

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

Assembly
California Legislature



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Agenda

August 14, 2014

8:00 am - Room 4202

Items to be Heard:

- Budget Cleanup / Follow-up Package
 - SB 872 Budget Bill Clean Up
 - SB 873 Human Services Clean Up
 - SB 874 Resources Clean Up
 - SB 875 Public Safety Clean Up
 - SB 876 Education Clean Up
 - SB 877 Jails Clean Up
 - SB 878 IHSS Assessment
 - SB 879- SB 883 Clean Up bills

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 872 (Budget & Fiscal Review Committee) – As Amended: August 12, 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 9 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) Clarifies grant awarding criteria for cities with the highest rate of murder, rape, and robbery.

- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 873 (Budget and Fiscal Review Committee) – As Amended: August 12, 2014

SENATE VOTE: Vote not relevant

SUBJECT: Human Services

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 first \$50 of any amount of child support received each month 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. 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.
7. 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.
8. Provides that the continuous appropriation applicable to CalWORKs is not made for purposes of implementing the bill.
9. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS: This bill is a budget trailer bill within the overall 2014-15 budget package to implement actions taken affecting the Departments of Social Services, Child Support Services, Health Care Services, and Office of the Secretary of State.

REGISTERED SUPPORT / OPPOSITION:

Support

Unknown

Opposition

Unknown

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

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 874 (Budget & Fiscal Review) – As Amended: August 12, 2014

SENATE VOTE: Not relevant

SUBJECT: Resources Omnibus Trailer Bill Technical Adjustments

SUMMARY: This bill 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 Chapter 3 of the 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) Modifies eligibility requirements for incentives under the self-generation incentive program (SGIP) to include storage and make technical changes that clarify performance measures under the program.
- 6) 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.

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, Chapter 861, Statutes of 2014, to enact the 2014-15 budget related to resources, environmental protection, energy, and agriculture.

REGISTERED SUPPORT / OPPOSITION:

Support

Unknown

Opposition

Unknown

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

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 875 (Budget & Fiscal Review) – As Amended: August 12, 2014

SENATE VOTE: Not relevant

SUBJECT: Public Safety Omnibus Trailer Bill Technical Adjustments

SUMMARY: This bill makes various technical adjustments to the Public safety 2014 budget actions. Specifically, this bill:

- 1) Authorizes the Board of Parole Hearings, upon request, to notify a victim, or next of kin of a victim of any hearing to review or consider the parole suitability or the setting of a parole date for that prisoner using United States mail. (Existing law requires any such notice be given by telephone, certified mail, or electronic mail, using the method of communication selected by the requesting party, if that method is available.)
- 2) Requires the Board of Parole Hearings to send written notice of a parole hearing to the judge of the superior court before whom a prisoner was tried. (Existing law requires the board to send notice by certified mail.)
- 3) Appropriates \$5,000,000 from the Recidivism Reduction Fund to the Board of State and Community Corrections for the establishment of a social innovation financing program for counties.
- 4) Clarifies that drug felons with children who are found ineligible for CalWORKs due to violation of probation, parole, or being a fleeing felon are likewise ineligible for General Assistance/General Aid (GR/GA), conforming to program rules for the remainder of the CalWORKs caseload. This corrects an error in the drafting of the previous trailer bill.
- 5) Contains an appropriation allowing this bill to take effect immediately upon enactment.

FISCAL EFFECT: This bill does not result in any substantive changes to the Budget Act or related budget actions.

COMMENTS: This bill provides necessary statutory changes to enact the 2014-15 budget.

REGISTERED SUPPORT / OPPOSITION:

Support

Opposition

Analysis Prepared by: Marvin Deon / BUDGET / (916) 319-2099

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 876 (Committee on Budget and Fiscal Review) – As Amended: August 12, 2014

SENATE VOTE: Not Relevant

SUBJECT: Technical Clean-up Education Omnibus Trailer Bill

SUMMARY: This bill makes various technical changes to the education trailer bills, adopted as part of the 2014-15 Budget package. Specifically, this bill:

1. Clarifies that the regional market reimbursement rate, which is used to reimburse child care providers who accept vouchers, is set at the 85th percentile of the 2009 Regional Market Rate Survey, as reduced by a deficit factor of 9 percent. This amendment aligns the deficit factor to the amount of funding appropriated in SB 852 (Committee on Budget & Fiscal Review), Chapter 25, Statutes of 2014.
2. Clarifies that the increase to maximum reserve fund balances established by SB 858 (Committee on Budget & Fiscal Review), Chapter 32, Statutes of 2014, applies only to agencies contracting with the Department of Education under the California state preschool program. Also specifies that the additional 10 percent that these agencies may separately retain for use on professional development is part of an overall 15 percent reserve.
3. Specifies that funds provided through the Child Care Facilities Revolving Fund for renovation, repair, or improvement of existing buildings are to be provided as loans, and that those loans must be repaid within 10 years.
4. Specifies that \$15 million of funding provided in SB 852 shall be allocated to the Department of Education to fund professional development stipends for teachers, to be administered by local planning councils. Also establishes priorities for the use of those funds, including first priority for transitional kindergarten teachers and second priority for teachers in the California state preschool program.
5. Provides that if more than 10 percent of the average daily attendance (ADA) of a local educational agency is claimed through the new independent study option established through the 2014-15 Budget, then the ADA for that entity shall be reduced by the statewide average rate of absence, as specified. Also clarifies that nothing in the section of law establishing the new independent study option shall prohibit the right to collectively bargain any subject within the scope of representation pursuant to Government Code § 3543.2.

