2020 Budget Trailer Bills

Friday, June 26, 2020

CONCURRENCE IN SENATE AMENDMENTS
AB 89 (Ting)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

Amends SB 74 (Mitchell), the 2020 Budget Bill, to incorporate changes to the budget that reflect a final agreement between the Legislature and the Governor for the 2020 budget.

The Senate Amendments:
Delete the current version of the bill and instead:

1) Includes a federal budget trigger mechanism that would appropriate $14 billion for state programs, or a proportionate amount, if the State received additional staff federal relief by October 15, 2020.

   a) These appropriations are:

      i) $150 million for additional court funding;

      ii) $45 million to the Housing and Community Development for moderate-income housing;

      iii) $203 million to offset reverted 2019 housing funding;

      iv) $46.4 million in funding for Department of Child Support Services;

      v) $5.7 billion for school, this amount would reduce deferrals that would otherwise occur without federal funds;

      vi) $791.1 million for Community Colleges, this amount would reduce deferrals that would otherwise occur without federal funds;

      vii) $471.6 million for the University of California;

      viii) $1.9 million for Hastings College of Law;

      ix) $498.1 million for the California State University;

      x) $88.4 million for the Golden State Teacher Grant program at the Student Aid Commission;

      xi) $2.8 billion to offset reductions to employee compensation; and

      xii) $250 million for county public safety realignment sales tax revenue backfill.

   b) Contains language that stipulates that if federal funding of greater than $2 billion, but less than $14 billion is received by October 15, the amount above $2 billion will be proportionally allocated to the above appropriations.

   c) Removes budget bill provisional language for expenditure suspensions which will instead be included in trailer bill statutory provisions.

d) This bill makes offsetting reductions to the amounts appropriated in SB 74 (Mitchell) in the various departmental budget line items.

2) Adopts budget control language to stipulate state employee compensation reductions reached through collective bargaining, furloughs, and other reductions for non-represented employees.

   a) Achieves $1.44 billion in General Fund total savings and $1.4 million in savings from other funds;

   b) If a bargaining unit achieves the savings from collective bargaining, the state cannot also impose furloughs; and

   c) Restricts employee compensation augmentations that were not specified in the budget act.

3) Reappropriates funding for projects and funding in Natural Resources Agency, Water Resources, State Parks, the University of California, Department of Corrections and Rehabilitation, and the Department of Education child care funding.

4) Increases the Small Business Expansion Fund by $25 million to a total of $50 million.

5) Shifts Alfred E. Alquist Seismic Safety Commission to the Office of Emergency Services.

6) Provides $3.3 million to fund the TRUE task force within the Department of Justice to implement the provisions of Chapter 626, Statutes of 2019 (AB 1296).

7) Includes provisional language related to Public Safety Power Shutoffs at the Office of Emergency Services, including reporting on expenditures.

8) Allocates $13 million for the expansion of the California Volunteers program and database with provisional language regarding volunteer privacy.

9) Provides $11.1 million funding for the California Cybersecurity Integration Center within the Office of Emergency Services, the Department of Technology, the California Highway Patrol, and the Military Department and includes provisional reporting language.

10) Includes provisional language regarding the use of $35 million for election activities included in SB 74.

11) Increases the appropriation for the Bureau for Private Postsecondary Education at the Department of Consumer Affairs by $1.3 million to $19.4 million.

12) Reverts $453 million of General Fund and $250 million of Self-Help Housing fund funding appropriated to the Department of Housing and Community Development in 2019.

13) Reduces Oil, Gas, and Geothermal Administrative Fund appropriation for the Department of Conservation by $6.5 million. This reduction corresponds to the reduction in positions, from 128 to 25, for the California Geologic Management Division to strengthen oversight and enforcement of oil and gas operations in order to limit the state's financial liability.

14) Eliminates a reversion of unspent CalFire funding in the 2018 and 2019 budgets and State Water Resources Control Board funding in 2019.

15) Eliminates an appropriation of $73,000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond funding for the Coachella Valley Mountains Conservancy, which will be instead be include in the Resources trailer bill.

16) Removes $200,000 for the California Air Resources Board to conduct Cap and Trade rulemaking.

17) Removes provisional language associated with the Department of Aging's budget item.

18) Reduces funding for Health Care Services by $397.2 million General Fund to reflect offsetting federal funding.

19) Reflects an additional $2.2 billion in federal funding for Health Care Services.

20) Increases General Fund for Medi-Cal Healthy Families benefits by $15.5 million.

21) Provides $38.6 million federal funds for Medi-Cal Benefits

22) Increases the Developmental Services program funding by $18.2 million General Fund and removes provisional language related to a minimum wage provider supplement.

23) Provides an addition $34.1 million for the State Department of State Hospitals.

24) Changes provisional language in the Mental Health Services Oversight and Accountability Commission related to suicide prevention efforts and contracting.

25) Increases funding for the Department of Social Services administration by $2.278 million to reflect the transition of child care program administration activities from the Department of Education.

26) Increases CalWORKs program funding by $1 billion to reflect anticipated additional caseload growth.

27) Provides $32 million to continue the extension of foster care benefits to a non-minor dependent who met the requirements for the Extended Foster Care program and has lost employment or had a disruption in an education program due to COVID-19.

28) Reflects an additional $72.5 million of federal funding for In Home Supportive Services.

29) Increases funding or Social Services automation projects by $1.1 million.

30) Increases Department of Corrections and Rehabilitation funding by $18.7 million General Fund to reflect the restoration of May Revision proposals for the department and removes provisional language that requires population reporting.

31) Includes $13.3 million for psychiatric registry services at the Department of Corrections and Rehabilitation, with specified reporting language to the Joint Legislative Budget Committee on the use of the funding.

32) Adjusts the reduction to the Integrated Substance Use Disorder Treatment Program that was made in SB 74 to $30 million.

33) Adds $137 million to fund capital projects at the Department of Corrections and Rehabilitation that were proposed in the May Revision, but not included in SB 74.

34) Adjusts funding for the Adult Reentry Grants to $37 million.

35) Provides $436,000 additional funding the Department of Education administration for the department to develop a learning continuity template and adjust school deferrals.

36) Eliminates $600,000 for the Department of Education to develop a distance learning curriculum.

37) Provides $100 million for After School Education and Safety.

38) Provides $436,000 additional funding the Department of Education administration for the department to develop a learning continuity plan template and administer distance learning and deferral apportionments.

39) Eliminates $600,000 for the Department of education to develop a distance learning curriculum, and instead provides $700,000 for the development of distance learning guidance.

40) Restores $100 million for After School Education and Safety.

41) Reduces the Department of Education funding by $102.7million to reflect the removal of COLA included in SB 74. Deletes $50 million General Fund for additional General Child Care slots, which will now be funded with Prop 64 funds.

42) Increases the Department of Education funding by $45.4 million to reflect additional federal funds received in the budget. Adds provision for early childhood data system.

43) Allocates $5 million General Fund to the University of California Davis Koret Shelter Medicine Program if philanthropic resources in an amount that is sufficient to implement the one-time demonstration project have not been raised by April 1, 2021.

44) Provides $6 million for the UC Subject Matter Projects for distance learning professional development.

45) Contains provisional language to express legislative intent that Hastings College of the Law and the California State University and University of California systems use reserves to offset any year-over-year reduction to funding.

46) Provides $250,000 to establish a California Student Loan and Debt Service Review workgroup at the California Student Aid Commission.

47) Increase the Franchise Tax Board's funding for the Earned Income Tax Credit by $1.4 million.

48) Provides $50 million for the Department of Finance for purpose of making a loan for the purposes of establishing the Golden State Energy in the event that Pacific Gas and Electric fails to exit bankruptcy, with legislative notification provisional language.

49) Modifies the reporting language for the Barstow veteran's home to include the consideration of an option to close the home.

50) Appropriates $750,000 million to counties to backfill public safety realignment revenues.

51) Adopts provisional language for the administration to appropriate certain federal funding related to certain COVID-19 activities with Joint Legislative Budget Notification.

COMMENTS:

The Legislature adopted a budget in SB 74 (Mitchell) on June 15, 2020 that represented a compromise between the Senate and the Assembly. This bill would amend SB 74 to reflect changes agreed to with the Governor.

According to the Author:
This budget bill is necessary to implement the 2020 budget plan agreed to by the Assembly with the Administration and the Senate.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

Overall with these changes, the 2020 budget includes a projected $139.7 billion in General Fund revenues and $133.9 billion in General Fund Expenditures. After adjusting for encumbrances, the Special Fund for Economic Uncertainties, which is the State's main reserve account, is estimated to be $2.6 billion and $450 million remains in the Safety Net Reserve. Combined with the $8.3 billion Budget Stabilization Account balance, over $10 billion in total reserves remain.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN: 0003147

CONCURRENCE IN SENATE AMENDMENTS
AB 75 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriations Takes Effect Immediately

SUMMARY:

Amends the 2019 budget act to address unanticipated expenditures that occurred during the 2019-20 fiscal year.

The Senate Amendments:

Deletes the previous versions of this bill and instead:

1) Appropriates a total of $119.7 million General Fund in various departments to address unidentified costs incurred during the current fiscal year.

2) Appropriates $4.8 million General Fund to augment the 2019 Budget Act for the California Department of Forestry and Fire Protection (CAL FIRE). The amount includes the cost of back pay of cash–in–lieu–of benefits pursuant to a settlement with Bargaining Unit 8. The Ninth Circuit Court of Appeals ruled that "cash–in–lieu of benefits" payouts should be included in the base salary amounts that are used to calculate employees' overtime compensation. Accordingly, CAL FIRE and California Department of Human Resources (CalHR) reached a settlement with Bargaining Unit 8 to provide back pay to affected employees. The $4.8 million settlement agreement covers the calculated cost of planned and unplanned overtime hours for the period of November 2015 to June 2018. According to the Department of Finance, the overtime pay calculation has been corrected and CAL FIRE will absorb the additional incremental cost associated with this calculation change within its existing baseline overtime budget.

3) Appropriates $9.702 million General Fund to augment the 2019 Budget Act for the California Department of Corrections and Rehabilitation (CDCR) to conduct remediation work to control Legionella bacteria at the California Health Care Facility (CHCF) in Stockton. In April 2019, two inmates housed at CHCF tested positive for exposure to Legionella bacteria. One inmate later passed away and a post–death analysis confirmed the presence of Legionella in the patient. CDCR consulted with the United State Centers for Disease Control, the California Department of Public Health and a contracted environmental consultant with water quality expertise. CDCR declared an emergency in accordance with Public Contract Code Section 1102 and took action to control the Legionella bacteria at CHCF. The costs included $8.5 million for operating expenses and equipment including shower trailer rentals, in–line water filters, a water testing contract, chlorination equipment rental, bottled water and other miscellaneous supplies for water fixture flushing and other maintenance activities. An additional $1.2 million was spent on overtime costs for plant operations staff and custody staff.

4) Appropriates $11.7 million General Fund to augment the 2019 Budget Act for the Department of General Services (DGS) to conduct ongoing response and recovery operations related to the 2018 Camp Fire in Butte County. Most of the department's costs were reimbursed through Government Code Section 8690.6, the Disaster Response–Emergency Operations Account (DREOA) and federal reimbursements from FEMA. However, due to the severity of the fire and the prolonged nature of the response and recovery efforts, DGS

incurred additional costs that crossed fiscal years. The $11.7 includes contract work for relief activities that continued into 2019 including janitorial services, security services, RVs, canopies and tents, water truck services, tank and grey water removal services, heating, propane tank and delivery services, and standby medical and airport services.

5) Appropriates $40.3 million General Fund to augment the 2019 Budget Act for the California Department of Food and Agriculture (CDFA) with an extended encumbrance to June 30, 2021. There are 77 fairs in California. Of those, 53 fairs are state–affiliated and have state civil servant employees. Due to the COVID–19 pandemic and the inability to conduct revenue–generating activities, many fairs, if not all, are facing significant financial difficulty. According to the Administration, all of the fairs are developing financial plans which may include laying off employees. The state expects the layoff process to begin in June 2020. The $40.3 million appropriated in this item is the estimated cost of employee compensation for the fairs that do not have sufficient funds or reserves to cover employee compensation costs during the layoff process. Under the projection, fair managers were expected to be laid off immediately. The remaining state civil servants are expected to go through the layoff process, incurring approximately six months of payroll expense. According to the Administration, fairs have lost approximately $98 million in revenue between March and June 2020. As a result, fairs are either using their reserves to pay their employees or are having to lay off staff or a combination of both. In the end, the state is financially responsible for the employee compensation of the state civil servants and the $40.3 million is the estimated cost of that obligation.

6) Appropriates $17,000 General Fund to augment the 2019 Budget Act to reimburse Mariposa County for the costs related to the homicide case of "People v. Cary Stayner." This claim has been approved by the State Controller, pursuant to Government Code, Division 3, Part 6, Chapter 3 (commencing with Section 15200), which allows qualified counties to seek state reimbursement for homicide trial costs.

7) Appropriates $48.9 million General Fund to augment the 2019 Budget Act for multiple departments that incurred costs associated with the 2019 wildfires and the public safety power shutoffs (PSPS). The Governor issued an emergency proclamation on October 25, 2019 for the counties of Sonoma and Los Angeles in response to the Kincade and Tick Fires, respectively. In addition, the Governor issued another emergency proclamation on October 27, 2019, in anticipation of the public safety power shutoffs initiated by the Investor–Owned Utilities due to the extreme fire and wind conditions. As a result, DOF directed all departments to report costs associated with the two emergencies.
   a) This bill augments the following departments for costs incurred for the 2019 wildfires:
      i) Department of Transportation – $6.8 million for state highway system asset repair and traffic controls during the evacuations.
      ii) Department of the California Highway Patrol – $1.286 million for traffic management overtime costs related to the wildfires.
      iii) Department of Motor Vehicles – $19,000 for customer support to assist in replacement of important government records, claims for insurance, and other purposes related to losses suffered from the wildfires.
      iv) Department of Parks and Recreation – $58,000 for the mobilization and deployment for fire response coordination and overtime costs for assistance with patrols for areas impacted by the fires.
      v) Emergency Medical Services Authority – $389,000 for the deployment of the California Medical Assistance Team (CalMAT) to provide care to patients and state personnel (e.g. Firefighters) and overtime costs for staffing and logistical support.
      vi) Department of Social Services – $83,000 for the State Emergency Food Reserve.

vii) Department of Corrections and Rehabilitation – $122,000 for wildfire suppression activities, including the use of CDCR state employee strike teams and equipment for both direct wildfire suppression and structure protection.

viii) Department of General Services – $6.457 million for overtime for emergency staff, laundry and shower units, sanitation rentals and transport, bio–cleaning for shelters, water and fuel infrastructure, comfort kits, unarmed security services, and other equipment and commodities.

ix) California Military Department – $2.979 million for the deployment of staff and resources to assist with evacuations, patrols, and providing/distributing life sustaining goods to populations affected/displaced by the fires.

b) This bill augments the following department costs incurred for the 2019 public safety power shutoffs:

i) Department of Social Services – $6 million for county Adult Protective Services social workers to conduct wellness checks of seniors during the public safety power shutoff and resources to reimburse and replenish the State Emergency Food Reserve, which provides shelf stable and ready to eat food for immediate use in response to emergencies.

c) This bill augments the following department for the costs incurred for 2019 wildfires and public safety power shutoffs:

i) Office of Emergency Services (Cal OES) – $24.717 million

(1) The PSPS related costs were for the State Operations Center and regional response activity costs incurred by Cal OES for activations in response to the power shutoff events.

(2) Cal OES' wildfire costs were made up of two components: (a) reimbursing local California fire companies for incident responses that were directed by Cal OES, but were outside of the mutual aid agreements; and (b) reimbursing the costs for out of state engines that provided mutual aid through the Emergency Management Assistance Compact (EMAC). Oregon, Washington, Montana, Utah, New Mexico, and Idaho each responded – sending a combined total of 150 engines to assist the state in suppressing the fires.

8) Appropriates $2.362 million General Fund to augment the 2019 Budget Act for the California Military Department for activation of the National Guard to assist local agencies in responding to the protests and civil unrest that began on May 30, 2020. Governor Newsom declared a state of emergency for Los Angeles City and County, allowing the cost incurred for the National Guard deployment in the Los Angeles region to be reimbursed by the Disaster Response-Emergency Operations Account (DREOA). The $2.362 million from the General Fund covers the cost of approximately 2,500 National Guard that assisted other localities around the state.

9) Appropriates $1.946 million General Fund to augment the 2019 Budget Act for the Department of General Services for costs incurred in response to the protests and civil unrest that began on May 30, 2020. Specifically, $908,000 was incurred for protecting and repairs to state facilities that were damaged during the protests. An additional $1 million was incurred for supplies and support for the National Guard, including meal services, lighting towers, propane and diesel supplies, and hygienic services, and other items.

COMMENTS:

The bill, the 2020 Supplemental Appropriations Bill, or the Deficiency Bill, is part of the 2020 budget package. The expenditures are already accounted for in the scoring of the 2020 budget and represent expenditures that were unanticipated throughout the current fiscal year. Enacting this bill will allow the state to settle up its books for the 2019-20 fiscal year, which ends on June 30, 2020.

