

COMMITTEE MEMBERS
 JIM NIELSEN, VICE CHAIR
 JIM BEALL
 ANNA M. CABALLERO
 BRIAN DAHLE
 MARIA ELENA DURAZO
 MELISSA HURTADO
 CONNIE M. LEYVA
 MIKE MCGUIRE
 MELISSA MELENDEZ
 WILLIAM W. MONNING
 JOHN M.W. MOORLACH
 MIKE MORRELL
 DR. RICHARD PAN
 RICHARD D. ROTH
 NANCY SKINNER
 HENRY STERN
 BOB WIECKOWSKI

CALIFORNIA STATE SENATE
 COMMITTEE ON BUDGET AND FISCAL REVIEW

STATE CAPITOL – ROOM 5019
 SACRAMENTO, CA 95814



Holly J. Mitchell, Chair

STAFF DIRECTOR
 JOE STEPHENSHAW
 DEPUTY STAFF DIRECTOR
 ELISA WYNNE
 CONSULTANTS
 CHRISTOPHER FRANCIS
 JAMES HACKER
 ANITA LEE
 SCOTT OGUS
 RENITA POLK
 JOANNE ROY
 MERON TESFAYE
 YONG SALAS
 COMMITTEE SECRETARY
 SANDY PEREZ
 COMMITTEE ASSISTANT
 SAMUEL LANCHESTER
 (916) 651-4103
 FAX (916) 668-7004

Agenda

August 29, 2020

Upon Adjournment of Session - State Capitol – Senate Chamber

<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
1. AB 6	Reyes	Attorney General: Duties
2. A.B. 86	Committee on Budget	Budget Act of 2020
3. A.B. 107	Committee on Budget	General Government
4. A.B. 1864	Limon	Department of Financial Protection and Innovation
5. A.B. 1865	Committee on Budget	Education Finance
6. A.B. 1867	Committee on Budget	Paid Sick Leave
7. A.B. 1868	Committee on Budget	Juvenile Justice Realignment
8. A.B. 1869	Committee on Budget	Criminal Administrative Fees
9. A.B. 1872	Committee on Budget	Cannabis
10. A.B. 1876	Committee on Budget	Earned Income and Young Child Tax Credits
11. A.B. 1885	Committee on Budget	Debtor Exemptions: Homestead Exemption
12. A.B. 3330	Calderon	Department of Consumer Affairs: boards, licensees: regulatory fees

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No:	AB 6	Hearing Date:	August 29, 2020
Author:	Reyes		
Version:	August 27, 2020 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Christopher Francis		

Subject: Attorney General: duties

Summary: Provides for statutory changes to enact the public safety-related provisions of the Budget Act of 2020.

Background: The Department of Justice (DOJ) is responsible for providing legal services on behalf of the people of California. California Constitution makes the Attorney General (AG) the chief law officer of the State and provides that the AG is to have direct supervision over every district attorney and sheriff and other law enforcement officer as designated by the law. The AG represents the people in all matters before the appellate and supreme courts of California and the United States; serves as legal counsel to state officers, boards, commissioners and departments; represents the people in actions to protect the environment and to enforce consumer, antitrust, and civil laws; and assists district attorneys in the administration of justice. The DOJ also provides oversight, enforcement, education and regulation of California's firearms/dangerous weapons laws; provides evaluation and analysis of physical evidence; regulates legal gambling activities in California; supports the telecommunications and data processing needs of the California criminal justice community; and pursues projects designed to protect the people of California from fraudulent, unfair, and illegal activities. The following issues related to the AG's responsibilities are addressed within AB 6:

- According to the Centers for Disease Control and Prevention, from 1999 to 2017, almost 218,000 people died in the United States from overdoses related to prescription opioids. The number of opioid-related deaths in 2017 was five times higher than in 1999. Overdoses involving opioids killed nearly 47,000 people in 2018. In response, over 3,000 states, local governments and Native American tribes have sued companies up and down the pharmaceutical supply chain, asserting that these companies have contributed to an influx of opioids into their communities. It has been reported that a coalition of governmental entities is currently seeking approximately \$26.4 billion from major pharmaceutical companies to pay for the fallout from the opioid crisis.

In California alone, over 50 of the state's 58 counties and over 20 of its cities have initiated legal action. On behalf of the state, the Attorney General has been working on a global settlement for several years. According to the Attorney General, the ability to successfully settle these cases and achieve the maximum settlement amount for California requires legislative action.

In order to facilitate a "Statewide Opioid Settlement Agreement," this legislation empowers the Attorney General with the ability to release any claims that may be

brought by the State and other government entities in California, including cities and counties, related to the marketing, distribution, or sale of opioids, or related activity. This provides the Attorney General with necessary authority and leverage to assure defendants that future claims will not be brought and that any global settlement will be just that. However, this power does not apply to claims already filed prior to August 24, 2020.

As for those entities that have initiated litigation prior to that date, this legislation asserts that it is the intent of the Legislature to encourage these government entities “to participate in negotiations and to join the global settlement.”

Such a global settlement will likely have specific carve outs for use by localities and the state, respectively. This legislation provides that such distribution will occur consistent with the agreement that is ultimately reached. For those funds that are received by the state, expenditures will be subject to appropriation by the Legislature.

- Separately, the California Constitution provides it is the duty of the AG to prosecute any violations of law when, in the opinion of the AG, any law of the State is not being adequately enforced in any county. Existing provisions of the Fish and Game Code provide for civil penalties up to \$25,000 per violation for any person found liable for discharging any substance or material deleterious to fish, plant life, mammals, or bird life into waters of the state. (Fish & Game Code § 5650.) Moreover, existing law authorizes the Attorney General to file enforcement actions for violations of that provision only upon a complaint of the Department of Fish and Wildlife, but authorizes a district attorney to file an action upon the district attorney’s own authority. (Fish & Game Code § 5650.1(d).) To clarify existing statutory law and resolve any conflict in the Attorney General’s authority with that of the California Constitution, this bill authorizes the Attorney General to file actions to recover civil penalties for violations of the above provisions of the Fish and Game Code on the AG’s own accord and requires the AG to notify the Department of Fish and Wildlife before pursuing such actions.
- Finally, the California Constitution also allows the Governor to appoint “officers” who are exempt from civil service (Cal. Const., art. VII, sec.(f)). Additionally, for every exempt officer appointed via Section (f), Section (g) allows the officer to select a deputy or employee that is also exempted. AB 894 (Santiago), Chapter 311, Statutes of 2019, provided 8 exempt positions to the DOJ.

Proposed Law: This bill will:

1. Require funds obtained by the state pursuant to a Statewide Opioid Settlement Agreement to be distributed in a manner consistent with that agreement.
2. Subjects expenditure of any funds received by the state pursuant to the Statewide Opioid Settlement Agreement to legislative appropriation.

3. Authorizes the Attorney General to release any claims related to the subject matter of the Statewide Opioid Settlement Agreement that may be brought by a government entity, excepting those already initiated prior to August 24, 2020.
4. Implementation of these provisions is contingent upon the completion of a Statewide Opioid Settlement Agreement and the provisions are repealed on January 1, 2023.
5. This bill authorizes the Attorney General to bring a civil action upon their own authority in the name of the people of the State of California to enforce water pollution laws within the Fish and Game Code and requires the Attorney General (AG) to notify the Department of Fish and Wildlife before bringing an action.
6. Allows the transfer of settlement funds from the Unfair Competition Law Fund to the Public Rights Division Law Enforcement Special Fund (Special Fund). Upon appropriation from the Legislature, allows the Attorney General to enforce consumer protection laws with money deposited into the Special Fund. The bill appropriates \$1,000 from the Special Fund to the Department of Justice (DOJ) Public Rights Division for enforcement of consumer protection laws.
7. Provides the Department of Justice (DOJ) with up to 16 additional exempt positions.

Fiscal Effect: The funding related to the changes in this bill is contained in the 2020-21 budget act.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 86 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Budget Act of 2020

Summary: This is a Budget Bill Junior associated with the Budget Act of 2020. This bill makes technical and substantive changes to the Budget Act of 2020 and the Budget Act of 2019.

Background: This bill is the second Budget Bill Junior associated with the Budget Act of 2020. This bill makes technical and substantive changes to the Budget Act of 2020 and the Budget Act of 2019.

The Legislature has passed two budget bills that comprise the Budget Act of 2020 SB 74 (Mitchell), Chapter 6, Statutes of 2020, and AB 89 (Ting), Chapter 7, Statutes of 2020. This bill includes additional provisions of the 2020 budget.

Proposed Law: Specifically, in addition to technical and clarifying changes, this bill includes the following significant amendments:

K-12 Education, Early Education, and Child Care

1. Appropriates \$4.6 million federal funds for Preschool Development Block Grant activities and provides \$388,000 in reimbursement authority to the Department of Education to support the program activities.
2. Appropriates \$1.9 million in one-time General Fund for attorneys' fees related to the *Ella T. v. State of California* lawsuit settlement.
3. Appropriates \$2.5 million in one-time General Fund and \$8.6 million in one-time federal Child Care and Development Block Grant funds to cover an extension of family fee waivers through August 31, 2020.
4. Amends appropriations for a variety of federal education programs to reflect available one-time carryover and changes to federal grant awards.

