

**Budget Subcommittee No.6
on Budget Process, Oversight and Program Evaluation**

2020 Budget Trailer Bill Analyses Packet

Sunday, August 30, 2020

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SUMMARY:

Amends the 2020 Budget Act to accelerate infrastructure bonds, respond to COVID-19 and reflect updated costs and technical changes contained in the August 2020 budget clean up package.

Major Provisions

The bill includes the following budget provisions:

- 1) Amends the 2019 Budget Act to allow the Judicial Council to expend or encumber funding for the pretrial decision-making pilot until June 30, 2022 and changes the reporting requirement to the Legislature to July 1, 2023;
- 2) Reappropriates 2019 funding for administrative costs related to grant administration to the Office of Emergency Services;
- 3) Reappropriates \$4 million Public Transportation Account funding in the 2018 budget for the Sonoma-Marín Area Rail Transit (SMART) transit system for freight rights and equipment purchases on the southern section of the North Coast Rail Authority (NCRA) right of way;
- 4) Reappropriates Office of Emergency Services funding from 2019 to clarify the department can recover 5 percent administrative costs for administration;
- 5) Increases the appropriation for the Controlled Substances Utilization Review and Evaluation System in both the Department of Justice and the Department of Consumer Affairs to reflect an anticipated increase in fee revenue;
- 6) Appropriates \$2.4 million General Fund to pay claims related to *Buffin v. City and County of San Francisco*;
- 7) Reflects the renaming of the Department of Business Oversight to the Department of Financial Protections and Innovation;
- 8) Reappropriates \$12.1 million Motor Vehicle Account funding that was reverted due to the narrowing of the scope of the IT Modernization Project in the Department of Motor Vehicles in the current year;
- 9) Authorizes the California Energy Commission to authorize follow-on funding for grants and contracts made through the Electric Program Investment Charge program for programs that meet certain specified criteria;
- 10) Authorizes the Wildlife Conservation Board to receive a short-term cash loan from the General Fund of up to \$600,000 to support payroll and operations;

- 11) Removes a budget provision that appropriated funding from the Electronic Cigarette Products Tax Fund, reflecting that the fund has not yet been created;
- 12) Provides the Department of Community Services and Development with spending authority to the department to administer allow \$5 million tax outreach activities already funded at the Franchise Tax Board;
- 13) Includes provisional language stipulating that funding in the Department of Social Services shall be made available from existing funds if legislature is adopted to extend unemployment insurance coverage to certain In Home Supportive Services providers;
- 14) Appropriates an additional \$5.1 million General Fund in the Department of Social Services to continue extended foster care benefit assistance payments for certain non-minor dependents;
- 15) Includes provisional language directing \$80 million of funding already appropriated in the Department of Social Services be provided to counties on a one-time bases for the child welfare services activities;
- 16) Increases funding for the California Department of Education's state operations by \$1.9 million General Fund to pay for attorney fees associated with *Ella T v. State of California*;
- 17) Reflects additional federal carry-over revenue in the Department of Education for various programs including the 21st Century Community Learning Center program, Perkins Career Technical Education, Adult Education and the Early Head Start program;
- 18) Reflects additional federal carry-over in the Department of Education for child care programs including an appropriation to waive family fees;
- 19) Eliminates provisional language requiring \$75,000 of funding in the California State Library be used for the purposes of documenting the history of the legislative caucuses;
- 20) Stipulates that of the funds already appropriated in the budget, \$500,000 for the Agricultural Labor Relations Board and \$3.1 million for the Department of Industrial Relations shall be available to reimburse costs incurred to implement an interagency labor law education and outreach strategy;
- 21) Appropriates \$51 million of Alternative and Renewable Fuel and Vehicle Technology Fund for Electric Vehicle charging infrastructure
- 22) Reappropriates funds at the Department of Forestry and Fire Protection, Department of Fish and Wildlife, State Coastal Conservancy, Department of Parks and Recreation, and the Air Resources Control Board;