According to the Author:
The deficiency bill is a routine component of the annual budget package and allows the State to close out the books for the current fiscal year.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill has a total cost of $119.7 million General Fund, which is already accounted for in the overall 2020 budget package.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN: 0003123

CONCURRENCE IN SENATE AMENDMENTS
AB 78 (Committee on Budget)
As Amended
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the California Infrastructure and Economic Development Bank (IBank) trailer bill for the 2020-21 budget. It contains the necessary changes necessary to implement the 2020 Budget Act. Specifically, this bill:

The Senate Amendments:

1) Deletes the current contents of the bill and replaces it with the following:

2) Establishes a Climate Catalyst Revolving Loan Fund at the IBank to receive funds from non-state governmental entities and private sources for the purpose of making loans for climate catalyst projects that further the state's climate goals. These moneys are available for expenditure upon appropriation by the Legislature. The Strategic Growth Council will advise the Legislature on categories to fund and a report on the projects funded would be prepared annually.

3) Limits the total amount of rate reduction bonds and bonds issued to finance public development facilities that may be outstanding at any one time to $15 billion. Currently, the limit for rate reductions bonds is $10 billion and the limit for bonds to finance public development is $5 billion. This change does not increase the total authority, rather it combines the limits allowing for more flexibility between the categories.

4) Authorizes I-Bank's board to establish one or more programs administered by the IBank directly, in conjunction with financial companies or financial institutions, in direct or indirect participation with special purpose entities established for small business finance or under contract with small business financial development corporations.

5) Authorizes IBank to establish any and all programs that it determines necessary or desirable to directly or indirectly assist small businesses obtain capital.

COMMENTS:

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

According to the Author:
None

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill authorizes the deposit of additional moneys into the IBank Fund and thereby makes a continuous appropriation.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN: 0003148

CONCURRENCE IN SENATE AMENDMENTS
AB 79 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This bill is the Omnibus Human Services Trailer Bill for the 2020 budget package.

The Senate Amendments:

Delete the existing contents of the bill and instead:

CalWORKs

1. Provides that, commencing July 1, 2020, the methods approved by the department as of July 1, 2018 satisfy the requirement for nonbiometric identity verification methods in the CalWORKs program. Repeals obsolete sections related to this issue.

2. Conforms all program statute pertaining to CalWORKs, including a) income reporting and grant amounts, b) annual redetermination, c) services provided after timing out, d) exemptions, e) good cause application, f) the Welfare to Work assessment and plan, g) appraisal and barrier removal services, h) circumstances when the parent in the Assistance Unit is ineligible, and i) the time limit statute itself to reflect the 60-month time limit that is scheduled to take effect on May 1, 2022 or when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the 60-month time limit, whichever is later, and, in tandem, repeals references to the sunsetting 24 and 48 month time clocks that will cease to exist, pursuant to the same May 1, 2022 or automation requirement, whichever is later.

3. Applies the Welfare to Work services and hours requirements that exist for the current 24 month clock to the 60-month time limit that is scheduled to take effect on May 1, 2022 or when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the 60-month time limit, whichever is later.

4. Repeals all program statute that pertain to the sunsetting 24 and 48 month time clocks, including a) the distinction between the 24 and 48 month time clocks, b) noticing and transition between the 24 and 48 month time clocks, c) the extender policy for the 24 month time clock, d) and the actual 48 month time limit, with the repeals to take effect on May 1, 2022 or when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the 60-month time limit, whichever is later.

5. Requires a written notice describing the 60-month time limit limitation and the process by which recipients may claim exemptions from, and extensions to, the time limit be provided at the time of application, during the recipient's annual redetermination, and at least once after the individual has participated for a total of 54 months, and prior to the end of the 57th month, that count toward the 60-month time limit. This noticing policy will take effect on May 1, 2022 or when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the 60-month time limit, whichever is later.

6. Removes obsolete statute related to temporary young child exemptions offered in prior years, which are no longer in effect. Includes a provision to permit a recipient to claim, if they met the standard and were on the program for any month between August 1, 2009 and January 1, 2015, under rules that were in place for those temporary young child exemptions, that certain months should be counted.

7. Clarifies the ability for a voluntary or sanctioned participant to access Stage 1 childcare services. Specifies that a sanctioned participant will have access to childcare if the participant has indicated an intent to engage in a program activity or employment but has not yet participated. Requires a participant, after securing childcare services, to document their commitment to participate by signing a welfare-to-work plan or a curing plan, whichever is appropriate, or other agreement that may be developed and approved for use on a statewide basis by the department.

8. Specifies additional intensive case management models that counties are required to contract for the provision of services with public or nonprofit agencies or school districts that administer services, including, among others, a home visiting model. Requires counties to include approved contractors in their planning of the Cal-Learn Program to ensure participation in the county's planning and implementation of the program. Declares the intent of the Legislature to review the implementation of the changes during the course of the 2020–21 fiscal year to determine how these changes impact service delivery and counties' ability to maintain service levels as they existed in 2019–20 and prior to these changes.

9. Specifies that the implementation of the CalWORKs Outcomes and Accountability Review (CalOAR) continuous quality improvement components, including county self-assessments, system improvement plans, peer reviews, progress reports, and data validation will be optional to counties during the 2020–21 fiscal year. This one-year suspension yields a $21 million General Fund one-time savings.

10. Changes the county CalWORKs self-assessment process and the county CalWORKs system improvement plan to be completed every five years, instead of every three years.

11. Exempts specified contracts or grants necessary for the Department of Social Services to implement or evaluate the Cal-OAR from prescribed requirements, including review and approval by the Department of General Services or the Department of Technology. Commencing on January 10, 2021, requires the Department of Social Services to provide a summary of executed and pending contracts and grants relating to the Cal-OAR on the Department of Social Services' website. Makes these provisions on contracts and grants inoperative on July 1, 2023 and repeals them as of January 1, 2024.

12. Delays the Stage One Child Care permanent removal from the CalWORKs Single Allocation for the 2020-21 fiscal year, to take effect in 2021-22.

CalFresh and Emergency Food

13. Requires a recipient, when completing the annual certificate of eligibility, to provide information on the certificate about income received during the 30 days, or the report month, prior to submission.

14. Requires a county to, prior to terminating benefits, attempt to make personal contact by a county worker via telephone or, if consent has been provided, text message or electronically, to remind the recipient that a completed certificate is due and attempt to collect the necessary information to complete the certificate. Requires that these methods be used to remind a

recipient that a completed semiannual report form is due and attempt to collect the necessary information to complete the report.

15. Requires recipients to provide information about any changes in income from the amount last used to calculate the household's allotment for the semiannual report used to determine CalWORKs and CalFresh eligibility. Requires that this be implemented upon automation completion, and that the automation necessary shall be included in the development of a pre-populated semiannual report form. Permits the department to issue an all-county letter or similar instruction no later than April 1, 2022 to facilitate automation changes necessary to implement this policy.

16. Removes language that specified that the semiannual report form was to be signed no earlier than the first day of the sixth month of the semiannual reporting period.

17. Requires that any discontinuance be rescinded if the necessary information for the semiannual report form is obtained via an acceptable alternative method and is documented in the case file.

18. Requires the Department of Social Services to work with the County Welfare Directors Association of California, representatives of county eligibility workers, the Statewide Automated Welfare System, and client advocates to develop and implement the necessary system changes to prepopulate the semiannual report form. Requires, upon certification that the Statewide Automated Welfare System can perform the necessary automation to implement this policy, counties to provide recipients with a prepopulated semiannual report form instead of a blank form.

19. Changes the beginning base year for the updating of the budgeting methodology used to determine the annual funding for county administration of the CalFresh Program from the 2020–21 fiscal year to instead specify the 2021–22 fiscal year.

20. Requires the Department of Social Services to establish verification policies and procedures for CalFresh applicants and beneficiaries in the event that necessary verification is not provided by the applicant or beneficiary to accompany the application, semiannual report, annual recertification, or any other form or submission that requests verification be provided at the time of submission. These policies and procedures, to the extent permitted by federal law, regulation, guidance, or a waiver thereof, require counties to first seek verification from available electronic sources or self-attestation before requesting documentary evidence from the applicant or beneficiary to complete required verification or pursuing secondary evidence to verify the necessary information.

21. Requires the Department of Social Services to issue guidance to counties that a) simplifies the verification of dependent care expense deductions necessary to determine a household's eligibility for, or the benefit level of, CalFresh, b) establishes that dependent care expenses shall be considered verified upon receipt of a self-certified statement of monthly dependent care expenses, unless federal law or guidance requires additional documentation, and c) prohibits a county human services agency from requesting additional documents to verify dependent care expenses, except when the reported dependent care expenses are questionable as defined in state regulations.

22. Requires county welfare departments, no later than July 1, 2021, for purposes of interview scheduling and rescheduling at initial application and recertification, to implement one or more of the following interview scheduling techniques in addition to providing written notice, to the extent they are not currently in use: time-block, telephonic contact in

conjunction with, or prior to, the provision of written communication about the need to schedule an interview, and same-day interviews. Allows the Department of Social Services, in consultation with the counties and client advocates, to authorize additional scheduling techniques to fulfill this requirement.

23. Extends the sunset date for the Safe Drinking Water Supplemental Benefit Pilot Program, a state-funded program to provide additional CalFresh nutrition benefits for interim assistance to purchase safe drinking water in areas where it is necessary, from July 1, 2020 to July 1, 2024.

24. For the 2021–21 and 2021–22 fiscal years, limits a county's share of cost contributions for the nonfederal costs for administering the CalFresh program to the amount of county funds that the county was required to match to receive its full General Fund allocation under the Budget Act of 2019, and provides that the General Fund allocation for administration of CalFresh, for the 2021–21 and 2021–22 fiscal year, be equal to 35% of the total federal and nonfederal projected funding for administration of CalFresh.

25. Requires the Department of Social Services to convene a workgroup that includes, but is not limited to, the County Welfare Directors Association of California, representatives of county eligibility workers, the Statewide Automated Welfare System, and client advocates to consider changes to semiannual reporting with the goal of reducing the reporting burden on recipients and reducing the workload for county eligibility staff. Requires that the workgroup consider federally allowable reporting structures implemented in other states, recommendations in existing research reports, and receive and consider options put forth by workgroup members. Requires the consensus recommendations of the workgroup to be submitted to the Legislature not later than October 1, 2021, and to include details regarding potential implementation of these recommendations, including identification of those that the state may implement via state legislation or administrative guidance to counties, as well as those requiring changes in federal law or waivers of federal law. Specifies that the report may also include ideas that were not consensus items with an opportunity for participating workgroup members to comment on those items.

26. Requires county welfare departments, in an effort to expand CalFresh program outreach and retention and improve dual enrollment between the CalFresh and Medi-Cal programs, to, no later than January 1, 2022 a) ensure that Medi-Cal applicants applying in-person, online, or by telephone, and who also may be eligible for CalFresh, are screened and given the opportunity to apply at the same time they are applying for Medi-Cal or submitting information for the renewal process, b) ensure the same staff that receive Medi-Cal and CalFresh applications during the Medi-Cal application, renewal, or application and renewal processes conduct the eligibility determination functions needed to determine eligibility or ineligibility to CalFresh, c) designate one or more county liaisons to establish CalFresh application referral and communication procedures on outreach activities between counties and community-based organizations facilitating Medi-Cal enrollment. Requires counties, upon certification to the Legislature that the California Statewide Automated Welfare System (CalSAWS) can perform the necessary automation to implement these requirements, to provide prepopulated CalFresh applications to Medi-Cal beneficiaries who are apparently CalFresh eligible and not dually enrolled during the Medi-Cal renewal process.

27. Modifies the amount in current law ($125) that current and future CalFresh benefits could be reduced to recover an overissuance to a higher amount that is approved by the United States Department of Agriculture. Requires that any higher amount be implemented when the

Department of Social Services notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement this provision.

28. Modifies the amount in current law ($400) that, if a household is no longer receiving CalFresh benefits, a CalFresh overissuance caused by administrative error or inadvertent household error shall not be established, and collection shall not be attempted, to a higher amount that is approved by the United States Department of Agriculture. Requires that any higher amount be implemented when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement this provision.

In-Home Supportive Services (IHSS) and Cash Assistance Program for Aged, Blind and Disabled Legal Immigrants (CAPI)

29. Adds information about written or spoken languages, if known, to the information about IHSS providers that shall be made available, upon request, to an exclusive bargaining agent and to any labor organization seeking representation rights, pursuant to current law.

30. Requires sick day coverage for waiver of personal care services individual providers who also provide in-home supportive services based on the aggregate number of monthly hours worked between in-home supportive services and waiver personal care services, the cost for which is $112,000 General Fund on-going in the Department of Health Care Services budget. Provides for this entitlement to paid sick days to begin July 1, 2019, consistent with the provision for IHSS workers.

31. Specifies that counties shall have until December 31, 2020, to complete the required reassessments for all In-Home Supportive Services recipients who were due for a reassessment pursuant to current law between the issuance of Executive Order No. N-29-20 and June 30, 2020, and for whom one was not completed due to the waiver authority set forth in the Executive Order.

32. Specifies that reassessments for IHSS recipients required pursuant to current law on or before December 31, 2020 may be conducted remotely using telehealth, including by video conference or telephone, subject to continuing federal approval.

33. Permits all eligibility interviews for applicants and recipients of the Cash Assistance Program for Aged, Blind and Disabled Legal Immigrants (CAPI) to be conducted electronically, including by telephone or videoconference, and all application and redetermination forms may be submitted by telephone, email, or facsimile, through December 31, 2020.

34. Requires that any applicant or recipient applying for CAPI through December 31, 2020 satisfies the eligibility verification requirement specified in current law that the applicant or recipient is ineligible for Supplemental Security Income/State Supplemental Program (SSI/SSP) solely due to their immigration status, by providing a verbal attestation that they have applied for SSI/SSP and their application is pending a final determination by the Social Security Administration, or that they have received a final determination and denial by the Social Security Administration.

35. Specifies noticing and scheduling requirements for IHSS provider orientations and provides for when such orientations are modified from onsite or in-person. Prohibits counties from discouraging prospective providers from attending, participating, or listening to the orientation presentation of the recognized employee organization. Specifies that prospective

providers may, by their own accord, choose not to participate in the recognized employee organization presentation.

36. Requires the Department of Social Services to, in consultation with counties, develop a standardized curriculum, training materials, and work aids, and operate an ongoing, statewide training program on the supportive services uniformity system. Requires the Department of Social Services to develop a one-day refresher training program on service assessment and authorization, including the functional index ranks and statewide hourly task guidelines. Requires IHSS program case workers, case worker supervisors, program managers, quality assurance staff, and program integrity staff newly hired after the effective date of this act to complete the training within six months of being hired. Requires those hired prior to the effective date or who took the training prior to July 1, 2019 to take the refresher training program by December 31, 2021.

37. Permits a county to, until December 31, 2020, request, and the Department of Social Services to approve, a reduction of quality assurance and program integrity activities to address staffing shortages and enable the county to repurpose staff to support critical IHSS administrative functions, including intakes and reassessments. Specifies that any reduction shall be in effect for a period of no more than 12 months, to be determined by the department on a case-by-case basis.

38. Permits a county to, until December 31, 2020, perform required IHSS quality assurance and program integrity activities remotely using telehealth, including by video conference or telephone, subject to continuing federal approval.

Child Welfare Services and Foster Care

39. Permits a resource family home health and safety assessment to be completed by nonsocial work personnel that meet specified requirements, if the assessment is reviewed and approved by a social worker.

40. Permits the orientation of potential resource family applicants to be completed by nonsocial work personnel that meet specified requirements.

41. Specifies that a foster family agency shall employ one full-time social worker for every 18 children or fraction thereof in placement.

42. Changes the requirement for the review and updating of resource family approval to occur biennially, instead of annually.

43. Conforms the requirement for a foster family agency to conduct an announced inspection of a resource family home during the update of resource family approval, which will occur biennially, instead of annually.

44. Permits a county to complete an inspection of a supervised independent living placement to ensure that it meets health and safety standards through methods other than an in-person visit, including, but not limited to, videoconferencing and telephone calls that include pictures of the living space, and may, for the 2020–21 fiscal year, temporarily approve the supervised independent living placement pending the submission of required forms by the nonminor dependent, based on the nonminor dependent's agreement that the forms will be submitted.

45. Permits a county, at its option, to extend the services provided to former foster youth participating in the Transitional Housing Program-Plus as of July 1 2020, without regard to their age or length of time they have received services, until June 30, 2021.

46. Subject to an appropriation in the annual Budget Act, provides that a rate paid to a transitional housing placement provider serving nonminor dependents shall be supplemented with a housing supplement, which shall be calculated by the Department of Social Services, as specified for nonminor dependents who are custodial parents and for nonminor dependents who are not custodial parents. Requires the Department of Social Services to work with the County Welfare Directors Association of California and the Statewide Automated Welfare System (CalSAWS) to develop and implement the necessary system changes to implement the housing supplement, which begins on July 1, 2021, for the counties utilizing the CalWIN system, or when the department notifies the Legislature that CalWIN can perform the necessary automation to implement it, whichever is later. Requires that the supplement begin on September 1, 2022, for the counties utilizing the CalSAWS system, or when the department notifies the Legislature that CalSAWS can perform the necessary automation to implement it, whichever is later.

47. Extends for the 2020-21 fiscal year the requirement that Emergency Assistance Program funds for emergency caregivers who have not received approval or denial of the resource family application be provided beyond 120 days, for up to 365 days upon showing of good cause that the delay in approving or denying the family is due to circumstances outside of the direct control of the county. This is a one-time cost of $13.4 million General Fund.

