**2019 Budget Trailer Bill Analyses Packet**

**Wednesday, June 19, 2019**

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
AB 91 (Burke) – As Amended June 14, 2019

**SUBJECT**: Income taxation: Loophole Closure and Small Business and Working Families Tax Relief Act of 2019

**SUMMARY**: This bill is the Loophole Closure and Small Business and Working Families Tax Relief Act of 2019.

Specifically, **this bill**: The Senate amendments:

1) **Earned Income Tax Credit (EITC).** Makes changes to significantly expand the EITC by:

    a. Raising the annual income recomputation floor from 3.1 percent to 3.5 percent.
    b. Revising the calculation factors to increase the credit amount for certain taxpayers.
    c. Raising the maximum income to $30,000.
    d. Providing a refundable young child tax credit not to exceed $1,000 per each qualified taxpayer per taxable year.

2) **Achieving a Better Life Experience (ABLE) Accounts.** Eliminates differences in qualification criteria for ABLE accounts between federal and California tax law to increase contribution limits to up to the federal poverty level and allow taxpayers to roll-over Section 529 plans to ABLE accounts.

3) **Student Loan Debt.** Excludes from an individual's gross income the amount of student loan indebtedness discharged on or after December 31, 2017, due to death or disability of the student, as provided.

4) **Federal Deposit Insurance Corporation (FDIC) Premiums**. Limits the amount banks may deduct for FDIC premiums paid by disallowing deductions entirely for depository banks with assets above $50 billion, and limits them for banks with assets between $10 and $50 billion.

5) **Excess Employee Compensation.** With respect to compensation in excess of $1 million, revises the definition of covered employee and publicly held corporation to limit the amount that may be deducted for ordinary and necessary expenses. Additionally, disallows the performance-based compensation and commission exceptions with respect to the deduction limitation relating to covered employees.

6) **Net Operating Loss (NOL) Carrybacks**. Repeals the ability for taxpayers to carry back NOLs to previous taxable years.

7) **Small Business Accounting.** Increases the following thresholds 1) from $5 million to $25 million the amount of average annual gross receipts of a small business to be allowed to use the cash method of accounting; 2) from $5 million to $25 million the amount of average annual gross receipts of a farming corporation that is exempt from using the accrual method of accounting; 3) from $10 million to $25 million the amount of average annual gross receipts of a taxpayer exempt from provisions precluding the deductibility of certain property costs and determining whether those costs are inventory costs or are capitalized; 4) exempts a small business with average annual gross receipts not exceeding $25 million from provisions that require a taxpayer to take inventories to clearly determine their income; and 5) exempts construction contracts entered into by a taxpayer with average annual gross receipts not exceeding $25 million from the requirement that taxable income from a long-term contract be determined by the percentage of completion method. Allows a taxpayer to elect to have these changes apply to taxable years beginning in 2018.

8) **Non-Corporate Business Loss Limits.** Disallows deductions under the Personal Income Tax Law for excess business losses over $250,000 for a single filer and $500,000 for joint filers. Establishes these limits in perpetuity (the federal change expires in 2026), and also provides that losses cannot be carried forward as a NOL at an amount greater than the limits listed above (which they can under federal law).

9) **Technical Termination of a Partnership.** Repeals provisions that allow for the termination of a partnership by sale or exchange of 50 percent or more of the interest in a partnership within a 12-month period and allows a partnership to elect to have this change apply to partnership taxable years beginning in 2018.

10) **Like-Kind Exchange Rules.** Eliminates Like-Kind exchanges of personal property, limiting these exchanges only to real property, except for personal income taxpayers with less than $250,000 for a single file and $500,000 for a joint filer.

11) **Section 338 Election.** Provides that if an election to treat a qualified stock purchase from a target corporation as an asset acquisition is made by a purchasing corporation for federal tax purposes, a separate state election shall not be allowed.

**FISCAL EFFECT**: The provisions included in this bill have an estimated net General Fund revenue impact in the 2019-20 fiscal year of $1 billion and $680 million in 2020-21. In addition, the revenue generated by this bill is estimated to provide an additional $1 billion total to schools through an increased Proposition 98 minimum funding level from the 2019-20 fiscal year through the 2022-23 fiscal year.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

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

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
SB 75 (Committee on Budget and Fiscal Review) – As Amended June 13, 2019

**SENATE VOTE**: 27-9

**SUBJECT**: Education finance: education omnibus budget trailer bill

**SUMMARY:** This is the K-12 and Early Education Omnibus trailer bill for the 2019-20 budget. It contains various statutory changes necessary to implement the Budget Act of 2019.

Specifically, **this bill**:

Early Education

1) Provides $300 million in one-time General Fund for the Full-Day Kindergarten Facilities Grant program. Makes changes to the existing program to 1) prioritize schools converting part-day to full-day kindergarten programs, 2) increase the state matching share from 50 percent to 75 percent, 3) allow for any remaining grant funding to be used for other one-time costs to implement the full-day kindergarten program and 4) specifies that participation in the Full-Day Kindergarten Facilities Grant program does not impact a district's eligibility in the School Facility Program.

2) Expands eligibility for the California State Preschool program to include all three and four year olds in a school attendance area of a public school where at least 80 percent of enrolled pupils are eligible for free or reduced process meals, beginning January 1, 2020. Includes existing priority for lowest income, neglected and abused and four year-old children first. Changes the eligibility requirements for the State Preschool program to provide priority access to full-day state preschool program slots to income eligible families with a need for full-day care (parents are working or in school), with remaining full-day slots available for other income eligible families.

3) Requires the Secretary of the Health and Human Services, in concurrence with the executive director of the State Board of Education to contract for research to create a Master Plan to ensure comprehensive and affordable child care and universal preschool. Funding appropriated in the Budget Act for these purposes would be used for studies on the following: 1) a fiscal framework to expand early learning and care in the state; 2) early learning and care facility needs statewide; 3) needs for services by families eligible for subsidies; 4) a quality improvement plan to support all types of providers, and 5) steps necessary to provide universal pre-kindergarten for all three and four year old children. Studies shall be completed on a flow basis, but by October 1, 2020 at the latest.