6. Clarifies that a Regional Occupational Center or Program operated by a Joint Powers Authority may be a grant recipient under the Career Pathways Trust grant program.
7. Specifies that if the University of California (UC) plans to use any of its support appropriation in the annual budget act for capital expenditures or capital outlay projects, as defined, it must submit a report, by September 1 of each year, describing the projects to the committees in each house of the Legislature that consider the state Budget, the appropriate budget subcommittees, and the Department of Finance (DOF). Also specifies that the DOF must review the report and submit, by February 1, a list of preliminarily approved capital expenditures and capital outlay projects to the committees in each house of the Legislature that consider the state Budget and the appropriate budget subcommittees for review and response. Currently, these UC capital expenditures and capital outlay projects are reported to the Joint Legislative Budget Committee. These changes conform to the process for California State University (CSU) capital projects and expenditures, which was established in the Higher Education Omnibus Trailer Bill, SB 860 (Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2014.
8. Allows the UC to provide public notice of construction projects to bidders electronically on the website of the university. This change is consistent with authority granted to the CSU in SB 860.
9. Specifies that goal frameworks developed by community colleges and the board of governors for the California Community Colleges (CCCs) must be guided by the statewide goals outlined in Section 66010.91 of the Education Code and express the intent of the Legislature that the goals be challenging and quantifiable, address achievement gaps for underrepresented populations, and align the educational attainment of California's adult population to the workforce and economic needs of the state.
10. Expresses the intent of the Legislature that the appropriate policy and fiscal committees of the Legislature review specific UC and CSU performance measures in a collaborative process that includes the DOF, the Legislative Analyst's Office, individuals with expertise in statewide accountability efforts, the UC, the CSU, and, for the purposes of data integrity and consistency, the CCCs and consider any recommendations for modification and refinement. Also expresses the intent of the Legislature that any modification or refinement of the performance measures be guided by the legislative intent included in Section 66010.93 of the Education Code.

COMMENTS: This bill makes technical and clarifying changes to the education related budget trailer bills to ensure the intent of the Legislature in passing the 2014-15 Budget.

REGISTERED SUPPORT / OPPOSITION:

Support

Unknown

Opposition

Unknown

Analysis Prepared by: Katie Hardeman and Mark Martin / BUDGET / (916) 319-2099

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 877 (Budget & Fiscal Review) – As Amended: August 12, 2014

SENATE VOTE: Not Relevant

SUBJECT: Adult local criminal justice facilities

SUMMARY: This bill makes various technical adjustments to the Public safety 2014 budget actions. Specifically, this bill:

- 1) Repeals duplicative provision passed to authorize \$500,000,000 in revenue bonds, notes, or bond anticipation notes to finance the acquisition, design, and construction of the approved adult local criminal justice facilities and establishes the procedures for approving and funding these projects.
- 2) Appropriates \$5,000 from the General Fund to the Board of State and Community Corrections for purposes of administering the bond financing program for adult local criminal justice facilities.
- 3) Contains an appropriation allowing this bill to take effect immediately upon enactment.

FISCAL EFFECT: This bill does not result in any substantive changes to the Budget Act or related budget actions.

COMMENTS: This bill addresses chaptering issues with Chapter 37, Statutes of 2014 (SB 863) and Chapter 26, Statutes of 2014 (AB 1468). Specifically, this bill repeals duplicative language to clarify that the total amount available for construction of adult local criminal justice facilities is \$500,000,000 (five hundred million dollars).

REGISTERED SUPPORT / OPPOSITION:

Support

Unknown

Opposition

Unknown

Analysis Prepared by: Marvin Deon / BUDGET / (916) 319-2099

Date of Hearing: August 14, 2014

ASSEMBLY COMMITTEE ON BUDGET

Nancy Skinner, Chair

SB 878 (Senate Budget and Fiscal Review) – As Amended: August 12, 2014

SENATE VOTE: Vote not relevant.

SUBJECT: In Home Supportive Services

SUMMARY: Expresses legislative intent to make statutory changes necessary to eliminate the 7 percent across-the-board reduction to In Home Supportive Service (IHSS) hours imposed by the settlement agreement of the *Dominguez v. Brown* and *Oster v. Lightbourne* court cases.

FISCAL EFFECT: In its current form, this bill has no costs. The 7 percent across-the-board cut is estimated to save \$186.7 million General Fund per year (\$398.7 million all funds).

COMMENTS: Two court cases, *Oster v. Lightbourne*, N.D. Cal., Case No. CV 09-04668 CW, U.S. Court of Appeals for the Ninth Circuit, Case No. 12-15366 (Oster); and *Dominguez v. Brown*, N.D. Cal., Case No. CV 09-02306 CW, U.S. Court of Appeals for the Ninth Circuit, Case No. 09-16359 (Dominguez), challenged budget reductions made to the IHSS program. A settlement agreement for both cases was filed on March 13, 2013 that included a provision for a 8 percent across-the-board reduction to service hours in 2013-14, which automatically was reduced to a 7 percent across-the-board reduction in 2014-15. This settlement agreement was codified in SB 67 (Chapter 4, Statutes of 2013).

This settlement agreement contained a provision that required the Administration to submit proposed legislation to the Legislature authorizing an assessment on home care services. The goal of this new assessment is to generate additional federal participation in the IHSS program, and these new funds would be used to fully or partially offset the 7 percent across-the-board reduction in IHSS hours.

If this assessment is adopted by the Legislature, the administration agreed to seek approval from the Center for Medicare and Medicaid Services (CMS) by October 1, 2014.

As of August 12, 2014, the Legislature has not received the proposed legislation from the Administration. This bill states intent to be the vehicle that is used for this proposed legislation, or other statutory changes necessary to restore the 7 percent across-the-board reduction.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Christian Griffith / BUDGET / (916) 319-2099