48. States that, if at any point in 2020–21 fiscal year, the Department of Social Services and the Department of Finance identify additional federal funds due to the ability of the State Department of Social Services to implement a foster family agency Social Worker Time Study, it is the intent of the Legislature that these funds be utilized for the cost of the 4.15 percent rate increase provided in statute to foster family agencies . An update on the results of the Social Worker Time Study shall be provided to the appropriate policy and fiscal committees of the Legislature. The cost of the rate increase is $4.8 million General Fund. Implementation of this program will be suspended on December 31, 2021, subject to the terms of the suspension policy as specified in statute.

49. Requires the Department of Social Services to permit counties to maintain documentation relating to the resource family approval process in an electronic format.

50. Requires, before January 1, 2021, and to the extent enabled by existing resources or appropriated funds, the Department of Health Care Services, in consultation with the County of Los Angeles to determine the steps required to seek any federal approvals necessary to claim federal financial participation for allowable Medicaid activities of the Public Health Nursing Early Intervention Program in Los Angeles County, and states that the activities of the program shall be implemented only to the extent that the State Department of Health Care Services obtains any necessary federal Medicaid approvals. Adjusts the annual reporting requirement in existing law to begin January 1 of the fiscal year in which funding has been provided to the County of Los Angeles by the Department of Social Services. This program is funded with $8.3 million General Fund. Implementation of this program will be suspended on December 31, 2021, subject to the terms of the suspension policy as specified in statute.

51. Makes changes to facilitate expedited implementation of the Family Urgent Response System (FURS), which has a cost of $30 million General Fund for 2020-21. Specifies that the statewide hotline may operate sooner than January 1, 2021, or prior to the date that each county has created a county mobile response system, upon notification from each county to

the Department of Social Services that the county either has established a county mobile response system pursuant to FURS or has an alternative method to accept and respond to referrals from the statewide hotline pending the establishment of the county mobile response system. Permits county-based mobile response systems to be temporarily adapted to address circumstances associated with COVID-19, consistent with the Governor's Proclamation of a State of Emergency, issued on March 4, 2020. Permits a county to establish a mobile response system, or an alternative method to accept and respond to referrals from the statewide hotline, pending the establishment of the county mobile response system, prior to January 1, 2021, in order to facilitate the early operation of the statewide hotline. FURS is funded with $30 million General Fund. Implementation of this program will be suspended on December 31, 2021, subject to the terms of the suspension policy as specified in statute.

52. Subjects the funding appropriated from the General Fund to the State Department of Social Services for the Emergency Child Care Bridge Program in the Budget Act to a suspension on December 31, 2021, unless a determination if made that the estimated General Fund revenues and expenditures for the 2021–22 and 2022–23 fiscal years that accompany the May Revision required to be released by May 14, 2021 contain projected annual General Fund revenues that exceed projected annual General Fund expenditures in the 2021–22 and 2022–23 fiscal years by an amount equal to or greater than the sum of the total of General Fund appropriations for all programs subject to suspension on December 31, 2021, pursuant to the Budget Act of 2020 and the bills providing for appropriations related to the Budget Act of 2020. States the intent of the Legislature to consider alternative solutions to restore this program if the suspension takes effect.

Adult Residential Facilities

53. Requires a licensee of an adult residential facility to inform the city and county in which the facility is located of a proposed closure, including whether the licensee intends to sell the property or business, no later than 180 days before its proposed closure, or as soon as practicably possible.

54. Requires a licensee of a licensed residential care facility for the elderly to inform the city and county in which the facility is located of a proposed closure, including whether the licensee intends to sell the property or business, no later than 180 days before the proposed closure, or as soon as practicably possible.

Department of Developmental Services

55. Requires the Department of Developmental Services, effective January 1, 2021, to provide a rate increase to independent living programs, infant development programs, and early start specialized therapeutic services, with a cost of $10.8 million General Fund in 2020-21 and $21.6 million in 2021-22. The percentages of the rate increases shall be established by the department and posted on the department's website. Implementation of these rate increases will be suspended on December 31, 2021, subject to the terms of the suspension policy.

56. Removes the sunset date of the enhanced behavioral support home (EBSH) with delayed egress and secure perimeter pilot project, making the program permanent.

57. Increases the number of EBSHs with delayed egress and secure perimeter that may be certified to 11. Previously, only six of these homes were allowed statewide.

58. Increases the maximum number of beds in facilities that utilized delayed egress and secure perimeter to 174 statewide. Previously, the maximum number of these beds allowed statewide was 150.

59. Revises provisions dealing with diversion process for defendants that have been evaluated by a regional center to have a developmental disability, expanding the offenses to which the diversion program would apply and aligning with current law for defendants with mental health disorders.

60. Temporarily increases the maximum population of the secure treatment facility at Porterville Developmental Center from 211 to 231 until June 30, 2023.

61. Authorizes the Department of Developmental Services to execute leases, lease-purchases, or leases with the option to purchase for real property necessary for the establishment or maintenance of Stabilization, Training, Assistance, and Reintegration (STAR) homes to serve as acute crisis homes operated by the department. Additionally exempts the Department of Developmental Services from the requirement to receive lease approval from the Department of General Services for the lease, lease-purchase, or lease with the option to purchase the STAR homes known as North STAR Home 1 and North STAR Home 2, both located in Vacaville, CA.

62. Requires regional centers to review an individual program plan no later than seven days after a request is submitted if the review is deemed necessary for the consumer's health and safety or to maintain the consumer in their home.

63. Requires the State Council on Developmental Disabilities to issue an interim report on the status of the Self-Determination Program, barriers to implementation, and recommendations to enhance the effectiveness of the program by June 30, 2021.

64. Extends the deadline for submission of the State Council's final report on the Self-Determination program to December 31, 2022.

65. Appropriates $234,000 from the General Fund to the Department of Developmental Services to implement the provisions of this act relating to information security. These funds shall be available for encumbrance or expenditure until June 30, 2021, and available for liquidation until June 30, 2023.

Department of Aging

66. Subjects $17.5 million of the funding appropriated from the General Fund to the California Department of Aging for the Senior Nutrition Program, to a suspension on December 31, 2021, unless a determination if made that the estimated General Fund revenues and expenditures for the 2021–22 and 2022–23 fiscal years that accompany the May Revision required to be released by May 14, 2021 contain projected annual General Fund revenues that exceed projected annual General Fund expenditures in the 2021–22 and 2022–23 fiscal years by an amount equal to or greater than the sum of the total of General Fund appropriations for all programs subject to suspension on December 31, 2021, pursuant to the Budget Act of 2020 and the bills providing for appropriations related to the Budget Act of 2020. States the intent of the Legislature to consider alternative solutions to restore this program if the suspension takes effect.

Department of Child Support Services

67. Increases the child support disregard, which is the pass-through payment to families in the CalWORKs program, from the current first $50 of any amount of child support collected in a month to the first $100 for a family with one child or the first $200 for a family with two or more children, effective January 1, 2022, or when the State Department of Social Services and the Department of Child Support Services notify the Legislature that the Statewide Automated Welfare System and Child Support Enforcement System can perform the necessary automation to implement the change in the child support disregard.

68. Requires the Department of Social Services to issue an all-county letter or similar instruction no later than September 1, 2020 to facilitate automation changes necessary to implement the January 1, 2022 change in the child support disregard.

General Provisions

69. Specifies which sections of this act (a) require an all county letter and final instructions to be issued by a specified date to facilitate implementation, (b) may be implemented by all county letter or other instructions, (c) may be implemented by all county letter with authority for emergency regulations, and (d) may be implemented by all county letter with final regulations in place no later than 18 months after all necessary automation is complete.

70. States that this act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, and has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

COMMENTS:

This is the Human Services trailer bill for the 2020 budget package and contains statutory provisions necessary to implement the budget.

According to the Author:
This is the Human Services trailer bill for the 2020 budget package and contains statutory provisions necessary to implement the budget.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

Scoring for this bill was not available at the time of this analysis.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon

NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099 FN: 0003125

CONCURRENCE IN SENATE AMENDMENTS
AB 80 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the Omnibus Health Trailer Bill for 2020-21. It contains necessary changes related to the Budget Act of 2020. This bill makes various statutory changes to implement the 2020-21 budget.

The Senate Amendments:

1) *Health Benefit Exchange Bronze Plan Actuarial Value*
   a) Approve the current federal upper de minimis range of +5% for all nongrandfathered bronze level health plans and health insurance policies starting in 2021 as compared to current state law which sets the de minimis range for Bronze plans at a narrower +4/-2%.

2) *Health Benefit Exchange Clinical Volunteering*
   a) Authorize Health Benefit Exchange board members and staff to perform clinical volunteer services if the following conditions are met: 1) the board member or staff is a health care professional who was actively participating in that profession prior to appointment to the Exchange; 2) the board member does not receive compensation for the services and does not have an ownership interest in the entity where the volunteering is occurring; and 3) the services are performed at the University of California or a nonprofit educational institution, or a facility operated by a state or county agency not in contract with the Exchange. Exempts liability insurance, space, equipment and other supports form the definition of compensation.

3) *Health Care Payments Data System*
   a) Change the name of the Health Care Cost Transparency Database to the Health Care Payments Data Program which shall administer the Health Care Payments Data System. Establish this program at the Office of Statewide Health Planning and Development (OSHPD), and require the program to collect data on all California residents to the extent feasible.
   b) Make findings and declarations related to the public interest in the price, cost, utilization, equity, and quality of health care services.
   c) Clarify the intent of the Legislature with regard to the purpose and goals of this program, including improving public health, advancing health coverage, reducing health care costs, preserving consumer privacy, and more.
   d) Require OSHPD to establish an advisory committee, and specify that the director of the State Department of Health Care Services (DHCS), and the executive director of the California Health Benefit Exchange (HBEX), or their representatives, shall be nonvoting ex officio members of the advisory committee. Require each appointed member to serve a term of two years, and serve at the discretion of the director. Require that the advisory committee elect a chairperson. Require the advisory committee to meet at least quarterly. Stipulate the functions of the advisory committee.
   e) Require, on or before July 1, 2024, the advisory committee to make recommendations to OSHPD on public health data functions and integration, and require OSHPD to publish these recommendations on their website.

f) Require OSHPD to establish a data release committee to make recommendations about applications seeking either program data with direct personal identifiers or the transmission of standardized datasets, except for data requests from other state agencies.
g) Authorize OSHPD to convene other committees or workgroups as necessary. Authorize OSHPD to enter into contracts for purposes of operating this program, until January 1, 2026.
h) Require OSHPD to ensure that the program can map to other datasets.
i) Require health care service plans, health insurers, a city or county that offers self-insured or multiemployer-insured plans, and other specified mandatory and voluntary entities to submit health care data to this program.
j) Require the Department of Managed Health Care and the Department of Insurance to take appropriate action to bring a plan or insurer into compliance if OSHPD notifies the department of a plan's failure to submit required data. Exempt specified multiple employer welfare arrangements. Impose civil penalties on a health insurer that fails to comply with the data submission requirements.
k) Authorize the department director to suspend or revoke any license to a health care service plan or assess penalties if the plan violates various legal requirements, including data submission requirements of the Health Care Payments Data System.
l) Require OSHPD to use the data to produce publicly available information, including summaries, analyses, studies, and reports that support the goals of improving public health, reducing disparities, and reducing health care costs.
m) Require OSHPD to submit a report to the Legislature on or before March 1, 2024 that includes claims data reported by mandatory and voluntary submitters.
n) Require the System to protect the confidentiality of personally identifiable data and exempts it from disclosure. Authorize OSHPD to provide controlled access to such data by outside data analysts, researchers, and other qualified applicants, as defined.
o) Define "qualified applicants" to include state agencies, mandatory submitters, established nonprofit research institutions, the University of California, nonprofit educational institutions, providers, suppliers, labor unions, self-insured multiemployer plans that submit data, and specified consumer organizations.
p) Authorize OSHPD to establish pricing mechanisms for data products, custom reports, and the use of nonpublic data, and require such revenue to be deposited into the Health Care Payments Data Fund to be used for this program.
q) Make findings to demonstrate the interest protected by limitations on the public's right of access to public meetings and documents in order to protect confidential proprietary information submitted for inclusion in the Health Care Payments Data System.

4) *Lead-Related Construction Fee APA Exemption*
   a) Exempt from the Administrative Procedures Act (APA) the adjustment of fees and publication of the final fee for the Lead-Related Construction Program and require that modifications to fees be implemented without being adopted as a regulation. Require that the revised list of fees be filed with the Secretary of State and printed in the California Code of Regulations.

5) *Removal of Suspension Language from Infectious Disease Control Statutes*
   a) Remove language that requires, under specified circumstances, the suspension of programs that seek to prevent the spread of HIV, Hepatitis C, and sexually transmitted diseases on December 31, 2021.

6) *AIDS Drug Assistance Program Modified Adjusted Gross Income (MAGI) Information*
   a) Authorize the Department of Public Health (DPH) to electronically retrieve AIDS Drug Assistance Program (ADAP) clients' modified adjusted gross income (MAGI) data from the California Franchise Tax Board (FTB) and require the FTB to provide this data to DPH. Add to the statute the federal definitions of "household" and "family size." Change references to "taxpayer" to "taxpayer household."

7) *Pre-Exposure Prophylaxis Assistance Program – Initial 30-day Supply of PrEP and PEP*
   a) Authorize the Office of AIDS to subsidize the costs of up to 30 days of Pre-Exposure Prophylaxis (PrEP) and Post-Exposure Prophylaxis (PEP) medications for prevention of HIV infection.

8) *Patton State Hospital Over-Bedding Sunset Extension*
   a) Extend the authorization for the Department of State Hospitals to house up to 1,530 patients at Patton State Hospital from September 2020 until September 2030.

9) *Department of State Hospitals Medical Director Exempt Positions*
   a) Require the Governor, upon the recommendation of the Director of State Hospitals, to appoint one medical director for the department and one medical director for each state hospital. Require the department and hospital medical directors to be physicians and specify the directors' responsibilities.
   b) Require the Director of State Hospitals to appoint the following officers: 1) a hospital administrator; 2) a hospital director; 3) a chief of police services; and 4) any other hospital employee to be an officer.
   c) Require a hospital administrator to be selected based on their overall knowledge of the hospital and the operation of its administrative, business, and life-support functions.
   d) Provide for various updates to statutory provisions that govern State Hospital leadership.

10) *Full-Scope Medi-Cal for Undocumented Seniors*
   a) Require that full scope Medi-Cal coverage for individuals who are 65 years of age or older, and who do not have satisfactory immigration statuses or are unable to establish satisfactory immigration status, be prioritized for inclusion in the budget for the upcoming fiscal year, if the Department of Finance projects a positive ending balance in the Special Fund for Economic Uncertainties, for the upcoming fiscal year and each of the ensuing three fiscal years, that exceeds the cost of providing full scope benefits to this population.

11) *Conforms Inmate Eligibility to Federal Law*
   a) Bring state law into compliance with the federal "Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act," which, in part, requires states to no longer terminate Medicaid eligibility for juveniles who are incarcerated and allows states to adopt indefinite Medi-Cal suspension for eligible incarcerated juveniles, beginning October 1, 2020. Eliminate the current limit of one year for Medi-Cal suspensions for incarcerated juveniles.
   b) Require DHCS, in consultation with stakeholders, including the County Welfare Directors Association of California and advocates, to develop and implement a redetermination of eligibility for incarcerated juveniles whose Medi-Cal eligibility is suspended.

12) *Drug Medi-Cal Reimbursement of Medication Assisted Treatment for Opioid Use Disorders*
   a) Add Medication Assisted Treatment (MAT) services as a reimbursable Drug Medi-Cal (DMC) Treatment Program benefit for all DMC provider types, which includes all medications approved by the Food and Drug Administration to treat opioid use disorders, counseling services and behavioral therapy in accordance with the SUPPORT for Patients and Communities Act.
   b) Authorize DHCS to implement these sections by means of bulletin or similar instructions until any necessary regulations are adopted and require DHCS to adopt any regulations necessary to implement the sections by July 1, 2023.
   c) Make technical corrections to the statute, remove references to the obsolete MAT medication levoalphacetylmethadol, also known as LAAM, and replace "day care rehabilitative" with "intensive outpatient treatment services" to align with what is listed in the Medicaid State Plan.

13) *Medically Tailored Meals Pilot Program Extension*
   a) Extend the length of the Medically Tailored Meals pilot program from three to four years.
   b) Delay the due date of the program evaluation from January 1, 2021 to within 12 months after the end of the four-year pilot.
   c) Delay the statutory sunset from "January 1, 2021 or six months following the end of the program," to "the date the department submits its report containing its evaluation of the program to the Legislature or 12 months after the end of the program."

14) *Electronic Health Record Incentive Program Name Change and Extension*
   a) Change the name of the Electronic Health Record Incentive Program to be the Medi-Cal Promoting Interoperability Program, in compliance with new federal Centers for Medicare and Medicaid Services (CMS) requirements and extend the sunset date for the program from July 1, 2021 to January 1, 2024.