Resources

1. Includes \$6 million General Fund (\$3 million appropriation and \$3 million short-term cash loan of up to \$3 million) to the California Exposition and State Fair (Cal Expo) to support and maintain core operations for emergency services and operations; and

provides that the Director of Finance may authorize an additional amount not to exceed \$3 million General Fund if deemed necessary to sustain Cal Expo's operations.

2. Reappropriates \$4.8 million for the Department of Forestry and Fire Protection to address a cash-in-lieu of benefits overtime settlement with Bargaining Unit 8.
3. Adds provisional language stating that the Director of Finance may authorize a short-term cash loan of up to \$600,000 General Fund for the Wildlife Conservation Board to support the payment of payroll and operational costs.
4. Reappropriates \$3.9 million General Fund for the Ellwood Mesa Butterfly Preserve in the City of Goleta.
5. Provides \$130 million in additional Safe and Affordable Drinking Water program funds, this funding is provided from a loan of available funds in the Underground Storage Tax Cleanup Fund.
6. Appropriates available \$272.6 million in various bond funds for a variety of programs to accelerate their expenditure (note: includes some higher education items, which are described later in the analysis):
 - I. \$9.3 million to the Natural Resource Agency from the Water Quality, Supply and Infrastructure Improvement Fund of 2014.
 - II. \$14.6 million to the Natural Resource Agency from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund.
 - III. \$1.6 million to the Department Forestry and Fire Protection from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.
 - IV. \$5 million in additional funding to the Department of Fish and Wildlife from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund.
 - V. \$10 million in additional funding to the Department of Fish and Wildlife from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014.
 - VI. \$4.6 million in additional funding to the Department of Parks and Recreation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund.
 - VII. \$1.2 million to the San Gabriel and Lower Los Angeles Rivers and Mountain Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund.
 - VIII. \$88 million to the Department of Water Resources from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014.

- IX. \$2 million to the Department of Water Resources from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.
- X. \$2.3 million to the State Water Resources Control Board from various bonds.

Transportation and Energy

1. Adjusts the Department of Motor Vehicles budget to restore \$12.1 million for the Front End Sustainability technology project that was included as part of the 2020-21 Governor's Budget.
2. Provides short-term authority to the California Energy Commission to provide "follow-on" funding to research projects funded by the Electric Program Investment Charge program. This would allow CEC to non-competitively extend funding to projects that have already received a competitive allocation if doing so would allow the projects to keep operating until the next competitive round of funding becomes available.
3. Reappropriates funds provided in SB 2019 (McGuire), Chapter 934, Statutes of 2018 for transfer to Sonoma Marin Area Rail Transit (SMART), and gives the state until January 1, 2021 to meet the requirements of the bill and transfer the funds to SMART.

Health and Human Services

1. Transfers \$326,000 from local assistance to state operations for the Mental Health Services Oversight and Accountability Commission for increased office space lease costs for additional staff hired to meet new program responsibilities adopted in the 2019 Budget Act.
2. Makes a net-zero General Fund increase, giving the Department of Community Services and Development reimbursement authority to administer the VITA/EITC program, as funded in the 2020 Budget Act.
3. Provides an increase of \$5.5 million to administrative funding for the Department of Social Services to ensure foster care eligibility for specified nonminor dependents can be extended beyond the maximum age limit in statute through June 30, 2021. Also amends provisional language to clarify that this extension is contingent on federal flexibilities.
4. Includes provisional language giving the Department of Social Services statutory authority to provide \$80 million on a one-time basis to county welfare agencies for past child welfare services activities. The department is required to develop, in consultation with the County Welfare Directors Association, a methodology for determining the amount to be provided to each county.
5. Includes provisional language allowing funds to be appropriated for unemployment compensation benefits and extended benefits for individual that provide services in the employ of their parent, child, or spouse through the In-Home Supportive Services program or the Waiver Personal Care Services program. This funding is contingent upon legislation to be enacted in the 2019-20 legislative session providing the necessary statutory changes.

6. Appropriates \$30 million General Fund to the Department of Social Services for Community Outreach efforts prioritizing community and economic sectors that are disproportionately impacted by the virus.

General Government and Public Safety

1. Provides \$1.4 million for the Controlled Substances Utilization and Review Evaluation System (CURES) Fund to implement AB 528 (Low), Chapter 677, Statutes of 2019. An associated fee increase to fund these costs is included in AB 3330.
2. Reappropriates 2019 funding for administrative costs related to grant administration to the Office of Emergency Services;
3. Renames the Department of Business Oversight to the Department of Financial Protections and Innovation.
4. Amends provisional language related to the \$750 million provided to counties to offset revenue shortfalls for programs that were realigned that further stipulate the process for distributing the funding and include provisions requiring counties comply with public health orders to be eligible for assistance.
5. Includes \$2.4 million for the Department of Justice to pay claims related to a lawsuit – *Buffin v. City/County of San Francisco*.
6. Provides \$11.8 million from the Public Buildings Construction Fund for the Glenn County Courthouse Renovation project.
7. The Budget Act of 2019 included budget bill language outlining a pre-trial decision-making pilot with reporting requirements and made a one-time \$75 million General Fund appropriation. Due to COVID- 19 impacts that have affected the courts' ability to run at full capacity, this budget bill includes amendments that extend the expenditure period, and specified reporting deadlines, to the Legislature by one year.
8. Accelerates \$103.3 million of additional Regional Planning, Housing, and Infill Incentive Account funding from the Housing and Emergency Shelter Trust Fund of 2006 to the Department of Housing and Community Development, for a total of \$160 million in the budget year.
9. Transfers \$100 million General Fund to the Small Business Hiring Credit Fund.
10. Includes \$2.5 million General Fund for the Department of Taxation and Fee Administration and \$509,000 to the Franchise Tax Board for the administrative costs associated with the Small Business Hiring Credit.

Labor

1. Provides \$32.50 million General Fund to slow the spread of COVID-19 through employer and worker education and engagement, and enforcement. Of this funding, (1) \$6 million is for the Department of Industrial Relations to enforce anti-retaliation

protections, employment matters related to reopening or resumption of business, workplace health and safety protections, including the enforcement of protections to assist hospitality workers returning to work, and (2) \$5 million is related to worker and employer training.

Higher Education

1. Authorizes \$14.11 million in available left over bond funding to support the University of California, Los Angeles Powell Library Seismic Renovation Project.
2. Authorizes \$16.6 million in Proposition 51 bond funds to support the preliminary plans and working drawings phases of eight community college capital outlay projects, as follows: College of Alameda: Aviation Complex Replacement, Saddleback College: Science Math Building Reconstruction, San Francisco City College Cloud Hall: Reconstruction, Sierra College: Science Building Phase 1, Shasta College: Building 200 Modernization, Fullerton College: Music/Drama Complex-Buildings 1100 and 1300 Replacement, and Mt. San Antonio College: Technology and Health Replacement.

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

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 107 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 As amended
Urgency: No **Fiscal:** No
Consultant: Yong Salas

Subject: General Government

Summary: This bill contains statutory provisions related to general government and state administration necessary to implement the Budget Act of 2020.

Proposed Law: This bill makes the following statutory changes:

- 1) **Executive Director for the Commission on Asian Pacific Islander American Affairs.** Provides that the Commission on the Asian and Pacific Islander American Affairs may appoint an executive director.
- 2) **Property Tax Assessment Appeals Deadline and Remote Hearings.** Allows county boards to extend the two-year deadline by which it is required to render a final determination in property tax assessment appeal applications to March 31, 2021. This would apply to applicants whose deadlines fell between March 4, 2020 and before March 31, 2021. The bill also clarifies that county boards and multijurisdictional assessment appeals boards may conduct hearings remotely.
- 3) **California Economic Improvement Tax Voucher Act.** Instructs the Franchise Tax Board, in consultation with the Treasurer and the Department of Finance, to develop a plan for a California Economic Improvement Tax Voucher Program to be considered by the Legislature for future enactment. The plan is to be budget committees of both houses of the Legislature no later than March 1, 2021. The plan must include tax vouchers periodically created as assets of the state created in small increments to ensure widespread access. The tax vouchers must be allowed to be carried over to future taxable years, be fully transferable, and be allowed for participants to use for tax liabilities under the Personal Income Tax Law or the Corporation Tax Law.
- 4) **Beverage Container Recycling Program reporting.** Changes the frequency of the Beverage Container Recycling Program reporting requirement from quarterly to biannually.
- 5) **Homeless Housing, Assistance and Prevention Program.** Makes clarifying changes to the Homeless Housing, Assistance, and Prevention Program to require that the Homeless Coordinating and Financing Council to award no less than \$250,000 in the 2nd round of funding to a grant applicant that is a Continuum of Care, and to require that if more than one recipient within the Continuum of Care has a population of 300,000 or more, as of January 1, 2020, the proportionate share of funds be equally allocated to those jurisdictions.

