

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0092
(916) 319-2099
FAX (916) 319-2199

Assembly
California Legislature



ASSEMBLY COMMITTEE ON BUDGET
NANCY SKINNER, CHAIR
ASSEMBLYMEMBER, FIFTEENTH DISTRICT

CHIEF CONSULTANT
CHRISTIAN GRIFFITH
DEPUTY CHIEF CONSULTANT
NICOLE VAZQUEZ
COMMITTEE SECRETARY
MATT CREMINS
CONSULTANTS
MARVIN DEON
ANDREA MARGOLIS
MARK MARTIN
GABRIELLE MEINDL
ZOE ADLER
GENEVIEVE MORELOS
KATIE HARDEMAN

Agenda

August 28, 2014

Upon Call of the Chair - Room 4202

Items to be Heard:

- Budget Cleanup Package
 - SB 872 Budget Bill Clean Up
 - SB 873 Human Services Clean Up
 - SB 874 Resources Clean Up
 - SB 878 IHSS
 - SB 879 MOU
 - SB 881 Fresno MOE

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 872 (Budget & Fiscal Review Committee) – As Amended: August 26, 2014

SENATE VOTE: Vote not relevant

SUBJECT: Budget Act

SUMMARY: This bill makes corrections to the Budget Act of 2014, in order to fully implement the 2014-15 budget. Specifically, this bill:

- 1) Provides \$50 million in additional General Fund support for the University of California and \$50 million in additional General Fund support for the California State University to address deferred maintenance or other one-time needs. Also includes intent language stating that this additional funding will become ongoing in the 2015-16 fiscal year if General Fund revenues continue to exceed projections.
- 2) Clarifies that an increase to the Regional Market Rate for child care providers is set at the 85th percentile of the 2009 Regional Market Rate Survey, as reduced by a deficit factor of 10.11 percent. This amendment aligns the deficit factor with the amount of funding appropriated in the Budget Act of 2014-15.
- 3) Reappropriates \$12.9 million for special education programs and \$26.7 million for the K-12 High Speed Network that were inadvertently left out of the Budget Act.
- 4) Makes other technical and clarifying changes to the Budget Act related to K-12 and early childhood education.
- 5) Makes various technical changes to several resource provisions related to CalEPA Environmental Justice Grants, SB 918 Recycled Water reversions, use of penalty revenues for marijuana enforcement, and CPUC's California Teleconnect and Intervenor's Compensation Funds.
- 6) Allows up to \$500,000 (Waste Discharge Permit Fund civil penalties) to be used for developing an integrated plan addressing the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley. While the appropriation is contained in the Budget Act, the Budget Bill language for this item was inadvertently left out.
- 7) Provides authority to begin the preliminary planning and working drawings phases of the Sacramento Criminal Courthouse.
- 8) Specifies that funds (\$11.3 million) allocated to counties are to address the temporary increase in offenders serving a term on Post Release Community Supervision as a result

of a February 10, 2014 federal court order to increase credit earnings for certain offenders.

- 9) Removes responsibility for overseeing recidivism reducing Social Innovation Financing programs from the Governor's Office of Planning and Research. These duties are being shifted to the Board of State and Community Corrections pursuant to related legislation.
- 10) Updates vision costs related to employee compensation pursuant to the Affordable Care Act. The costs were mistakenly omitted when requesting increases for overall statewide healthcare costs.
- 11) Makes various other technical and conforming changes to the Budget Act.

COMMENTS: This bill amends the Budget Act of 2014, as adopted in SB 852, Chapter 25 of Statutes of 2014 to make various "clean-up" amendments. This clean-up bill, sometimes called a "budget bill junior", is typically necessary each year due to the size and complexity of the budget act..

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Andrea Margolis / BUDGET / (916) 319-2099

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET
Nancy Skinner, Chair
SB 873 (Committee on Budget and Fiscal Review) –
As Amended: August 27, 2014

SENATE VOTE: Not relevant.

