



State Administration and General Government Conference Committee on AB 97

Senator Holly J. Mitchell and Assembly Member Philip Y. Ting, Chairs
Members: Senator Ricardo Lara, Senator Richard D. Roth, Senator Jim Nielsen, Senator John M. W. Moorlach
Assembly Member Phillip Chen, Assembly Member Kevin McCarty, Assembly Member Jay Obernolte,
Assembly Member Shirley N. Weber, Assembly Member Joaquin Arambula - Democratic Alternate

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Issue	Description
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Small Business Development Centers

Issue 1: Resources and Pilot Projects

Governor proposed \$2 million (General Fund) to provide a partial match with available federal funds to help support Small Business Development Centers (SBDC) throughout the state.

Senate approved the Governor's proposal.

Assembly approved the Governor's proposal and added \$2.8 million for additional resources and pilot projects.

Conference issues additional funding and pilot projects.

Issue	Description
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Pacoima Financial Credit Union

Issue 2: Funding for Financial Literacy Program

Governor had no proposal.

Senate had no proposal.

Assembly approved \$100,000 for a financial literacy program in Pacoima, in conjunction with the Pacoima Federal Credit Union.

Conference issue is funding for the program.

Issue	Description
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Trailer Bill Language

Issue 3: State Conformity to IRS Publication 1075

Governor proposed placeholder trailer bill language (TBL) to provide statutory authority for California state entities that receive federal tax information from the Internal Revenue Service (IRS) to require criminal background check of its prospective and existing employees and contractors in order to comply with new IRS rules in Publication 1075.

Senate took no action.

Assembly adopted placeholder TBL.

Conference issue is the adoption of the proposed TBL.

0650 Office of Planning and Research (OPR)

Issue	Description
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Statewide Planning and Policy Development

Issue 4: Special Olympics

Governor had no proposal.

Senate had no proposal.

Assembly provided \$1.6 million General Fund to support Northern and Southern California Special Olympics.

Conference issue is funding for the Northern and Southern California Special Olympics.

Issue	Description
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Legislative Priorities

Issue 5: Homeless Youth Housing

Governor proposed no funding for homeless youth services.

Senate proposed no funding for homeless youth services.

Assembly proposed \$10 million General Fund for the Office of Emergency Services, along with the Department of Housing and Community Development, to provide grants to up to 10 local jurisdictions to provide services to homeless youth.

Conference issue is the homeless youth grant funding.

Issue	Description
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Legislative Priorities

Issue 6: Nonprofit Security Grant Program

Governor proposed \$500,000 (Anti-terrorism Fund) in funding for the nonprofit security grant program.

Senate approved the Governor’s proposal.

Assembly approved the Governor’s proposal. The Assembly approved \$1.5 million in additional funding for the program.

Conference issue is the amount of funding for the nonprofit security grant program.

Issue	Description
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Legislative Priorities

Issue 7: Services to Victims of Human Trafficking

Governor proposed no funding for services to victims of human trafficking.

Senate took no action.

Assembly proposed \$10 million General Fund in funding for services to human trafficking victims.

Conference issue is funding for services to human trafficking victims.

Issue	Description
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Trailer Bill Language

Issue 8: California Organized Investment Network (COIN)

Governor proposed no language to reestablish and extend the COIN tax credit program.

Senate took no action.

Assembly adopted placeholder trailer bill language (TBL) to reestablish and extend the COIN tax credit program and sunset the tax credit on January 1, 2022.

Conference issue is the adoption of the TBL.

0860 Board of Equalization

Issue	Description
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Sales and Use Tax

Issue 9: Manufacturing Equipment Sales and Use Tax Exemption

Governor had no proposal.

Senate had no proposal.

Assembly proposal would address certain components in the existing tax program that provides an exemption from the state sales and use tax for specified manufacturers. The trailer bill language would extend by five years, from 2022 to 2027, the sales and use tax exemption on manufacturing equipment.

Conference issue is trailer bill language adopted by the Assembly.