4) Establishes the Early Learning and Care Infrastructure Grant Program to provide grants to child care and early education providers to build new facilities, or retrofit, renovate, or expand existing facilities. Competitive grants shall be available to providers to increase capacity or recover lost capacity as a result of a state or federal emergency through construction or renovation and modernization projects. The Superintendent of Public Instruction shall determine the process for awarding and managing the grants and may set aside up to five percent to contract with organizations to provide technical assistance. Up to five percent shall be set aside each fiscal year for renovation, repair modernization, or retrofitting existing early learning and care facilities to address health and safety or other licensure needs for low-income providers. Appropriates $142.7 million to be expended over five years in equal amounts per year (in addition to $102.3 in federal funds appropriated through the budget act for this program). Requires annual reporting to the Governor and the relevant policy and fiscal committees of the Legislature on the expenditure of funds and relevant outcome data.

   In addition, eliminates the Child Care Revolving Loan Program, retains the related fund through December 31, 2029 for the purpose of collecting deposits from outstanding loan and lease payments. Revenues from these purposes will be transferred to the Early Learning and Care Infrastructure Grant program. In addition, this section specifies that remaining non-Proposition 98 fund balance in the Child Care Revolving Loan Fund (CCRLF) is transferred to this grant program, and the remaining $10 million in non-Proposition 98 funds from the CCRLF are transferred to the Inclusive Early Education Expansion Program.

5) Establishes the Early Learning and Care Workforce Development Grant Program to expand the number of qualified early learning and care professionals and increase education credentials for existing professionals. The Superintendent of Public Instruction shall award and administer grants, consistent with the Quality Rating and Improvement System local consortia, to local or regional quality improvement partnerships. Grants provided under this program may be used for costs associated with expenses related to education and professional development for all types of early learning and care professionals to increase educational attainment and/or development of competencies related to early childhood instruction and development. Appropriates $195 million for this program to be expended over five years in equal amounts per year. Up to one percent of funds may be set aside by the Superintendent for technical assistance to grantees and potential grantees. Requires annual reporting to the Governor and the relevant policy and fiscal committees of the Legislature on the expenditure of funds and relevant outcome data.

6) Provides $10 million in one-time General Fund for the Department of Education, Department of Social Services, Department of Human Resources and the Public Employment Relations Board for costs associated with implementing child care

organizing. Requires each department to submit expenditure plans and allocates the funds contingent on Department of Finance approval and notification of the Joint Legislative Budget Committee. Requires the Department of Education and the Department of Social Services to collect contact information on child care providers to make available to provider organizations for organizing purposes.

7) Applies the reimbursement rate adjustment factor for children with exceptional needs to part–day state preschool programs. Rate adjustment factors are intended to account for the higher costs of serving children in specific categories. This specific rate adjustment factor previously applied only to full day state preschool programs.

8) Establishes the Early Childhood Policy Council to advise the Governor, the Legislature, and the Superintendent on statewide early learning and care policy, building on the work of the state's Master Plan for Early Learning and Care and the 2019 California Blue Ribbon Commission on Early Childhood Education Final Report. The Council shall consult with a parent advisory committee and a workforce advisory committee. The Department of Education shall provide staffing to the Council and up to $300,000 of funds provided for the Council may be used for this purpose.

9) Delays the implementation of the requirement to provide 14 day notice to an Alternative Payment child care providers before a family can receive a subsidy for a different provider until July 1, 2020.

<u>K-12 Education</u>

1) Establishes the Special Education Early Intervention Preschool grant, provided to LEAs based on the number of three and four year olds with exceptional needs, specifically students with Individualized Education Plans (IEPs). Requires ongoing funding to be contingent upon the passage of legislation in the 2020-21 budget to reform the special education system to improve outcomes for students.

2) Provides the allocation methodology to bring all local educational agencies (LEAs) to the statewide base rate for special education funding.

3) Provides $368.4 million in one-time Proposition 98 "settle-up" funding in 2019-20 to allocate to school districts and community colleges for the purposes of reducing the outstanding Proposition 98 funding owed to schools for the 2009-10 fiscal year. Funding is provided for 2018-19 LCFF expenditures for school districts and charter schools and for other community college programs in the 2019-20 fiscal year.

4) Dedicates $89.8 million in one-time General Fund for the Golden State Teacher Grant program. The Student Aid Commission is charged with providing one-time grants of $20,000 to each student enrolled in a professional preparation program leading to a preliminary teaching credential, if the student commits to working in a high-need field at a priority school for four years after the student receives a teaching credential.

5) Establishes the Mental Health Student Services Act to create a competitive grant program to fund partnerships between county mental health or behavioral health departments and K-12 school districts, charter schools, and the county office of education within a county. The grant program is managed by the Mental Health Services Oversight and Accountability Commission Funds would be available for expenditure across a five year period. Grant funds shall be used for services provided on K-12 campuses, suicide prevention services, drop-out prevention services, outreach to at-risk youth, placement assistance for ongoing services, and other services to respond to the mental health needs of students and youth.

6) Provides $38.1 million in one-time non-Proposition 98 funding for the Educator Workforce Investment Grant to provide competitive grants for professional learning opportunities for teachers and paraprofessionals. The Department of Education is charged with administering grants to one or more institutions of higher education or nonprofit organizations with expertise in developing and providing professional learning to teachers and paraprofessionals. Of this funding, $10 million is for professional development for the English Learner Roadmap adopted by the State Board of Education, $5 million is for special education related professional development and $22.1 million for professional development in other areas, including social-emotional learning, positive school climate, including restorative justice, the computer science content standards and the ethnic studies model curriculum. Provides the Department of Education $250,000 each year for four years to implement the Educator Workforce Investment Grant program.

7) Dedicates $36 million in one-time Proposition 98 funding for the Classified School Employees Summer Assistance Program, created in the 2018-19 budget. Makes changes to the program to allow the funds to be available over three years, increase the minimum salary requirements and make other minor and technical changes.