- 23) Authorizes the Federal Trust Fund at the Delta Protection Commission be available for expenditure for local assistance or state operations;
- 24) Appropriates \$3 million General Fund to the Department of Food and Agriculture for the California Exposition and State Fair to support its payroll and operational costs;
- 25) Authorizes the Director of the Department of Finance to provide additional funds not to exceed \$3 million if deemed necessary to sustain the California Exposition and State Fair's operations. Additionally authorizes the Director of the Department of Finance to provide a cash flow loan to support the payment of payroll and operational cost at the California Exposition and State Fair until reimbursement for emergency operations and other activities has been received;
- 26) Amends provisional language related to the \$750 million provided to counties to offset revenue shortfalls for programs that were realigned that further stipulate the process for distributing the funding and include provisions requiring counties comply with public health orders to be eligible for assistance; Provides \$32.5 million General Fund to the Secretary of Labor and Workforce Development for the protection of essential workers and their families to slow the spread of COVID-19;
- 27) Appropriates \$30 million General Fund at the Department of Social Services for Community Outreach efforts prioritizing community and economic sectors that are disproportionately impacted by the virus;
- 28) Accelerates \$103.3 million of additional Regional Planning, Housing, and Infill Incentive Account funding from the Housing and Emergency Shelter Trust Fund of 2006 to the Department of Housing and Community Development, for a total of \$160 million in the budget year;
- 29) Provides \$130 million in additional Safe and Affordable Drinking Water program funds, this funding is provided from a loan of available funds in the Underground Storage Tax Cleanup Fund;
- 30) Transfers \$100 million General Fund to the Small Business Hiring Credit Fund;
- 31) Includes \$2.5 million General Fund for the Department of Taxation and Fee Administration and \$509,000 to the Franchise Tax Board for the administrative costs associated with the Small Business Hiring Credit;
- 32) Appropriates available \$272.6 million in various bond funds for a variety of programs to accelerate their expenditure:

- a. \$9.3 million to the Natural Resource Agency from the Water Quality, Supply and Infrastructure Improvement Fund of 2014
- b. \$14.6 million to the Natural Resource Agency from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund
- c. \$1.6 million to the Department Forestry and Fire Protection from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund;
- d. \$5 million in additional funding to the Department of Fish and Wildlife from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund;
- e. \$10 million in additional funding to the Department of Fish and Wildlife from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014;
- f. \$4.6 million in additional funding to the Department of Parks and Recreation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund;
- g. \$1.2 million to the San Gabriel and Lower Los Angeles Rivers and Mountain Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund;
- h. \$88 million to the Department of Water Resources from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014;
- i. \$2 million to the Department of Water Resources from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002;
- j. \$14.1 million to the University of California for the UCLA Powell Library Seismic renovation;
- k. \$16.6 million to the California Community Colleges for various campus projects;
- l. \$2.3 million to the State Water Resources Control Board from various bonds; and

33) Makes other conforming and technical corrections.

COMMENTS:

This amendment to the 2020 budget include changes that reflect unexpected costs, allow for extended encumbrances of existing funding, and correct technical issues and mistakes in the 2020 budget act.

This bill contains two new major General Fund expenditures; \$62.5 million for outreach and assistance to workers and vulnerable populations and a \$100 million transfer to the Small Business Hiring Credit fund. This bill also appropriates \$272.6 million in bond funds, to allow these projects to start moving forward, and provides special fund for clean water projects, infill housing and electric vehicle charging infrastructure.

This bill would amend SB 74 (Mitchell, Chapter 6, Statutes of 2020) the 2020 Budget Act which has previously been amended by AB 89 (Ting, Chapter 7, Statutes of 2020).

According to the Author:

This bill makes largely technical changes to the 2020 budget act.

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

This bill appropriates \$624.7 million (\$166 General Fund) above the 2020 budget act.

VOTES:

SENATE FLOOR: 27-9-2

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Hertzberg, Hill, Hueso, Hurtado, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Chang, Grove, Jones, Moorlach, Morrell, Nielsen, Stone, Wilk

ABS, ABST OR NV: Borgeas, Jackson

UPDATED:

VERSION: August 28, 2020

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN:

SUMMARY:

This is the state government trailer bill for the 2020-21 budget. It contains the necessary changes to implement the 2020 Budget Act. Specifically, this bill:

Executive Director for the Commission on Asian Pacific Islander American Affairs

- 1) Provides that the Commission on the Asian and Pacific Islander American Affairs may appoint an executive director.

California Volunteers

- 2) Establishes in statute the California Volunteers Commission, a 25 member commission pursuant to the requirements of the federal National and Community Service Trust Act.

California Economic Improvement Tax Voucher Act

- 3) Establishes the California Economic Improvement Tax Voucher Act, which requires the Franchise Tax Board, in consultation with the Treasurer and the Department of Finance to develop a comprehensive plan for a California Economic Improvement Tax Voucher Program to be considered by the Legislature
- 4) Requires the Franchise Tax Board to provide the comprehensive plan to the Legislature by March 1, 2021.
- 5) Repeals these provisions by January 1, 2022.