SUBJECT: Human Services Clean-Up Trailer Bill

SUMMARY: This is the Human Services Clean-Up Trailer Bill for the 2014-15 Budget. It contains necessary clean-up changes and technical corrections related to the Budget Act of 2014. This bill makes various statutory changes to implement the 2014-15 budget. Specifically, this bill:

1. Makes various technical changes regarding temporary managers and receiverships for facilities licensed by the Community Care Licensing (CCL) Division at the State Department of Social Services (DSS), amending law that was codified in Senate Bill 855 (Chapter 29, Statutes of 2014), hereafter referred to as Chapter 29. Among related changes, provides that if the revenues are insufficient to reimburse the department for the costs of the temporary manager, the salary of the receiver, or related expenses, the unreimbursed amount shall constitute grounds for a monetary judgment in civil court and subsequent lien upon the assets of the facility or the proceeds from the sale thereof.
2. Refines, for purposes of the Approved Relative Caregiver Funding Option Program that was created in Chapter 29, the definition of the children affected to remove an erroneous reference and deletes the requirement that the funding of the applicable per-child CalWORKs grant be limited to the federal funds received, which was unintentional in the original drafting.
3. Extends a specified exception to the group home moratorium in current law for rate classification level changes below 10 to the 2014-15 fiscal year.
4. Provides that if the income for a California Work Opportunity and Responsibility to Kids (CalWORKs) program assistance unit that excludes specified adults includes reasonably anticipated income derived from child support, the amount specified to be disregarded of child support received each month, as specified in the Family Code and Welfare and Institutions Code, shall not be considered income or resources and shall not be deducted from the amount of aid to which the assistance unit otherwise would be eligible. This clarifies language previously adopted in Chapter 29.
5. Deems an In-Home Supportive Services (IHSS) provider, if certain conditions are met, authorized to work a recipient's county-approved adjusted hours for the week when a recipient's weekly authorized hours are adjusted and at the time of adjustment the recipient currently receives all authorized hours of services from one provider. This conforms to the

agreement between parties resulting in the IHSS overtime management statutory changes in Chapter 29.

6. States that the State Department of Health Care Services (DHCS) will work with and assist recipients on the Nursing Facility/Acute Hospital and Waiver who are at or near the individual cost cap to avoid a reduction in an individual's services that could result because of increased overtime pay for providers. States that DHCS will provide timely information to waiver recipients as to the steps that will be taken.
7. Extends authorization for all-county letters and similar instructions to additional provisions of Chapter 29 that relate to the CalFresh program. These were inadvertently excluded in the prior legislation.
8. Provides that the superior court, including a juvenile, probate, or family court department or division of the superior court, has jurisdiction to make judicial determinations regarding the custody and care of juveniles within the meaning of the federal Immigration and Nationality Act.
9. Requires the superior court to make an order containing the necessary findings regarding special immigrant juvenile status pursuant to federal law, if there is evidence to support those findings.
10. Requires records of these proceedings that are not otherwise protected by state confidentiality laws to remain confidential, and would also authorize the sealing of these records. Requires the Judicial Council to adopt any necessary rules and forms to implement these provisions.
11. Requires the California Department of Social Services (DSS), subject to the availability of funding, to contract with qualified non-profit legal services organizations to provide legal services, including culturally and linguistically appropriate services, to unaccompanied undocumented minors, as defined, who are transferred to the care and custody of the federal Office of Refugee Resettlement and who are present in the state.
12. Requires that the contracts awarded meet certain specified conditions.
13. States that existing authority to provide interpreters in civil court includes the authority to provide an interpreter in a proceeding in which a petitioner person requests an order from the superior court to make the findings regarding special immigrant juvenile status.
14. Include technical, double-jointing amendments to avoid a chaptering-out issue for a section related to temporary managers and receiverships that is also being amended in AB 1899 (Brown).
15. Includes Budget Bill changes to effectuate the transfer of \$1.7 million appropriated in Item 5180-153-0001 to Item 5180-151-0001, Program 25.30, which is a budget-neutral change to consolidate the \$5 million appropriation in the Budget for the newly-created Commercially

Sexually Exploited Children (CSEC) program. The CSEC program was created in Chapter 29.

16. Provides that the continuous appropriation applicable to CalWORKs is not made for purposes of implementing the bill.
17. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

FISCAL EFFECT: An appropriation of \$3 million General Fund (\$2.9 million for contracts and \$100,000 to fund one position for the Refugee Programs Bureau) is included in amendments to the 2014-15 Budget Act for DSS to support contracting with qualified legal services organizations to provide legal services to unaccompanied undocumented minors who are transferred to the care and custody of the federal Office of Refugee Resettlement and who are present in this state, pursuant to corresponding statutory changes contained in this pending Human Services Clean-Up Trailer Bill.

COMMENT: This bill is a budget trailer bill within the overall 2014-15 budget package to implement actions taken affecting DSS, DHCS, the Department of Child Support Services, and Office of the Secretary of State.

REGISTERED SUPPORT / OPPOSITION:

Support

California Immigrant Policy Center
Friends Committee on Legislation of California
League of United Latin American Citizens
United Farm Workers

Opposition

None received.