0971 California Alternative Energy and Advanced Transportation Financing Authority

Issue	Description
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Administration of California Hub for Energy Efficiency Financing

Issue 10: Funding for Pilot Programs

Governor requested adjustment spending authority and a budget augmentation for additional staff for California Alternative Energy and Advanced Transportation Financing Authority pursuant to its administration of California Hub for Energy Efficiency Financing (CHEEF) pilot programs. The budget request would rely on ratepayer funds and includes: reimbursement and expenditure authority in the amount of \$3.7 million in 2017-18, \$3.5 million in 2018-19 and \$3 million in 2019-20; extended authority for nine existing positions through 2019-20; three additional staff positions and upgrade of two existing positions. The request reappropriates \$1.8 million from previous years and includes \$8.4 million in additional ratepayer funds.

Senate approved the initial year of the Governor's proposal.

Assembly approved as budgeted.

Conference issue is Senate approved one year funding only and Assembly approved multi-year requested funding.

0984 Secure Choice Retirement Savings Investment Board

Issue	Description
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Secure Choice Retirement Savings Program

Issue 11: Initial Program Funding

Governor proposed a General Fund loan of \$170 million over four years to provide resources for the Secure Choice Retirement Savings Investment Board and the California Secure Choice Retire Savings Investment Program to fund staff, external consultants, operating and overhead costs, execute agreements with third party administrators. The proposal includes budget bill language that would allow for the transfer of \$15 million of the loan to the board in the budget year, with additional loan augmentations not to exceed \$35 million upon approval by Department of Finance.

Senate approved for 2017-18 a General Fund loan of \$15 million with budget bill language that allows this to be supplemented by \$35 million upon DOF approval, and trailer bill language clarifying the implementation of the program with respect to federal requirements.

Assembly rejected the proposal.

Conference issues are initial funding for the program, budget bill language for the loan, and clarifying trailer bill language.

1111 Department of Consumer Affairs

Issue	Description
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Consumer Affairs Administration

Issue 12: BreEZe System and Organizational Change Management (OCM)

Governor proposed \$19.8 million (special funds) in 2017-18 for the continued support of BreEZe maintenance and operations and to fund credit card processing fees. The Governor also proposed \$1.3 million (special funds) in 2017-18 to fund ten positions to conduct business process reviews of the 40 boards and bureaus under the Department of Consumer Affairs (DCA).

Senate approved \$19.8 million (special funds) in 2017-18 for the continued support of BreEZe maintenance and operations and to fund credit card processing fees. Senate also approved \$1.3 million (special funds) in 2017-18 to fund ten positions to conduct business process reviews of the 40 boards and bureaus under DCA, but on a three year limited-term basis.

Assembly rejected both proposals.

Conference issues are funding and whether positions are permanent or limited-term.

1701 Department of Business Oversight

Issue	Description
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Student Loan Servicing Office

Issue 13: Staffing and Start-up Resources

Governor proposed \$1.2 million (special funds) and three permanent positions in 2017-18, and \$819,000 (special funds) and five permanent positions in 2018-19 and ongoing, for Department of Business Oversight (DBO) to develop and start-up the Student Loan Servicing Office (SLSO).

Senate approved funding and permanent positions proposed for 2017-18 and ongoing, but not additional positions beginning in 2018-19.

Assembly approved Governor’s proposal.

Conference issue is Assembly approval of additional positions in 2018-19 and ongoing.

2240 Department of Housing and Community Development (HCD)

Issue	Description
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Community Development Block Grant Program

Issue 14: Financial Assistance Program

Governor proposed one position and \$157,000 (General Fund) ongoing to meet the federal match requirement for California's Community Development Block Grant (CDBG) program, as well as trailer bill language streamlining the program.

Senate approved one permanent position and \$157,000 in General Fund resources, as well as placeholder trailer bill language.

Assembly approved one one-year limited-term position and \$157,000 in General Fund resources, as well as placeholder trailer bill language.

Conference issue is whether the approve position should be limited-term or permanent.

Issue	Description
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Affordable Housing Program

Issue 15: Funding for Affordable Housing

Governor made no proposal.

Senate made no proposal.

Assembly approved \$400 million in one-time General Fund resources for a variety of housing programs.

Conference issue is the funding for a variety of housing programs.

Issue	Description
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Homelessness Programs

Issue 16: Funding for a Variety of Homelessness Programs

Governor made no proposal.

Senate made no proposal.

Assembly approved \$67.75 million in one-time General Fund resources for a variety of homelessness programs.