Department of Financial Protection and Innovation

- 6) Abolishes the Division of Corporations within the Department of Business Oversight and replaces it with the Department of Financial Protection and Innovation.
- 7) Abolishes the State Corporations Fund, the Debt Collection Licensing Fund, and the Financial Institutions Fund and replaces these funds with the Financial Protection Fund.
- 8) Requires that all duties and responsibilities and remaining balances in the State Corporations Fund and the Financial Institutions Fund be transferred the Financial Institutions Fund, as the successor fund.

National Environmental Policy Act of 1969

- 9) Current law allows the state Transportation Secretary to assume responsibilities under the federal National Environmental Policy Act of 1969, or NEPA, and other federal environmental laws for any railroad, public transportation, or multimodal project until January 1, 2021. This bill would extend that authority one additional year, until January 1, 2022.

Homeless Housing, Assistance and Prevention Program

- 10) Makes clarifying changes to the Homeless Housing, Assistance and Prevention Program including:
 - a. Requiring that the Homeless Coordinating and Financing Council to award no less than \$250,000 to a grant applicant in the 2nd round of funding that is a Continuum of Care.
 - b. Requiring that if more than one recipient within the Continuum of Care has a population of 300,000 or more, as of January 1, 2020, the proportionate share of funds be equally allocated to those jurisdictions.

Beverage Container Recycling Program

- 11) Revises the reporting requirement for the status of the Beverage Container Recycling Program from four times a year to twice a year instead.

Vehicle License Fee Law

- 12) Allows State of Good Repair Program funds that are allocated to transit agencies by formula to be used for operating and maintenance expenditures under certain circumstances for the funds received for fiscal years 2019-20 through 2021-22.

County Assessment Appeals Boards

- 13) Codifies the Governor's Executive Order, and extends to March 31, 2021, the 2-year deadline by which a county board is required to render a final determination on a qualified application.
- 14) Provides that nothing in existing law shall be construed to prohibit a county board or a multijurisdictional assessment appeals board from conducting hearings remotely. Requires a county board or a multijurisdictional assessment appeals board that conducts a hearing remotely to ensure compliance with those requirements for equalization hearings and any rules or procedures adopted by the county board of supervisors.

Data Exchange

- 15) Requires the State Department of Social Services to exchange data with the Franchise Tax Board, for individuals that may qualify for the California Earned Income Tax Credit (CalEITC). Requires the data provided to remain confidential and be used only for purposes directly connected with CalEITC.
- 16) Authorizes the Franchise Tax Board to disclose individual income tax return information for taxable years beginning on or after January 1, 2018, and before January 1, 2020, to the State Department of Social Services for informing state residents of the availability of federal stimulus payments. Requires the information to remain confidential.
- 17) Requires the Franchise Tax Board to disclose return and return information necessary to verify income, as specified, through information sharing agreements or data interfaces, when necessary for EDD unemployment program administration.

Farmworker Housing

18) Makes clarifications to enforcement and implementation provisions included in AB 1783 (R. Rivas, Chapter 866, Statutes of 2019). Specifically, this bill:

- a. Clarifies that, beginning January 1, 2020, housing funded by the Community Services Block Grant, the Zenovich-Moscone-Chacon Housing and Home Finance Act, the Building Homes and Jobs Trust Fund, the Joe Serna, Jr. Farmworker Housing Grant Program, and other programs for migrant farmworkers, is prohibited from being rented, sold, or subleased to an agricultural employer who employs H2A workers.
- b. Clarifies that the Department of Housing and Community Development is not responsible for the inspection of housing units that are not subsidized by the department.
- c. Makes other conforming and technical changes to clarify the rights of agricultural employees living in employee housing and to clarify the conditions under which agricultural employee housing may qualify for a streamlined ministerial approval process.

Employment Development Department Reporting Language

19) Requires the Director of the Employment Development Department to make publicly available, beginning September 4, 2020, until July 1, 2021, on the department's website specified information, including the number of unemployment compensation benefit claims paid and the number of claims found to ineligible since March 1, 2020.

Housing First Technical Amendment

20) Requires an agency or department that administers programs that fund recovery housing or comply with the core components of Housing First, and imposes all those additional requirements only until July 1, 2021.

Technical Error relating to the 2240-102-0001

21) Deletes the incorrect reference of "Housing Navigator" from Item No. 2240-102-0001.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related to state government.

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

The Vehicle License Fee Law is a continuously appropriated fund and thereby an appropriation.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 27, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN:

SUMMARY:

This is the education clean-up budget trailer bill for the 20202 Budget Act.

Major Provisions

1) Extends the postponement of the state’s development of an observation protocol for teaching English Language Learners by an additional year from the Budget Act, to 2022, to allow for in-person instruction to inform the protocol development. The 2020-21 Budget Act postponed the state’s development of an observation protocol for teaching English Language Learners to 2021.