8) Appropriates $10 million in one-time General Fund for the development of the California Cradle to Career Data System. Funding shall be provided to the Governor's Office of Planning and Research to contract with planning facilitators to lead a workgroup comprised of representatives from education, workforce, health, and other relevant agencies. By July 1, 2020, the workgroup shall report to the Department of Finance and

the Legislature on the proposed structure of the data system, including, governance, architecture and functionality of the system. By January 1, 2021, the workgroup shall report to the Department of Finance and the Legislature on additional details regarding the data system. Of the total funding, $2 million is available for the administrative costs of the workgroup process, $300,000 is available for the California Community Colleges, California State University, and University of California to integrate the use of Statewide Student Identifiers into their systems, and the remaining funds are available for initial implementation activities upon approval of an expenditure by the Department of Finance and notification to the Joint Legislative Budget Committee.

9) Creates the 21st Century California School Leadership Academy, administered by the Department of Education and the California Collaborative for Educational Excellence (CCEE) to provide professional learning opportunities for school administrators and other school leaders, aligned with the statewide system of support. Eligible grantees include LEAs, institutions of higher education and nonprofit educational service providers.

10) Provides $7.5 million in one-time non-Proposition 98 funding for the Broadband Infrastructure Grant Program to improve broadband infrastructure in schools. Requires the Department of Education to contract with the Corporation for Education Network Initiatives in California (CENIC) to administer the program and identify broadband connectivity solutions to the most poorly connected school sites.

11) Prohibits charter schools from discouraging students from enrolling in a charter school or encouraging students to disenroll from a charter school on the basis of academic performance or student characteristic, or from obtaining specified student information prior to enrollment. Allows a charter school that exists as of as of July 1, 2019 that operates in partnership with the California National Guard may dismiss a pupil from the charter school for failing to maintain the minimum standards of conduct required by the California Military Department.

12) Requires CDE to conduct a study on the feasibility of using student enrollment data from the California Longitudinal Pupil Assessment Data System to identify potential instances of practices that discourage students from enrolling in charter schools.

13) Includes $3 million in one-time Proposition 98 funding for CDE to allocate to the Kern County Superintendent of Schools for the Fiscal Crisis and Management Assistance Team for the Standardized Account Code Structure system replacement project.

14) Provides $2 million in one-time Proposition 98 funding for the Southern California Regional Occupational Center (SoCal ROC) for instructional and operational costs in the

2019-20 fiscal year. Requires SoCal ROC to provide an updated operational plan to the Department of Finance and the Legislative Analyst's Office on or before September 1, 2019.

15) Provides an exemption for a school district with average daily attendance of more than 400,000 from administrator to teacher ratio penalties (calculated pursuant to Education Code Section 41404) for the 2019-20 through 2021-22 fiscal years. Requires annual reporting on the administrator to teacher ratio calculation for each year a school district receives a waiver under this provision, including historical information for past years and the school district's plan to meet the ratio requirements over time.

16) Extends the hold-harmless funding provisions to school districts and charter schools that experienced attendance losses as a result of the 2018 wildfires through 2020-21. Allows for the Paradise Unified School District to request the Fiscal Crisis Management Assistance Team to conduct an evaluation of the need for additional funding and statutory changes for the 2021-22 fiscal year.

17) Provides a backfill for wildfire affected basic aid school districts for property tax losses in 2018-19 and 2019-20.

18) Provides a backfill for special education programs for 2018-19 and 2019-20 to the extent that property tax revenues from Redevelopment Agency dissolution is not sufficient to cover the appropriation in the 2018 and 2019 Budget Acts for Special Education.

19) Creates the Breakfast After the Bell grant program. The CDE is charged with administering grants to LEAs to start-up or expand school breakfast programs that offer breakfast to students after the start of the school day.

20) Allocates $500,000 in one-time non-Proposition 98 funding to create a workgroup to increase the ability of schools to draw down federal funds for medically related services for students and improve the transition of thee-year olds with disabilities from regional centers to schools.

21) Provides $178,000 in 2019-20 and $154,000 ongoing for the State Board of Education to enter into a contract with the San Joaquin County Office of Education to support maintenance of the California School Dashboard and the School Accountability Report Card.

22) Expands the Uniform Complaint Procedures to include complaints of non-compliance with required minimum instructional minutes for physical education for grades 9 to 12. This change conforms to the existing process for grades 1 to 8.

23) Requires local indicators used by LEAs for the Local Control Accountability Plan (LCAP) process to reflect school site-level data, if it is currently collected statewide by CDE, by January 31, 2020.

24) Extends the deadline for the CDE to develop the Special Education Local Plan Area (SELPA) assurances support template from March 31, 2019 to July 1, 2020. Additionally, extends the deadline for SELPAs to submit the assurances support plan from July 1, 2020 to July 1, 2021, to align with the development of the template.

25) Includes the Cal Grant: Opt-Out Notice and Grade Point Average Submission mandated program to the K-12 mandate block grant.

26) Provides $350,000 one-time Proposition 98 funding for the State Board of Education to contract with the San Joaquin County Office of Education to merge the Dashboard, LCAP electronic template, and other local school site and school district reports into a single web-based application.

27) Specifies the state priorities that charter schools need to address in their Local Control and Accountability Plans (LCAPs), and clarifies that charter LCAPs need to be adopted at a public hearing and prominently posted online, and that charter schools are required to translate reports and notices if 15 percent or more of their students enrolled speak a primary language other than English.

28) Aligns the treatment of in-lieu of property tax transfers for charter schools authorized on appeal by the State Board of Education with the treatment of countywide benefit charter schools that serve students from a basic aid school district of residence.

29) Expands the list of non-waivable sections of law to include all Education Code sections that pertain to the LCFF apportionment calculations. Apportionment statutes are not subject to waiver by the State Board of Education.

30) Extends through the 2019-20 fiscal year the existing funding allocation method for the Out-of-Home Care program for foster students with exceptional needs.

31) Makes technical and clarifying changes to the schoolsite council requirements for schools and local educational agencies.

32) Specifies which appropriations are transferred through the K-12 portion of the State School Fund in order to streamline the apportionment accounting process for the Department of Education and the State Controller's Office while still meeting statutory apportionment deadlines and satisfying the constitutional requirements of the pass-through fund.

33) Shifts Proposition 98 funding for part-day State Preschool at non-local educational agencies to the non-Proposition 98 General Fund and rebenches the Proposition 98 guarantee.

34) Extends the suspension of the Proposition 98 statutory split for K-12 education and community colleges for the 2019-20 fiscal year.