- 6) **Housing First Technical Amendment.** Clarifies that an agency or department that administers programs that fund recovery housing shall comply with certain core components of Housing First, in addition to other requirements put in place by AB 83 (Committee on Budget), Chapter 15, Statutes of 2020, until July 1, 2022. Requires those administrators to fully comply with Housing First by July 1, 2022.
- 7) **Technical Correction Relating to Program Suspension.** Removes incorrect references to the “Housing Navigator” program in budget item 2240-102-0001 to ensure that the correct program is suspended.
- 8) **California Volunteers.** Establishes the California Volunteers Commission in state statute, consistent with the National and Community Service Trust Act of 1993, and provides for the President Pro Tempore of the Senate and the Speaker of the Assembly to recommend one individual each for consideration and appointment to the Commission.
- 9) **National Environmental Policy Act of 1969.** Extends the sunset date for the California Secretary of Transportation's authority to assume responsibilities under the federal National Environmental Policy Act of 1969 from January 1, 2021 to January 1, 2022.
- 10) **State Transit Assistance Program.** Allows transit operators to use funds received in the 19-20 to 21-22 fiscal years from the State Transit Assistance State of Good Repair program, which under current law have limited eligible uses, for any operating or capital expenditure provided the operator declares that doing so is necessary to prevent a reduction or elimination of transit service.
- 11) **Department of Financial Protection and Innovation.** Renames the Department of Business Oversight to the Department of Financial Protection and Innovation, and:
 - a) Establishes a newly created fund called the Financial Protection Fund.
 - b) Transfers all duties, responsibilities and remaining balances of the State Corporations Fund and the Financial Institutions Fund to the Financial Protection Fund and abolishes the aforementioned funds. Henceforth, any references to these funds will be a reference to the Financial Protection Fund.
 - c) Provides that all expenses of the Department of Financial Protection and Innovation, with the exception of the Credit Unions Program and upon appropriation by the Legislature, will be drawn from the Financial Protection Fund.
 - d) Makes technical amendment that provides that, in the event Senate Bill 908 of the 2019-20 Regular Session establishes the Debt Collection Licensing Fund, this fund would be transferred into the Financial Protection Fund and abolished on the enactment date of that bill.
- 12) **CalHR Reporting.** Provides CalHR authority to charge state agencies and departments of costs related controlled substance abuse testing, psychological screening, and medical evaluations. The bill requires the Controller to transfer moneys from any state agent or department owed to CalHR for these purposes.

- 13) **Data Sharing.** Requires the Franchise Tax Board to transfer specified information to the Employment Development Department, through an information sharing agreements or data interfaces, for the purpose of administrating unemployment programs, including the federal Pandemic Unemployment Assistance program. This information is limited to information necessary to verify income, as specified.
- 14) **EDD Reporting.** Requires EDD, starting on September 4, 2020, to make publicly available information and updates regarding unemployment claims. This information includes the number of claims paid, found ineligible, have not been certified, among others. This information shall be posted on the EDD website and shall be updated every two weeks. This requirement shall sunset on July 1, 2021.
- 15) **Farmworker Housing:** Makes clarifications to enforcement and implementation provisions included in AB 1783 (R. Rivas), Chapter 866, Statutes of 2019. Specifically, this bill:
- a) Clarifies that, beginning January 1, 2020, housing funded by the Community Services Block Grant, the Zenovich-Moscone-Chacon Housing and Home Finance Act, the Building Homes and Jobs Trust Fund, the Joe Serna, Jr. Farmworker Housing Grant Program, and other programs for migrant farmworkers, is prohibited from being rented, sold, or subleased to an agricultural employer who employs H2A workers.
 - b) For purposes of housing that is funded by Department loan and grant programs, clarifies that the Department of Housing and Community Development is not responsible for the inspection of housing units that are not subsidized by the department.
 - c) Makes other conforming and technical changes to clarify the rights of agricultural employees living in employee housing and to clarify the conditions under which agricultural employee housing may qualify for a streamlined ministerial approval process.
- 16) **Franchise Tax Board Data Sharing.** Allows the Department of Social Services (DSS) to exchange data of individuals who may qualify for the California Earned Income Tax Credit (CalEITC) with the Franchise Tax Board (FTB) and would require the data to remain confidential and be used only for purposes directly connected to the CalEITC. In addition, authorizes the FTB to disclose individual income tax return information for taxable years on or after January 1, 2018 through January 1, 2020, to DSS. This information would also be confidential and is to be used only for the purposes of informing state residents of the availability of federal stimulus payments.

Fiscal Effect. This bill makes an appropriation by expanding the use of a continuously appropriated program.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1864 **Hearing Date:** August 27, 2020
Author: Limón
Version: August 25, 2020 As amended
Urgency: No **Fiscal:** Yes
Consultant: Meron Tesfaye and Joe Stephenshaw

Subject: Financial institutions: regulation: Department of Financial Protection and Innovation

Summary: This bill seeks to reorganize and rename the Department of Business Oversight (DBO), to clarify DBO's authority to enforce provisions of the federal Dodd-Frank Wall Street Consumer Financial Protection Act of 2010 over existing licensees, to protect consumers from unlawful, unfair, deceptive, or abusive acts or practices, and to expand DBO's jurisdiction to cover currently unlicensed persons that offer or provide consumer financial products and services in California.

Proposed Law: Contains the necessary changes to enact the California Consumer Financial Protection Law (CCFPL) and add Division 24 to the Financial Code with a purpose to promote consumer welfare, fair competition and wealth creation in the state. More specifically, this bill:

Reorganization and New Activities

- 1) Retains all the powers, duties, responsibilities and functions of the DBO and renames it the Department of Financial Protection and Innovation (DFPI).
- 2) Merges the Division of Corporations and the Division of Financial Institutions under the Division of Corporations and Financial Institutions, overseen by a Senior Deputy Commissioner appointed by the Governor and subject to Senate confirmation.
- 3) Establishes and requires all moneys collected under the CCFPL to be deposited into the Financial Protection Fund.
- 4) Establishes the Financial Technology Office under DFPI to promote innovation and consumer access within financial technology services sector.
- 5) Establishes a new Division of Consumer Financial Protection with a Senior Deputy Commissioner appointed by the Governor and subject to Senate confirmation.
- 6) Authorizes the DFPI to perform new activities like consumer financial product market research and targeted consumer outreach and education programs.

Clarifying Statutes and Provisions

- 7) Clarifies that DFPI, as a state financial market regulator, has the authority to bring a civil action or other appropriate proceedings against an entity licensed, registered or subject to oversight by the DFPI to enforce the provisions of the Consumer Financial Protection Act of 2010 (12 U.S.C. Sec. 5481 et seq.) or regulations issued by the federal Consumer Financial Protection Bureau.
- 8) Clarifies that in the instance that a provision in this division is preempted by federal law, the provision shall not apply and shall not be enforced to the extent of that it is preempted.
- 9) Makes clear that enforcement authority provided by this bill is applicable only to acts and practices engaged in on or after the operative date of this act.

Notable Definitions

- 10) Defines a covered person as any person that engages in the offering or providing of a consumer financial product or service to a California resident.
- 11) Defines a service provider, with some exceptions, as any person providing a material service to a covered person in connection with the offering or provision by that covered person of a consumer financial product or service.
- 12) The CCFPL also makes other necessary definitions.

Exemptions

- 13) The bill exempts the following from CCFPL:
 - a. A licensee or employee of a licensee of another state agency to the extent that licensee or employee is operating under the authority that state agency's license.
 - b. A bank, bank holding company, trust company, savings and loan association, savings and loan holding company, credit union or an organization subject to oversight of the Farm Credit Administration when acting under the authority of federal law or the law of another state.
 - c. A person or employee of that person to the extent that they are currently licensed under the authority of one of the specified divisions of the Financial Code and the Corporations Code. Exempted employees and licensees include: check sellers, bill payers, and proraters (Division 3 of the Financial Code); escrow agents (Division 6 of the Financial Code); finance lenders, finance brokers, program administrators, and mortgage loan originators (Division 9 of the Financial Code); residential mortgage lenders, mortgage servicers, and mortgage loan originators (Division 20 of the Financial Code); broker-dealers and investment advisors (Division 1 of Title 4 of the Corporations Code); capital access company licensees (Division 3 of Title 4 of the Corporations Code), and any person doing

business under a license, charter, or certificate issued under the Financial Institutions Law (Divisions 1, 1.1, 1.2, 1.6, 5, 7, and 15 of the Financial Code).

Prohibited Acts

The CCFPL:

14) Prohibits covered persons or service providers from:

- a. Engaging in unlawful, unfair, deceptive, or abusive acts or practices with respect to consumer financial products or services.
- b. Offering or providing a consumer a financial product or service that is not in conformity with any consumer financial law.
- c. Failing or refusing to maintain and make accessible records required by a consumer financial law or any rule or order issued by the DFPI.

15) Holds any person who knowingly or recklessly provides substantial assistance to a covered person or service provider who violates the prohibited acts above liable to the same extent as the person who violates those acts.

Unlawful, Unfair and Deceptive or Abusive Acts or Practices

16) Defines “unfair” and “deceptive” acts and practices consistent with the California’s Business and Professions Code (Section 17200) and related case law.

17) Defines “abusive” acts and practices as acts and practices that materially interfere with the ability of a consumer to understand terms or conditions of a financial product or service and/or that take unreasonable advantage of the lack of understanding of the consumer and/or the inability of the consumer to protect their interests in selecting or using a consumer financial product or service. This definition is consistent with provisions of the federal Consumer Financial Protection Act of 2010.

18) Allows the department to prescribe rules and regulations applicable to any covered person or service provider identifying unlawful, unfair, deceptive or abusive acts or practices in connection with the offering of:

- a. A consumer financial product or service. In promulgating these rules, the department is required to consider the relative harm to consumer, the frequency of the act or practice, and whether the act is unintentional or stems from a technical, clerical, or nonmaterial error.
- b. Commercial financing or other offering or provision of financial products and services to small business recipients, nonprofits and family farms. This rulemaking may include data collection and reporting.