Analysis Prepared by: Nicole Vazquez / BUDGET / (916) 319-2099

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 874 (Budget & Fiscal Review Committee) – As Amended: August 26, 2014

SENATE VOTE: Vote Not Relevant

SUBJECT: Resources Omnibus Trailer Bill Technical Adjustments

SUMMARY: Makes various technical adjustments to the resources, environmental protection, energy, and agriculture 2014 budget actions. Specifically, this bill:

- 1) Corrects various technical statutory references related to the drinking water program and provides appropriate liquidation periods as intended by the budget actions.
- 2) Clarifies that specified water and wastewater projects are eligible to receive funding from the State Water Pollution Control Revolving Fund.
- 3) Clarifies that \$10 million, previously appropriated to the Department of Housing and Community Development for housing-related drought relief, continues to be appropriated as provided in SB 104 (Budget and Fiscal Review Committee), Chapter 3, Statutes of 2014.
- 4) Provides a subaccount for greenhouse gas emission funding through the State Energy Conservation Assistance Account for purposes of tracking and provides that the loans within this new subaccount may be used by state agencies, including the University of California and California State University.
- 5) Includes an appropriation to the Natural Resources Agency for the purpose of implementing elements of the scoping plan adopted by the State Air Resources Board that was inadvertently omitted from the budget act.
- 6) Increases the state expenditure cap from \$25 million to \$30 million for the removal of San Clemente Dam in Monterey County.
- 7) Authorizes the Department of Parks and Recreation to enter into a restoration agreement with Stanford Mansion Foundation, a nonprofit organization, for the purpose of repairing and restoring the front stairs of Leland Stanford Mansion State Historical Park.

FISCAL EFFECT: This bill should not result in any substantive changes to the budget act or related budget actions.

COMMENTS: This bill provides the necessary statutory references and technical changes to the omnibus resources trailer bill, SB 861 (Budget and Fiscal Review Committee), Chapter 35,

Statutes of 2014, to enact the 2014-15 budget related to resources, environmental protection, energy, and agriculture.

REGISTERED SUPPORT / OPPOSITION:

Support

Not Known

Opposition

Not Known

Analysis Prepared by: Gabrielle Meindl / BUDGET / (916) 319-2099

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET
Nancy Skinner, Chair
SB 878 (Committee on Budget and Fiscal Review) –
As Amended: August 27, 2014

SENATE VOTE: Not relevant.

SUBJECT: In-Home Supportive Services (IHSS) Provider Orientation.

SUMMARY: This is a clean-up measure containing necessary statutory changes to implement the 2014-15 budget. Specifically, this bill:

1. Requires that the provider orientation for all prospective In-Home Supportive Services (IHSS) providers include additional content, specifically coverage of the applicable federal and state requirements regarding minimum wage and overtime pay, including paid travel time and wait time.
2. Requires that, beginning April 1, 2015, the orientation be on-site and in-person.
3. Specifies that providers may attend the orientation only after completing the application for the IHSS provider enrollment process, as specified in current law.
4. Requires that any oral presentation and written materials be translated into all IHSS threshold languages in the county.
5. States that representatives of the recognized employee organization in the county be permitted to make a presentation of up to 30 minutes at the orientation, and prior to this requirement taking effect April 1, 2015, that recognized employee organizations shall have the ability to make presentations at provider orientations as they were allowed as of September 1, 2014.
6. Includes an appropriation of \$1,000 from the General Fund to the State Department of Social Services.
7. Declares that this bill is to take effect immediately as a bill providing for an appropriation related to the Budget Bill.

COMMENT: This bill is a budget trailer bill within the overall 2014-15 budget package to implement actions taken affecting the IHSS program.

REGISTERED SUPPORT / OPPOSITION:

Support

None.

Opposition

None.

Analysis Prepared by: Nicole Vazquez / BUDGET / (916) 319-2099

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 879 (Committee on Budget and Fiscal Review) – As Amended: August 28, 2014

SENATE VOTE: Vote not relevant

SUBJECT: State Employees: Memoranda of Understanding

SUMMARY: Provides legislative ratification for the memoranda of understanding (MOU) agreed to by the state and the following state bargaining units (BUs). Specifically, this bill:

- 1) Provides legislative ratification for the memoranda of understanding for the following state bargaining units:
 - a. BU 2 (Attorneys and Hearing Officers), represented exclusively by the California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE).
 - b. BU 10 (Professional Scientists), represented exclusively by the California Association of Professional Scientists (CAPS).
 - c. BU 13 (Stationary Engineer), represented exclusively by the International Union of Operating Engineers (IUOE).
- 2) Provides legislative ratification for the addendums to the MOU for the following bargaining unit:
 - a. BU 8 (Firefighters), represented exclusively by the CalFIRE, Local 2881.