35) Allows for the Commission on Teacher Credentialing to receive donations, bequests, grants and philanthropic funding, subject to the Director of Finance.

36) Specifies that specified one-time funding provided in the 2018-19 budget counts toward the Proposition 98 guarantee, including $4 million for San Francisco Unified School District, $2 million for Sweetwater Unified School District and $1.7 million for CDE for a suicide prevention program.

37) Provides $4 million one-time General Fund for the Special Olympics of Northern and Southern California.

38) Provides an exemption for Leggett Valley Unified School District and Big Sur Unified School District to operate on a four-day school week without penalties pursuant to meeting instructional minute requirements each year and providing a plan to the Department of Education on meeting the instructional minute requirement in the following year. Amends statute to clarify that these school districts retain funding under the Local Control Funding Formula.

39) Makes technical and clarifying changes to the Career Technical Education Incentive Grant program and the K-12 Strong Workforce program, including updating the name of the related federal grant program and clarifying that a regional occupational center or program (ROCP) operated by a county office of education is also eligible to receive grant funding.

40) Clarifies the roles and responsivities of the Agricultural Career Technical Education Unit within the Department of Education.

**COMMENTS**: This bill makes various changes to implement budget actions related to K-12 and early education, adopted as part of the 2019-20 Budget package.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

**Analysis Prepared by**: Katie Hardeman / BUDGET / (916) 319-2099

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
SB 80 (Committee on Budget and Fiscal Review) – As Amended June 17, 2019

**SENATE VOTE**: 27-9

**SUBJECT**: Human services omnibus

**SUMMARY:**

Provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2019. As part of the 2019-20 budget package, Assembly Bill 80 makes statutory changes to implement the budget act.

Specifically, **this bill**:

1) Continues to suspend the payment of child support incentive payments administered by the Department of Child Support Services (DCSS) for the 2019–20 and 2020–21 fiscal years, pending implementation of a new funding methodology for local child support agencies (LCSAs).

2) Requires the DCSS to implement a revised local child support agency funding methodology in the 2019–20 fiscal year. This is supported with a General Fund appropriation of $19 million ($56 million total funds) in 2019-20, increasing as implementation continues in future years.

3) Requires the DCSS to convene a series of stakeholder working sessions to establish an ongoing local child support agency funding methodology to commence in the 2020–21 fiscal year, and requires DCSS to recommend changes to the 2019–20 funding methodology to the Legislature on February 1, 2020.

4) Increases the DCSS administrative service fee, effective October 1, 2019, from $25 to $35 on a never-assisted custodial party who received child support collection services from the state and increases the disbursement threshold to which this would apply, from an annual amount of $500 to $550 or more, in collected child support payments. This state law change conforms to requirements in federal law.

5) Continues to suspend the fee exemption in existing law, requiring the Department of Justice (DOJ) or the State Department of Social Services (DSS) to charge a reasonable fee for fingerprinting or obtaining a criminal record for a license applicant who will provide services to 6 or fewer children.

6) States the intent of the Legislature to achieve annual inspections for licensed child day care centers and licensed family day care homes and facilities on or before July 1, 2021.

7) Requires, to the extent required by federal law, a child care provider who receives compensation, in whole or in part, under the Emergency Child Care Bridge Program for Foster Children to be registered as a Trustline provider, at no cost to the provider, unless the provider has a criminal conviction for which the DSS has not granted a criminal conviction exemption.

8) Deletes the authorization to conduct specified pilot programs and demonstration projects related to certain public social services programs where the statute is obsolete or when the program was not launched. Deletes various obsolete reporting requirements.

9) Specifies that Office of the State Long-Term Care Ombudsman shall provide residents with regular and timely access to the services provided by the office through quarterly facility visits to skilled nursing facilities and residential care facilities for the elderly. This is supported with a General Fund appropriation of $4.2 million ($5.2 million total funds) in 2019-20 and $5.2 million General Fund in 2020-21 and ongoing.

10) Requires the California Department of Aging (CDA) to administer the Aging and Disability Resource Connection (ADRC) Infrastructure Grants Program for the purpose of implementing a No Wrong Door System. Requires funds to be awarded pursuant to the grant program to interested and qualified area agencies on aging and independent living centers to complete the planning and application process for designation and approval to operate as an ADRC program. Authorizes grant funds to be awarded to aid designated ADRC programs operated by area agencies on aging and independent living centers in expanding or strengthening the services that they provide. This is supported with a General Fund appropriation of $5 million in 2019-20 and ongoing, subject to suspension of the implementation on December 31, 2021, unless the Department of Finance makes a specified determination.

11) Deletes a July 1, 2024 sunset date for the Traumatic Brain Injury program, administered by the Department of Rehabilitation (DOR), which facilitates the provision of services for persons with acquired traumatic brain injury, utilizing an individual service plan to identify the needs of consumers and deliver, either directly or by arrangement, coordinated services designed to meet those needs.

12) Requires, to the extent possible within the technology, the development of the California Statewide Automated Welfare System (CalSAWS) enrollment and eligibility functionality, case management systems, ancillary services, public portals, and mobile applications to have the goals of minimizing the burden of the overall eligibility process for enrollment and retention of benefits for low-income Californians, streamlining interactions for both clients and eligibility workers, and facilitating applicant and client submission of feedback. Requires the participants in quarterly stakeholder meetings to jointly update the Legislature at least twice per year through existing processes as to how the CalSAWS development, implementation, and maintenance minimizes client burden in order to improve access to safety net programs and incorporates ongoing applicant and client feedback toward continuous improvement.

13) Removes obsolete references to a nonbiometric identity verification method in the CalWORKs program and removes obsolete references to former statewide fingerprint imaging system requirements with reference to identity verification requirements for the CalWORKs program.

14) Effective October 1, 2019, increases the maximum aid payment amounts for CalWORKs recipients, based on the number of people in the assistance unit, whether the assistance unit includes a recipient who is exempt from participating in welfare-to-work activities, and the region in which the family resides. This grant increase is intended to be the next step toward alleviating the condition of deep child poverty, defined as living with a subsistence level less than 50 percent of the Federal Poverty Level, for children in the CalWORKs program. This is supported with a General Fund appropriation of $333.7 million in 2019-20 and $444.7 million in 2020-21.