15) *Aligning Rate Review with the Access Monitoring Review Plan*
   a) Require DHCS Director to periodically, rather than annually, review reimbursement levels for physician and dental services to align with federal requirements, which require reviews every three years.
   b) Clarify that the review of rates pertain to the Medi-Cal Fee-For-Service delivery system since the existing statute predates the managed care delivery system.
   c) Require DHCS to revise reimbursement rates to the extent the Director deems necessary to comply with applicable federal Medicaid requirements.
   d) Specify that when DHCS performs its review of the rate, it is consistent with DHCS' federally approved access monitoring plan, or any successor methodology for monitoring reasonable access to Medi-Cal covered services.
   e) Eliminate obsolete requirements when DHCS performs rate reviews for physician and dental reimbursable services to more closely align with federal access-to-care requirements. Remove obsolete and inaccessible data elements.
   f) Align the intent with current federally-mandated access-to-care requirements and to more accurately reflect current practices

16) *COVID-19 Medi-Cal Response*
   a) Allow DHCS to be responsive to the COVID-19 public health emergency by codifying any related, federally-approved waivers or flexibilities into State law.

b) Require DHCS to implement any federal Medicaid waiver or flexibility approved by CMS related to the COVID-19 public health emergency, notwithstanding any existing State law to the contrary.
c) Allow DHCS to extend coverage for the treatment of COVID-19 to uninsured individuals for the duration of the COVID-19 emergency period pursuant to the option afforded to states in the federal Families First Coronavirus Response Act.
d) Require DHCS to maximize federal financial participation for applicable Medi-Cal expenditures available to respond to the COVID-19 public health emergency, including the temporary increase in the Federal Medical Assistance Percentage granted under the federal Families First Coronavirus Response Act, and to comply with any conditions placed on receipt of such federal funds.
e) Allow DHCS, in consultation with stakeholders, to seek federal approval for a temporary extension, or multiple temporary extensions, of all or select components of the California Medi-Cal 2020 Demonstration that will otherwise expire on December 31, 2020.
f) Require DHCS to seek any federal approvals deemed necessary to implement these statutory changes or to maintain sufficient access to covered Medi-Cal benefits during the COVID-19 emergency period.

17) *Pharmacy Proposals*
a) Expand the definition of "Best Price" to include foreign, in addition to domestic, prices, effective January 1, 2021.
b) Require DHCS, upon approval of the Department of Finance, to seek federal approvals to establish and administer a drug rebate program to collect rebate payments from drug manufacturers with respect to drugs furnished to selected populations of California residents that are ineligible for full-scope Medi-Cal benefits. Require DHCS to administer this program consistent with the federal Medicaid Drug Rebate Program.
c) Sunset a statutory limit of six prescriptions drugs per month for Medi-Cal patients on January 1, 2021.
d) Sunset the statute that requires Medi-Cal patients to make copayments on prescription drugs, on January 1, 2021.
e) Make findings to demonstrate the interest protected by limitations on the public's right of access to public meetings and documents in order to facilitate manufacturer participation and delivery of affordable prescription drugs to low-income Californians and to protect the confidentiality of trade secrets and pricing information.

18) *Managed Care Efficiencies*
a) Require DHCS, in consultation with affected Medi-Cal managed care plans, to develop and implement a risk corridor that is symmetrical to risk and profit to limit the financial risk of either significant capitation rate overpayments or underpayments. Stipulate that the risk corridor shall apply from July 1, 2019 to December 31, 2020. Authorize DHCS to continue to apply the risk corridor past January 1, 2021 if deemed actuarially appropriate to account for the impacts of the COVID-19 public health emergency.
b) Require DHCS to reduce capitation rate increments by up to 1.5 percent, if determined to be appropriate, for capitation rates associated with the July 1, 2019 to December 31, 2020 time period. Authorize DHCS to continue this reduction beyond January 1, 2021 if deemed actuarially appropriate and necessary to account for the impacts of the COVID-19 public health emergency.

19) *Supplemental Payment Pool Allocations*
   a) Require DHCS, contingent on an appropriation by the Legislature, to make available fee-for-service-based supplemental payments from a fixed-amount payment pool to qualifying nonhospital 340B community clinics, beginning January 1, 2021. Require DHCS to establish a stakeholder process on or before July 15, 2020, to develop and implement the methodology for distribution of payments, including the eligibility criteria for receipt of payments, the aggregate amount of pool funding, the criteria for apportioning the funding, and timing of payments.

20) *Proposition 56 Suspensions*
   a) Find and declare that these provisions are consistent with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016.
   b) Suspend the Proposition 56-funded Value Based Payment (VBP) program on July 1, 2021, unless either of the following conditions are met: 1) if the estimates (contained in the 2021 May Revision) of General Fund revenues and expenditures for the 2021-22 and 2022-23 fiscal years contain estimated annual General Fund revenues that exceed estimated annual General Fund expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all General Fund appropriations for all programs subject to suspension; or 2) if the suspension takes effect, but the Legislature finds alternative solutions to restore this program, consistent with Legislative intent established by this bill.
   c) Suspend Proposition 56-funded Medi-Cal provider supplemental payments on July 1, 2021, unless either of the following conditions are met: 1) if the estimates (contained in the 2021 May Revision) of General Fund revenues and expenditures for the 2021-22 and 2022-23 fiscal years contain estimated annual General Fund revenues that exceed estimated annual General Fund expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all General Fund appropriations for all programs subject to suspension; or 2) if the suspension takes effect, but the Legislature finds alternative solutions to restore this program, consistent with Legislative intent established by this bill. Apply this section to all Medi-Cal provider types that currently receive Proposition 56-funded supplemental payments, with the exception of women's health services.

21) *General Provisions*
   a) Re-appropriate $1,430,000 to support the Medically Tailored Meals Pilot Program and make this funding available for encumbrance and expenditure until June 30, 2022.
   b) Declare that the provisions of this measure are severable, such that if any provision of this measure is held invalid, that invalidity shall not affect other provisions.
   c) Declare that this bill creates a new crime and imposes a state-mandated local program.
   d) Declare that this bill provides for appropriations related to the Budget Bill, is related to the budget in the Budget Bill and shall take effect immediately.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package to implement actions taken affecting the Departments of Health Care Services, Insurance, Managed Health Care, Public Health, State Hospitals, the California Health Benefit Exchange, and the Office of Statewide Health Planning and Development.

According to the Author:

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This is a budget trailer bill to implement appropriations in the Budget Act of 2020.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Andrea Margolis / BUDGET / (916) 319-2099 FN: 0003151

CONCURRENCE IN SENATE AMENDMENTS
AB 81 (Committee on Budget)
As Amended June 22, 2020
2/3 vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is a health trailer bill for 2020-21. It contains necessary changes related to the Budget Act of 2020. This bill makes various statutory changes to implement the 2020-21 budget. Specifically, this bill reauthorizes the skilled nursing facilities quality assurance fee, and provides counties temporary flexibility in the implementation of the Mental Health Services Act in light of the COVID-19 Public Health Emergency.

The Senate Amendments:

Skilled Nursing Facilities Quality Assurance Fee

1) Exempt freestanding pediatric subacute skilled nursing facilities from paying the state skilled nursing facility (SNF) Quality Assurance Fee (QAF).

2) Revise the QAF to be administered based on calendar years rather than fiscal years.

3) Require the Department of Health Care Services (DHCS) to assess interest at the rate of 7% per year, when a SNF fails to pay all or part of the QAF within 60 days of the due date, until the QAF and interest has been paid in full.

4) Authorize DHCS to deduct any unpaid assessments, including any interest and penalties owed, from a debtor SNF, from any Medi-Cal payments made to that SNF. Require DHCS to provide prior written notice to both the SNF itself, and to any related ownership facility. Authorize DHCS to take into account the financial condition of a related facility and apply the deduction over time.

5) Require a SNF, in the event of a merger, acquisition, or change of ownership, to be responsible for paying to the state the full amount of outstanding QAF payments, including any interest and penalties. Authorize a SNF considering a change in ownership to request the status of QAF payment obligations from DHCS.

6) Authorize DHCS, when all or any part of the QAF goes unpaid, to take any or all of the following actions: a) assess a penalty of up to 50% of the total unpaid fee, and any interest assessed; b) recommend to the State Department of Public Health that license or Medi-Cal certification renewal, or approval of a change of ownership application, be delayed until the full amount of the QAF, penalties, and interest has been paid; or c) delay approval of a new Medi-Cal provider agreement, or provider agreement transfer to a successor facility, in the event of a merger, acquisition or ownership change, until the full amount of the QAF, penalties and interest is paid in full, or until the successor facility has entered into a payment agreement with DHCS for the outstanding debt, taking into account the financial situation of the facility and potential impact on services to Medi-Cal beneficiaries.

7) Authorize DHCS to, as a condition of approving a new or transferred Medi-Cal provider agreement, to require either or both: a) the successor facility to enter into a payment agreement with DHCS for outstanding QAF-related debt; and b) the successor facility owner to enter into an alternative payment agreement with DHCS that takes into account the

financial situation of the facility and the potential impact on the delivery of services to Medi-Cal beneficiaries.

8) Authorize DHCS to waive all or a portion of the interest or penalties assessed for a petitioning SNF if DHCS determines, in its sole discretion, that the SNF has demonstrated an undue financial hardship for the SNF or a significant financial difficulty in providing services to Medi-Cal beneficiaries. Require that a waiver be conditioned on the SNF's agreement to pay outstanding fee amounts on an alternative schedule that takes into account the financial situation of the facility and potential impact on service delivery. Require DHCS to post on its website a list of all SNFs that receive a waiver and the amount of interest or penalty being waived.

9) Extend the sunset on this QAF from December 31, 2020 to December 31, 2022 and repeal the statute on January 1, 2024.

10) Continue to exempt from the Skilled Nursing Facility Quality and Accountability Supplemental Payment System (QASP) special program services for the mentally disordered.

11) Increase penalties, imposed by the Department of Public Health, on facilities for failing to meet the nursing hours or direct care service hours per patient per day statutory requirements as follows: a) from $15,000 to $25,000 if the facility fails to meet the requirements for five to 49% of the audited days; and b) from $30,000 to $50,000 if the facility fails to meet the requirements for over 49% of the audited days. Authorize a facility to request an appeal based upon a determination that does not result in an assessment.

12) Authorize DHCS to incorporate, under the QASP, an additional performance measure based upon a facility's compliance with requirements related to the COVID-19 Public Health Emergency described in All Facility Letters issued by the Department of Public Health.

13) Require DHCS to pay a supplemental payment, by April 30 of 2021 and 2022 to qualified facilities based on statutory criteria and according to performance measure benchmarks determined by DHCS in consultation with stakeholders.

14) Discontinue the QASP on January 1, 2023, and requires DHCS to convene a stakeholder process by September 1, 2021 to develop a successor supplemental payment or similar quality-based payment methodology to replace the existing QASP, to begin in 2023.

15) Authorize DHCS to deduct a SNF's unpaid debt, from unpaid QAFs, interest, or penalties, from QASP payments.

16) Authorize SNFs to account for the costs of caregiver trainings that enhance the skills, education, or career advancement for nursing home workers, and trainings provided through a joint labor-management Taft-Hartley fund, as direct passthroughs of proportional Medi-Cal costs.

17) Authorize DHCS to continue and update specific geographic peer groups for facility rate setting based on facility characteristics in consultation with stakeholders.

18) Increase the limit on direct and indirect resident care labor costs from the 90th to the 95th percentile.

19) Require DHCS to audit facility costs and revenues that are associated with the COVID-19 Public Health Emergency to determine whether a facility has adequately used increased

Medicaid payments associated with the emergency only for allowable costs, which include: patient care, increased wages or benefits, shift incentive payments, staff retention bonuses, pay differential for workers employed by more than one facility, and overtime payments to non-managerial workers, personal protective requirement, COVID-19 testing for any workers, infection control measures and equipment, and staff training.

20) Require a facility that received increased Medicaid payments associated with COVID-19 to provide any information requested by DHCS on emergency-related costs and revenues at the time and in the manner specified by DHCS. Require DHCS to recoup any amounts of increased Medicaid payments that were not used to support the delivery of patient care. Require DHCS to seek any state plan amendments deemed necessary to conduct these audits, and only implement these provisions to the extent any necessary federal approvals are obtained, and federal financial participation is available and not otherwise jeopardized.

21) Stipulate that the annual increase in the weighted average medi-Cal reimbursement rate shall continue to be 3.62% until December 31, 2020, and that the reimbursement rates established for the rate period of August 1, 2020 through December 31, 2020 shall be no less than the amounts that would have been established under the reimbursement methodology used in the 2019-20 rate year.

22) Authorize DHC to condition a SNF's receipt of the annual rate increase for August 1, 202 to December 31, 2020, and for the 2021 and 2022 calendar years on that facility's good faith efforts to comply with any requirements related to the COVID-19 Public health Emergency described in Department of Public Health All Facility Letters.

23) Prohibit the weighted average Medi-Cal reimbursement rate increase from exceeding the applicable federal upper payment limit.

24) Require the annual aggregate increase in the weighted average Medi-Cal reimbursement rate for the 2021 calendar year to be 3.5% plus the projected cost of complying with new state or federal mandates.

25) Require the annual aggregate increase in the weighted average Medi-Cal reimbursement rate for the 2022 calendar year to be 2.4% plus the projected cost of complying with new state or federal mandates.

26) Require SNFs, beginning in 2021, to demonstrate compliance with the following Medi-Cal requirements: a) direct care service hours per patient day; b) applicable minimum wage laws; and c) wage pass-through requirements. Require DHCS, when it determines that a facility has been out of compliance with any of these requirements, to assess a monthly penalty up to $50,000 until the facility demonstrates compliance to DHCS. Limits these penalties to 4% of the total Medi-Cal revenue received by the facility in the previous calendar year. Authorize DHCS to assess additional penalty amounts if a facility is out of compliance for multiple years. Authorize DHCS to waive the penalties for a facility if DHCS determines that the facility demonstrates a high likelihood of undue financial hardship or difficulty in providing services to Medi-Cal beneficiaries.

27) Make these provisions contingent on receipt of any necessary federal approvals and that federal financial participation is available and not otherwise jeopardized, and authorize DHCS to modify these provisions as necessary to obtain federal approval and ensure availability of federal financial participation. Require consultation with affected providers and stakeholders, and notification of the Joint Legislative Budget Committee should DHCS deem modifications necessary.

Mental Health Services Act COVID-19 Flexibilities

1) Allow a county that is unable to complete and submit a three-year Mental Health Services Act (MHSA) plan or annual update for the 2020-21 fiscal year, due to the COVID-19 Public Health Emergency, to extend the effective timeframe of its currently approved three-year plan or annual update to include the 2020-21 fiscal year. Require a county to submit such a three-year plan or annual update to the Mental Health Services Oversight and Accountability Commission and the State Department of Health Care Services (DHCS) by July 1, 2021.

2) Authorize counties to access their MHSA prudent reserves during the 2020-21 fiscal year and spend them on prevention and early intervention, services to persons with severe mental illness, the children's system of care and the adult and older adults system of care, and for housing assistance for homeless individuals with severe mental illness. Authorize DHCS to implement this section through All County Letters, without adopting new regulations.

3) Authorize DHCS to allow counties to determine the percentage of funds to allocate across programs within the children's system of care, and within the adult and older adult system of care for the 2020-21 fiscal year by means of All County Letters, without adopting new regulations.

4) Stipulate that unspent funds allocated to a county, and interest accruing on those funds, that is subject to reversion as of July 1, 2019, and July 1, 2020, shall be subject to reversion on July 1, 2021.

5) Find and declare that the provisions in this measure further the Mental Health Services Act, approved by Proposition 63 on November 2, 2004, and are consistent with its purposes.

General Provisions

1) Declare that the provisions of this measure are severable, such that if any provision of this measure is held invalid, that invalidity shall not affect other provisions.

2) Declare that this bill provides for appropriations related to the Budget Bill, is related to the budget in the Budget Bill and shall take effect immediately.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package to implement actions taken affecting the Department of Health Care Services.

According to the Author:
None

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This is a budget trailer bill related to various provisions contained in the 2020 Budget Act.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Andrea Margolis / BUDGET / (916) 319-2099 FN: 0003149

CONCURRENCE IN SENATE AMENDMENTS
AB 82 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This trailer bill makes statutory changes related to state administration necessary to implement the Budget Act of 2020.

The Senate Amendments:

1) *EDD Access to DMV Information.* Allows the Department of Motor Vehicles to disclose to the Employment Development Department certain information for purposes relating to tax administration and to ensure compliance with specified requirements including unemployment compensation benefit requirements.

2) *Rural Broadband***.** Makes statutory changes to allow the California Public Utilities Commission to provide matching funds through the California Advanced Services Fund to broadband providers as they pursue funding through the federal Rural Digital Opportunity Fund.

3) *Data Broker's Registry Fund.* Requires data broker registration fees to be deposited in the Data Broker's Registry Fund, which is created in the State Treasury, to be available for expenditure by the Department of Justice, upon appropriation by the Legislature to offset specified internet website costs.

4) *Alcoholic Beverage Control.* Prohibits a licensee from employing or continuing to employ an alcohol server without a valid alcohol server certification beginning on July 1, 2022, instead of beginning on July 1, 2021 and makes conforming changes.

5) *Cesar Chavez Day*. Allows the Legislature to observe the Cesar Chavez holiday on the preceding Friday, the preceding Monday, or the following Friday, if March 31 falls on a Tuesday, Wednesday or Thursday.