EXISTING LAW:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with official representatives of employee groups (i.e., bargaining units) regardless of wages and working conditions, and to define negotiated agreements in MOUs.
- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining.
- 3) Requires the any MOU between the state and an official representative must be ratified by the Legislature.
- 4) Requires that an addendum to a ratified MOU must be submitted to the Joint Legislative Budget Committee (JLBC) for analysis, and, if so required by the JLBC, must also be approved by the Legislature.

- 5) Establishes the California Public Employees' Retirement System (CalPERS), which provides health and retirement benefits for the state employees.
- 6) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analyses of the MOUs and their fiscal impact to the Legislature within 10 days of receipt of the MOUs from CalHR.
- 7) Establishes comprehensive public employee pension reform through enactment of the Public Employees' Pension Reform Act of 2013 (PEPRA) that apply to all public employee and public pension plans on and after January 1, 2013, excluding the University of California and charter cities and counties that do not participate in a retirement system governed by the state statute.

FISCAL EFFECT: Appropriates \$12.629 million for BU 2, \$3.124 million for BU 10, \$2.356 million for BU 13, and \$10.236 million for BU 8 for FY 2014-15.

COMMENTS: The 2014-15 Budget Act included preliminary funding for BUs 10 and 13, in anticipation of the MOUs. This bill will increase the overall 2014-15 budget by \$28.345 million (\$11.973 million General Fund) in accordance with these MOUs.

The following information summarizing the general provisions of the MOUs was provided by CalHR:

Number of Employees:

The BU 2 agreement affects approximately 3,869 full-time equivalents.

The BU 10 agreement affects approximately 2,870 full-time equivalents.

The BU 13 agreement affects approximately 952 full-time equivalents.

Retirement Benefit Formula Calculation:

BUs 2, 10 and 13 employees who become CalPERS members on or after January 1, 2013, are subject to the Public Employees' Pension Reform Act (PEPRA) Retirement Formula of 2 percent at age 62.

BUs 2, 10 and 13 employees who become CalPERS members on or after January 1, 2013, are subject to the State Safety PEPRA Retirement Formula of 2 percent at age 57.

BUs 2, 10 and 13 employees who become CalPERS members on or after January 1, 2013, are subject to the Second Tier PEPRA Retirement Formula of 1.25 percent at age 67.

Pensionable compensation caps will apply to new CalPERS members subject to PEPRA as defined under PEPRA.

Employee Pension Contribution – Attorneys and Hearing Officers

BU 2 Miscellaneous and Industrial members in the First Tier retirement subject to social security, contribute 9 percent of monthly pensionable compensation.

BU 2 Miscellaneous and Industrial members in the First Tier retirement not subject to social security, contribute 10 percent of monthly pensionable compensation.

Effective July 1, 2013, all BU 2 State Safety members began contributing 11 percent of monthly pensionable compensation.

Effective July 1, 2013, all BU 2 Second Tier members began contributing 1.5 percent of monthly pensionable compensation and the contribution will increase by 1.5 percent annually. The final annual increase in the contribution rate shall be adjusted as appropriate to reach 50 percent of normal cost.

Employee Pension Contribution – Scientists

All BU 10 Miscellaneous First Tier members contribute 8 percent of monthly pensionable compensation.

Effective July 1, 2013, all BU 10 State Safety members began contributing 10 percent of monthly pensionable compensation. Effective July 1, 2014, all Bargaining Unit 10 State Safety members shall contribute 11 percent of monthly pensionable compensation.

Effective July 1, 2013, all BU 10 Industrial members began contributing 9 percent of monthly pensionable compensation.

On July 1, 2013, all BU 10 Second Tier members began contributing 1.5 percent of monthly pensionable compensation and the contribution will increase by 1.5 percent annually. The final annual increase in the contribution rate shall be adjusted as appropriate to reach 50 percent of normal cost.

Employee Pension Contribution – Stationary Engineer

Effective July 1, 2013, all Bargaining Unit 13 Second Tier members shall contribute 1.5 percent of monthly pensionable compensation and the contribution will increase by 1.5 percent points annually. The final annual increase in the contribution rate shall be adjusted as appropriate to reach 50 percent of normal cost.

Compensation BU2

Effective July 1, 2014, all BU 2 represented classifications receive a 2 percent General Salary Increase (GSI).

Effective July 1, 2015, all BU 2 represented classifications receive a 2.5 percent GSI.

Compensation BU10

The month following ratification of the MOU, all BU 10 represented classifications shall receive a one-time bonus of \$1,000.