Registration Requirement and Oversight Activities

- 19) Allows the DFPI to promulgate rules and regulations regarding registration requirements applicable to covered persons engaged in the business of offering or providing consumer financial products or services.
- 20) Allows the DFPI to set and collect an annual registration fee for each entity required to register. The required registration fee must be limited to the reasonable regulatory costs and take into account the size and market participation of the entity.
- 21) Allows the DFPI to prescribe regulations required to facilitate oversight of covered persons. Rules may require covered persons to generate, provide, or retain records for oversight purposes.
- 22) Allows the DFPI to prescribe rules to ensure that the features of any consumer financial product or service are accurate and disclosed to consumers in a manner that permits consumers to understand the risks, costs and benefits of the financial service or product.
- 23) Allows the DFPI to establish, by rule, reasonable procedures for covered persons and service providers to provide a timely response to consumers and the department concerning consumer inquiries or complaints.
- 24) The rules described above (19-23) must be promulgated prior to any related enforcement action by the DFPI against covered persons or service providers for a violation.

Enforcement

- 25) Authorizes the DFPI to bring an enforcement action against any covered person or service provider who engages in unlawful, unfair, deceptive or abusive practices with respect to consumer financial products and services.
- 26) Provides DFPI authority to seek relief including rescission or reformation of contracts, refunds, restitution, disgorgements, payment of damages, public notification regarding violations, set limits on the activities of the person cited, and impose the monetary penalties described immediately below.
- 27) Authorizes penalty amounts that range from \$5,000 for each day the violation or failure to pay continues or \$2,500 for each act or omission in violation to \$1,000,000 for each day the violation or failure to pay continues or \$25,000 for each act or omission in violation. These penalties are consistent with those provided in the federal Consumer Financial Protection Act of 2010.
- 28) In determining the size of the penalty, requires DFPI to take into account mitigating factors such as the gravity of the violation, the financial resources of the person charged, that person's history of violations, the severity of risks or losses to the consumer, and other related matters.

- 29) Authorizes the use funds obtained through enforcement of any of the laws administered by the DFPI, with some exceptions, to be used to administer the CCFPL.
- 30) Authorizes the department to enter into an agreement with the Attorney General with respect to civil actions. Ensures that nothing in the provisions provided limits the authority of the Attorney General to prosecute violations of civil or criminal laws.
- 31) Clarifies that nothing in the bill limits the authority of any district attorney or city attorney lawfully permitted to bring actions to enforce California's Unfair Competition Act.

Legislative Oversight of DFPI

- 32) Requires that the DFPI promulgate rules for registration of a covered person or service provider within three years after the second action to enforce a violation of the CCFPL against covered persons providing the same or substantially similar financial product or service.
- 33) Sunsets each registration requirement four years after the initial year of required registration of that category of covered persons. At the end of the sunset, requires the Legislature to conduct public hearings regarding the desirability or feasibility of extending, revising, or terminating the registration. Provides that the Legislature can:
- a. Take action to extend the registration or
 - b. Incorporate the activity in which the covered person is authorized to engage into a new or existing licensing law.

Ensures that failure of the Legislature to do any of the above will not impact the DFPI's enforcement authority.

- 34) Requires the DFPI to submit a report of its activities related to the covered person required to be registered to the appropriate committees in the Legislature on or before December 1 before the year the registration regulation is scheduled to become inoperative.
- 35) Requires the Commissioner of the DFPI to appear before the appropriate committees of the Legislature annually and present a report reviewing all activities conducted to implement CCFPL during the prior year and all of the activities planned to implement the CCFPL during the upcoming year.
- 36) Requires the DFPI to prepare and publish on the department's website actions taken during the prior year including rulemaking, enforcement, activities of the financial technology innovation office, consumer complaints and resolutions, education, outreach, research and recommendations for improved oversight, transparency and availability of financial products and services.

Fiscal Effect: This bill contains no fiscal appropriations. However, the Administration estimates a cost of \$10.2 million and 44 positions in 2020-21, an additional \$4.6 million and 28 positions in 2021- 22, and an additional \$4.5 million and 18 staff positions in 2022-23 and ongoing funding. This is an overall increase of \$19.3 million and 90 positions by the end of 2022-23 upon full implementation of DFPI.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1865 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Elisa Wynne

Subject: Education finance

Summary: This bill makes clarifying changes and technical corrections associated with changes to education programs adopted as part of the Budget Act of 2020.

Background: The 2020 Budget Act included various changes to education programs; AB 1865 makes amendments and corrections to statutory provisions that are necessary to implement the 2020 Budget Act.

Proposed Law: Specifically this bill makes the following changes:

Child Care and Early Education:

- 1) Clarifies that a child care provider located on a local education agency (LEA) campus, may continue to be held harmless from funding reductions when the program is closed, if the LEA campus is closed by public health guidance or order, and if the LEA discusses the child care site closures and a plan for safe re-opening of child care programs in a public school board meeting. The Budget Act created a “hold harmless” for direct-contract child care providers funded under the General Child Care, California State Preschool, and Migrant programs, for dates of program closure, under specific requirements, including public health guidance.
- 2) Increases the allowable non-operative days for alternative payment program providers in 2020-21 by an additional 14 days, for COVID-19 related closures and provides \$31.25 million in federal Child Care and Development Block Grant funds for this purpose (reduces the funding provided for one-time stipends in the Budget Act by a like amount). The bill also specifies that \$35 million in additional federal funding, if received by the state, will be appropriated for closure costs. Current regulations allow up to 10 paid non-operative days annually within a California Alternative Payment Program and Stages One, Two, and Three child care provider’s contract.
- 3) Extends the waiver of family fees for child care services to all families through August 31, 2020. Waives family fees for the 2020-21 fiscal year, for any enrolled family not receiving care services, either due to site closure, Distance Learning, or a family’s need to shelter-in-place. The bill specifies that \$30 million in additional federal funding, if received by the state, will be appropriated for family fee waiver costs.

- 4) Allows the Superintendent of Public Instruction to provide guidance and not require parent signatures for CDE-administered child care programs during the COVID-19 pandemic, under certain circumstances.

K-12 Education:

- 5) Extends the postponement of the state's development of an observation protocol for teaching English Language Learners by an additional year from the Budget Act, to 2022, to allow for in-person instruction to inform the protocol development. The 2020-21 Budget Act postponed the state's development of an observation protocol for teaching English Language Learners to 2021.
- 6) Allows all County Offices of Education (COEs) to meet statutory requirements to annually visit, examine, and report on a school's sufficient textbook, facility, and School Accountability Report Card data conditions, as specified, if the school is on a decile 1-3 Academic Performance Index list provided by the State Superintendent, in the 2019-20 and 2020-21 school years, through a combination of site visits and staff surveys; allows surveys in lieu of site visits with COVID-19 closure justifications; waives on-site visits during the pandemic closure period, and waives unannounced visit requirements.
- 7) Amends the date by which LEAs must certify that they meet the financial hardship qualifications to receive a deferral hardship waiver for the February through May 2020 deferrals from January 5, 2021 to Dec 15, 2020.
- 8) Allows all school districts and county offices of education to use the California School Finance Authority (CSFA) intercept, which will enable those districts to lower borrowing costs for state funding deferrals. Current law authorizes the CSFA to support LEA borrowing, but precludes school districts and COEs with qualified or negative certifications from securing CFSA borrowing with an intercept of State apportionments.
- 9) Amends statute on the sale or lease of surplus property to allow additional flexibility for LEAs consistent with the 2020-21 Budget Act. Specifically, permits the sale or lease of property purchased with any non-state funds, allows for the sale of a property never constructed for or used as an early childhood education facility or a school for K-12 instruction, clarifies that it is the intent of the Legislature that school districts can meet the requirements to offer surplus properties to interested parties simultaneously to all applicable entities, and extends the timeline for proceeds of a sale or lease under these terms to be deposited in the general fund.
- 10) Clarifies 2020-21 requirements for those schools allowed to operate a 4-day school week, consistent with the Budget Act. Current law allows specific LEAs to provide a 4-day school week, under specified requirements, including minimum instructional minutes. The 2020-21 Budget Act created minimum instructional day and minute requirements for the 2020-21 school year only, during Distance Learning and in-person instruction.
- 11) Amends the School Facilities Program K-12 Audit Guide Process to clarify that existing auditing standards required for K-12 financial and compliance audits would

apply to facilities audits, that completed audits should first be submitted to the State Controller's Office, and shifts the responsibility for invoicing audit disallowances from CDE to the Office of Public School Construction.