15) Renames the CalWORKs Home Visiting Initiative the CalWORKs Home Visiting Program, recognizing its permanent program nature, and makes various technical, nonsubstantive changes to the program's provisions. Revises program eligibility requirements, including by making eligible for the home visiting program an individual who is apparently eligible for CalWORKs aid and a pregnant individual who has applied for CalWORKs aid within 60 calendar days prior to reaching the 2nd trimester of pregnancy and would be eligible for CalWORKs aid other than not having reached the 2nd trimester of pregnancy. Authorizes a county and the home visiting program to incorporate participation of the noncustodial parent of a child who is a member of a CalWORKs assistance unit into home visiting services.

16) Changes the requirement in the CalWORKs Homeless Assistance Program (HAP) for eligibility for temporary shelter assistance, limited to one period of up to 16 consecutive days every 12 months, to instead, 16 cumulative days every 12 months. Conforming changes are made for cases where homelessness is a direct result of domestic violence by a spouse, partner, or roommate, physical or mental illness. This change is supported with a General Fund appropriation of $14.7 million in 2019-20 and $27.6 million in 2020-21 and ongoing.

17) Provides that, commencing with the 2020–21 fiscal year, the funding provided for stage one child care be allocated to counties separately from the CalWORKs Single Allocation. Requires the State Department of Social Services to work with representatives of county human services agencies and the County Welfare Directors Association of California to develop recommendations for revising the methodology used for development of the CalWORKs single allocation annual budget.

18) Requires, when CalSAWS is able to produce a report identifying overpayment and when the individual responsible for the overpayment has not received aid under CalWORKs for 36 consecutive months or longer, that the overpayment, then deemed to be uncollectible, be discharged, rather than expunged. This is a terminology change conforming to recent state law changes.

19) Requires the DSS to facilitate a workgroup that includes counties, advocates for the poor, organizations that represent workers, CalWORKs recipients, staff of the appropriate fiscal and policy committees of the Legislature, and other stakeholders in a review of the CalWORKs welfare-to-work laws and regulations. Requires the workgroup to develop a set of immediate, near-term, and long-term recommendations focused on eliminating policy barriers that would prohibit the successful implementation of the CalWORKs Outcomes and Accountability Review (Cal-OAR), as influenced by a welfare-to-work model known locally as CalWORKs 2.0. Requires the DSS to update the Joint Legislative Budget Committee on the recommendations of the workgroup by February 1, 2020, and would repeal these provisions on January 1, 2021.

20) Extends and revises the policy for emergency caregiver payments in the 2019-20 fiscal year, continuing to make these payments ineligible for the federal or state share of payment upon approval or denial of the resource family application or beyond 120 days, whichever comes first, subject to an extension beyond those payments, for up to 365 days of payments, if certain conditions are met by the county, including, among others, the provision of monthly documentation showing good cause for the delay in approving the resource family application that is outside the control of the county. This is supported with a one-time General Fund appropriation of $4.1 million in 2019-20.

21) Requires each county, on and after July 1, 2019, to provide a payment equivalent to the resource family basic level rate of the home-based family care rate structure on behalf of an Indian child placed in the home of the caregiver who is pending approval as a tribally approved home if specified criteria are met.

22) Authorizes the DSS to grant an additional extension to a group home until December 31, 2020, upon a county child welfare agency submitting a written request on behalf of a provider that includes an update to the previously submitted documentation. Requires the county child welfare and mental health agencies, in order to maintain the placement of foster youth placed in a group home that receives this extension, to submit a collaborative plan to the DSS and the State Department of Health Care Services (DHCS) that includes specified components. Requires the DSS, the DHCS, and stakeholders to develop a collaborative plan to address barriers to building high-quality services in residential treatment programs and in family-based settings.

23) Requires, commencing July 1, 2019, the rates paid to foster family agencies to be increased by 4.15 percent, except for the rate paid to a certified family home or resource family agency. This is supported with a General Fund appropriation of $6.5 million in 2019-20 and ongoing, subject to suspension of the rate increase on December 31, 2021, unless the Department of Finance makes a specified determination.

24) Requires the DSS, with the advice and assistance of the County Welfare Directors Association of California and other specified stakeholders, to establish a working group to develop performance standards and outcome measures for providers of out-of-home care placements made under the AFDC-FC program.

25) Requires the DSS, in collaboration with the County Welfare Directors Association of California, to track the utilization, workload, and costs associated with implementing any specific tool developed to identify the child's strengths and needs and determine the most appropriate out-of-home placement.

26) Provides that when a child receiving benefits under the Approved Relative Caregiver Funding Program (ARC) or AFDC-FC program becomes eligible for benefits under the state-funded or federally funded Kin-GAP Program, respectively, the child shall continue to receive ARC or AFDC-FC benefits through the day that the juvenile court dismisses the dependency or terminates the wardship, and Kin-GAP payments shall begin the following day.

27) Establishes a rebased County In-Home Supportive Services (IHSS) Maintenance of Effort (MOE), reducing the base for the 2019–20 fiscal year to $1,563,282,000 from that which was established in the 2017–18 fiscal year at $1,769,443,000, commencing July 1, 2019. Makes additional adjustments to the County IHSS MOE relating to, among other things, benefits that are locally negotiated, mediated, or imposed, and administration expenditures. Once the state minimum wage reaches $15 per hour, requires the state to pay 35%, and the county 65%, of the nonfederal share of an increase in provider wages or health benefits locally negotiated, mediated, imposed, or adopted by ordinance, or of increases to rates in contracts. Changes the inflation factor applied to the County IHSS MOE to 4% beginning on July 1, 2020, and annually thereafter. Current law sets, beginning on July 1, 2019, an inflation factor of 7%.

28) Repeals offsetting provisions related to a combination of General Fund moneys appropriated in the annual Budget Act and redirected 1991 Realignment funds, based on specified formulas, for purposes of the 2019–20, 2020–21, 2021–22, and subsequent fiscal years. Redirect moneys from specified accounts of the Local Revenue Fund to the mental health account, health account, and family support account, of each county or city and county and to the continuously appropriated County Medical Services Program Growth Subaccount. Makes other revisions relating to the distribution of 1991 Realignment funds.