2) Allows all County Offices of Education (COEs) to meet statutory requirement to annually visit, examine, and report on a school’s sufficient textbook, facility, and School Accountability Report Card data conditions, as specified, if the school is on a decile 1-3 Academic Performance Index list provided by the State Superintendent, in the 2019-20 and 2020-21 school years, through a combination of site visits and staff surveys; allows surveys in lieu of site visits with COVID-19 closure justifications; waives on-site visits during the pandemic closure period, and waives unannounced visit requirements.

3) Clarifies that a child care provider located on a local education agency (LEA) campus, may continue to receive the hold harmless without opening the program to child care services, if the LEA campus is closed by public health guidance or order, and if the LEA discusses the child care site closures and a plan for safe re-opening of child care programs in a public school board meeting. The Budget Act created a “hold harmless” for direct-contract child care providers funded under the General Child Care, California State Preschool, and Migrant programs, for dates of program closure, under specific requirements, including public health guidance.

Increases the allowable non-operative days for 2020-21 by an additional 14 days, for COVID-19 related closures. The bill also triggers a \$35 million appropriation for related costs within anticipated new federal funds. Current regulations allow up to 10 paid non-operative days annually within a California Alternative Payment Program and Stages One, Two, and Three child care provider’s contract.

4) Amends the date by which LEAs must certify that they meet the financial hardship qualifications to receive a deferral hardship waiver for the February through May 2020 deferrals from January 5, 2021 to Dec 15, 2020.

Allows all school districts and county offices of education to use the California School Finance Authority (CSFA) intercept, which will enable those districts to lower borrowing costs for state funding deferrals. Current law authorizes the CSFA to support LEA borrowing, but precludes school districts and County Offices of Education with qualified or negative certifications from securing CFSA borrowing with an intercept of State apportionments

5) Amends statute on the sale or lease of surplus property to allow additional flexibility for LEAs consistent with the 2020-21 Budget Act. Specifically, permits the sale or lease of property

purchased with any non-state funds, allows for the sale of a property never constructed for or used as an early childhood education facility or a school for K-12 instruction, clarifies that it is the intent of the Legislature that school districts can meet the requirements to offer surplus properties to interested parties simultaneously to all applicable entities, and extends the timeline for proceeds of a sale or lease under these terms to be deposited in the general fund.

6) Clarifies 2020-21 requirements for those schools allowed to operate a 4 day school week, consistent with the Budget Act. Current law allows specific LEAs to provide a 4 day school week, under specified requirements, including minimum instructional minutes. The 2020-21 Budget Act created minimum instructional day and minute requirements for the 2020-21 school year only, during Distance Learning and in-person instruction.

7) Amends the School Facilities Program K-12 Audit Guide Process to clarify that existing auditing standards required for K-12 financial and compliance audits would apply to facilities audits, that completed audits should first be submitted to the State Controller's Office, and shifts the responsibility for invoicing audit disallowances from CDE to the Office of Public School Construction.

8) Amends the amount of funding appropriated to offset General Fund paid to the San Francisco Unified School District and San Francisco County Office of Education as a result of a miscalculation of offsetting property tax revenues in the 2016-17 fiscal year to reflect updated calculations

9) Specifies that opportunity schools are included in the minimum daily instructional minutes requirements for the 2020-21 fiscal year. Aligns funding for Necessary Small Schools with the average daily attendance (ADA) hold harmless funding provisions in place for the 2020-21 school year. Allows for the adjustment of an LEA's ADA Hold Harmless provisions in 2020-21 related to school district reorganizations, closure of charter schools, and reorganizations of charter schools related to recent legislation. Specifies that the 2019-20 second principal apportionment is used as the point in time to certify ADA for nonclassroom-based charters.

11) Clarifies that Education Code Section 51512 does not prohibit an LEA from adopting online instruction as part of a Distance Learning program, under the requirements of the 2020-21 Budget Act, and that individuals may not record an online course without teacher and principal consent.

12) Amends the Budget Act to allow all LEAs, for their 2020-21 apportionment, to apply for either planned increases or actual planned growth to classroom-based student attendance, whichever is less, in lieu of the 2019-20 average daily attendance hold-harmless guarantee adopted in the Budget Act of 2020-21, under the following conditions: 1) LEAs apply to the CDE for 2020-21 classroom-based ADA growth by November 6, 2021, 2) LEAs submit proof of Board or Authorizer adoption of classroom-based ADA growth in LEA 2020-21 Budget prior to June 30, 2020 or their second interim 2020 Budget, and 3) LEAs demonstrate actual growth in October CalPADS student census report, reduced for state attendance averages. As part of school funding stabilization during the COVID-19 pandemic, the 2020-21 Budget Act froze average daily attendance (ADA) for all LEAs for purposes of apportionment between the 2019-20 and 2020-21 school years.