Conference issue is the funding for a variety of homelessness programs.

Issue	Description
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Trailer Bill Language

Issue 17: Negotiated Procurement Authority

Governor proposed no language to extend existing negotiated procurement authority for the department.

Senate took no action.

Assembly adopted trailer bill language (TBL) to remove the statutory sunset for procurement provisions that allow the state to negotiate in the purchase of certain goods and services, particularly in information technology.

Conference issue is the adoption of the TBL.

Issue	Description
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Tax Programs and Administration

Issue 18: Earned Income Tax Credit Provisions

Governor did not have a proposal.

Senate proposed increasing by \$2 million (General Fund) resources available for outreach to increase participation in the state’s Earned Income Tax Credit (EITC) program.

Assembly proposed increased by \$2 million (General Fund) resources available for outreach to increase participation in the state’s EITC program. In addition, the Assembly adopted trailer bill language to expand the state’s EITC to include self-employment income and incomes of up to \$22,000 annually.

Conference issue is trailer bill adopted by the Assembly expanding the EITC with respect to income source and maximum allowable income for participation.

Issue	Description
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Tax Programs and Administration

Issue 19: Partnership Return Extended Filing Date

Governor did not have a proposal.

Senate did not have a proposal.

Assembly proposed adopting trailer bill language that would authorize the FTB to extend the due date for partnership returns. The language extends, from six months to seven months, the maximum number of months that the FTB may grant as an automatic extension of time for filing specified partnership returns beginning on taxable year 2017.

Conference issue is trailer bill language adopted by the Assembly.

Issue	Description
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Division of State Architect

Issue 20: Division of State Architect Filing Fees Trailer Bill Language

Governor proposed trailer bill language (TBL) that would allow DGS to adjust filing fees that accompany applications to construct or alter any school building (when costs exceed \$100,000) in order to maintain a reasonable balance in the associated fund (Public School Planning, Design, and Construction Review Revolving Fund).

Senate adopted proposed TBL.

Assembly rejected the proposed TBL.

The conference issue is the adoption of the proposed TBL.

Issue	Description
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Legislative Priorities

Issue 21: Restoration of 2016-17 Funding

Governor proposed no additional funding for the California Arts Council (CAC).

Senate approved \$6.8 million (General Fund) in additional funding to support programs for formerly incarcerated individuals and in underserved communities.

Assembly proposed no additional funding for the California Arts Council.

Conference issue is whether to provide additional funding.

Issue	Description
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Legislative Priorities

Issue 22: Armenian American Museum

Governor proposed to move ahead with \$1 million (General Fund) in funding for the Armenian American Museum, provided in the 2016 budget. This funding was provided to the Natural Resources Agency.

Senate approved an additional \$1 million (General Fund) to fund the Armenian American Museum within the California Arts Council budget. This would bring funding for the Armenian American Museum to \$2 million in 2017-18.

Assembly approved \$1 million (General Fund) in funding for the Armenian American Museum provided to the Natural Resources Agency.

The Conference issue is the amount of funding provided.

Issue	Description
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Trailer Bill Language

Issue 23: Arts Council Director

Governor proposed language that would authorize the Governor to appoint the director of the Arts Council.

Senate heard the proposal but took no action.

Assembly approved placeholder trailer bill language (TBL).

The Conference issue is whether to approve the trailer bill language.

8940 California Military Department

Issue	Description
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National Guard

Issue 24: Work for Warriors (WFW)

Governor proposed no additional funding for the WFW program.

Senate proposed \$670,000 General Fund in additional funding to support the WFW program.

Assembly proposed no additional funding for the WFW program.

Conference issue is the additional funding for the WFW program.

Issue	Description
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Care of Sick and Disabled Veterans

Issue 25: Veterans Homes Trailer Bill Language

Governor proposed trailer bill language (TBL) that would make changes to the admissions priorities and administration of the veterans' homes.

Senate adopted the Administration's TBL.

Assembly adopted the Administration's TBL. Also, 1) adopted placeholder budget bill language (BBL) that would require the department to develop a master plan for the veterans homes; 2) TBL that states Legislative intent to direct a portion of the savings from the Administration's TBL proposals; and 3) TBL to develop a transparent admissions and waitlist process. The Assembly also provided CalVet seven positions (two years of funding for two positions to develop the master plan and the wait list and five permanent positions to maintain existing and develop future regulations associated with the adopted TBL.)