29) Require the DSS to develop and implement the federally-required electronic visit verification system (EVV system), the purpose of which is to electronically verify specified information with respect to Medicaid-funded personal care services and home health care services provided by the state, in accordance with specified principles, including compliance with specified federal statutory and case law, the capabilities of the system, the rights of IHSS program consumers and providers, and development and implementation of the EVV system in a manner and timeframe that avoids payment of federal financial participation penalties.

30) Requires the DSS to work with the County Welfare Directors Association of California to determine the actual one-time and ongoing county workload and costs to implement the EVV system and to consider the information for annual budget changes and county

workload requirements related to implementation. Makes this provision inoperative on July 1, 2020, and repeals it on January 1, 2021.

31) Requires the DSS, the DHCS, the California State Association of Counties, the County Welfare Directors Association of California, the County Behavioral Health Directors Association of California, and the Chief Probation Officers of California to provide quarterly in-person updates to the Legislature on progress toward the implementation of the Continuum of Care Reform (CCR) effort. Requires the updates to include specified information on, among other topics, the transition of providers to the CCR program models, the capacity to provide mental health services, tracking child outcomes over time, the CCR-related costs and savings, system changes, and county recruitment and retention efforts.

32) Exempts certain contracts or grants, necessary for DSS to implement or evaluate the CCR from various laws and procedures, including the Public Contract Code and the State Contracting Manual and review by either the Department of General Services or the Department of Technology. Makes these provisions inoperative on July 1, 2021, and would repeal them as of January 1, 2022.

33) Establishes a child welfare public health nursing early intervention program in the County of Los Angeles to improve outcomes for youth who are at risk of entering the foster care system, by maximizing access to health care, health education, and connection to safety net services. The program would be administered by the Los Angeles County Department of Public Health (DPH), in cooperation with the county's Department of Children and Family Services (DCFS). Specifies the duties of a county public health nurse participating in the pilot program, including conducting emergency and routine home visits with social workers and providing parents and guardians with educational tools and resources to ensure their child's physical, mental, and behavioral health needs are being met. Requires DPH and DCFS to develop appropriate outcome measures to determine the effectiveness of the program in achieving its objectives and report its findings and recommendations to the Legislature. Requires the DHCS and the county to seek any federal approvals necessary to implement the program and seek to maximize federal financial participation. This is supported with a General Fund appropriation of $8.3 million in 2019-20 and ongoing, subject to suspension of the implementation on December 31, 2021, unless the Department of Finance makes a specified determination.

34) Requires the DSS to establish a statewide hotline, operational no sooner than January 1, 2021, and on the same date as the county-based mobile response systems described below, as the entry point for a Family Urgent Response System (FURS), to respond to calls from caregivers or current or former foster children or youth during moments of instability, as specified. Requires the hotline to include, among other things, referrals to a county-based mobile response system, for further support and in-person response. Requires the DSS to ensure that deidentified, aggregated data are collected regarding individuals served through the hotline and the county-based mobile response system and to publish a report on the DSS internet website by January 1, 2022, and annually thereafter.

35) Requires, no sooner than January 1, 2021, and on the same date as the statewide hotline described above, county child welfare, probation, and behavioral health agencies, in each county or region of counties, as specified, to establish a joint county-based mobile response system that includes a mobile response and stabilization team for the purpose of providing supportive services to, among other things, address situations of instability, preserve the relationship of the caregiver and the child or youth, and stabilize the situation. Requires those agencies to submit a single, coordinated plan to the DSS, describing how the system would meet specified requirements. Authorizes those agencies to implement these provisions on a per-county basis or by collaborating with other counties to establish regional, cross-county mobile response systems.

36) Requires the DSS, in collaboration with the DHCS, to issue all necessary guidance for county-based mobile response systems. Requires the DSS, in collaboration with specified entities, on an annual basis beginning on January 1, 2022, to assess utilization and workload associated with implementation of the statewide hotline and mobile response system and provide an update to the Legislature during budget hearings.

37) Makes FURS inoperative in any fiscal year for which funding is not appropriated in the annual Budget Act for the purpose of complying with its requirements. This is supported with a General Fund appropriation of $15 million in 2019-20 and $30 million in 2020-21 and ongoing, subject to suspension of the implementation on December 31, 2021, unless the Department of Finance makes a specified determination.

38) Amends statute to recognize the permanent nature of the program that makes a recipient of Supplemental Security Income/State Supplementary Payment Program (SSI/SSP) benefits eligible for CalFresh benefits, enabled by current law that establishes the SSI/SSP Cash-In Supplemental Nutrition Benefit (SNB) Program and the SSI/SSP Cash-In Transitional Nutrition Benefit (TNB) Program to provide nutrition benefits to a CalFresh household that had its benefits reduced or became ineligible when a previously excluded SSI/SSP recipient was added to the household under the new eligibility provisions.

39) Makes the SNB and TNB benefits available without regard to an appropriation in the annual Budget Act.

40) Makes SSI/SSP-equivalent benefits available in the Cash Assistance Program for Immigrants (CAPI) program, retroactive to June 1, 2019, without regard to an appropriation in the annual Budget Act.

41) Requires the DSS to establish a Work Incentive Nutritional Supplement (WINS) program, under which each county is required to provide a $10 monthly additional food assistance benefit for each eligible CalFresh household.

42) Deletes the requirement that the state use funds that qualify for the state's Temporary Assistance for Needy Families (TANF) program maintenance of effort requirements to pay for the cost of Work Incentive Nutritional Supplement (WINS) benefits.

43) Requires the DSS to work with representatives for county human services agencies and the County Welfare Directors Association of California to update the budgeting methodology used to determine the annual funding for county administration of the CalFresh program beginning with the 2020–21 fiscal year.

44) Increases from 10% to 15% the annual budget limitation on storage and transportation expenditures associated with the CalFood Program, commencing on July 1, 2019.

45) Makes tribes and combinations of counties or tribes eligible for funding under the Housing and Disability Income Advocacy Program as grantees. Requires grantees to use the funding for the provision of certain services, including housing assistance, and to make a reasonable effort to place a client who receives subsidies in housing that the client can sustain without a subsidy upon approval of disability benefits or consider providing limited housing assistance until an alternative subsidy, affordable housing voucher, or other sustainable housing option is secured. Requires the DSS to annually inform the Legislature of the implementation progress and to submit an annual report to the Legislature on the implementation of the program. This program is supported with a General Fund appropriation of $25 million in 2019-20 and on-going.