The bill also makes other various technical changes to the ADA hold harmless to conform policy to reorganized charters and school districts, and necessary small schools; clarifies certificated employee cross references for charter schools; extends hold harmless to non-classroom based charter funding determination formulas for two years; allows charters to rescind decision to delay authorized grade levels; requires lottery process for charter growth, consistent with current law.

13) Conforms the Parent Budget Summary, template, and timelines to the 2020-21 Learning Continuity and Attendance Plan. Current law requires an annual Parent Budget Summary as part of each LEA's Local Control Accountability Plan (LCAP) process. The 2020-21 Budget Act created a Learning Continuity and Attendance Plan for the 2020-21 school year, to replace the 2020-21 LCAP process during the transition of most LEAs to pandemic-induced Distance Learning programs.

Specifies that in completing the annual update to the LCAP for the 2021-22 school year, an LEA must include the LCAP adopted in the 2019-20 school year. Requires the Superintendent of Public Instruction to update the template for the annual update by January 31, 2021, to also include the learning continuity and attendance plan in the 2021-22 annual update.

Includes a technical amendment to specify that \$450,000 in one-time Proposition 98 General Fund appropriated in 2020-21 for the purpose of aligning and integrating the online platforms for the California School Dashboard, the Local Control and Accountability Plan Electronic Template, and the School Accountability Report Card, is counted towards the 2018-19 Proposition 98 Guarantee.

14) Allows the California High School Proficiency Exam to be offered more than once a semester, and requires test administration conditions to meet Public Health requirements.

15) Allows for the State Superintendent of Public Instruction to designate alternatives for students who would graduate in 2020 or 2021 to earn the State Seal of Biliteracy, and to waive the California Assessment of Student Performance and Progress for students graduating in 2020 and 2021.

16) Includes technical amendments related to the new formula for special education funding adopted in the final budget act.

17) Expands the definition of "instructional materials" for local education agencies and community colleges to allow lottery funds to support the acquisition of laptops and Internet hotspots for students, teachers and faculty.

18) Amends the Scholarshare Kids Investment and Development Savings Program to require, when possible, that the Department of Public Health submit mobile phone numbers, email addresses and participation in the Women, Infants and Children program to the Scholarshare Board as part of this program. The program creates college savings accounts for all newly-born California children.

19) Adds the lieutenant governor as a voting member of the California Community College Board of Governors.

20) Extends the deadline for the University of California to adopt a policy implementing the Native American Graves Protection and Repatriation Act until January 1, 2021.

- 21) Allows the University of California to use savings from retiring or restructuring bond debt to avoid employee layoffs or support underrepresented students' access and success for 2020-21 and 2021-22.
- 22) Requires the University of California to certify to the Department of Finance annually that buildings built through the state-funded capital outlay process are being operated and maintained by UC employees. This excludes construction work and other types of work, including carpentry, electrical, plumbing, glazing, painting, or other craft work designed to preserve, protect, or keep facilities in a safe and continuously usable condition.
- 23) Allows the California State Library to create a digital repository for many state documents, in addition to paper copies of documents.
- 24) Eliminates the ongoing appropriation of \$3.5 million annually in Proposition 98 General Fund to the Exploratorium for workload to support the statewide implementation of the Next Generation Science Standards, consistent with the budget agreement.
- 25) Sunsets the provisions of Executive Order N-26-20 and SB 117 (Committee on Budget and Fiscal Review, Chapter 3, Statutes of 2020) at the end of the 2019-20 fiscal year.
- 26) Conforms all state expanded learning programs, including federally-funded 21st Century Community Learning Center programs, to the flexibilities authorized in SB 98 and the 2020-21 Budget Act.
- 27) Extends the expenditure deadline for the General Fund allocation for Learning Loss Mitigation from December 30, 2020 to June 30, 2021. Aligns record retention requirements to federal law, from the current three years to five years. Specifies that eligible uses include cleaning and safety measures for re-opening schools. Makes other technical changes to ensure Learning Loss Mitigation calculations align with statutory language.
- 28) Extends the family fee waivers to all families through August 31, 2020. The bill also waives family fees for the 2020-21 fiscal year, for any enrolled family not receiving care services, either due to site closure, Distance Learning, or a family's need to shelter-in-place. The bill triggers a \$30 million appropriation for related costs within anticipated new federal funds.
- 29) Amends the date by which grant funds from the California Community Schools Partnership Program must be encumbered by to September 30, 2022 to align with the availability period for federal Elementary and Secondary School Emergency Relief funds.
- 30) Increases the 2020-21 Budget Act appropriation for the COVID closure and summer meal program state reimbursement from \$112m in CARES Act funds to a total of \$192m through a combination of federal and general funds, to reimburse LEAs for school meals provided under USDA standards, through August 30, 2020, at up to 75 cents per meal.
- 31) Amends the appropriation for the California Dyslexia Initiative to reflect \$2 million in one-time Proposition 98 General Fund and \$2 million in one-time federal funds instead of \$4 million in one-time federal funds to reflect the final budget agreement. Extends the timeline for designating the county office of education to administer the program to November 15, 2020.
- 32) Extends Executive Order postponement and conditions for educator credential requirements to August 2021, due to closure of testing centers. Executive Order N-66-20 authorized the