6) *Wage Claims.* Requires the Division of Labor Standards Enforcement by March 1, 2022 until January 1, 2031, to submit to the Department of Finance and the budget committees and relevant policy committees prescribed information relating to wage claims.

7) *Social Entrepreneurs for Economic Development (SEED) Initiative.* Establishes the SEED initiative, administered by the California Workforce Development Board to assist economically disadvantaged groups who face significant barriers to employment, including, but not limited to, individuals with limited English proficiency.

8) *Cannabis Enforcement.* Shifts sworn investigators from the Division of Investigations to the Bureau of Cannabis Control in the Department of Consumer Affairs, and allows non-peace officers to provide investigative services for enforcement activities of cannabis regulations.

AB 85 (Budget Committee) of the Current Legislative Session, Clean up related to Used Cars. Requires DMV, through regulations, to establish any additional requirements for the implementation of AB 85 and prohibits a dealer from participating in the sale of a used vehicle without complying with specified provisions. Makes the operation of these provision contingent on the passage of AB 85. Eliminates the requirement that DMV withhold the registration or the transfer of registration of any vehicle sold at retail on or after January 1, 2021, to any applicant by any licensed dealer, other than a new motor vehicle dealer, until the dealer pays to the department the sales tax and any penalties. Makes the operation of these provision contingent on the passage of AB 85

COMMENTS:

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

According to the Author:
None

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill makes an appropriation by increasing the amount of employee contributions by state peace officers to the Public Employees' Retirement Fund, a continuously appropriated fund.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Farra Bracht / BUDGET / (916) 319-2099 FN: 0003127

CONCURRENCE IN SENATE AMENDMENTS
AB 83 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

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

The Senate Amendments:

Delete the current contents of the bill and replaces it with the following:

National Mortgage Settlement Fund

1) Allocates $300 million to be administered by the California Housing Finance Agency for the purpose of providing housing counseling services to homeowners, former homeowners, or renters and provide mortgage assistance to households, including borrowers who own residential properties with four or fewer units.

2) Allocates $31 million to Judicial Council for qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including pre-eviction, and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation.

Property Exchange for Affordable Housing

3) Allows state properties to be exchanged for another property or other properties belonging to a local government if:

   a) The Department of Housing and Community Development has determined that the property or properties proposed to be conveyed to the state are suitable for the purpose of affordable housing, as specified.

   b) The Director of the Department of General Services makes a finding that the exchange is in the best interest of the state.

   c) Defines Affordable housing to have the same meaning as Section 50052.5 of the Health and Safety Code.

Planning and Zoning Law

4) Revises the requirements for a unit to qualify for inclusion in a committed assistance program, including extending long-term affordability covenants and restrictions that require the unit to be available at affordable housing costs for at least 55 years.

5) Authorizes units in a motel, hotel, or hostel that are converted from nonresidential to residential to count towards a jurisdiction's adequate sites, if specified conditions are met, including that the unit is part of a long-term recovery response to COVID-19, and authorizes spaces in specified mobilehome parks.

6) Revises the definition of committed assistance to instead require the city or county to enter into a legally enforceable agreement during the period from the beginning of the projection

period until the end of the 4th year of the planning period that obligates sufficient available funds or other in-kind services.

Special Occupancy Parks Act

7) Provides that the Special Occupancy Parks Act does not apply to a non-profit entity under temporary, permanent, or emergency use, as determined by local government through enabling ordinance.

Homeless Housing, Assistance, and Prevention (HHAP) program Round 2

8) Creates a Round 2 of HHAP funding in the amount of $300 million.

9) Contains provisions that state that it is the intent of the Legislature that:

    a) These moneys build on regional coordination developed through previous rounds of funding.

    b) These moneys continue to build regional collaboration between continuums of care, counties and cities in a given region, regardless of population, and ultimately be used to develop a unified regional response to homelessness.

    c) These moneys be paired strategically with other local, state, and federal funds.

    d) These moneys be deployed with the goal of reducing the number of homeless individuals in a given region through investing in long-term solutions, and that the state be an integral partner through technical assistance, sharing of best practices, and implementing accountability framework to guide current and future state investments.

    e) That additional state funds for homelessness increase permanent housing exits, further evidence-based solutions for individuals and families, consider outcomes from prior funding awards and include strong accountability measures.

10) Allocates $300 million as follows:

    a) $90 million to Continuums of Care (CoC)

    b) $130 million to each city, or city that is also a county that has a population of 300,000 or more as of January 1, 2020.

    c) $80 million to counties

11) Allows a city, city and county, single CoC to apply jointly with a counterpart entity or entities.

12) Requires that 5% shall be set aside for the program administration, including state operations and technical assistance.

13) Prohibits a program recipient from using funding to supplant existing local funds for homeless housing, assistance, or prevention.

14) Requires a program recipient to use at least 8 percent of the funds allocated for homeless youth populations.

15) Requires funding to be expending using Housing First principles.

16) Requires an applicant to receive Round 2 to submit an application according to the calendar established by the Council as follows:

    a) The council shall make an application for Round 2 program allocations available no later than November 30, 2020

    b) Applications shall be due to the council no later than 60 days from the date the council makes those applications available.

    c) Within 60 days of receiving an application, the council shall either approve the application or return it to the applicant with written, detailed comments and request one or more amendments as specified.

    d) An applicant whose application has been returned shall respond to the council's requested amendments and submit a revised application within 45 days. Where the revised application differs from the council's request, the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.

    e) Provides that the council shall have 30 days within which to approve the application, as amended, to address the council's concerns.

17) Requires an application submitted to the council to provide information as specified, in the form and manner described by the council.

18) Allows the council to request additional documentation and information from the applicant with respect to Round 2 program allocations consistent with the requirements of subdivision (b).

19) Requires a recipient of Round 2 program allocations to expend funds on evidence-based solutions that address and prevent homelessness among eligible populations including any of the following:

    a) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.

    b) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.

    c) Street outreach to assist persons experiencing homelessness to access permanent housing and services.

    d) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.

    e) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations including families and homeless youth.

    f) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.

g) Prevention and shelter diversion to permanent housing, including rental subsidies.

h) New navigation centers and emergency shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

i) The number of available shelter beds in the city, county, or region served by a continuum of care.

ii) The number of people experiencing unsheltered homelessness in the homeless point-in-time count.

iii) Shelter vacancy rate in the summer and winter months.

iv) Percentage of exits from emergency shelters to permanent housing solutions.

v) A plan to connect residents to permanent housing.

20) Provides that up to 5 percent of an applicant's Round 2 program allocation may be expended for the following uses that are intended to meet federal requirements for housing funding:

a) Strategic homelessness plan, as defined in Code of Federal Regulations, Title 24, Section 578.7(c).

b) Infrastructure development to support coordinated entry systems and Homeless Management Information Systems.

21) Requires beginning in 2021, in addition to the data required on the report under Section 50221, applicants provide specified information for both rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework as established by the council.

22) Requires a final report no later than January 1, 2027 for each recipient that receives a Round 2 program allocation.

Building Homes and Jobs Trust Fund

23) Extends the deadline for a jurisdiction to encumber its SB 2 planning dollars to December 31, 2020, and expend those funds no later than December 31, 2023.

Local Early Action Planning Grants

24) Extends until January 31, 2021, the time that a jurisdiction may request an allocation of funds for the Local Early Action Planning Grants.

General Fund Transfer

25) Requires any remaining funds deposited on or before July 1, 2020, into the Housing Rehabilitation Loan Fund from the Deferred-Payment Rehabilitation Loan Program established by this chapter, the Rental Housing Construction Program established by Chapter 9 (commencing with Section 50735), and the Family Housing Demonstration Program established by Section 5 of Chapter 30 of the Statutes of 1988 may be transferred to the General Fund, upon order of the Department of Finance.

Project Room Key

26) Requires funds from the Coronavirus Relief Fund to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness be disbursed in accordance with the Multifamily Housing Program, including grants to cities, counties, and other local public entities for the following:

    a) Acquisition or rehabilitation of motels, hotels, or hostels.

    b) Master leasing of properties.

    c) Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.

    d) Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.

    e) The purchase of affordability covenant and restrictions for units.

    f) Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.

    g) Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.

27) Requires, where possible, for funds to be allocated for expenditure in a manner that takes into consideration the following:

    a) Need geographically across the state.

    b) Areas with high unsheltered populations and high COVID-19 infection rates.

    c) The demonstrated ability of the applicant to fund ongoing operating reserves.

    d) The creation of new permanent housing options.

    e) The potential for state funding for capitalized operating reserves to make additional housing units financially viable through this program.

28) Allows the Department of Housing and Community Development to adopt guidelines for the expenditure of the funds appropriated to the department.

29) Provides that up to 2 percent of the funds appropriated for the costs to administer this program.

30) Requires the Department of Housing and Community Development, in coordination with the Business, Consumer Services, and Housing Agency to report to the chairs of each fiscal committee and each relevant policy committee of the Legislature on the use of the funds described in this section.

31) Requires that any project that uses funds received from the Coronavirus Relief Fund for any of the purposes specified in No. 26 above shall be deemed consistent and in conformity with

any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

CEQA Exemption

32) Provides a CEQA exemption for Project Room Key projects if all of the following requirements, if applicable, are satisfied:

a) No units were acquired by eminent domain.

b) The units will be in decent, safe, and sanitary condition at the time of their occupancy.

c) The project proponent shall requires all contractors and subcontractors performing work on the project to pay prevailing wages for any rehabilitation, construction, or alternations.

d) The project proponent obtains an enforceable commitment that all contractors and subcontractor performing work on the project will use a skilled and trained workforce for any rehabilitation, construction, or alterations.

e) The project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any rehabilitation, construction, or alteration work.

f) Any acquisition is paid for exclusively by public funds.

g) The project provides housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness.

h) Long term covenants and restriction require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income, and very low income households, for no fewer than 55 years.

i) The project does not increase the original footprint of the project structure or structures by more than 10 percent. Any increase to the footprint of the original project structure or structures shall be exclusively to support the conversion to housing for the designated population.

33) Specifies that it applies only to a project for which the initial application to the city, county, or city and county where the project is located was submitted on or before April 30, 2021.

34) Repeals this section on July 1, 2021.

Low Income Housing Tax Credit

35) Specifies that tax allocations amounts be available in the calendar year by the California Tax Credit Allocation Committee (CTCAC) after CTCAC and the California Debt Limit Allocation Committee (CDLAC) have adopted regulations, rules or guidelines to align programs of both committees with the objective of increasing production and containing costs.

36) Requires CTCAC to accept applications for the 2021 calendar year not sooner than 30 days after these regulations, rules or guidelines have been adopted.

37) Provides that CDLAC shall not accept applications for the 2021 calendar year for bond allocations for an eligible project prior to issuing, reviewing, and publishing a new tax-exempt private activity bond demand survey.

38) Revises allocation methodology for the 2021 calendar year and thereafter, when CTCAC and CDLAC develop and prescribe regulations, rules or guidelines that includes a scoring system that maximizes the efficient use of public subsidy and benefit created through the private activity bond and low-income housing tax credit programs. The factors for determining the efficient use of public subsidy and benefit shall include, but not be limited to, all of the following:

    a) The number and size of units developed including local incentives provided to increase density.

    b) The proximity to amenities, jobs, and public transportation.

    c) The location of the development.

    d) The delivery of housing affordable to very low and extremely low income households by the development.

39) Allows CDLAC to adopt emergency regulations for bond allocations for the 2021 calendar year.

40) Includes intent language related to programs at CDLAC, CTCAC, the Department of Housing and Community Development.

41) Requires CDLAC to report to the Legislature by April 1, 2021 on the data from the private activity bonds awarded during the 2020 calendar year as specified.

42) Requires CTCAC to report to the Legislature by April 1, 2021 on the data on federal and state low-income housing tax credits allocated from the 2019-20 budget as specified.

Housing First and CDCR

43) Extends the requirements that agencies and departments administering state programs to collaborate with the coordinating council to revise or adopt guidelines and regulations to incorporate core components of Housing First to July 1, 2022.

44) Revises who an agency or department that administers programs that fund recovery housing to do the following:

    a) Coordinate with the Homeless Coordinating and Financing Council, consult with the Legislature, the Business, Consumer Services, and Housing Agency, the federal Department of Housing and Urban Development, and other stakeholders between July 1, 2020 and January 1, 2022 to identify ways to improve the provision of housing to individuals who receive funding from that agency or department, consistent with the applicable requirements of state law.

    b) Ensure that recovery housing programs meet the following requirements:

        i) A recovery housing program participant shall sign an agreement upon entry that outlines the roles and responsibilities of both the participant and the program administrator to ensure individuals are aware of actions that could result in removal from the recovery housing program.

ii) If a recovery housing program participant chooses to stop living in a housing setting with an abstinence focus, is discharged from the program, or is evicted from housing, the program administrator shall offer assistance in accessing other housing and services options, including options operated with harm-reduction principles. To the extent practicable, this assistance shall include connecting the individual with alternative housing providers, supportive services, and the local coordinated entry system, if applicable. This clause does not apply to an individual who leaves the program without notifying the program administrator.

iii) The recovery housing program administrator shall track and report annually to the program's state funding source the housing outcome for each program participant who is discharged.

Housing Navigator Program and Suspension

45) Provides that moneys appropriated to the Housing Navigator program are subject to the suspension if certain projections are not met for the General Fund.

46) States that it is the intent of the Legislature to consider alternative solutions to prevent the suspension.

COMMENTS:

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

According to the Author:
None.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill appropriates $331 million to the National Mortgage Settlement Fund and allocates $300 million to be used for HHAP program Round 2 funding.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon

NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN: 0003129

CONCURRENCE IN SENATE AMENDMENTS
AB 84 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

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

The Senate Amendments:

1) Deletes the contents of the bill and instead:

California State Teachers' Retirement System (CalSTRS) and CalPERS Schools Pool.

2) Revises the application of the 2018-19 General Fund appropriation to the Teachers' Retirement Fund for the Defined Benefit Program as follows:

    a) Revises the apportioned payment to an amount to pay in advance on behalf of employers, a part of the employer contributions for 2020-21 that results in employers having to contribute 2.95 percentage points less than the percentage set by another provision.

    b) Authorizes an additional apportionment that would result in employers having to contribute 2.18 percentage points less than the percentage set by the board pursuant to another provision for 2021-22.

    c) Makes a conforming change regarding the uncommitted remainder of the payment to reflect the additional allocation for 2021-22.

CalSTRS State Contribution Rates.

3) Requires that the percentage set by the Teacher's Retirement Board for 2020-21 govern the state appropriation for the Teachers' Retirement Fund to eliminate the unfunded actuarial obligation, prohibits the board from increasing or decreasing the percentage for 2020-21, and specifies that is provisions do not prevent payments toward the unfunded actuarial obligation from being made from other sources.

Bargaining Unit 5 Compensation.

4) Requires employees of the California Highway Patrol who are rank-and-file members of State Bargaining Unit 5, to be subject to any and all reductions in state employee compensation imposed by the Legislature on other state employees for the period of July 1, 2020, to June 30, 2021, regardless of the means adopted to the effect those reductions. This would include suspension of the duty to compensate sworn represented members of the California Highway Patrol in accordance with a specified formula, and regardless of the provisions in existing memorandum of understanding (MOU).

Personal Leave Program 2020

5) Requires the department to adopt a plan for the period of July 1, 2020 to June 30, 2021, by which all state employees who are not subject to the Personal Leave Program 2020 (PLP 2020 Program), would be furloughed two workdays per calendar month.

6) Requires a state employee, from July 1, 2020 to June 30, 2021, to participate in the PLP 2020 Program, either as required by an applicable MOU reached or by the direction of the department for excluded employees, under which each employee would receive a reduction in pay not greater than 10% in exchange for up to 16 hours of PLP 2020 Program leave credits per month.

California Public Employees' Retirement System (CalPERS) Supplemental Pension Payment

7) Repeals supplemental General Fund appropriations to the Public Employees' Retirement Fund for 2020-21, 2021-22, and 2022-23.

8) Requires the Controller to transfer up to $2.5 billion to the General Fund over the 2020-21 and 2021-22 from other funds and accounts that are required by law to fund the state's employer contribution to the Public Employees' Retirement Fund. Requires the schedule provided by the Department of Finance to specify the timing and amounts of transfers to the General Fund after evaluation of each fund's share of costs and its fun availability.

9) Appropriates $243 million from the General Fund to supplement the state's appropriation to Public Employees' Retirement Fund.

10) Revises the application of the 2018-19 General Fund appropriation to the Public Employee's Retirement Fund for payments related to school employer contributions and unfunded liabilities as follows:

    a) Increases the apportionment for advance payments of required school employer contributions for 2020-21 to $430 million.

    b) Repeals the apportionment of $660 million for the unfunded liabilities for specified school employers

    c) Authorizes $330 million to be apportioned for advanced payments of required school employer contributions for 2021-22.

11) Provides that employees of the State Compensation Insurance fund shall, without limitation, be subject to any and all reductions in state employee compensation imposed by the Legislature on other state employees for the period from July 1, 2020 to June 30, 2021, regardless of the means adopted to effect these restrictions.

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related public employment and retirement.

According to the Author:

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill appropriates $243 million from the General Fund to supplement the state's appropriation to Public Employees' Retirement Fund.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN: 0003150

CONCURRENCE IN SENATE AMENDMENTS
AB 88 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the public safety omnibus bill to implement various provisions of the 2020 Budget Act.