46) Expands the scope of the Bringing Families Home Program to also apply to tribal governments and would make conforming changes. Makes certain changes to the criteria for housing-related supports, requiring, among other things, the use of an assessment tool. Requires a participating county or tribe to utilize a cross-agency liaison to coordinate activities. This is supported with a one-time General Fund appropriation of $25 million in 2019-20.

47) Requires the DSS to administer a rapid response program to award grants or contracts to entities that provide critical assistance to immigrants during times of need. Prescribes requirements for the grants or contracts, including that the grants or contracts provide critical funding for immigrants, including medical treatment, temporary shelter, food, and clothing. Requires the DSS to provide an update to the Legislature regarding any entity receiving funds and would require the update to contain specified information, including the name of the entity or entities that will receive the funding, a timeline for implementation of the services, and the approximate number of persons that will be served per month by the funds. The bill's provisions would be inoperative on July 1, 2022, and would be repealed on January 1, 2023. States that these provisions are severable. These activities are supported with a one-time General Fund appropriation of $25 million in 2019-20.

48) Repeal provisions related to a Refugee Targeted Assistance program, pursuant to and conforming with changes in federal law. Authorizes the DSS, to the extent permitted by federal law, to contract with, or award grants to, qualified nonprofit organizations for the administration of refugee social services and refugee cash assistance.

49) Expands the purposes of the appropriation associated with refugee pupils through the DSS to provide additional services for pupils who are unaccompanied undocumented

minors. Requires the DSS to allocate funding to school districts impacted by significant numbers of refugee pupils, other eligible populations served by the federal Office of Refugee Resettlement, and unaccompanied undocumented minors using a formula to be developed by the DSS based upon the refugee and unaccompanied undocumented minor arrivals in a school district during the preceding 60-month period for which the DSS has data.

50) Authorizes the Department of Housing and Community Development (HCD) to provide funding to counties for allocation to child welfare services agencies to help young adults who are 18 to 24 years of age secure and maintain transitional housing, with priority given to young adults formerly in the state's foster care or probation systems. Requires the HCD to consult with the DSS, the Department of Finance, and the County Welfare Directors Association to develop an allocation schedule for purposes of distributing funds. This is supported with a General Fund appropriation of $8 million in 2019-20 and ongoing, subject to suspension of the implementation on December 31, 2021, unless the Department of Finance makes a specified determination.

51) Authorizes twelve months of continuous eligibility for CalWORKs stage one child care. Requires a county welfare department to provide a monthly report to stage two contractors to facilitate the continuity of care across the stages. This is supported with a General Fund appropriation of $56.4 million, $4.2 million of which are for one-time automation purposes, in 2019-20 and $70.5 million annually ongoing.

52) Increases the CalWORKs asset limitation to $10,000 and the motor vehicle exemption to $25,000, effective June 1, 2020, or upon a specified notification regarding the completion of automation necessary to implement these changes from the DSS, whichever is later. Requires the amount of the asset limitation and the motor vehicle exemption to be adjusted annually. Deletes the amount likely to render a CalWORKs recipient ineligible for CalWORKs benefits from the income reporting threshold, also effective June 1, 2020, or upon a specified notification regarding the completion of automation necessary to implement these changes from the DSS, whichever is later. This is supported with a General Fund appropriation of $7.5 million in 2019-20, $27.8 million in 2020-21, and $29.9 million in 2021-22 and ongoing.

53) Incrementally increases the amount of exempted income on an annual basis, also known as the CalWORKs Earned Income Disregard, beginning on June 1, 2020, or upon a specified notification regarding the completion of automation necessary to implement these changes from the DSS, whichever is later. This is supported with a General Fund appropriation of $6.8 million in 2019-20, $74.4 million in 2020-21, $85.7 million in 2021-22, and $99 million in 2022-23 and ongoing.

54) Requires that In-Home Supportive Services providers receive payment of wages only by direct deposit or provider card either by July 1, 2021, or an alternative date identified by DSS, relative to statewide implementation of the federal electronic visit verification requirement, whichever is later and upon notification to the Legislature. Provides for a

request for proposal process for the provider card vendor, with specified criteria, and delineates qualifications and requirements for how the provider card should function.

55) Requires, until January 1, 2021, a specified mediation process to be held if a public authority or nonprofit consortium and the employee organization fail to reach an agreement on a bargaining contract or after October 1, 2019. Requires the mediation process to also include the county board of supervisors holding a public hearing after the factfinding panel's public release of its findings of fact and recommended settlement terms. Subjects a county to a withholding of a specified amount of 1991 Realignment funds if the parties have completed the mediation process and if the factfinding panel has issued findings of fact and recommended settlement terms that are more favorable to the employee.

56) Provides authority to the state to implement and administer specified changes to law through all-county letters or similar instructions until regulations are adopted, and provides authority for emergency regulations with specified dates and conditions for adoption.

57) Specifies that, to the extent that this act has an overall effect of increasing the costs already borne by a local agency, for programs or levels of services mandated by the 2011 Realignment Legislation, Section 36 of Article XII of the California Constitution shall govern this act's application to local agencies and the state's funding of those programs or levels of service.

58) Designates this act as a bill providing for appropriations related to the Budget Act and that it is identified as such in the Budget Bill, and shall take effect immediately.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

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

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
SB 81 (Committee on Budget and Fiscal Review) – As Amended June 17, 2019

**SENATE VOTE**: 27-9

**SUBJECT**: Developmental services

**SUMMARY:** Provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2019. As part of the 2019-20 budget package, Assembly Bill 81 makes statutory changes to implement the budget act.

Specifically, this bill:

1) Requires the Department of Developmental Services (DDS or department) to identify key indicators, in conjunction with stakeholders, to track the Regional Center delivery of services, and to report that information to the Legislature.

2) Requires specific improvements to Regional Center board governance, such as requiring inclusion of Board members with specific expertise and eliminating legal counsel conflicts-of-interest.