postponement of various educator assessment requirements, under specific conditions, including attaining all other credential requirements, during the COVID-19 pandemic.

33) Suspends the Physical Performance Test for the 2020-21 school year and requires the Superintendent of Public Instruction to consult with experts and other stakeholders and to provide recommendations on the purpose and administration of the test to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, and the State Board of Education by November 1, 2022.

34) Extends the timeline for the initial assessment of pupils for English language proficiency using the English Language Proficiency Assessment for California (ELPAC) by 45 calendar days for the 2020-21 fiscal year. Requires LEAs to screen new pupils, pending assessment results, to ensure pupils informally determined to be English learners receive appropriate supports as soon as possible.

35) Allows the Superintendent to provide guidance and not require parent signatures for CDE-administrated child care programs during the COVID-19 pandemic, under certain circumstances.

36) Allows local educational agencies to exclude learning loss mitigation funds and federal Elementary and Secondary School Emergency Relief (ESSER) funds from being considered general fund expenditures for the purposes of the Routine Restricted Maintenance Account (RRMA) calculation.

37) Enumerates the Youth Task Force’s design and charge, including the co-chairing of the State Superintendent of Public Instruction and State Board of Education president or designee, up to 15 gubernatorial youth appointees, a defined “youth facilitator” for the Taskforce, and a required report by November 1, 2021 of the Task Force’s balanced recommendations on the impacts of peace officer presence on campus and in facilitating students’ transport to school. The 2020-21 Budget Act Education Trailer bill established a Youth Task Force to provide recommendations on the impacts of peace officers and other law enforcement on school campuses.

COMMENTS:

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

This bill appropriates an additional \$80m in Proposition 98 funding for school meal reimbursements; allows LEAs to account for planned growth for purposes of apportionment in the 2020-21 school year which will likely increase LCFF costs by hundreds of millions of dollars; appropriates various federal fund changes to ECE.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 27, 2020

CONSULTANT: Erin Gabel and Mark Martin / BUDGET / 916-319-2099

FN:

SUMMARY:

This trailer bill makes statutory changes related to paid sick leave and family leave necessary to implement the Budget Act of 2020.

Major Provisions:

- 1) Creates a family leave mediation pilot program for small employers (5-19 employees), allowing them (or an employee) to request mediation with the Department of Fair Employment and Housing (DFEH) prior to an employee filing a lawsuit in court. If mediation is requested, the employee may not pursue a lawsuit until mediation is complete. The mediation would be deemed complete when, at any time after the employer or employee's request, the department notifies the parties that further mediation would be futile. Sunset date is January 1, 2024.
- 2) The small employer family leave mediation pilot would become operative only if SB 1383 (Jackson) is enacted.
- 3) Requires a food employee working in any food facility to be permitted to wash their hands every 30 minutes and additionally, as needed.
- 4) Establishes COVID-19 supplemental paid sick leave for food sector workers unable to work due to specified reasons relating to COVID-19.
- 5) Requires the Labor Commissioner to enforce the COVID-19 food sector supplemental paid sick leave provisions as if those leave provisions were paid sick days under existing law and authorizes a food sector worker to file a complaint with the Labor Commissioner.
- 6) Establishes COVID-19 supplemental paid sick leave for covered workers including those persons employed by private businesses of 500 or more employees, persons employed as certain types of health care providers, and emergency responders employed by public or private entities, all of whom were excluded from the paid sick leave provisions of the federal Families First Coronavirus Response Act.
- 7) Requirements to provide COVID-19 food sector supplemental paid sick leave and COVID-19 supplemental paid sick leave for covered workers expire on December 31, 2020, or upon expiration of any federal extension of the Emergency Paid Sick Leave Act established by the federal Families First Coronavirus Response Act, whichever is later.
- 8) Requires the Labor Commissioner to make available a model notice for COVID-19 supplemental paid sick leave for covered workers and permits electronic posting of this notice if a hiring entities' covered workers do not frequent the workplace.