- 12) Amends the amount of funding appropriated to offset General Fund paid to the San Francisco Unified School District and San Francisco County Office of Education as a result of a miscalculation of offsetting property tax revenues in the 2016-17 fiscal year to reflect updated calculations
- 13) Clarifies that Education Code Section 51512 does not prohibit an LEA from adopting online instruction, including the use of synchronous or asynchronous video, as part of a Distance Learning program under the requirements of the 2020-21 Budget Act, and that except as require under a Distance Learning program, individuals may not record an online course without teacher and principal consent.
- 14) Amends the Budget Act to allow all LEAs, for their 2020-21 apportionment, to apply for either planned increases or actual planned growth to classroom-based student attendance, whichever is less, in lieu of the 2019-20 average daily attendance hold-harmless guarantee adopted in the Budget Act of 2020-21, under the following conditions: 1) LEAs apply to the Department of Education for 2020-21 classroom-based ADA growth by November 6, 2021, 2) LEAs submit proof of Governing Board or Authorizer adoption of classroom-based ADA growth in the LEA 2020-21 Budget prior to June 30, 2020 or their second interim 2020 Budget, and 3) LEAs demonstrate actual growth in October CalPADS student census report, reduced for state attendance averages. As part of school funding stabilization during the COVID-19 pandemic, the 2020-21 Budget Act froze average daily attendance (ADA) for all LEAs for purposes of apportionment between the 2019-20 and 2020-21 school years.
- 15) The bill also makes other various technical changes to the ADA hold harmless to conform policy to reorganized charters and school districts, and necessary small schools, including the following: specifies that opportunity schools are included in the minimum daily instructional minute requirements for the 2020-21 fiscal year. Aligns funding for Necessary Small Schools with the ADA hold harmless funding provisions in place for the 2020-21 school year. Allows for the adjustment of an LEA's ADA Hold Harmless provisions in 2020-21 related to school district reorganizations, closure of charter schools, and reorganizations of charter schools related to recent legislation. Specifies that the 2019-20 second principal apportionment is used as the point in time to certify ADA for non-classroom based charters. Extends the hold harmless to non-classroom based charter funding determination formulas for two year and allows charters to rescind decisions to delay authorized grade levels due to the budget act.
- 16) Conforms the Parent Budget Summary, template, and timelines to the 2020-21 Learning Continuity and Attendance Plan. Current law requires an annual Parent Budget Summary as part of each LEA's Local Control Accountability Plan (LCAP) process. The 2020-21 Budget Act created a Learning Continuity and Attendance Plan for the 2020-21 school year, to replace the 2020-21 LCAP process during the transition of most LEAs to pandemic-induced Distance Learning programs.

- 17) Specifies that in completing the annual update to the LCAP for the 2021-22 school year, an LEA must include the LCAP adopted in the 2019-20 school year. Requires the Superintendent of Public Instruction to update the template for the annual update by January 31, 2021, to also include the learning continuity and attendance plan in the 2021-22 annual update.
- 18) Includes a technical amendment to specify that \$450,000 in one-time Proposition 98 General Fund appropriated in 2020-21 for the purpose of aligning and integrating the online platforms for the California School Dashboard, the Local Control and Accountability Plan Electronic Template, and the School Accountability Report Card, is counted towards the 2018-19 Proposition 98 Guarantee.
- 19) Allows the California High School Proficiency Exam to be offered more than once a semester, and requires test administration conditions to meet Public Health requirements.
- 20) Allows for the State Superintendent of Public Instruction to designate alternatives for students who would graduate in 2020 or 2021 to earn the State Seal of Biliteracy, and to waive the California Assessment of Student Performance and Progress for students graduating in 2020 and 2021.
- 21) Includes technical amendments related to the new formula for special education funding adopted in the final budget act.
- 22) Eliminates the ongoing appropriation of \$3.5 million annually in Proposition 98 General Fund to the Exploratorium for workload to support the statewide implementation of the Next Generation Science Standards, consistent with the budget agreement.
- 23) Sunsets the provisions of Executive Order N-26-20 and SB 117 (Committee on Budget), Chapter 3, Statutes of 2020 at the end of the 2019-20 fiscal year.
- 24) Conforms all state expanded learning programs, including federally-funded 21st Century Community Learning Center programs, to the flexibilities authorized in SB 98 and the 2020-21 Budget Act.
- 25) Extends the expenditure deadline for the General Fund allocation for Learning Loss Mitigation from December 30, 2020 to June 30, 2021. Aligns record retention requirements to federal law, from the current three years to five years. Specifies that eligible uses include cleaning and safety measures for re-opening schools. Makes other technical changes to ensure Learning Loss Mitigation calculations align with statutory language.
- 26) Amends the date by which grant funds from the California Community Schools Partnership Program must be encumbered by to September 30, 2022 to align with the availability period for federal Elementary and Secondary School Emergency Relief funds.

- 27) Increases the 2020-21 Budget Act appropriation for the COVID closure and summer meal program state reimbursement from \$112 million in CARES Act funds to a total of \$192 million through a combination of federal and general funds, to reimburse LEAs for school meals provided under USDA standards, through August 30, 2020, at up to 75 cents per meal.
- 28) Amends the appropriation for the California Dyslexia Initiative to reflect \$2 million in one-time Proposition 98 General Fund and \$2 million in one-time federal funds instead of \$4 million in one-time federal funds to reflect the final budget agreement. Extends the timeline for designating the county office of education to administer the program to November 15, 2020.
- 29) Extends Executive Order postponement and conditions for educator credential requirements to August 2021, due to closure of testing centers. Executive Order N-66-20 authorized the postponement of various educator assessment requirements, under specific conditions, including attaining all other credential requirements, during the COVID-19 pandemic.
- 30) Suspends the Physical Performance Test for the 2020-21 school year and requires the Superintendent of Public Instruction to consult with experts and other stakeholders and to provide recommendations on the purpose and administration of the test to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, and the State Board of Education by November 1, 2022.
- 31) Extends the timeline for the initial assessment of pupils for English language proficiency using the English Language Proficiency Assessment for California (ELPAC) by 45 calendar days for the 2020-21 fiscal year. Requires LEAs to screen new pupils, pending assessment results, to ensure pupils informally determined to be English learners receive appropriate supports as soon as possible.
- 32) Allows local educational agencies to exclude learning loss mitigation funds and federal Elementary and Secondary School Emergency Relief (ESSER) funds from being considered general fund expenditures for the purposes of the Routine Restricted Maintenance Account (RRMA) calculation.
- 33) Enumerates the Youth Task Force's design and charge, including the co-chairing of the State Superintendent of Public Instruction and State Board of Education president or designee, up to 15 gubernatorial youth appointees, a defined "youth facilitator" for the Taskforce, and a required report by November 1, 2021 of the Task Force's balanced recommendations on the impacts of peace officer presence on campus and in facilitating students' transport to school. The 2020-21 Budget Act Education Trailer bill established a Youth Task Force to provide recommendations on the impacts of peace officers and other law enforcement on school campuses.

Higher Education:

- 34) Modifies the birth registration information collected to include voluntarily provided email address and mobile telephone numbers of parents to be used for the California Kids Investment and Development (CalKIDS) Program only. Requires the Department of Public Health to share a parent's mobile telephone number and email

address, and participation in the Women, Infants and Children program and other identifiable birth data as specified, for the purpose of administering the California KIDS program at the Scholarshare Board.

- 35) Adds the Lieutenant Governor as a voting member of the Community College Board of Governors.
- 36) Authorizes, starting on January 1, 2021 for the University of California (UC) to proceed with General Fund capital expenditures, as specified, upon signed certification that during the subsequent fiscal year and each year thereafter, that all cleaning, maintenance, grounds keeping, food service or other work traditionally performed are by UC employees at each facility, building or property. This excludes construction work and other types of work, including carpentry, electrical, plumbing, glazing, painting and other craft work designed to preserve, protect or keep facilities in a safe and usable condition. The bill also specifies that starting with the 2021-22 fiscal year, the Department of Finance shall approve each new and ongoing capital expenditure only after the UC has demonstrated compliance with the above.
- 37) Authorizes the UC, for the 2020-21 and 2021-22 fiscal years, to use savings from refunding, retiring or restructuring bond debt to mitigate impacts to programs and services that predominately support underrepresented students and to provide for continued employment of employees without resorting to layoffs, furloughs and reductions-in time. The bill also encourages the UC to collaborate with donors to identify resources to support the same purposes.
- 38) Authorizes the State Library create a digital repository to collect and receive copies of state publications in digital format to be made available publically. Adjusts the number of printed publications, as specified, to be submitted to the State Library.
- 39) Updates the definition of instructional materials for local education agencies and community colleges to allow the use of lottery funds to include laptop computers and devices that provide internet access for use by pupils, students, faculty and teachers.
- 40) Extends the deadline for the UC to adopt a policy implementing the Native American Graves Protection and Repatriation Act from January 1, 2020 to January 1, 2021.
- 41) Makes a variety of other technical changes.

Fiscal Effect: This bill appropriates an additional \$80 million in one-time Proposition 98 General Fund for school meal reimbursements and allows for the increases in ADA growth for purposes of apportionment in the 2020-21 school year, which will likely increase Local Control Funding Formula costs by hundreds of millions of dollars.

Support: None on File.

Opposed: None on File.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1867 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 As amended
Urgency: No **Fiscal:** No
Consultant: Anita Lee

Subject: Small employer family leave mediation: handwashing: supplemental paid sick leave

Summary: This bill implements the labor provisions associated with the Budget Act.

Background:

EXISTING STATE LAW:

- 1) Provides, under the Healthy Workplaces, Healthy Families Act of 2014, that an employee who works for the same employer for 30 or more days within a year from the commencement of employment is entitled to a minimum of 24 hours or three paid sick days on the 120th calendar day of employment.
- 2) Provides that an employer is not required to provide additional paid sick leave if the employer has a paid leave policy or paid time off policy and makes available an amount of leave to employees under the same conditions and the policy satisfies the accrual, carryover, and use requirements described in existing law.
- 3) Requires an employer, in each workplace of the employer, to display a poster in a conspicuous place containing specified information on paid sick days.
- 4) Establishes the Labor Commissioner's Office within the Department of Industrial Relations to, among other things, enforce wage, overtime, and sick leave laws.
- 5) Requires the Labor Commissioner to enforce the paid sick leave provisions and provides for procedures, including investigation and hearing, and for remedies and penalties.

