

SUBCOMMITTEE NO. 5

Agenda

Senator Loni Hancock, Chair
Senator Joel Anderson
Senator Jim Beall



Thursday, April 9, 2015
9:30 a.m. or upon adjournment - State Capitol Room 113

Consultants: Farra Bracht and Anita Lee

OUTCOMES

Presentation

Governor's Proposal for Employee and Retiree Health Care

Eric Stern, Department of Finance

Nick Schroeder, Legislative Analyst's Office

Items Proposed for Vote-Only

<u>Issue</u>	<u>Department</u>
7501	Department of Human Resources

Issue 1 Assembly Bill 1397 - Veteran Opportunity in the Workforce and State

Approve one two-year limited term position and \$135,000 and \$135,000 (\$77,000 in General Fund and \$58,000 in Central Service Recovery Fund) in 2015-16, and \$133,000 (\$76,000 in General Fund and \$57,000 in Central Service Cost Recovery Fund) in 2016-17, and \$20,000 (\$11,000 in General Fund and \$9,000 in Central Service Cost Recovery Fund) for on-going costs.

Vote: 3-0

7920 California Teachers' Retirement System

Issue 1 CalSTRS Budget Proposals

Approve four CalSTRS budget proposals regarding: Investment Portfolio Complexity, Member Service Center Development and Operations, Technology Infrastructure Licenses, and Enterprise Information Management.

Vote: 3-0

Items Proposed for Discussion

Issue **Department**

7100 Employment Development Department

Issue 1 Unemployment Insurance Program Administration

Approve the proposed \$39.7 million General Fund (\$18 million in new funds and \$21.7 shifted from the current year to the budget year) and \$8.2 million Contingent Fund to support 594 positions equivalents (PEs) (344 new temporary help PEs and 250 existing PEs) for 2015-16 to continue to support Unemployment Insurance Program service levels.

Vote: 2-0 (Beall absent)

Issue 2 Capital Outlay

Approve the proposed authority to exercise the lease-purchase option to acquire the building at 5401 Crenshaw Blvd. in Los Angeles. Capital outlay acquisition authority is required to exercise this lease-purchase option because EDD will be acquiring real property on behalf of the state. The cost of the total acquisition is \$1,000.

Vote: 2-0 (Beall absent)

7350 Department of Industrial Relations

Issue 1 Elevator Public Safety Unit

Approve the proposed increase in authority of \$4.4 million (Elevator Safety Account) for Division of Occupational Safety and Health (DOSH) and 27.5 positions in 2015-16, and on-going costs of \$4.1 million to reduce inspection backlogs and help the division meet permitting mandates.

Approve the proposed trailer bill language to suspend the fee for annual inspection of elevators for 2015-16, and provides the director of the Industrial Relations the authority to suspend or reduce the fee for annual inspection in future years, as needed, to reduce surplus fund balance of Elevator Safety Account.

Vote: 2-0 (Beall absent)

Issue 2 Division of Occupational Safety and Health: Health and Safety Inspections

Held open and directs staff to work with the Legislative Analyst's Office on reporting language.

Issue 3 Implementation of New Statutory Requirements

Approve two support staff and an augmentation of \$151,000 in 2015-16, and \$136,000 ongoing, to support implementation of SB 1300.

Vote: 2-0 (Beall Absent)

SB 1299 (Padilla), Chapter 842, Statutes of 2014), AB 1522 (Gonzalez), Chapter 317, Statutes of 2014, and AB 2272 (Gray), Chapter 900 Statutes of 2014.

Held Open

Issue 4 Process Safety Management (Informational Only Item)

7501 Department of Human Resources

Issue 1 Additional Appointments

Approve proposed trailer bill language will establish CalHR's authority to set policies directing appropriate use of additional appointments.

Vote: 2-0 (Beall absent)

Issue 2 Affordable Care Act Mandates

Approve proposed two permanent positions and \$426,000 in reimbursement authority for 2015-16 and \$408,000 for 2016-17 to comply with the provisions of the Affordable Care Act (ACA) and address related health policy issues, including addressing the state's unfunded liabilities for Other Post-Employment Benefits (OPEB).

Vote: 2-0 (Beall absent)

Issue 3 Long-term Delegation Monitoring Compliance

Approve proposed five additional permanent positions and \$540,000 (\$308,000 General Fund and \$232,000 Central Service Cost Recovery Fund) in 2015-16 and ongoing to address workload resulting from Goal 1 of CalHR 2014-18 Strategic Plan.

Vote: 2-0 (Beall absent)

7920 State Teachers' Retirement System

Issue 1 Update on CalSTRS Funding (Information Only Item)