3) Requires Regional Centers to annually present data regarding quality assurance in public meetings, and to provide notices of these meetings to consumers, families, and stakeholders.

4) Requires the department's performance dashboard to be published in a machine-readable format and requires each Regional Center to publish its own dashboard and post a link to the department's dashboard on the Regional Center's website.

5) Requires Regional Centers to provide the DDS with copies of corrective action plans issued to providers, as specified.

6) Requires the DDS to develop information packets in a standard format and to include specific information.

7) Requires the DDS to submit an update of its Safety Net Plan, developed in consultation with stakeholders, on or before January 10, 2020.

8) Requires the DDS to provide specified information at quarterly briefings with legislative staff of the appropriate policy and fiscal committees of the Legislature, including efforts to identify and reduce disparities in services.

9) Aligns Institutions for Mental Disease (IMD) admission criteria with the laws governing placements in state-operated acute crisis settings.

10) Requires a list of agreed-upon services to be provided to consumers at the conclusion of an individual program plan meeting.

11) Allow the DDS to include community-based residential options that consist of community crisis homes for children who meet specific criteria. Also requires the DDS to develop guidelines around the use of restraints in community crisis homes.

12) Requires a Regional Center to maintain an average service coordinator-to-consumer ratio of 1 to 25 for consumers with complex needs.

13) Requires Regional Centers to post on their internet website policies, guidelines, or assessment tools to determine specified consumer needs.

14) Revises admission criteria to Canyon Springs Community Facility, if specified conditions are met, for those committed to either an acute psychiatric facility or an acute crisis facility. Admissions would be time-limited.

15) Requires the DDS to consult, commencing in the summer of 2019, with specified stakeholders to discuss system reforms to better serve consumers with developmental disabilities and report on the progress of these efforts during the 2020-21 budget hearing process.

16) Requires, by October 1, 2019, DDS to post to its internet website a summary of public comments, departmental responses, and any appropriate and necessary changes to the rate models contained in the rate study submitted pursuant to current law.

17) Requires the DDS to provide a rate increase for specified services for which rates are set by DSS or through negotiations between the regional centers and service providers, rates paid for supported employment services, and vouchered community-based services, effective January 1, 2020. This is supported with a General Fund appropriation of $ $125 million in 2019-20, $250 million in 2020-21 and on-going, subject to suspension of the rate increase on December 31, 2021, unless the Department of Finance makes a specified determination.

18) Suspends the uniform holiday schedule provisions, subject to resumption of those restrictions on December 31, 2021, unless the Department of Finance makes a specified determination.

19) Designates this act as a bill providing for appropriations related to the Budget Act and that it is identified as such in the Budget Bill, and shall take effect immediately.

**EXISTING LAW**:

**FISCAL EFFECT:**

Funding related to the changes in this bill is contained in the 2019-20 budget.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

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

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
SB 90 (Committee on Budget and Fiscal Review) – As Amended June 17, 2019

**SENATE VOTE**: 27-9

**SUBJECT**: Public employees' retirement

**SUMMARY:** This trailer bill makes statutory changes necessary to implement California Public Employees Retirement System (CalPERS) and California State Teacher's Retirement System (CalSTRS) related provisions of the 2019-20 budget.

Specifically, **this bill**:

Appropriates $2.25 billion General Fund in 2018-19 for the State Teachers' Retirement System to be transferred to the Teacher's Retirement Fund for the Defined Benefit Program for employer contributions for 2019-20 and 2020-21. For 2019-20 this will result in employers having to contribute 1.03 percent less than the amount currently required (estimated to about approximately $500 million) and .70 percent less in 2020-21 (approximately $350 million). The remainder of the amount (approximately $1.6 billion) provided would make a supplemental payment to reduce the employers' share of the unfunded pension liability.

1) Appropriates a total of $2.9 billion Proposition 2 Funds in 2019-20 through 2022-23 to pay down the state share of the CalSTRS unfunded liability.

2) Appropriates $2.5 billion General Fund in 2018-19 for the State Public Employees' Retirement System to be transferred to the Public Employees' Retirement Fund for apportionment to specific state employee member categories. Also, appropriates $265 million General Fund for 2020-21, $200 million General Fund for 2021-22, and $35 million in 2022-23 to the Public Employees' Retirement Fund for apportionment to specific member categories. These supplemental payments would be applied to unfunded state liabilities for enumerated state employee member categories.

3) Appropriates $904 million General Fund in 2018-19 to be transferred to the Public Employees' Retirement Fund for payments relating to school employers' contributions and unfunded liabilities consistent with a schedule of payments that the Department of Finance would provide to the Controller to establish the timing of specific transfers.

**FISCAL EFFECT**:

This bill is a budget trailer bill within the overall 2019-20 budget package to implement actions related to supplemental pension payments. This bill appropriates:

- 2018-19: $4.9 billion General Fund,
- 2019-20: $500 million General Fund and $1.1 billion Proposition 2 Funds,
- 2020-21: $585 million General Fund and $802 million Proposition 2 Funds,
- 2021-22: $165 million General Fund and $615 million Proposition 2 Funds, and
- 2022-23: $345 million Proposition 2 Funds.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

**Analysis Prepared by**: Farra Bracht / BUDGET / (916) 319-2099

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON BUDGET
Philip Y. Ting, Chair
SB 106 (Committee on Budget and Fiscal Review) – As Amended June 17, 2019

**SENATE VOTE**: 27-9

**SUBJECT**: Budget Act of 2019

**SUMMARY:** Amends the 2019 Budget Act to reflect actions taken as part of the 2019 budget package. Specifically, **this bill**:

1) Increases funding for health benefit subsidies by $133.3 million for a total of $428.6 million.

2) Increases funding for the University of California and the California State University for additional in-state California undergraduate enrollment;

    a. $49.9 million for the University of California; and

    b. $85 million for California State University.

**EXISTING LAW**:

**FISCAL EFFECT**: The bill appropriates $268 million assumed as part of the 2019 budget package.

**COMMENTS**: This bill amends the 2019 budget, contained in AB 74, to reflect appropriations assumed in the overall scoring and architecture of the budget package. This bill, sometimes known as a "budget bill junior" allows the full budget package to be implemented.

**REGISTERED SUPPORT / OPPOSITION**: None on file.

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