STATE EXECUTIVE ORDER

- 6) Executive Order N-51-20 requires a hiring entity with 500 or more employees to provide an eligible food sector worker supplemental paid sick leave related to COVID-19, as specified. The executive order also permitted employees working in any food facility to wash their hands every 30 minutes and additionally if needed.

EXISTING FEDERAL LAW:

- 7) The Families First Coronavirus Response Act (FFCRA) - Provides up to two weeks of paid sick leave to all employees of employers of 500 or less employees for specified reasons related to COVID-19 at with specified rate of pay.

The FFCRA authorizes a health care or emergency responder employer to exclude certain health care providers and emergency responders from these provisions.

Additionally, the FFCRA authorizes the Secretary of Labor to issue regulations to exclude certain health care providers and emergency responders from this, including allowing an employer of these workers to opt out. The FFCRA sunset on December 31, 2020.

Proposed Law: This bill makes various statutory changes to implement COVID-19 food sector supplemental paid sick leave (SPSL), and COVID-19 SPSL for workers including active firefighters, and healthcare providers, as specified. The bill also requires the Labor Commissioner to enforce the new COVID-19 SPSL requirements. The bill also establishes a small employer family leave mediation pilot at the Department of Fair Employment and Housing. This bill specifically:

- 1) **Hand Washing.** Requires a food employee working in any food facility, as defined, to be permitted to wash their hands every 30 minutes and additionally as needed.
- 2) **Small Employer Family Leave Mediation.** Creates a Small Employer Family Leave Mediation pilot at the Department of Fair Employment and Housing. This pilot program would allow a small employer or employee, within 30 days of receipt or obtaining of a right-to-sue notice, to request all parties to participate in DFEH's dispute resolution division. If an employer or employee requests mediation, the employee shall not pursue any civil action until the mediation is complete. Additionally, the employee's statute of limitation on claims will be tolled until the mediation is complete, as specified. This pilot program will sunset on January 1, 2024, and is contingent upon enactment of Senate Bill 1383 (Jackson) regarding unlawful employment practice relating to family leave.

COVID – 19 Food Sector Supplemental Paid Sick Leave

- 3) Creates the COVID-19 Food Sector Supplemental Paid Sick Leave which requires up to two weeks of COVID-19 supplemental paid sick leave (SPSL) for food sector workers, as defined, at hiring entities with 500 or more workers.
- 4) Defines a food sector worker to mean any person who leaves their home or place of residents to work and also satisfies one or more of the following criteria:
 - a. The person works in an industry or occupation identified in specified Industrial Wage Commission Orders, including canning, freezing, preserving, industries handling products after harvest, industries preparing agricultural products for market on the farm, and agricultural occupation, as specified.
 - b. The person works for a hiring entity that operates a food facility, as specified.
 - c. The person delivers food from a food facility, as specified, for or through a hiring entity.

- 5) Defines a hiring entity as a private sole proprietorship or any kind of private entity that has 500 or more employees in the United States.
- 6) Specifies that the hiring entity shall provide COVID-19 Food Sector SPSL to food sector workers that are unable to work because they are:
 - a. Subject to a federal, state, or local quarantine or isolation order related to COVID-19, or
 - b. Advised by a health care provider to self-quarantine or self-isolate due to concerns related to COVID-19, or
 - c. Prohibited from working by the food sector worker's hiring entity due to health concerns related to the potential transmission of COVID-19.
- 7) Requires a hiring entity to provide 80 hours of COVID-19 Food Sector SPSL for each food sector worker who are either considered full-time, or has worked or were scheduled to work for at least 40 hours for the employer in the two weeks preceding the date the employee took the SPSL.
- 8) Requires a hiring entity to provide a food sector worker who has a normal weekly schedule, but do not qualify for the above, to provide the same number of COVID-19 Food Sector SPSL hours as the total number of hours the worker was normally scheduled to work over two weeks.
- 9) Requires a hiring entity to provide a food sector worker with variable number of work hours, 14 times the average number of hours the worker worked each day in the six months prior to the date the worker took SPSL. For food sector workers that have worked for fewer than six months, this calculation shall be made over the entire period the worker started at the hiring entity.
- 10) Specifies that the total number of COVID-19 food sector SPSL is in addition to any paid sick leave available to the food sector worker under existing law as specified, but is not in addition to the supplemental paid sick leave available under Executive Order N-51-20.
- 11) Authorizes a food sector worker to determine how many hours of COVID-19 food sector SPSL to use, up to the total number of hours to which the worker is entitled to. These hours shall be made available for immediate use upon request by the worker to the hiring entity.
- 12) Establishes the rate of compensation for the SPSL to be the highest of the food sector worker's regular rate of pay in the last pay period, the state minimum wage, or an applicable local minimum wage, up to a daily and aggregate total maximum payments.
- 13) Specifies that the hiring entity shall not require the food sector worker to use any other paid or unpaid leave, time off or vacation time before the worker uses COVID-19 food sector SPSL or in lieu of the SPSL.
- 14) Specifies that if a hiring entity already provides the food sector worker with a supplemental benefit for the same COVID-19 related reasons as described above, and that would compensate the worker in an amount equal to or greater than the amount the

worker would receive under the SPSL, then the hiring entity may count those hours towards the total number of hours required in this bill.

The bill states that the hiring entities supplemental benefits does not include paid sick days that workers are currently entitled under existing law, however it may include hours that were already provided under Executive Order N-51-20 or supplemental leave provided pursuant to federal or local laws for the same purpose as COVID-19 related reasons described above.

- 15) Requires the Labor Commissioner to enforce the bill provisions as if its COVID-19 food sector SPSL provisions were paid sick days, paid sick leave, or sick leave under provisions of existing law and would authorize a food sector worker to file a complaint with the Labor Commissioner.
- 16) Retroactively applies the COVID-19 food sector SPSL to April 16, 2020 and sunsets the requirement on December 31, 2020 or upon the expiration of any federal extension of the Emergency Paid Sick Leave Act established by the Families First Coronavirus Response Act, Public Law 116-127, whichever is later, except that a food sector worker taking COVID-19 food sector supplemental paid sick leave at the time of the expiration of any such proclamation shall be permitted to take the full amount of COVID-19 food sector supplemental paid sick leave to which that food sector worker otherwise would have been entitled under this section.

COVID-19 Supplemental Paid Sick Leave

- 17) Establishes the COVID-19 SPSL program, to take effect no later than 10 days after the enactment of the bill, for covered workers who leave their place of residence to perform work and are either:
 - a. Employed by a hiring entity that has 500 or more employees in the United States, or
 - b. Employed as a health care provider or emergency responder, as specified, by a hiring entity, including a public entity, that has elected to exclude such employees from the emergency paid sick leave under the Families First Coronavirus Response Act.
- 18) Specifies that the COVID-19 SPSL does not include food sector workers, as specified.
- 19) Defines a hiring entity as either a private sole proprietorship or any kind of private entity that has 500 or more employees in the United States, or an entity, including a public entity that employs health care providers and has elected to exclude such employees from emergency paid sick leave under the Families First Coronavirus Response Act.
- 20) Specifies that the hiring entity shall provide COVID-19 SPSL to covered workers that are unable to work because the worker is:
 - a. Subject to a federal, state, or local quarantine or isolation order related to COVID-19, or
 - b. Advised by a health care provider to self-quarantine or self-isolate due to concerns related to COVID-19, or

- c. Prohibited from working by hiring entity due to health concerns related to the potential transmission of COVID-19.
- 21) Requires a hiring entity to provide 80 hours of SPSL if the worker is either considered as full time, or worked or was scheduled to work on average at least 40 hours per week in the two weeks preceding the date that the worker took SPSL.
- 22) Requires, notwithstanding the above, a hiring entity to provide an active firefighter, as specified, who was scheduled to work more than 80 hours in the two weeks prior to taking SPSL, the same amount of SPSL as the number of hours that the active firefighter was scheduled to work in those two preceding weeks.
- 23) Requires a hiring entity to provide SPSL the following hours for workers who do not satisfy the conditions above, as follows:
- a. For workers who have a normal weekly schedule, the hiring entity shall provide the same number of hours that the worker is normally scheduled to work over two weeks,
 - b. For workers that have variable hours, the hiring entity shall provide 14 times the average number of hours worked each day in the last six months. For workers that have worked for less than six months, but more than 14 days, this calculation shall be made over the entire period the worker has worked at the hiring entity.
 - c. For workers with variable hours, but has worked with the entity for 14 days or less, the hiring entity shall provide the worker with the same number of hours worked.
- 24) Specifies that the COVID-19 SPSL is in addition to any paid sick leave that the covered worker receives pursuant to existing law.
- 25) Specifies that the worker may determine how many SPSL to use, and the hiring entity shall make it available for immediate use upon oral or written request by the worker.
- 26) Establishes the rate of compensation for the SPSL to be the highest of the worker's regular rate of pay in the last pay period, the state minimum wage, or an applicable local minimum wage, up to daily and aggregate total maximum payments.
- 27) Prohibits a hiring entity from requiring a worker to use other paid or unpaid leave, paid time off or vacation time before the worker uses SPSL or in lieu of SPSL.
- 28) Specifies that if a hiring entity already provides a supplemental benefit for the same purposes as specified, and is an equal or greater amount than provided for by the COVID-19 SPSL, then the hiring entity may count the hours of such other benefit towards the hours required by COVID-19 SPSL. The bill specifies that the hiring entity may count paid leave already provided pursuant to Executive Order N-51-20, COVID-19 Food Sector SPSL or other supplemental paid leave provided pursuant to federal or local law for the same purposes.