The Senate Amendments:

1) Expands the definition of an assault weapon to include a semiautomatic firearm that is not a rifle, pistol, or shotgun, that does not have a fixed magazine but has any one of the attributes currently associated with assault weapons, that has a fixed magazine with the capacity to accept more than ten rounds, or has an overall length of less than 30 inches. Provides an exception to the prohibition on possessing an assault weapon that is not a rifle, pistol, or shotgun if the person lawfully possessed the weapon prior to July 1, 2020 and registers the weapon by January 1, 2022. Prohibits the joint registration of an assault weapon that is not a rifle, pistol, or shotgun.

2) Increases the lease revenue bond authority available for the Health Care Facility Improvement Programs and includes provisions related to notification requirements to the Joint Legislative Budget Committee.

3) Allows preliminary hearings and trials to be held by two-way electronic audio-video communication if a defendant within the jurisdiction of the California Department of Corrections and Rehabilitation agrees.

4) Suspends the young adult pilot program in the Division of Juvenile Justice.

5) Requires the identification of a state owned and operated prison for closure by January 10, 2021 and a second state owned and operated prison for closure by January 10, 2022.

6) Adjusts the timeline for of implementation AB 879 (Gipson), Chapter 730, Statutes of 2019.

7) Requires a person released from state prison subject to parole supervision by the Department of Corrections and Rehabilitation, to serve a parole term of two years for a determinate term and a parole term of three years for a life term, requires the Division of Adult Parole Operations to review these individuals for earlier discharge as specified, and excludes individuals serving time for offenses that require them to register per Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1.

8) Authorizes judicial discretion in offering misdemeanor diversion to individuals prosecuted for misdemeanors.

9) Adjusts the timeline for implementation of AB 1076 (Ting), Chapter 578, Statutes of 2019 and provides a technical clarification for the Teacher Credentialing Program.

10) Changes the life expectancy for inmates who are eligible for recall of sentence for compassionate release from six months to 12 months and removes the Board of Parole Hearing from the process.

11) Requires the State Public Defender to provide training and assistance to public defender offices and other counsel appointed to represent indigent defendants in complex matters. Repeals provisions authorizing the State Public Defender to hire additional staff attorneys and support staff and repeals the requirement to formulate plans for the representation of indigents in specified courts.

12) Prohibits a postsecondary education institution, exempting all professional degrees and basic law enforcement training granting programs, from inquiring about a prospective student's criminal history on an initial application form or at any time during the application process before the institution's final decision for admission.

13) Revises the definition of a correctional pharmacy, requires the implementation of the California Correctional Health Care Services Health Care Department Operations Manual, requires the quarterly inspection of correctional clinics by a pharmacist, and revises provisions to allow for removal and administering or furnishing of a drug in cases where a delay in therapy may cause patient harm.

14) Changes the age for elderly parole eligibility from 60 to 50 and time served from 25 to 20 years.

15) Staggers petition dates for sex offender registrants pursuant to SB 384 (Wiener), Chapter 541, Statutes of 2017, which will allow a registrant with a conviction for a registerable sex offense to petition for termination only on or after their next birthday following July 1, 2021. Allows courts to summarily deny petitions that are statutorily ineligible and require law enforcement agencies to report receipt of a filed petition in the manner prescribed by the Department of Justice.

16) Eliminates the Integrated services for Mentally Ill Parolees program.

17) Deletes reference to location of facility for time served so that underlying crime is the determiner of facility where sentence is served in accordance with *People v. Vega*.

COMMENTS:

According to the Author:
None

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill makes an appropriation by increasing the amount of funds that are continuously appropriated to the State Public Works Board on behalf of the California Department of Corrections and Rehabilitation for the Health Care Facility Improvement Program.

VOTES:

ASSEMBLY FLOOR: 54-13-13

YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099 FN: 0003132

CONCURRENCE IN SENATE AMENDMENTS
AB 90 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This trailer bill makes statutory changes related to transportation necessary to implement the Budget Act of 2020.

Major Provisions:

1) *Two-Year Hold Harmless Provision for Transit Operators.* Institutes a two-year hold harmless provision for the calculation and allocation of the individual transit agency factors the State Controller makes to allocate 50% of revenues flowing through the State Transit Assistance Program, the STA-based State of Good Repair Program and the Low Carbon Transit Operations Program, all programs that rely on calculations of "Local Revenue" earned by transit operators.

2) *Temporary Suspension of Financial Penalties for Transit Operators*. Prohibits the imposition of a penalty for the allocation of funding from the State Transit Assistance Program if an operator does not maintain the required ratio of fare revenues to operating cost during the 2019-20 and 2020-21 fiscal year. Also, for 2020-21 and 2021-22 temporarily eliminates financial penalties for transit operators for non-compliance with specified efficiency standards.

3) *Reporting Requirements for Aviation Fuel Tax Revenues.* Requires an aviation fuel retailer to provide to the California Department of Tax and Fee Administration quarterly information on revenue from aviation fuel taxes beginning January 1, 2020, and requires the department to post this information on its website.

4) *High-Speed Rail Business Plan.* Delays until no later than December 15, 2020, the business plan that the High-Speed Rail Authority was required to submit by May 1, 2020, and requires the independent peer review group to review the plan prior to the authority adopting the plan. Also, eliminates the requirement that the authority provide a project update report to the Legislature on or before March 1, 2021.

The Senate Amendments:

COMMENTS:

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

According to the Author:
None.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill appropriates $1.7 million to the Department of Motor Vehicles from the Air Pollution Control Fund to develop an interface system for the department's vehicle registration system to communicate with the Air Resources Board's compliance database.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Farra Bracht / BUDGET / (916) 319-2099 FN: 0003134

CONCURRENCE IN SENATE AMENDMENTS
AB 92 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This bill is the omnibus Resources trailer bill for 2020-21. It contains various statutory provisions necessary to implement the Budget Act of 2020.

The Senate Amendments

1) Establishes the Good Neighbor Authority (GNA) Fund in the State Treasury to facilitate the implementation of forest management projects on federal lands. Under GNA Agreements, state and local agencies agree to complete vegetation management projects on federal lands in cooperation with the US Forest Service. GNA Agreements authorize these entities to sell timber harvested during these activities to offset project costs and support implementation of new GNA projects. This new fund will serve as a depository for timber sale revenues generated by state agencies through the completion of GNA projects, which will be reinvested to help increase the pace and scale of forest treatment activities on federal lands.

2) Requires the State Water Resources Control Board (SWRCB), in setting a specified fee schedule, to include an amount estimated by the SWRCB, in consultation with the Department of Fish and Wildlife, necessary to recover costs incurred by the department.

3) Requires the Secretary of Food and Agriculture to adopt, by regulation, fees to cover the Department of Food and Agriculture's reasonable regulatory program costs related to the confinement of animals, as described in Proposition 12. Requires the fees to be separately accounted for in the Department of Agriculture Account, Department of Food and Agriculture Fund.

4) Specifies that total gross receipts of sales of property within state-designated fairs be subject to review by the California Department of Tax and Fee Administration (CDTFA) for errors. Requires CDTFA to note any identified errors and the approximate impact of those errors on the total gross receipts in its report to the Department of Finance to allow an adjusted total gross receipts amount to be determined for the purpose of calculating the amount to be included in the Governor's Budget for use by the Department of Food and Agriculture for allocation to fairs.

5) Extinguishes old general obligation bonds that are no longer needed to reduce administration costs by reducing the amount of indebtedness authorized by the Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 and the Water Conservation Bond Law of 1988. This provision is intended to relieve the need to administer minimal remaining balances that are not enough to support another project.

6) Expands the use of moneys in the Lead-Acid Battery Cleanup Fund, upon appropriation by the Legislature, on specified activities to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon; and requires costs incurred by the Department of Toxic substances Control using moneys from the fund that are recovered be deposited into the fund.

7) Authorizes the State Water Resources Control Board (SWRCB) to issue a certificate or statement, which is required under federal water quality control laws, before completion of an environmental review, which is required under the California Environmental Quality Act, if SWRCB determines that waiting until completion of the environmental review poses a substantial risk of waiver of the state's certification authority under federal water quality control laws. Requires SWRCB, to the extent authorized by federal law, to reserve authority to reopen and revise the certificate or statement as appropriate based on the information provided in the environmental review document.

COMMENTS:

This bill makes various changes to implement the resources and environmental protection budget allocations in the 2020-21 budget package.

According to the Author:
None

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

The funding related to the changes in this bill is contained in the Budget Act of 2020.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Susan Chan/ BUDGET / (916) 319-2099 FN: 0003135

CONCURRENCE IN SENATE AMENDMENTS
AB 93 (Committee on Budget)
As Amended
Majority vote. Budget Bill Appropriations Taked Effect Immediately

SUMMARY:

This is the Earned Income Tax Credit (EITC) trailer bill for the 2020-21 budget. It contains the necessary changes necessary to implement the 2020 Budget Act. Specifically, this bill:

The Senate Amendments:

Delete the contents of the bill and replace it with the following:

1) Extends the EITC and Young Child Tax Credit (YCTC), beginning on or after January 1, 2020, to an eligible individual who has a federal individual taxpayer identification number (ITIN) under the following conditions:

    a) An eligible individual who has a qualifying child younger than six years old as of the last day of taxable year.

    b) An eligible individual whose spouse has a qualifying child younger than six years old as the last day of the taxable year.

    c) Any other qualifying children of an eligible individual who has a qualifying child younger than six years old as of the last day of the taxable year.

    d) Any other qualifying children of an eligible individual's spouse who has a qualifying child younger than six years old as of the last day of the taxable year.

2) Removes from our conformity to Internal Revenue Code EITC eligibility rules related to the exception from eligibility for certain Social Security Numbers. The removal of that conformity would apply for all taxpayers, regardless of whether they have children under six years old in the family

COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related to the Earned Income Tax Credit.

According to the Author:
None

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill includes a continuous appropriation for the Tax Relief and Refund Account for amounts related to the Earned Income Tax Credit and Young Child Tax Credits.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN: 0003136

CONCURRENCE IN SENATE AMENDMENTS
AB 100 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This trailer bill makes statutory changes related to state administration necessary to implement the Budget Act of 2020.

The Senate Amendments:

1) *2020 General Election Funding***.** Allows costs reasonably related to the administration of an election during the COVID-19 pandemic to be a reimbursable expenditure. For eligible expenditures made on or after July 1, 2020, and before July 1, 2021 a county is not required to provide matching funds.

2) *Seismic Safety Commission.* Establishes the Alfred E. Alquist Seismic Safety Commission as a separate unit within the Office of Emergency Services, reduces the number of commissioners to 15, specifies background qualifications for the commissioners, and expands the number of public entities that provide updates to the commission on earthquake preparedness and seismic safety activities.

COMMENTS:

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

According to the Author:
None

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill makes an appropriation for the Secretary of State by removing a restriction on the expenditure of funds available under an existing appropriation.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron

ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Farra Bracht / BUDGET / (916) 319-2099 FN: 0003137

CONCURRENCE IN SENATE AMENDMENTS
AB 102 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This 2020 budget trailer bill transfers enforcement responsibilities for the CalSavers program from the Employment Development Department to the CalSavers Retirement Board and the Franchise Tax Board and makes other technical updates to the CalSavers program.

Specifically, this bill:

1) Provides authority to the CalSavers Retirement Board to enforce compliance with CalSavers, to be administered through action by the Franchise Tax Board

   a) Allows employers to appeal any penalty imposed in writing to the Franchise Tax Board

   b) Requires CalSavers Retirement Board to reimburse the Franchise Tax Board for any costs for administering the program.

2) Allows cannabis-regulating agencies to share data with CalSavers for its licensed cannabis businesses at no cost to the businesses, state agencies, or California taxpayers

3) Allows the CalSavers Retirement Board the discretion to determine whether employees who opted out of the program to be re-enrolled into it, rather than requiring this practice.

4) Renames the program in statue from California Secure Choice to CalSavers.

5) Removes the obsolete language requirement that any investments in CalSavers be invested in United States Treasuries, myRAs and similar investments for the first three years of implementation and instead requires the board to create an investment policy.

The Senate Amendments:

COMMENTS:

This budget trailer bill for 2020 makes technical changes to the CalSavers program to adjust the program's forthcoming implementation to reflect the challenges faced by the Employment Development Department in addressing unprecedented workload. The bill moves enforcement activities for the program from the Employment Development Department to the CalSavers Retirement Board and the Franchise Tax Board. The bill also includes some technical changes to the program to conform to the upcoming implementation of the program.

According to the State Treasurer's Office, "the CalSavers Board is eager to proactively support employers throughout this difficult time. The Board voted to delay the first employer registration deadline slated for June 30, 2020 to September 30, 2020. However, this legislation is necessary this session in order to enable FTB and CalSavers to do regulatory and operational development in advance of implementation in 2021."

According to the Author:
This budget trailer bill reflects the 2020 budget agreement.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill is not expected to change the overall cost of the CalSavers program, but will change which departments will provide the enforcement services. Pursuant to the language, the CalSavers Board will reimburse the Franchise Tax Board for any administrative activities associated with this bill.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN: 0003141

CONCURRENCE IN SENATE AMENDMENTS
AB 103 (Committee on Budget)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the Unemployment Compensation Benefits COVID-19 trailer bill for the 2020-21 budget. It contains the necessary changes necessary to implement the 2020 Budget Act. Specifically, this bill:

The Senate Amendments:

1) Deletes the current contents of the bill and instead:

    a) Prohibits unemployment compensation benefits paid to an unemployed individual from being charged against the reserve account of a tax-rated employer, unless the employer or an agent of the employer was at fault, as prescribed, for the duration of all federal unemployment benefit programs. Provides that this provision shall become inoperative on January 1, 2021, unless the director determines that noncharging provisions are otherwise extended by federal law.

    b) Provides for the payment of temporary federal-state emergency unemployment compensation benefits to eligible individuals in this state for weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending four weeks prior to the last week for which 100% federal sharing is authorized by the federal Families First Coronavirus Response Act or for weeks of unemployment ending four weeks prior to the last week for which Congress has authorized 100% sharing.

COMMENTS:

1) This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related Unemployment Compensation Benefits COVID-19.

2) This bill provides some limited relief to tax-rated employers whose employees are unemployed as a direct or indirect reason related to COVID-19.

3) This also amends California Unemployment Insurance Code to allow the state to trigger onto the Federal-State Extended Benefit program using the Total Unemployment Rate, which would potentially provide up to 20 weeks of total Unemployment Insurance extended benefits to unemployed workers, funded 100 percent by the federal government.

4) Both of these provisions take advantage of flexibility and new federal funding sources provided in recent federal legislation enacted in response to the coronavirus pandemic.

According to the Author:
None

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill provides for the payment of additional amounts from the Unemployment Fund and makes a continuous appropriation.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN: 0003152

CONCURRENCE IN SENATE AMENDMENTS
AB 119 (Ting)
As Amended June 22, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the State Bargaining Units (BU) trailer bill for the 2020-21 budget. It contains the necessary changes necessary to implement the 2020 Budget Act. Specifically, this bill:

The Senate Amendments:

Delete the current contents of the bill and instead replace with the following:

1) Ratifies the Memorandum of Understanding (MOUs), addenda, or both entered between the state employer and the following Bargaining Units represented by four exclusive employee representatives as follows:

    a) Service Employees International Union, Local 1000 (SEIU 1000)

        i) BU 1: Professional, Administrative, Financial and Staff Services

        ii) BU 3: Professional Educators and Librarians

        iii) BU 4: Office and Allied

        iv) BU 11: Engineering and Scientific Technicians

        v) BU 14: Printing and Allied Trades

        vi) BU 15: Allied Services

        vii) BU 17: Registered Nurses

        viii) BU 20: Medical and Social Services

        ix) BU 21: Educational Consultants and Library

    b) California Correctional Peace Officers Association (CCPOA)

        i) BU 6: Corrections

    c) Professional Engineers of California Government (PECG)

        i) BU 9: Professional Engineers

    d) California Association of Psychiatric Technicians (CAPT)

        i) BU 18: Psychiatric Technicians

2) Requires the expenditure of funds for an MOU, addenda, or both, as appropriated by the Legislature for provisions relating to an MOU, addenda, or both, and authorizes the state employer to reopen negotiations if funds for provisions are not appropriated by the Legislature.

3) Ratifies and approves provisions requiring the expenditure of funds in MOU, addenda, or both, entered between the state employer and other state BUs no later than June 30, 2020, if the MOU or addenda includes savings measures that contribute to meeting the budgeted reductions as specified in the Budget Act of 2020.

4) Requires on July 1, 2022, or a later date as determined by the provisions of the MOU for BU 9, the normal rate of contribution to return to the normal contribution rate that was in place on July 1, 2019, for a period of one year.

5) Adjusts the normal rates of pension compensation for specified employees of BU 18. Requires effective July 1, 2021, the state miscellaneous members or state industrial members contribution rate, or the rate for state safety members be adjusted when both (a) the normal costs rate for the category in effect for 2016-17 has increased by 1%, and (b) 50% of that normal costs rate, exceeds the normal contribution rate.

6) Provides that after July 1, 2019, that the employer and employee contribution percentages would be adjusted based on actuarially determined total normal costs.