Conference issues are additional placeholder language and positions.

Issue	Description
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Veterans Claims and Rights

Issue 26: Orange County Veterans Cemetery

Governor proposed no funding to develop a veterans cemetery in Irvine.

Senate proposed no funding to develop a veterans cemetery in Irvine.

Assembly approved \$30 million General Fund to develop a veterans cemetery in Irvine.

The Conference issue is the funding for a veterans cemetery in Irvine.

Issue	Description
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Veterans Claims and Rights

Issue 27: Public Assistance and Reporting Information System (PARIS)

Governor proposed no funding for positions to focus on PARIS.

Senate proposed no funding for positions to focus on PARIS.

Assembly approved \$359,000 (\$215,000 General Fund and \$144,000 reimbursements) and three positions to focus on PARIS.

Conference Issues are the funding and positions to focus on PARIS.

Issue	Description
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Local Government Assistance

Issue 28: Grants and Assistance for Census

Governor proposed \$7 million (General Fund) in grant authority to local governments that is to be used for participation in the Census Bureau’s Local Update of Census Addresses (LUCA) program and associated budget bill language, with grants ranging from \$7,500 to \$125,000.

Senate approved the Governor’s proposal.

Assembly approved the Governor’s proposal and added an additional \$3 million (General Fund) for outreach efforts.

Conference issue is additional \$3 million (General Fund) for outreach efforts.

Various General Government Proposals

Issue	Description
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9210 Local Government Financing
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Issue 29: California Public Records Act

Governor had no proposal.

Senate had no proposal.

Assembly adopted trailer bill language to clarify the employees personal e-mail addresses are not subject to public records act disclosure.

Conference issue is trailer bill language.

0840 State Controller's Office

Issue 30: California Uniform Public Construction Accounting Act

Governor had no proposal.

Senate had no proposal.

Assembly adopted trailer bill language to clarify that the State Controller's Office (SCO) would hold meetings and respond to various inquiries, and funded one position.

Conference issue is trailer bill language and position funding.

0650 Office of Planning and Research (OPR)

Issue	Description
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Statewide Planning and Policy Development

Issue 31: Precision Medicine

Governor proposed \$10 million in General Fund in Fiscal Year (FY) 2017-18 for the California Initiative to Advance Precision Medicine (CIAPM), and provisional language allowing OPR to administer the program in a non-competitive manner.

Senate approved \$10 million in General Fund in 2017-18, rejected the proposed provisional language, and approved provisional language requiring OPR to administer the program in a competitive manner.

Assembly rejected the proposal.

Conference issue is the funding for the CIAPM and the provisional language.

Issue	Description
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Statewide Planning and Policy Development

Issue 32: State Clearinghouse Federal Grant Administrator

Governor proposed trailer bill language clarifying that the Office of the Federal Grant Administrator, within the State Clearinghouse, shall not be created until an appropriation for that purpose in the annual budget act.

Senate approved the proposed trailer bill language.

Assembly rejected the proposed trailer bill language.

Conference issue is the proposed trailer bill language.

Issue	Description
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Legislative Subpoena Authority

Issue 33: Penalty for Failure to Comply

Governor had no proposal.

Senate had no proposal.

Assembly adopted placeholder trailer bill language creating a penalty for failure to comply with a subpoena issued by the Legislature.

Conference issue is trailer bill language.

Issue	Description
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State Public Works Board and Department of Finance

Issue 34: California Environment Quality Act Responsibility

Governor proposed trailer bill language that would clarify that neither the State Public Works Board nor the Department of Finance is responsible for providing further work beyond that which is conducted by the responsible department in order to comply with the California Environmental Quality Act (CEQA).

Senate did not adopt the Governor’s proposal.

Assembly adopted the Governor’s proposal.

Conference issue is trailer bill language.

Issue	Description
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Special Programs and Grants Management

Issue 35: Local Match Requirement Waiver for Tree Mortality Funding

Governor did not propose a waiver of the local match requirement for tree mortality funding.

Senate took no action.

Assembly approved waiving the local match requirement for tree mortality funding.

Conference issue is the waiver of the local match requirement.