The bill allows employers who previously provided supplemental paid leave on or after March 4, 2020 to retroactively provide supplemental pay to workers to satisfy the COVID-19 SPSL.

- 29) Requires the Labor Commissioner to enforce the COVID-19 SPSL as “paid sick days”, “paid sick leave” or “sick leave” under existing law, as specified.
- 30) Requires the Labor Commissioner by seven days after this bill is effective to make publicly available a model notice for employers to display a poster regarding COVID-19 SPSL. A hiring entity may satisfy this requirement for workers who do not frequent a workplace by disseminating notice through electronic means, such as by electronic mail.
- 31) Sunsets the requirement to provide COVID-19 SPSL on December 31, 2020 or upon the expiration of any federal extension of the Emergency Paid Sick Leave Act established by the Families First Coronavirus Response Act, Public Law 116-127, whichever is later, except that a covered worker taking COVID-19 supplemental paid sick leave at the time of the expiration of this section shall be permitted to take the full amount of COVID-19 supplemental paid sick leave to which that covered worker otherwise would have been entitled under this section.
- 32) Specifies that the Labor Commissioner, when enforcing paid sick days laws, may issue citations, file a civil action, and use administrative proceedings set forth in existing law, as specified.

Fiscal Effect: Appropriates \$100,000 from the Labor and Workforce Development Fund to the Labor Commissioner to implement the provisions of this bill.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1868 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 As amended
Urgency: No **Fiscal:** No
Consultant: Christopher Francis

Subject: Juvenile justice realignment: Office of Youth and Community Restoration

Summary: Includes statutory changes to enact public safety-related provisions of the Budget Act of 2020.

Background: The Governor's January Budget in 2020 proposed to transfer the Division of Juvenile Justice (DJJ) to a newly created independent department within the Health and Human Services Agency (HHSA) on July 1, 2020. That approach was intended to align the rehabilitative mission of the state's juvenile justice system with trauma-informed and developmentally appropriate services supported by programs overseen by the state's Health and Human Services Agency. The unprecedented fiscal impact of COVID-19 resulted in the withdrawal of this proposal. Subsequently, the May Revision proposed to expand on previous efforts to reform the state's juvenile justice system by transferring the responsibility for managing all youthful offenders to local jurisdictions. The following trailer bill outlines the provisions for this realigned responsibilities.

Proposed Law: This bill will make the following changes:

Intake Closure Date

- 1) The bill will close intake at DJJ on July 1, 2021 with exceptions.

Reducing Transfers of Youth to Adult Jurisdiction

- 2) Continues to allow a court to commit any ward who is otherwise eligible to be committed to DJJ under existing law and in whose case a motion to transfer the minor from juvenile court to a court of criminal jurisdiction was filed. Moreover, expresses Legislative intent to establish a separate dispositional track for higher need youth by March 1 2021 to avoid increase transfers of youth to the adult jurisdiction.
- 3) Makes adjustments to the local age of jurisdiction so that it mirrors the current age of jurisdiction for DJJ commitments.

Oversight

- 4) Establishes the Office of Youth and Community Restoration (OYCR) within the Health and Human Services Agency (HHSA), effective July 1, 2021. The objective of the OYCR is to fulfill the rehabilitative purpose of the state's

- juvenile justice system through trauma-informed and developmentally appropriate services and programs.
- 5) States that no juvenile grants shall be awarded by the Board of State and Community Corrections (BSCC) without the concurrence of the OYCR.
 - 6) Moves all juvenile justice grant administration functions in the Board of State and Community Corrections shall be moved to the OYCR no later than January 1, 2025.
 - 7) Requires the Office of Youth and Community Restoration to evaluate the efficacy of local programs being utilized for realigned youth, and report its findings to the Governor and Legislature no later than July 1, 2025.
 - 8) Continues Youth Justice Committee within HHS's Child Welfare Council until July 2023 to assist in planning, and will advise and provide recommendations related to policies, programs, and approaches that improve youth outcomes, reduce youth detention, and reduce recidivism for the realigned population.
 - 9) Adds a new state-level ombudsman for youth in the juvenile justice system.

Statewide Data and Reporting

- 10) Requires the Department of Justice to submit a plan by January 2023 to update the Juvenile Court and Probation Statistical System database, improve and modernize statewide juvenile justice data collection and reporting

Funding and Accountability

- 11) Establishes the Juvenile Justice Realignment Block Grant program for the purpose of providing county based custody, care, and supervision of youth who are realigned from the state DJJ or who were otherwise eligible for commitment to the DJJ prior to its closure.
- 12) Defines the population for which funds should be used as youth who were eligible for commitment to the Division of Juvenile Justice prior to its closure, and youth adjudicated to be a ward of the juvenile court for DJJ-eligible offenses.
- 13) Makes the following appropriations by the Controller for fiscal years 2021-22 through 2023-24 to the counties for use by the county to provide appropriate rehabilitative housing and supervision services of the defined population:
 - a. For the 2021-22 fiscal year, \$39,949,000 General Fund
 - b. For the 2022-23 fiscal year, \$118,339,000 General Fund
 - c. For the 2023-24 fiscal year, \$192,037,000 General Fund
 - d. For the 2024-25 fiscal year and each year thereafter, \$208,800,000 General Fund

- 14) Bases the allocations will be based on a weighted formula that accounts for per-county percentage of the average number of wards committed to the DJJ, as of December 31, 2018; June 30, 2019; and December 31, 2019 (30 percent); the by-county distribution of juveniles held in county facilities for certain violent and serious felony crime categories per 2018 Juvenile Court and Probation Statistical System data, updated annually based on the most recently available data (50 percent); and the by-county distribution of all individuals between ages 10 and 17 from the preceding calendar year (20 percent).
- 15) States that the Governor and Legislature shall work with stakeholders to establish a distribution methodology for the funding by January 10, 2024 and ongoing that improves outcomes for this population.
- 16) Includes provisions stating that, in order to receive Juvenile Justice Realignment Block Grant funding, each county will be required to establish a juvenile advisory body that develops and implements a juvenile justice realignment plan with components as specified.
- 17) States that the OYCR shall review the plan to ensure that the plan contains all of the elements in this section and may return the plan to the county for revision as necessary prior to final acceptance of the plan.

Fiscal Effect: Appropriates one-time \$9.6 million General Fund in facilities and planning grant funding to be awarded by the Board of State and Community Corrections in concurrence with new office to assist counties in the development of a local continuum of care. This funding shall not be used by counties to enter into contracts with private entities whose primary business is the custodial confinement of adults or youth in a prison or prison-like setting. Makes aforementioned appropriations related to the Juvenile Justice Realignment Block Grant starting in 2021-22 and anticipated costs for the startup and operation of the OYCR.

Support: None on file.

Opposed: None on file.

END

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No:	AB 1869	Hearing Date:	August 27, 2020
Author:	Committee on Budget		
Version:	August 27, 2020 As amended		
Urgency:	No	Fiscal:	No
Consultant:	Christopher Francis		

Subject: Criminal Administrative Fees

Summary: Includes statutory changes to enact public safety-related provisions of the Budget Act of 2020.

Background: At every point in the criminal legal process, California state law authorizes counties to charge administrative fees. These fees are levied on top of monetary sanctions that California imposes on people who have committed an infraction or offense: For example, fines, penalty assessments, and restitution. From booking and arrest to representation by a public defender and probation supervision, an individual can face a host of fees and a subsequent collection process. Although state law authorizes such fees, local jurisdictions have the discretion over the specific fees to impose and for what amounts to charge for each fee imposed.

Currently, 54 of 58 California counties charge one or more such administrative fees. But research on criminal administrative fee collection across California shows that some counties spend equal to or more than fees than they actually collect. Additional research shows that these fees are most commonly levied on low-income people who encounter the criminal justice system. Overall, the fees lead to inefficient use of resources, are unstable sources of revenue for governments, and drive low-income people into greater debt.

Proposed Law: This bill will, effective July 1, 2021, make the following changes to 23 criminal administrative fees:

- 1) Repeals statutes associated with Public Defense Fees, Cost of Counsel, Public Defense Registration Fee, and Public Defense Fees for Minors.
- 2) Repeals statutes associated with various Criminal Justice Administration Fees. Specifically, repeals provisions allowing for the recovery of costs associated with arrest.
- 3) Repeals statutes associated with the \$25 Administrative Processing Fee and \$10 Citation Processing Fee.
- 4) Repeals the Interstate Compact Supervision Fee. Specially repeals statutes that provides that a probationer cannot be released to another state until the probationer has paid the reasonable costs of processing their request to move states.