Effective July 1, 2015, all BU 10 represented classifications shall receive a 3 percent GSI.

Compensation BU13

Effective July 1, 2014, contingent on the projected State revenues of the 2014-15 Budget, all BU 13 represented classifications receive a 2 percent GSI.

Effective July 1, 2015, all BU 13 represented classifications will receive a 2.5 percent GSI. Upon ratification of the tentative agreement, all eligible Bargaining Unit 13 employees will received a one-time payment of \$250.00.

Effective July 1, 2014, and following Union ratification of this agreement and upon approval of funding by the Legislature, Unit 13 employees in the Water and Sewage Plant Operator classifications who possess a valid State of California Waste Water and/or Water Treatment Certification at the level of Grade II issued by the State of Water Resources Control Board and/or California Department of Public Health shall receive a 2 percent differential each month.

Effective July 1, 2015, Unit 13 employees who work at the Sierra Conservation Center and the Richard J. Donovan Correctional Facility will be eligible for a \$2,400 per year recruitment and retention bonus payable 30 days following the completion of 12 consecutive pay periods.

Effective July 1, 2015, Unit 13 employees who work in the Department of General Services building in the city of San Francisco will be eligible for a \$2,400 per year recruitment and retention bonus payable 30 days following the completion of 12 consecutive pay periods.

Upon Union ratification of this agreement, the overtime meal allowance provided by CalTrans will increase from \$5.00 to \$6.00.

Health Benefits – Employer Contribution:

BU 2 - The pay period following ratification, the employer health benefits contribution to the health insurance portion of the BU 2 Consolidated Benefits (CoBen) allowance will be set at a dollar amount that equals the 80/80 formula. The amounts shall be increased on January 1, 2015, and January 1, 2016.

BU 13 – The State's monthly contribution to the health insurance portion of BU 13 employee's allowance shall be a flat dollar amount equal to 80 percent of the weighted average of the premiums for the four Basic health benefit plans with the largest enrollment (the 80/80 formula).

Health Benefits – Dependent Coverage:

BU 10 - Thirty (30) days following ratification, BU 10 employees who first become eligible for health enrollment will become eligible for the full employer contribution for dependent health coverage after one year of state employment. The State will contribute 75 percent of the normal amount for dependents during the vesting period.

BU 13 – Effective the first day of the pay period following Union ratification of the agreement, BU 13 employees will become eligible for the full employer contribution for dependent health coverage after one year of State employment. The State will contribute 75 percent of the normal amount for dependents during the vesting period.

Miscellaneous:

The agreements contain various miscellaneous provisions.

Duration:

BU 2 – Three years - July 2, 2013 through July 1, 2016

BU 10 – Two years - July 2, 2013, through July 1, 2015

BU 13 – Three years – July 2, 2013 through July 1, 2016

REGISTERED SUPPORT / OPPOSITION:

Support

None received

Opposition

None received

Analysis Prepared by: Genevieve Morelos / BUDGET / (916) 319-2099

Date of Hearing: August 28, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 881 (Committee on Budget and Fiscal Review) – As Amended: August 27, 2014

SENATE VOTE: not relevant

SUBJECT: County of Fresno: Maintenance of Effort: Streets and Roads Allocations.

SUMMARY: Clarifies language in Section 8 of SB 853 (Budget and Fiscal Review Committee, Chapter 27, Statutes of 2014). Specifically, this bill clarifies language that requires Fresno County to direct \$5.5 million of funds to provide specialty medical services in conjunction with federally qualified health clinics, or other federally funded clinics, to indigent individuals, including but not limited to, those individuals who are ineligible for full-scope Medi-Cal.

EXISTING LAW:

- 1) Defers a \$5.5 million payment until June 30, 2015, from Fresno County to its Local Road Fund required to demonstrate the county's MOE (SB 524 (Cogdill), Chapter 716, Statutes of 2010).
- 2) Requires local governments to meet a MOE threshold to be eligible for state transportation funding.
- 3) Delays until January 30, 2020, Fresno County's required MOE payment as long as the county continues to provide medical services to indigent individuals and undocumented individuals consistent with the eligibility and benefit provisions in effect in the 2013-14 fiscal year (Section 8 of SB 853).

FISCAL EFFECT: Includes an appropriation of \$1,000 from the General Fund to the Department of Transportation for administration.

COMMENTS: This bill clarifies the language included in SB 853, which delayed the required county maintenance of effort payments for Proposition 42 transportation projects for Fresno County.

REGISTERED SUPPORT / OPPOSITION:

Support

None

Opposition

None

Analysis Prepared by: Genevieve Morelos / BUDGET / (916) 319-2099