7) Relating to the Public Employees' Medical and Hospital Care Act (PEMHCA)

    a) Suspends the additional 1.2% required for the employees' monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22 while continuing to require the employer's monthly contribution for prefunding those postemployment benefits during those fiscal years, for BUs 1, 3, 4, 11, 14, 15, 17, 20 or 21.

    b) Suspends the additional 1.4% required for BU 6 employees' monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22 while continuing to require the employer's monthly contribution for prefunding those postemployment benefits during those fiscal years.

    c) Suspends the additional 1.0% required for BU 9 employees' monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22 while continuing to require the employer's monthly contribution for prefunding those postemployment benefits during those fiscal years.

8) Appropriates $270,917,000 for BU 18 for expenditure in 2020-21 in augmentation of, and for the purpose of, state employee compensation as provided.

9) Makes technical cleanup within the Other Post-Employment Benefits (OPEB) statutes by adding California Association of Highway Patrolmen, Bargaining Unit 5, which was inadvertently excluded from 22944.5 (a)(4).

10) Provides that the provisions of a MOU entered into between a state employer and a BU are effective, unless otherwise provided for by the Budget Act or other legislative enactment.

COMMENTS:

1) This bill is a budget trailer bill within the overall 2020-21 budget package necessary to implement actions related to Bargaining Units.

2) This bill approves MOUs between the state and the following bargaining units and would cover the corresponding full-time equivalent (FTE) positions for the duration of the agreements.

BU	Term	Full-Time Equivalent Employees (FTE)
1, 3, 4, 11, 14, 15, 17, 20, 21		
6	July 1, 2020 through June 30, 2022	28,007
9	July 1, 2020 through June 30, 2022	10,782
18	July 2, 2019 through July 1, 2022	6,775

Bargaining Unit 18

RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

1) Employee Pension Contribution:

   a) Effective July 1, 2021, the employee contribution rates for First Tier retirement formulas remain in effect until CalPERS has determined i) the total normal cost rate has increased by 1%, and ii) 50% of that normal cost rate rounded to the nearest quarter of one percent is greater than the current employee contribution rate. Each year, thereafter, the rate shall only be adjusted if CalPERS determines the total normal cost rate increases by more than one percent (1%) of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution rate in any given fiscal year shall not exceed on percent (1%) per year.

   b) Effective July 1, 2021, the employee contribution rates for State Safety retirement formulas shall remain in effect until CalPERS has determined i) the total normal costs rate has increased by 1%, and ii) 50% of that normal costs rate rounded to the nearest a quarter of one percent is greater than the current employee contribution rate. Each year thereafter, the rate shall only be adjusted if CalPERS determines the total normal costs rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution in any given fiscal year shall not exceed one percent (1%) per year.

2) Prefunding of Post-retirement Health Benefits: Effective July 1, 2021, and each year thereafter, the employer and employee contribution percentages will be adjusted if the actuarially determined total normal costs have increased by more than half a percent from the total normal cost contribution percentages currently in effect. The increases to the employee contribution percentage in any given fiscal year shall not exceed 0.5%.

HEALTH BENEFITS

3) Employer Contribution for Active State Employees: The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80% of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2020, January1, 2021, and January 1, 2022.

COMPENSATION

4) General Salary Increases (GSI)

   a) Effective January 1, 2020, all eligible CAPT represented classification shall receive a 2.75% GSI.

b) Effective July 1, 2020, all eligible CAPT represented classification shall receive a 2.75% GSI.

c) Effective July 1, 2021, all eligible CAPT represented classification shall receive a 2.75% GSI.

5) Special Salary Adjustments: Effective the month following ratification by both the state and CAPT, the maximum salary of some alternate ranges within the Senior Psychiatric Technician, Psychiatric Technician, and Psychiatric Technician Assistant classifications, shall be adjusted by 2.5%.

6) Miscellaneous Compensation Increases: Effective July 1, 2021, Bargaining Unit 18 employees working on a regular scheduled weekend shift shall receive a weekend differential of fifty-cents ($0.50) per hour.

MISCELLANEOUS

7) Bilingual differential certification testing shall be offered at least every six months.

8) Commitment to reductions in mandated overtime.

9) The state and the CAPT agree to meet quarterly to discuss the feasibility of a possible expansion of Enhanced Industrial Disability Leave benefits to include diagnosed PTSD.

10) Within six months after ratification of this agreement, the state will conduct a Safety Retirement Audit for employees at the Canyon Springs facility, DDS.

11) CalHR agrees to meet quarterly with CAPT to review the Coleman court history, court orders, vacancy numbers at each department (DSH, DDS and CDCR/CCHCS) and recruitment efforts as well as identity best practices for recruitment.

12) Eliminates furlough protection.

DURATION

13) July 2, 2019 through July 1, 2022.

Bargaining Unit 6

PREFUNDING OF POST-RETIREMENT HEALTH BENEFITS SUSPENDED

1) BU 6 employees currently contribute 4% to prefund post-retirement health benefits. Effective the first day of the pay period following ratification through the June 2022 pay period, the employees' monthly contribution to prefund other post-employment benefits will be suspended for the 2020-21 and 2021-22 fiscal years, and will not be withheld from employees' salaries.

COMPENSATION

2) Effective with the July 2020 pay period through the June 2022 pay period, the Personal Leave Program (PLP 2020) will apply to all BU 6 employees. Employees continue to work their assigned work schedules and shall have a reduction in pay equal to 4.62% except:

a) 7K Ranges = 4.5%

b) Fire Captain Range L and M (192 Hour Schedule) = 3.85%

c) Fire Captain Range N and P (216 Hour Schedule) = 3.42%

3) Each full-time employee shall be credited with 12 hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program, which is comprised of eight hours for a single day of PLP 2020 and four hours for the other achieved savings (e.g., suspensions of shift differential, reductions in holiday compensation/time, and reductions in uniform allowance). PLP 2020 shall have no cash value and may not be cashed out, except as permitted in very limited circumstances (e.g., non-voluntary separation).

4) The existing MOU contains a three percent GSI effective July 1, 2020. This GSI is suspended and deferred until July 1, 2022 or July 1, 2023.

5) Holiday pay and holiday credits are suspended until the July 2022 pay period. Employees will earn holiday pay or credits for three of the eleven holiday - July 4th, Thanksgiving Day, Christmas, and New Year's Day.

6) Night and weekend shift pay differentials of $1.50 per hour are suspended until the July 2022 pay period.

7) Employees currently receiving an annual Uniform/Uniform Accessories replacement Allowance of $1,000.00 will be reduced to $750.00 annually during the term of the contract.

8) Employees currently receive two Personal Development Days (PDDs) per calendar year. In calendar years 2021 and 2022, employees will receive only one PDD.

MISCELLANEOUS

9) Employees shall receive a minimum of 60 hours of annual training in the 7K Training program, which was previously divided between 48 hours of off-post training and 12 hours of on the-job training. Cost savings will be achieved through the modification of 32 hours of the off-post training being converted to non-classroom, on-the-job, or online training.

10) Contract Reopener Language – Elimination of Pay Decreases and Suspensions

CONTRACT REOPENER LANGUAGE – ELIMINATION OF PAY DECREASE AND SUSPENSIONS

11) The MOU specifies that the determination of sufficient funding to restore the reductions shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:

12) If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

13) If the Director of the Department of Finance, as a result of state revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the pay that have been suspended or reduced as a result of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

14) The BU 6 MOU specifies that in the event the Director of the Department of Finance elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced, the State shall provide notice to the Union and shall meet and confer with the Union upon request regarding the impact of that determination.

15) The BU 6 MOU specifies that in the event that the Director of the Department of Finance does not restore, at their sole discretion, the 3% GSI that was provided in the existing MOU for July 1, 2020, then a 3% GSI shall become effective on July 1, 2022. However, if projected state revenues at the 2022-23 May Revision to the Governor's Budget continue to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing the aforementioned pay increases to all eligible employees, a 3% GSI shall become effective on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of the Department of Finance.

Bargaining Unit 9

PREFUNDING OF POST-RETIREMENT HEALTH BENEFITS SUSPENDED

1) BU 9 employees currently contribute two percent to prefund post-retirement health benefits. Effective the first day of the pay period following ratification through the June 2022 pay period, the employees' monthly contribution for prefunding other post-employment benefits will be suspended for the 2020-21 and 2021-22 fiscal years, and will not be withheld from the employees' salaries.

COMPENSATION

2) Effective with the July 2020 pay period through the June 2022 pay period, the PLP 2020 will apply to all PECG represented employees. Employees continue to work their assigned work schedules and shall have a reduction in pay equal to 9.23%

   Each full-time employee shall be credited with 16 hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program. PLP 2020 shall have no cash value and may not be cashed out, except as permitted in very limited circumstances (e.g., non-voluntary separation).

3) The State shall not implement a furlough program during PLP 2020.

4) The State shall increase the 640 hour cap on Vacation and Annual Leave by the equivalent number of PLP 2020 hours the BU 9 represented employees receive until June 30, 2025.

5) Effective July 1, 2022, all BU 9 employees shall receive a 3% GSI.

6) Upon receipt of the GSI provided in this agreement, the BU 9 employee contribution rate shall return to the level established for the 2019-20 fiscal year for a period of one year from the effective date of the GSI.

7) The MOU adds the classifications of Geologist-in-Training and Geophysicist and provides for the employees listed in this section to be reimbursed for dues to one or more job-related professional societies.

8) The MOU allows employees to participate for three days of Voluntary Personal Leave Program (VPLP) with a reduction in pay of 13.86% and a credit of 24 hours of VPLP leave per month.

CONTRACT REOPENER LANGUAGE – ELIMINATION OF PAY DECREASE AND SUSPENSIONS

9) The determination of sufficient funding to restore the reductions relative to this Agreement shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:

   a) If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

   b) If the Director of the Department of Finance, as a result of state revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the pay that have been suspended or reduced as a result of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

10) In the event that neither of the circumstances above occur and/or the Director of the Department of Finance does determine, at their sole discretion, that projected state revenues at the 2022-23 May Revision to the Governor's Budget continues to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing the aforementioned pay increases to all eligible employees, the July 1, 2022, three percent GSI shall become effective on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of the Department of Finance.

Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21:

1) The MOU between the state and SEIU Local 1000 is, as follows:

PREFUNDING OF POST-RETIREMENT HEALTH BENEFITS

2) Employees are currently contributing 2.3% towards the prefunding of post-retirement health benefits. Effective July 1, 2020, employees would have been contributing 3.5 percent towards the prefunding of post-retirement health benefits. Effective July 1, 2020, through the June 2022 pay period, the employees' monthly contribution for prefunding other post-employment benefits is suspended for the 2020-21 and 2021-22 fiscal years, and will not be withheld from the employees' salaries (Article 9.24).

COMPENSATION

3) Effective with the July 2020 pay period through the June 2022 pay period, the PLP 2020 will apply to all SEIU Local 1000 represented employees. Employees continue to work their assigned work schedules and shall have a reduction in pay equal to 9.23 percent.

4) Each full-time employee shall be credited with 16 hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program. The accrual rates for BU 3 employees working an academic year will be adjusted accordingly.

5) PLP 2020 may not be cashed out, except as permitted in very limited circumstances (e.g., separation from state service). PLP 2020 leave shall not be considered as "time worked" for overtime purposes except when an employee is mandated to work overtime.

a) The State shall not seek additional employee compensation reductions from SEIU Local 1000 represented employees through June 30, 2023.

b) The existing MOU contains a 2.5% GSI effective July 1, 2020. This GSI is suspended and deferred until July 1, 2022 (see contract reopener language below).

c) The existing MOU contains a minimum hourly rate increase to $15 for all SEIU Local 1000 represented employees effective July 31, 2020. This agreement modifies the MOU to change the effective date to July 1, 2020, and includes the provision that no SEIU Local 1000 represented employee shall make less than $15/hour as a result of the implementation of PLP 2020.

d) The existing MOU contains a SSA for specific classifications addressing minimum wage compaction for various classifications effective on July 31, 2020. This agreement modifies the MOU to change the effective date to July 1, 2020, and modifies the amount of the SSA due to the suspension of the scheduled GSI.

IMPROVING AFFORDABILITY AND ACCESS TO HEALTHCARE

6) The existing MOU contains a $260 monthly payment for SEIU Local 1000 represented employees enrolled in a CalPERS health plan effective July 1, 2020. This provision is suspended until June 30, 2022, and the following provisions apply:

   a) Effective July 1, 2020 through June 30, 2022, all health benefits-eligible SEIU Local 1000 represented employees will receive a monthly payment of $260 and will be ineligible for the Flex-Elect Benefit Plan cash option.

   b) The Flex-Elect Benefit Plan cash option shall be reinstated July 1, 2022. For those eligible, enrollment for the Flex-Elect Benefit Plan will occur on April 1, 2022.

CONTRACT REOPENER LANGUAGE –ELIMINATION OF PAY DECREASES AND SUSPENSIONS

7) The determination of sufficient funding to restore the reductions relative to this Side Letter shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:

   a) If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

   b) If the Director of the Department of Finance, as a result of state revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the various pay items that have been suspended or reduced as a result of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

8) In the event the Director of the Department of Finance elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced by operation of this Side Letter, the State shall provide notice to the Union and shall meet and confer with the Union upon request regarding the impact of that determination.

9) In the event that the Director of the Department of Finance does not restore, at their sole discretion, the 2.5% GSI shall become effective on July 1, 2022. If the Governor and Legislature do not draw funds from the rainy day fund to cover revenue shortfalls, the PLP 2020 in fiscal year 2021-22 will be discontinued.

MISCELLANEOUS

10) Establishes a joint Cost Savings Task Force to discuss, identify, and recommend cost savings solutions. The task force shall endeavor to find cost savings sufficient to fund the GSI scheduled for July 1, 2021. If cost savings are not mutually agreed upon before March 30, 2021, the GSI shall be deferred through June 30, 2022. The cost savings must be in addition to the efficiency and cost savings measures already assumed in the 2021-22 Governor's Budget.

11) Commitment to work together to transform state government by expanding teleworking and that the use of telework will not result in layoffs.

12) Any grievances concerning the terms of this Side Letter shall be initiated in accordance with the current MOU. The mini-arbitration process shall be the exclusive means to resolve any disputes concerning the Side Letter.

According to the Author:
None

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill appropriates $270 million for BU 18 for expenditure in augmentation of, and for the purpose of state employee compensation.

VOTES:

ASSEMBLY FLOOR: 54-13-13
YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon
NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron
ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 22, 2020

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN: 0003153

SENATE THIRD READING
SB 98 (Committee on Budget and Fiscal Review)
As Amended: June 23, 2020
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This is the Education Omnibus trailer bill for the 2020 budget. It implements all the appropriations and actions of the K-12 schools Proposition 98 Budget Package and early childhood education, including Local Control Funding Formula, deferrals for 2020-21 school year, federal aid, the "School Finance, Instruction and Accountability Act of 2020-21," and the transition of child development programs to the Department of Social Services.

Major Provisions

1) Adopts the May Revise "Supplemental Payment" schedule for the difference between total Prop 98 funding level and Test Two in the Guarantee, at 1.5% of General Fund each year, for a total Prop 98 funding level of up to 40% of General Fund, beginning 2021-22. This total difference is estimated to be $12.366 Billion, based on the Test One calculation for 2020-21 in the Budget Act.

2) Defers an ongoing total of $3.428 billion in funding from the 2020-21 budget year to the 2021-22 budget year. If increased federal aid is not appropriated, an additional $5.7 billion in 20-21 deferrals is authorized. Creates authority for up to $300 million in deferral hardship funds for local education agencies (LEAs).

3) Allocates $7.150 Billion in discretionary state and federal funds for one-time COVID-19 impacts on K-12 schools and children.

4) Provides an increase of $645 million Proposition 98 funding for special education services and supports: $545m to base rate increases, $100m for low-incidence pool increase.

5) Extends the 2019-ADA Hold Harmless to the 2020-21 School Year for all LEAs, contingent on in-person instruction or distance learning parameters, student participation reporting, and local Learning Continuity and Attendance plan elements.

6) Maintains instructional day requirements but allows flexibility for instructional minutes in 2020-21 School Year.

7) Rejects the May Revise 10% trigger cuts to all child care programs and growth adjustment reductions to Alternative Payment programs, General Child Care (GCC), and California State Preschool Program (CSPP).

8) Provides increased Child Care and Development Block Grant (CCDBG) for Alternative Payment Programs (CAPP).

9) Provides $350 million CARES Act one-time CCDBG funding for CAPP, SB 89 (2020) backfill, and child care provider stipends

10) Provides Hold Harmless to all state-subsidized childcare providers for attendance if open in 20-21.

11) Adopts a "Child Care Trigger" for anticipated $300 million in new federal CCDBG aid, to fund additional child care access, re-opening grants for centers and family child care homes, and provider stipends based on market costs.

12) Delays development of observation protocol for Teachers of English Learners from June 30, 2020 to December 31, 2021.

13) Provides Hold Harmless to direct-contract childcare providers for child attendance if open in 2020-21, and if closed due to public health closure order, and directs the department to fund contracts at 100% attendance or 100% reimbursable costs. Closed providers are required to provide distance learning services.