- 5) Repeals statutes associated with alternative custody. For example, it eliminates the ability to charge an administrative or application fees for work furlough or home detention and eliminates other fees relating to home detention. Moreover, it repeals provisions that allows fees for pretrial electronic monitoring, provides the ability of probation to charge a person for electronic monitoring, and gives a county the ability to seek reimbursement for the reasonable costs of county parole supervision. Finally, it repeals the Probation Department Investigation/Progress Report Fee.

This bill makes the unpaid balances related to the aforementioned eliminated fees uncollectible.

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

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1872 **Hearing Date:** August 27, 2020
Author: Committee on Budget
Version: August 25, 2020 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Yong Salas

Subject: Cannabis

Summary: This bill contains statutory provisions related to cannabis necessary to implement the Budget Act of 2020.

Proposed Law: This bill makes the following statutory changes:

- 1) **Cannabis Control Appeals Panel.** Makes technical changes to the Governor's appointments to the Panel, and limits it to residents of a different county at the time of their appointment to Cannabis Appeals Panel.
- 2) **Excise Tax mark-up.** Prohibits the California Department of Tax and Fee Administration from adjusting the mark-up amount during the period beginning on or after the operative date of the bill, and before July 1, 2021.
- 3) **Cultivation Tax inflation adjustment.** Prohibits the cultivation tax rates that are imposed in the 2021 calendar year from being adjusted for inflation unless the adjustment is for an inflation rate that is less than zero. Provides that beginning January 1, 2023, the rates imposed for the previous calendar year shall be adjusted by the department annually for inflation.
- 4) **Board of State and Community Corrections Grants to local governments.** Makes clarifying changes to the Board of State and Community Corrections grants to local governments by prohibiting the Board from making grants to local government that have banned both indoor and outdoor commercial cannabis cultivation or have banned the retail sale of cannabis or cannabis products.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1876 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 As amended
Urgency: No **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Personal income taxes: federal individual taxpayer identification number:
earned income tax credits: young child tax credit

Summary: This is the California Earned Income Tax Credit (EITC) and Young Child Tax Credit (YCTC) trailer bill associated with the 2020 Budget Act.

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

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

SB 855 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2018) expanded the EITC to working individuals who are aged 18 to 24 or over age 65. Additionally, SB 855, expanded the qualifying income range for the EITC so that employees who have one or more dependents, and who are working up to full-time at the 2019 minimum wage of \$12 per hour, would qualify for the credit.

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

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

Proposed Law: This bill:

- For taxable years beginning on or after January 1, 2020, would remove the limitations set forth in AB 93 on the use of an ITIN in order to be eligible for the EITC and the YCTC. Additionally, ITIN filers would be required to provide specified information to the Franchise Tax Board upon request.

Fiscal Effect: The provisions of this bill are projected to cost approximately \$60 million annually.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 1885 **Hearing Date:** August 29, 2020
Author: Committee on Budget
Version: August 28, 2020 As amended
Urgency: No **Fiscal:** No
Consultant: James Hacker

Subject: Debtor exemptions: homestead exemption

Summary: This bill makes changes to the state's homestead exemption.

Background: The homestead exemption protects the value of a homeowner's primary residence in the event of a bankruptcy. Specifically, it provides that a specified portion of equity in a homestead is exempt from execution to satisfy a judgement debt. Current law prescribes that the amount of this homestead exemption is \$75,000 for single homeowners, \$100,000 for married homeowners, or \$175,000 for homeowners who are seniors and / or disabled.

Proposed Law: This bill makes the following changes:

- 1) Makes the homestead exemption the greater of \$300,000 or the countywide median sale price of a single-family home in the year prior to the year in which the judgement debtor claims the exemption, not to exceed \$600,000.
- 2) Provides for both the \$300,000 and \$600,000 figures to be adjusted annually for inflation.

Fiscal Effect: None.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 3330 **Hearing Date:** August 27, 2020
Author: Calderon
Version: August 24, 2020 As amended
Urgency: No **Fiscal:** Yes
Consultant: Yong Salas

Subject: Department of Consumer Affairs: boards: licensees: regulatory fees

Summary: This bill contains statutory provisions related to consumer protections and related regulatory fees necessary to implement the Budget Act of 2020. This bill increases the fee charged to licensees authorized to utilize the state's prescription drug monitoring program (PDMP), Controlled Substance Utilization Review and Evaluation System (CURES) and increases licensing and regulatory fees for the Podiatric Medical Board, the California Acupuncture Board, and the Board of Behavioral Sciences.

Background: This bill make the following statutory changes:

- 1) Increases the fee associated with CURES to \$11, effective April 1, 2021, then decreases the fee to \$9, effective April 1, 2023.
- 2) Makes the following regulatory and licensing fee changes, beginning January 1, 2021:
- 3) Increases the biennial renewal fee for a podiatric medical license from \$1,100 to \$1,318.
- 4) Makes the following changes to fees under the Acupuncture Licensing Act:
 - a) Increases the license application fee from \$75 to \$250, authorizes the Acupuncture Board to increase the fee up to \$350, establishes a foreign applicant fee at \$350 dollars, authorizes the board to increase the fee up to \$500; sets the examination and reexamination fee at \$800 instead of the actual cost to the board, increases the initial license and renewal fees from \$325 to \$500, as specified, and authorizes the board to increase the fees up to \$775.
 - b) Increases the wall license fee and renewal fee from \$15 to \$50, increases the pocket license replacement fee from \$10 to \$50, increases the endorsement fee from \$10 to \$100, and increases the wall license replacement cost from \$15 to \$50.
 - c) Establishes a \$500 approval and biennial renewal fee for continuing education providers and authorizes the board to increase the fees to \$700.
 - d) Establishes a per course fee on continuing education providers at \$10 per hour offered, up to \$20 per hour, allows up to 50 hours to be approved per application, prorates fees for course hours in half-hour increments, and allows approved courses to be offered for a period of one year.
 - e) Decreases the application and registration fee for supervising an acupuncture trainee from \$200 to \$100 and instead authorizes the board to increase the fee up to \$200.

- f) Increases the annual renewal fee for approval to supervise an acupuncture trainee from \$50 to \$200, authorizes the board to increase the fee up to \$500, increases the application fee for an acupuncture trainee from \$25 to \$1,000, authorizes the board to increase the fee up to \$2,500, increases the renewal fee for an acupuncture trainee from \$10 to \$500, and authorizes the board to increase the fee up to \$600.
 - g) Revises the delinquency fee for a supervisor from being 50% of the renewal fee to being 50% of the renewal fee in effect at the date of the renewal of the license, but not less than \$25 nor more than \$150.
 - h) Revises the delinquency fee for an acupuncture trainee from being 50% of the renewal fee to being \$100 and authorizes the board to increase the fee to not more than \$200.
- 5) Makes the following changes to the fees under the Board of Behavioral Sciences:
- a) For a licensed marriage and family therapist and applicants:
 - i) Increases both the application and renewal fees for an associate registration from \$75 to \$150 and authorizes the board to increase the fees up to \$300.
 - ii) Increases the license application fee from \$100 to \$250, authorizes the board to increase the fee up to \$500, increases both the initial license fee and the renewal fee from \$180 to \$200, and authorizes the board to increase the fees up to \$400.
 - iii) Increases the clinical examination fee from \$100 to \$250, authorizes the board to increase the fee up to \$500, increases the California law and ethics examination fee from \$100 to \$250, and authorizes the board to increase the fee up to \$500.
 - iv) Changes the renewal delinquency fee from \$90 to one-half of the fee for license renewal.
 - b) For licensed educational psychologists and applicants:
 - i) Increases the application fee from \$100 to \$250, authorizes the board to increase the fee up to \$500, increases both the issuance of an initial license and renewal fees from \$150 to \$200, and authorizes the board to increase the fees up to \$400.
 - ii) Increases the written examination fee from \$100 to \$250 and authorizes the board to increase the fee up to \$500.
 - iii) Changes the delinquency fee from \$75 to one-half of the fee for license renewal.
 - c) For licensed clinical social workers and applicants:
 - i) Increases the initial and renewal fees for associate clinical social worker registration fee from \$75 to \$150 and authorizes the board to increase the fees up to \$300.
 - ii) Increases the application for licensure fee from \$100 to \$250, authorizes the board to increase the fee up to \$400, increases both the issuance of an initial license fee and renewal fee from \$155 to \$200, authorizes the board to increase the fees up to \$400, and deletes the \$77.50 inactive license renewal fee.
 - iii) Increases the clinical examination fee from \$100 to \$250, authorizes the board to increase the fee up \$500, increases the California law and ethics examination from \$100 to \$150, and authorizes the board to increase the fee up to \$300.

- iv) Changes the renewal delinquency fee from \$75 to one-half of the fee for license renewal.
- d) For licensed professional clinical counselors and applicants:
 - i) Increases the application and renewal fee for associate registration to \$150, authorizes the board to increase the fees up to \$300.
 - ii) Increases the clinical examination fee to \$250, authorizes the board to increase the fee up to \$500, increases the California ethics exam fee to \$150, and authorizes the board to increase the fee up to \$300.
 - iii) Increases the application for licensure fee to \$250, authorizes the board to increase the fee up to \$500, increases the issuance of a license fee to \$200, authorizes the board to increase the fee up to \$400, increases the license renewal fee to \$200, authorizes the board to increase the fee up to \$400.
 - iv) Sets the renewal delinquency fee at one-half of the fee for license renewal.

Support: None on file.

Opposed: None on file.

-- END --