- 9) Authorizes the Labor Commissioner to enforce paid sick leave laws by issuing citations or filing civil actions.
- 10) Appropriates \$100,000 from the Labor and Workforce Development Fund to the Labor Commissioner for staffing resources to implement and enforce the provisions related to the COVID-19 supplemental paid sick leave and the COVID-19 food sector supplemental paid sick leave.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package to implement actions related to paid sick leave and family leave.

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

This bill makes an appropriation by providing \$100,000 from the Labor and Workforce Development Fund to the Labor Commissioner for staffing resources to implement and enforce the provisions related to the COVID-19 supplemental paid sick leave and the COVID-19 food sector supplemental paid sick leave.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 27, 2020

CONSULTANT: Farra Bracht / BUDGET / (916) 319-2099

FN:

SUMMARY:

This budget trailer bill contains the changes required to implement the 2020 Budget Act and operationalizes the realignment of the California Department of Corrections and Rehabilitation, Division of Juvenile Justice, to the counties.

Major Provisions

This bill repeals the provisions that would have created the Department of Youth and Community Restoration within the Health and Human Services Agency.

This bill closes intake at the Division of Juvenile Justice (DJJ) on July 1, 2021. Courts may continue to commit youth in whose case a motion to transfer them from juvenile court to a court of criminal jurisdiction was filed.

This bill establishes the Office of Youth and Community Restoration (OYCR) in the Health and Human Services Agency whose mission is to promote trauma responsive, culturally informed services for youth involved in the juvenile justice system that support the youths' successful transition into adulthood and help them become responsible, thriving, and engaged members of their communities.

This bill establishes a Juvenile Justice Realignment Block Grant based on a formula that includes a county's share of the state's total youth population, total youth adjudicated for more serious offenses and prior DJJ usage to allocate funding to counties. Funding is contingent on the submission of a plan by counties as outlined. Juvenile grants will be awarded in concurrence with the Board of State and Community Corrections and the OYCR. All juvenile justice grant administration functions in the Board of State and Community Corrections shall be moved to the OYCR no later than January 1, 2025. The bill provides \$9.6 million to establish the Regional Youth Programs and Facilities Grant Program.

This bill includes provisions to reduce the risk of increased adult transfers by making adjustments to the local age of jurisdiction so that it mirrors the current age of jurisdiction for DJJ and includes intent language to establish a secure youth treatment facilities as a commitment option for youth adjudicated for DJJ eligible offenses by March 1, 2021.

This bill requires the Department of Justice to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database and reporting system.

This bill includes other technical changes to operationalize realignment.

COMMENTS:

Arguments in Support / Opposition:

None on file.

FISCAL COMMENTS:

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 28, 2020

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099

FN:

SUMMARY:

This budget trailer includes changes necessary to implement the 2020 Budget Act to repeal various criminal administrative fees and provide the counties with an appropriation to address the corresponding revenue loss.

Major Provisions

The administrative fees that will be repealed are:

- Government Codes 27712 (public defense fee), 27753 (cost of counsel), 29550(c) (criminal justice administration fee), 29550(f) (administrative screening fee and citation processing fee), 29550.1 (criminal justice administration fee), 29550.2 (county booking fee), 29550.3 (city booking fee), and
- Penal Codes 1203 (interstate compact supervision), 1203.016(g) (adult home detention administrative fee), 1203.018(j)(electronic monitoring administrative fee), 1203.1b (probation department investigation/progress report fee), 1203.1e (parole supervision fee), 1208.2(b) (program administrative fee), 1210.15 (continuous electronic monitoring fee), 3010.8 (parole continuous electronic monitoring fee), 4024.2(e)(work furlough administrative fee), 6266 (work furlough program fee), 987.4 (minor public defense fee), 987.5 (public defense registration fee), and 987.8 (public defense fee).

The bill appropriates \$50,000 from the General Fund in the 2020-21 fiscal year to the Department of Finance to begin implementation of the provisions of this act and appropriates \$65 million annually from the General Fund to the Controller beginning in the 2021-22 fiscal year to the 2025-26 fiscal year, inclusive, to backfill revenues lost from the repeal of those fees specified in this act, unless future legislation extends the provisions of this act. The funds are appropriated to the Controller for allocation to counties according to a schedule provided by the Department of Finance. Finally, the bill expresses the intent of the Legislature to pursue legislation with the Budget Act of 2021 to finalize the funding allocation methodology for distribution to counties.