14) Appropriates $350.314 million in federal one-time CCDBG CARES Act funds for child care costs in 2019-20 and 2020-21:

    a) Funds $50 million in child care cleaning and safety supplies through Resource & Referral agencies, originally funded by SB 89.

    b) Funds and allows rollover of $50 million SB 89 Essential Worker Child Care vouchers into 20-21.

    c) Funds an elimination of family fees for state-subsidized child care through June 30, 2020.

    d) Provides up to $62.5 million for hold harmless funding for CAPP and CalWORKS providers at 100% of certificated need, instead of child attendance, through the fiscal year.

    e) Funds up to $62.5million for one-time child care provider stipends for CAPP and CalWORKS providers, to offset additional costs during the COVID-19 pandemic.

    f) Provides an additional $73 million for one-time essential worker CAPP child care vouchers; Prioritizes vouchers for continuing the enrollment of families pursuant to SB 89 for up to an additional 90 days of care.

15) Rejects January Budget and May Revise General Fund and Prop 98 reductions to Alternative Payment programs, General Child Care, and California State Preschool Program for negative growth, and makes ongoing code change to eliminate negative growth adjustments for all capped child care programs.

16) Replaces the 14-day child care provider notice period for when a parents changes providers with same-day notice.

17) Requires alternative payment (CAPP) programs to report same program data to CDE as already provided for CalWORKS Stages 2-3 programs.

18) Eliminates $235 million in one-time funding, appropriated in the 2019-20 Budget Act, for Child Care Infrastructure Grants.

19) Eliminates $150 million in one-time funding, appropriated in the 2019-20 Budget Act, for Child Care Workforce Grants.

20) Provides conformity for final certification of Local Control Funding Formula (LCFF) calculations to revenue limit timelines, at 5 years.

21) Defers an ongoing total of $3.428 billion in funding from the 2020-21 budget year to the 2021-22 budget year. Lack of federal aid triggers an additional $5.7 billion in 2020-21 deferrals.

22) Creates a hardship fund for local education agencies (LEAs) unable to afford deferrals in 2019-20 and 2020-21, for up to $300 million.

23) Eliminates $300 million in one-time funding, appropriated in the 2019-20 Budget Act, for full-day Kindergarten facilities through the Office of Public School Construction.

24) Through July 1, 2024, allows proceeds from the sale of surplus LEA-funded facilities to be used for general fund purposes.

25) Eliminates State Board of Education (SBE) review of LEA Joint Use Occupancy agreements.

26) Provides authority and timelines for County Offices of Education (COEs) to furnish LEA audits in 2019-20.

27) Restricts SBE review of property transfers impacting LEA boundaries, for appeals filed after July 1, 2020.

28) Adds intent language regarding LEA decisions for use of peace officers on school campuses.

29) Suspends the statutory split of Proposition 98 funds between K-12 education and community colleges for the 2020-21 fiscal year, in conformity with annual suspensions since 1992-93.

30) Consolidates FCMAT reporting to annual reporting, for all LEA emergency loans.

31) Clarifies LEA apportionment excess or deficiency audit conclusions.

32) Requires the statutory LCFF COLA and childcare COLA to be zero for 2020-21.

33) Prohibits use of LCFF funds for new college enrollments and tuition, starting July 1, 2020, with the exception of students already enrolled for the 2020-21 school year.

34) Provides clean-up to FCMAT and AB 1200 statutes to conform to existing school fiscal distress practices, including conforming to current FCMAT indicators, and a requirement that LEAs demonstrate ability to meet financial obligations for two subsequent years.

35) Creates the "School Finance, Instruction, and Accountability Act of 2020-21 School Year" which does the following:

36) Provides a hold-harmless for the purpose of calculating apportionment in the 2020-21 fiscal year; the Department of Education shall use the average daily attendance in the 2019-20 reported from July 1, 2019 to February 29, 2020, as specified in the bill, except for new charter schools commencing instruction in 2020-21, for LEAs that comply with the 2020-21 requirements for instruction.

37) Expects LEA to offer in-person instruction to the greatest extent possible and permits distance learning for purposes of attendance, as defined.

38) Retains instructional day requirements, but allows through a combination of in-person and distance learning instruction, allows minimum-day instructional minute requirements, and exempts LEAs from minimum instructional minute requirements for physical education.

39) Defines instructional minutes for in-person instruction as time under the immediate supervision of a certificated employee of the LEA and for distance learning based on the time value of assignments as determined and certified by a certificated employee of the LEA, or a combination of both instruction types.

40) Defines distance learning requirements: Distance learning may be provided on a LEA-wide or schoolwide basis pursuant to an order or guidance from a state or local public health officer, and for pupils who are medically fragile, at-risk from in-person instruction, or quarantining due to exposure to COVID-19. Instructional requirements are defined specific to the access and content of instruction, supports for students with exceptional needs, English learner students, students in foster care, experiencing homelessness or in need of mental health supports. Daily interaction with students in distance learning is defined, and LEAs are required to provide access to nutrition programs.

41) Defines in-person and distance learning participation for purposes of attendance: an LEA must document daily student participation, as defined, when providing distance learning, and keep weekly engagement records. LEAs shall continue to report absences, as defined, for purposes of reporting chronic absenteeism. LEAs shall developed tiered re-engagement strategies for students who do not participate, and shall regularly engage with parents or guardians regarding academic progress. Requirements shall be included in the audit guide.

42) Defines fiscal penalties for LEAs that do not meet the instructional day requirements or the attendance related requirements.

43) Continues 2019-20 policy that Charter schools offering distance learning pursuant to this section of the bill are not required to request a material revision to the charter, and will not be considered a non-classroom based charter.

44) Replaces the annual LCAP requirement with a Learning Continuity and Attendance Plan, with public stakeholder engagement, to outline the LEA's compliance with the Act's provisions including student participation and attendance reporting, device accessibility, and instruction. Requires the CDE and SBE to create a template for this Plan by August 1, 2020.

45) Prohibits layoffs for specified certificated and classified employees in the 2020-21 school year for all LEAs and community colleges, including teachers, and nutrition, transportation, and custodial staff. Provides legislative intent that no classified employees be laid off in the 2020-21 school year.

46) Clarifies statute for implementation of AB 1505 and AB 1507 (O'Donnell, 2019), regarding charter school pupil enrollment, geographic restrictions (including federal tribal lands), charter authorizers, charter Economic Recovery Targets, charter apportionment calculations, debts and liabilities, SBE waiver authority, and various other technical adjustments.

47) Amends annual child care growth adjustment to prevent negative growth.

48) Allows LEA inter-fund borrowing in 2020-21 and 2021-22, contingent on a public hearing.

49) Extends the teacher credential exam validity period to 11 years, and the credential fee validity period to 120 days, and reduces clinical practice requirement to one school setting in 2020-21.

50) Exempts FCMAT from the County Office of Education (COE) merit system for hiring.

51) Clarifies the COE Special Day Class instructional time penalty.

52) Allows charter renewal decisions to consider two out to the prior three years of academic performance, due to loss of 2019-20 accountability data.

53) Extends the deadline for Transitional Kindergarten credential requirements from August 2020 to August 2021.

54) Waives assessment requirement for the State Seal of Biliteracy in 19-20 and 20-21 school years.

55) Makes revisions to the Local Control Accountability Plan (LCAP) requirements including adding a summary of stakeholder engagement, requiring LCAP goals and differential assistance for addressing low-performing pupil subgroups, and requiring SBE LCAP instructions to specify that LEAs must address disparity when individual schools are in the lowest two perform each levels but the LEA overall is not.

56) Provides technical clean-up regarding the Collaborative for Education Excellence.

57) Extends the project performance period for the Bilingual Teacher Professional Development grant to June 30, 2021.

58) Suspends in-person parent advisory statutory requirements for Migrant Education program in 2020.

59) Allows distance learning for various Migrant Education programs in 2020.

60) Requires Individualized Education Programs to include plans for emergency conditions, when created or updated.

61) Suspends the creation of single-LEA SELPAs through July 1, 2024.

62) Extends CDE and LEA Special Education planning timelines.

63) Extends the LEA MediCal study deadlines.

64) Allows SELPA state funding for education-related mental health services to provide mental health services to all pupils.

65) Adopts the Special Education Funding Formula, which freezes existing special education funding calculations for apportionment except low-incidence pool, adopts an equalization adjustment for Special Education Local Plan Area base funding, at $625 per ADA, or the SELPA's 2019-20 ADA rate, whichever is greater.

66) Extends out-of-home funding calculations into 2020-21.

67) Adjusts the Mandate Block Grant for removal of Academic Performance Index and addition of AB 1505 clarifications.

68) Adopts clarifications to County excess ERAF calculations, makes calculations prior to 2019 final under certain parameters, requires new penalties beginning in 2019-20, and requires the State Controller to provide guidance.

69) Adds the Newcomer Education and Well-being Program, CalNEW, at the Department of Social Services, to the Education Code.

70) Reduces Adults in Correctional Facilities funding by $9.765 million.

71) Reduces LEA-based California State Preschool (CSPP) program funding by $110 million.

72) Eliminates the 2019-20 Budget Act expansion of non-LEA based CSPP's 10,000 slots, for a savings of $31 million.

73) Clarifies SB 117 (2020) ADA Hold Harmless provisions, ASES hold harmless provisions, and expands allowable uses of funding during COVID-19 closures to include provision of school meals and distance learning materials.

74) Allows distance learning for Extended Summer Special Education programs, if consistent with student IEP and time value of work is equivalent to minimum day requirements.

75) Provides CDE with limited waiver authority for ASES program hours, rates, ratios, and days for the 2020-21 school year.

76) Provides for a Guerneville Elementary settle-up payment plan.

77) Provides Education Protection Account 2019-20 over-payment settle-up.

78) Specifies that state pension payments on behalf of LEAs in 2020-21 are not considered LEA General Fund for Routine Restricted Maintenance Account requirements purposes, under Education Code 17070.75.

79) Extends Orange COE reporting deadlines to June 30, 2021 for the state's Multi-Tiered System of Support framework.

80) Extends the testing window for English Language Proficiency Assessments to October 30, 2020.

81) Provides LCAP dashboard data and differentiated assistance freeze for 2019-2020, due to COVID-19 school closures.

82) Allows new charters to delay opening in 2020-21.

83) Allows Adult in Correctional Facilities and Special Education for Children with Exceptional Needs appropriations from the 2018-19 Budget Act to be available for encumbrance through 2021.

84) Appropriates $1 million for SoCal Regional Occupational Center with reporting requirements.

85) Allocates $5.3 Billion in discretionary state and federal funds for one-time COVID closure impacts on schools and children, to address Learning Loss

    a) $1.5B to all LEAs, based on Special Education enrollment

    b) $2.9B to all LEAs, based on LCFF Supplemental and Concentration grant formula

    c) $979 million to all LEAs, based on LCFF grant formula.

86) Appropriates $50 million for new LEA-based Early Literacy initiatives, and $3 million for a CCEE early literacy system of support, pursuant to a lawsuit settlement.

87) Provides appropriation authority to Director of Finance to ensure adequate funding for the Special Education for Children with Exceptional Needs in 2020-21.

88) Appropriates $450,000 for California School Dashboard/LCAP/SARC online database and alignment development.

89) Appropriates $45 million from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund to LEA Community School efforts during COVID-19, through 2025. Creates a competitive grant program with partnership and sustainability provisions.

90) Appropriates $112.2 million from the ESSER Fund for LEA school meal reimbursements during summer break and COVID school closures, at a rate of up to 75 cents per meal. Allows state reimbursement funds from 2019-20 to be used for disaster relief for LEAs who did or attempted to serve student meals during the school closure period.

91) Adopts a "Child Care Trigger" for anticipated increased but not yet appropriated federal CCDBG aid in the following priority order:

   a) Up to $100 million to fund additional child care access in the Alternative Payment Program in 2020-21, and up to $50 million to fund two-year contract expansions for General Child Care and non-LEA California State Preschool programs.

   b) Up to $25 million in grants to re-open licensed centers and family child care homes that have remained closed due to COVID-19 impacts.

   c) Up to $125 million for child care program stipends to address cost of care during COVID-19.

92) Appropriates funds for the FCMAT Standardized Account Code Structure system replacement project.

93) Provides $4 million Prop 98 General Fund for the California Dyslexia Initiative's research and dissemination of resources.

94) Appropriates $60 million through 2025 for the Classified Employees Summer Bridge program.

95) Appropriates $200,000 for the Young People's Taskforce, under the leadership of the State Superintendent, to address mental health and public safety culture on school campuses.

COMMENTS:

This is the Education Omnibus trailer bill for the 2020 budget. It implements all the appropriations and actions of the K-12 schools Proposition 98 Budget Package and early childhood education, including Local Control Funding Formula, deferrals for 2020-21 school year, federal aid, the "School Finance, Instruction and Accountability Act of 2020-21," and the transition of child development programs to the Department of Social Services.

According to the Author:
Each section of this legislation is necessary to implement the 2020-21 Budget Act appropriations and policy for the 2020-21 School Year, including federal aid to prevent budget cuts in local schools, to mitigate learning loss and child hunger during the COVID-19 crisis, provide support for re-opening schools safely, stabilize and expand essential worker child care, and provide one-time fiscal and academic flexibilities to assist schools in being responsive during the COVID-19 pandemic.

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill appropriates approximately $103 Billion in state and federal funds for K-12 education and early childhood education, and additional federal aid, if received.

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: June 23, 2020

CONSULTANT: Erin Gabel / BUDGET / (916) 319-2099 FN: 0003143

SENATE THIRD READING
SB 116 (Committee on Budget and Fiscal Review)
As Amended
Majority vote. Budget Bill Appropriations Takes effect Immediately.

SUMMARY:

This is the higher education budget trailer bill as part of the Budget Act of 2020.

Major Provisions

1) *Cal Grant for non-profits.* Sets the Cal Grant amount that students attending private non-profit colleges and universities receive at $9,084 for the 2020-21 academic year.

2) *Emergency financial aid.* Provides $15 million one-time General Fund for emergency financial aid for AB 540 students at the University of California (UC), California State University (CSU), and California Community Colleges (CCC). The funding is redirected from the Dreamer Service Incentive Grant program, which will resume in the 2021-22 academic year.

3) *Golden State Teacher Grant Program technical changes.* Makes minor technical adjustments to the Golden State Teacher Grant Program, which provides up to $20,000 in financial aid for students in teacher credentialing programs.

4) *Middle Class Scholarship adjustments.* Adjusts spending on the Middle Class Scholarship program to reflect caseload.

5) *COVID-19 costs and 50% law.* Allows colleges to exclude direct costs related to the COVID-19 crisis when computing expenses for purposes of ensuring that 50% or more of expenditures are classroom-related. This provision sunsets in one year.

6) *Student Centered Funding Formula*. Extends the hold harmless provision of the Student Centered Funding Formula by two years, and makes adjustments to some rates within the funding formula for the 2019-20 fiscal year. Also specifies that for the 2020-21 fiscal year, colleges may use the 2019-20 data in place of 2020-21 data to calculate the base allocation. For the 2020-21 supplemental allocation and student success allocation, colleges may use 2018-19 data in place of the 2019-20 data.

7) *Short-term career technical education programs.* Encourages community college districts to expedite the development of short-term workforce training programs related to economic recovery.

8) *University of California Subject Matter Projects.* Directs UC Subject Matter Projects in mathematics, science and English/language arts to address learning loss related to the COVID-19 crisis.

9) *California State University retirees.* Makes technical changes to language describing benefits to CSU retirees.

10) *University of California Breast Cancer Research Fund.* Adjusts the UC Breast Cancer Research Account to reflect updated revenues.

11) *Community College 2020-*21 *Deferrals.* Provides a deferral of $662.1 million Proposition 98 General Fund from the 2020-21 fiscal year to the 2021-22 fiscal year. In addition, provides an additional deferral of $791.1 million Proposition 98 General Fund that will be rescinded if federal funding is received. Also provides a hardship waiver allowing colleges with cash-flow issues to avoid the deferral and sets aside funding to support colleges which receive the waiver. Also specifies that by August 1, 2021 and each year after, the Department of Finance shall notify the Joint Legislative Budget Committee of each district that requested an exemption, and information about the amount they requested and were provided, and information on why a request was not granted. The bill specifies that if the amount that the waivers requested are larger than the funds available, the Chancellor's office and Department of Finance shall prorate the amount to districts.

12) *UC and CSU Summer Financial Aid.* Specifies that $6 million General Fund provided to CSU and $4 million General Fund for UC for summer financial aid in 2020-21 and program shall be suspended on December 31, 2021.

13) *CCC COVID-19 Response Block Grant.* Provides $66.3 million Proposition 98 General Fund one-time for the CCC COVID-19 Response Block Grant. Pursuant to the Budget Act, a total of $120 million shall be used for this purpose. This block grant will fund activities that support student learning and mitigate learning loss, this includes professional development, information technology, mental health services, and cleaning supplies and protective equipment. This bill requires the Chancellor's Office to submit a report to the Legislature on the use and effectiveness of these funds.

14) *CCC Student Equity and Achievement Program*. Requires that as a condition of receiving SEAP funds, colleges must provide support to, or establish an on-campus food pantries or regular food distributions.

COMMENTS:

According to the Author:
None

Arguments in Support:
None on file.

Arguments in Opposition:
None on file.

FISCAL COMMENTS:

This bill is a budget trailer bill within the overall 2020-21 budget package to implement actions related to higher education.

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: June 22, 2020

CONSULTANT: Mark Martin / BUDGET / (916) 319-2099 FN: 0003113