Law: AB 1837 enacts Film and TV Tax Credit 3.0, as follows:

- 1) Similar to existing credits, establishes credits under the Personal Income Tax Law and the Corporation Tax Law beginning on or after January 1, 2020, to be allocated by the California Film Commission between July 1, 2020 and July 1, 2025.
- 2) Allows the credit in an amount equal to 20 percent or 25 percent of qualified expenditures for the production of a qualified motion picture in California, with additional credit amounts allowed, including for amounts equal to specific qualified expenditures and qualified wages relating to original photography, as specified.
- 3) Limits the aggregate amount of the new credits to be allocated in each fiscal year to \$330 million, plus additional specified amounts.
- 4) Requires the California Film Commission to allocate credit amounts in two or more allocation periods per fiscal year, as specified, and to issue credits certificates.

- 5) Requires an applicant for the credit to include in the application the applicant's voluntary programs to increase the representation of minorities and women in certain job classifications.
- 6) Requires the California Film Commission to annually post on its website and make available for public release specific aggregated diversity-related information collected from an applicant.
- 7) Updates the current Sales and Use Tax Law authorizing taxpayers awarded credits to apply them against sales and use tax liabilities to reference this bill's credit.
- 8) Appropriates \$8,000 to the California Film Commission for work related to the credits provided for in this bill.

Fiscal Effect: The revenue impact of this bill is projected to be approximately \$25 million in 2021-22, \$80 million in 2022-23, and \$130 million in 2023-24.

Support: None on file.

Opposed: None on file.

-- END --