The provisions of the bill will be effective as of July 1, 2021.

COMMENTS:

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 24, 2020

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099

FN:

SUMMARY:

This is the cannabis trailer bill for the 2020-21 budget. It contains the necessary changes necessary to implement the 2020 Budget Act. Specifically, this bill:

Major Provisions

Cannabis Control Appeals Panel

- 1) Limits the residency requirement, that each of the Governor's appointment be residents of a different county at the time of their appointment to Cannabis Appeals Panel.

Excise Tax mark-up

- 2) Prohibits the California Department of Tax and Fee Administration from adjusting the mark-up amount during the period beginning on or after the operative date of the bill, and before July 1, 2021.

Cultivation Tax inflation adjustment

- 3) Prohibits the cultivation tax rates that are imposed in the 2021 calendar year from being adjusted for inflation unless the adjustment is for an inflation rate that is less than zero.
- 4) Provides that beginning January 1, 2023, the rates imposed for the previous calendar year shall be adjusted by the department annually for inflation.

Board of State and Community Corrections Grants to local governments

- 5) Prohibits the Board of State and Community Corrections from making grants to local government that ban both indoor and outdoor commercial cannabis cultivation or that ban the retail sale of cannabis or cannabis products.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement action related to cannabis.

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

The California Cannabis Tax Fund is a continuously appropriated fund and thereby an appropriation.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 24, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN:

SUMMARY:

This is the tax credit trailer bill related to the 2020-21 budget. It contains the necessary changes to implement the 2020 Budget Act. Specifically, the bill:

Expands the Earned Income Tax Credit and Young Child Tax Credit to an eligible individual, eligible individual's spouse, or qualifying child using a federal individual taxpayer identification numbers (ITINs).

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related to tax credits.

SB 80 (Committee on Budget and Fiscal Review, Chapter 21, Statutes of 2015) created the EITC, a state refundable tax credit for wage income that is intended to benefit very low-income households. Specifically, the program builds off the federal EITC and established a refundable credit for tax years beginning on or after January 1, 2015. The credit is applied to personal income tax liabilities associated with earned wage income. The program provides for a credit amount during a phase-in range of earned wage income according to specified percentages based on the number of qualifying children.

SB 106 (Committee on Budget and Fiscal Review, Chapter 96, Statutes of 2017) expanded the EITC to allow previously ineligible self-employed workers to qualify for the state EITC, and raised the credit's income eligibility limits so that workers higher up the income scale would qualify.

SB 855 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2018) expanded the EITC to working individuals who are aged 18 to 24 or over age 65.

Additionally, SB 855, expanded 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.

AB 91 (Burke, Chapter 39, Statutes of 2019) expanded the EITC by raising the annual computation floor from 3.1 to 3.5 percent, revising the computation factors to increase the credit amount for certain taxpayers, raising the maximum income to \$30,000, and providing a refundable Young Child Tax Credit (YCTC) for qualifying families with at least one child under the age of six.

AB 93 (Committee on Budget, Chapter 19, Statutes of 2020) expanded the EITC and YCTC eligibility to ITIN filers with at least one child under the age of six and specified that children six and over would count as qualifying children, as long as the family has at least one child under six.

Arguments in Support:

None on file.

Arguments in Opposition:

None on file.

FISCAL COMMENTS:

Authorizes additional payments from the Tax Relief and Refund Account, which is continuously appropriated, and thereby makes an appropriation.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: Amended August 27, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN:

SUMMARY:

This bill relates to housing and homeowner protection. Specifically this bill:

Major Provisions

- 1) Makes the homestead exemption the greater of \$300,000 or the countywide median sale price of a single-family home in the calendar year prior to the year in which the judgement debtor claims the exemption, not to exceed \$600,000
- 2) Adjusts annually for inflation, beginning on January 1, 2022, based on the change in the annual California Consumer Price Index for All Urban Consumers for the prior fiscal year, published by the Department of Industrial Relations.
- 3) Is effective January 1, 2021.

COMMENTS:

The homestead exemption protects the value of a homeowner's home in the event of a bankruptcy. Existing law provides that a specified portion of equity in a homestead, as defined, is exempt from the execution to satisfy a judgement debt and prescribes that the amount of the homestead exemption is either \$75,000, \$100,000 or \$175,000, depending on certain characteristics of the homestead's residents.

Arguments in Support / Opposition:

None on file.

FISCAL COMMENTS:

None.

VOTES:

SENATE FLOOR: 29-11-0

YES: Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Nielsen, Wilk

UPDATED:

VERSION: August 28, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN: