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CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

STATE CAPITOL – ROOM 5019
SACRAMENTO, CA 95814



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Agenda

June 19, 2019

1:00 p.m. – State Capitol Room 4203

<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
1. A.B. 75	Committee on Budget	Education Finance
2. A.B. 78	Committee on Budget	Health
3. A.B. 79	Ting	Mental health (Urgency)
4. A.B. 80	Committee on Budget	Human Services
5. A.B. 81	Committee on Budget	Development Services
6. A.B. 90	Committee on Budget	Public Employees' Retirement
7. A.B. 102	Committee on Budget	State Employees: memorandum of understanding
8. A.B. 105	Ting	Budget Act of 2019

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2019 - 2020 Regular

Bill No:	AB 75	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 13, 2019 As amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Elisa Wynne		

Subject: Education finance: education omnibus budget trailer bill

Summary: Provides for statutory changes necessary to enact the K-12 statutory provisions of the Budget Act of 2019.

Background: As part of the 2019-20 budget package, AB 75 makes statutory changes to implement the 2019-20 budget act.

Proposed Law: Specifically, this bill:

Early Education

- 1) Provides \$300 million in one-time General Fund for the Full-Day Kindergarten Facilities Grant program. Makes changes to the existing program to 1) prioritize schools converting part-day to full-day kindergarten programs, 2) increase the state matching share from 50 percent to 75 percent, 3) allow for any remaining grant funding to be used for other one-time costs to implement the full-day kindergarten program and 4) specifies that participation in the Full-Day Kindergarten Facilities Grant program does not impact a district's eligibility in the School Facility Program.
- 2) Changes the eligibility requirements for the state preschool program to provide priority access to full-day state preschool program slots to income eligible families with a need for full-day care (parents are working or in school), with remaining full-day slots available for other income eligible families. In addition, for programs operating in a school attendance area of a public school where at least 80 percent of enrolled pupils are eligible for free or reduced-price meals, after all eligible children are enrolled, the program may enroll four-year-old children who do not meet the eligibility requirements but who reside within the attendance boundary of the public school, commencing January 1, 2020.
- 3) Requires the Secretary of the Health and Human Services, in concurrence with the executive director of the State Board of Education to contract for research to create a Master Plan to ensure comprehensive and affordable child care and universal preschool. Funding appropriated in the Budget Act for these purposes would be used for studies on the following: 1) a fiscal framework to expand early learning and care in the state; 2) early learning and care facility needs statewide; 3) needs for

services by families eligible for subsidies; 4) a quality improvement plan to support all types of providers, and 5) steps necessary to provide universal pre-kindergarten for all three and four year old children. Studies shall be completed on a flow basis, but by October 1, 2020 at the latest.

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

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

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

- 6) Provides \$10 million in one-time General Fund for the Department of Education, Department of Social Services, Department of Human Resources and the Public Employment Relations Board for costs associated with implementing child care organizing. Requires each department to submit expenditure plans and allocates the funds contingent on Department of Finance approval and notification of the Joint Legislative Budget Committee. Requires the Department of Education and the Department of Social Services to collect contact information for child care providers to make available to provider organizations for organizing purposes.
- 7) Applies the reimbursement rate adjustment factor for children with exceptional needs to part-day state preschool programs. Rate adjustment factors are intended to account for the higher costs of serving children in specific categories. This specific rate adjustment factor previously applied only to full day state preschool programs.
- 8) Establishes the Early Childhood Policy Council to advise the Governor, the Legislature, and the Superintendent on statewide early learning and care policy, building on the work of the state's Master Plan for Early Learning and Care and the 2019 California Blue Ribbon Commission on Early Childhood Education Final Report. The Council shall consult with a parent advisory committee and a workforce advisory committee. The Department of Education shall provide staffing to the Council and up to \$300,000 of funds provided for the Council may be used for this purpose.
- 9) Delays the implementation of the requirement to provide 14-days notice to Alternative Payment child care providers before a family can receive a subsidy for a different provider until July 1, 2020.

K-12 Education

- 10) Creates the Special Education Early Intervention Preschool grant, provided to LEAs based on the number of three and four year olds with exceptional needs, specifically students with Individualized Education Plans (IEPs). Requires ongoing funding to be contingent upon the passage of legislation in the 2020-21 budget to reform the special education system to improve outcomes for students.
- 11) Brings all local educational agencies (LEAs) to the statewide base rate for special education funding.
- 12) Provides \$368.4 million in one-time Proposition 98 "settle-up" funding in 2019-20 to allocate to school districts and community colleges for the purposes of reducing the outstanding Proposition 98 funding owed to schools for the 2009-10 fiscal year. Funding is provided for 2018-19 LCFF expenditures for school districts and charter schools and for other community college programs in the 2019-20 fiscal year.

- 13) Dedicates \$89.8 million in one-time General Fund for the Golden State Teacher Grant program. The Student Aid Commission is charged with providing one-time grants of \$20,000 to each student enrolled in a professional preparation program leading to a preliminary teaching credential, if the student commits to working in a high-need field at a priority school for four years after the student receives a teaching credential.
- 14) Establishes the Mental Health Student Services Act to create a competitive grant program to fund partnerships between county mental health or behavioral health departments and K-12 school districts, charter schools, and the county office of education within a county. The grant program is managed by the Mental Health Services Oversight and Accountability Commission. Funds would be available for expenditure across a five-year period. Grant funds shall be used for services provided on K-12 campuses, suicide prevention services, dropout prevention services, outreach to at-risk youth, placement assistance for ongoing services, and other services to respond to the mental health needs of students and youth.
- 15) Provides \$38.1 million in one-time non-Proposition 98 funding for the Educator Workforce Investment Grant to provide competitive grants for professional learning opportunities for teachers and paraprofessionals. The Department of Education is charged with administering grants to one or more institutions of higher education or nonprofit organizations with expertise in developing and providing professional learning to teachers and paraprofessionals. Of this funding, \$10 million is for professional development for the English Learner Roadmap adopted by the State Board of Education, \$5 million is for special education related professional development and \$22.1 million for professional development in other areas. These other areas include social-emotional learning, positive school climate, (including restorative justice), the computer science content standards and the ethnic studies model curriculum. Provides the Department of Education \$250,000 each year for four years to implement the Educator Workforce Investment Grant program.
- 16) Appropriates \$36 million in one-time Proposition 98 funding for the Classified School Employees Summer Assistance Program, created in the 2018-19 budget. Makes changes to the program to allow the funds to be available over three years, to increase the minimum salary requirements and to make other minor and technical changes.
- 17) Appropriates \$10 million in one-time General Fund for the development of the California Cradle to Career Data System. Funding shall be provided the Governor's Office of Planning and Research to contract with planning facilitators to lead a workgroup comprised of representatives from education, workforce, health, and other relevant agencies. By July 1, 2020, the workgroup shall report to the Department of Finance and the Legislature on the proposed structure of the data

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

- 18) Establishes the 21st Century California School Leadership Academy, administered by the Department of Education and the California Collaborative for Educational Excellence (CCEE) to provide professional learning opportunities for school administrators and other school leaders, aligned with the statewide system of support. Eligible grantees include LEAs, institutions of higher education and nonprofit educational service providers.
- 19) Provides \$7.5 million in one-time non-Proposition 98 funding for the Broadband Infrastructure Grant Program to improve broadband infrastructure in schools. Requires the Department of Education to contract with the Corporation for Education Network Initiatives in California (CENIC) to administer the program and identify broadband connectivity solutions to the most poorly connected school sites.
- 20) Prohibits charter schools from discouraging students from enrolling in a charter school or encouraging students to disenroll from a charter school on the basis of academic performance or student characteristic, or from obtaining specified student information prior to enrollment. Allows a charter school that exists as of July 1, 2019 that operates in partnership with the California National Guard to dismiss a pupil from the charter school for failing to maintain the minimum standards of conduct required by the California Military Department.
- 21) Requires CDE to conduct a study on the feasibility of using student enrollment data from the California Longitudinal Pupil Assessment Data System to identify potential instances of practices that discourage students from enrolling in charter schools.
- 22) Includes \$3 million in one-time Proposition 98 funding for CDE to allocate to the Kern County Superintendent of Schools for the Fiscal Crisis and Management Assistance Team for the Standardized Account Code Structure system replacement project.
- 23) Provides \$2 million in one-time Proposition 98 funding for the Southern California Regional Occupational Center (SoCal ROC) for instructional and operational costs in the 2019-20 fiscal year. Requires SoCal ROC to provide an updated operational

plan to the Department of Finance and the Legislative Analyst's Office on or before September 1, 2019.

- 24) Provides an exemption for a school district with average daily attendance of more than 400,000 from administrator to teacher ratio penalties (calculated pursuant to Education Code Section 41404) for the 2019-20 through 2021-22 fiscal years. Requires annual reporting on the administrator to teacher ratio calculation for each year a school district receives a waiver under this provision, including historical information for past years and the school district's plan to meet the ratio requirements over time.
- 25) Extends the hold-harmless funding provisions to school districts and charter schools that experienced attendance losses as a result of the 2018 wildfires through 2020-21. Allows for the Paradise Unified School District to request the Fiscal Crisis Management Assistance Team to conduct an evaluation of the need for additional funding and statutory changes for the 2021-22 fiscal year.
- 26) Provides a backfill for wildfire affected basic aid school districts for property tax losses in 2018-19 and 2019-20.
- 27) Provides a backfill for special education programs for 2018-19 and 2019-20 to the extent that property tax revenues from Redevelopment Agency dissolution are not sufficient to cover the appropriation in the 2018 and 2019 Budget Acts for Special Education.
- 28) Creates the Breakfast After the Bell grant program. The CDE is charged with administering grants to LEAs to start-up or expand school breakfast programs that offer breakfast to students after the start of the school day.
- 29) Allocates \$500,000 in one-time non-Proposition 98 funding to create a workgroup to increase the ability of schools to draw down federal funds for medically related services for students and improve the transition of three-year olds with disabilities from regional centers to schools.
- 30) Provides \$178,000 in 2019-20 and \$154,000 ongoing for the State Board of Education to enter into a contract with the San Joaquin County Office of Education to support maintenance of the California School Dashboard and the School Accountability Report Card.
- 31) Expands the Uniform Complaint Procedures to include complaints of non-compliance with required minimum instructional minutes for physical education for grades 9 to 12. This change conforms to the existing process for grades 1 to 8.

- 32) Requires local indicators used by LEAs for the Local Control Accountability Plan (LCAP) process to reflect school site-level data, if it is currently collected statewide by CDE, by January 31, 2020.
- 33) Extends the deadline for the CDE to develop the Special Education Local Plan Area (SELPA) assurances support template from March 31, 2019 to July 1, 2020. Additionally, extends the deadline for SELPAs to submit the assurances support plan from July 1, 2020 to July 1, 2021, to align with the development of the template.
- 34) Includes the Cal Grant: Opt-Out Notice and Grade Point Average Submission mandated program in the K-12 mandate block grant.
- 35) Provides \$350,000 one-time Proposition 98 funding for the State Board of Education to contract with the San Joaquin County Office of Education to merge the Dashboard, LCAP electronic template, and other local school site and school district reports into a single web-based application.
- 36) Specifies the state priorities that charter schools need to address in their Local Control and Accountability Plans (LCAPs), and clarifies that charter LCAPs need to be adopted at a public hearing and prominently posted online, and that charter schools are required to translate reports and notices if 15 percent or more of their enrolled students speak a primary language other than English.
- 37) Aligns the treatment of in-lieu of property tax transfers for charter schools authorized on appeal by the State Board of Education with the treatment of countywide benefit charter schools that serve students from a basic aid school district of residence.
- 38) Expands the list of non-waivable sections of law to include all Education Code sections that pertain to the LCFF apportionment calculations. Apportionment statutes are not subject to waiver by the State Board of Education.
- 39) Extends through the 2019-20 fiscal year the existing funding allocation method for the Out-of-Home Care program for foster students with exceptional needs.
- 40) Makes technical and clarifying changes to the school site council requirements for schools and local educational agencies.
- 41) Specifies which appropriations are transferred through the K-12 portion of the State School Fund in order to streamline the apportionment accounting process for the Department of Education and the State Controller's Office while still meeting statutory apportionment deadlines and satisfying the constitutional requirements of the pass-through fund.

- 42) Shifts Proposition 98 funding for part-day State Preschool at non-local educational agencies to the non-Proposition 98 General Fund and rebenchers the Proposition 98 guarantee.
- 43) Extends the suspension of the Proposition 98 statutory split for K-12 education and community colleges for the 2019-20 fiscal year.
- 44) Allows for the Commission on Teacher Credentialing to receive donations, bequests, grants and philanthropic funding, subject to approval by the Director of Finance.
- 45) Specifies that specified one-time funding provided in the 2018-19 budget counts toward the Proposition 98 guarantee, including \$4 million for the San Francisco Unified School District, \$2 million for the Sweetwater Unified School District and \$1.7 million for CDE for a suicide prevention program.
- 46) Provides \$4 million one-time General Fund for the Special Olympics of Northern and Southern California.
- 47) Provides an exemption for Leggett Valley Unified School District and Big Sur Unified School District to operate on a four-day school week without penalties pursuant to meeting instructional minute requirements each year. In addition, the school districts are required to provide a plan to the Department of Education on meeting the instructional minute requirement in the following year. Amends statute to clarify that these school districts retain funding under the Local Control Funding Formula.
- 48) Makes technical and clarifying changes to the Career Technical Education Incentive Grant program and the K-12 Strong Workforce program, including updating the name of the related federal grant program and clarifying that a regional occupational center or program (ROCP) operated by a county office of education is also eligible to receive grant funding.
- 49) Clarifies the roles and responsibilities of the Agricultural Career Technical Education Unit within the Department of Education.

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

Fiscal Effect: The funding related to the changes in this bill is contained in the 2019-20 Budget Act. In addition, this bill appropriates funding for K-14 education programs, totaling approximately \$1.2 billion.

Support: None on File

Opposed: None on File

Comments: This bill provides the necessary statutory changes to enact the 2019-20 budget related to K-12 education.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No:	AB 78	Hearing Date:	June 19, 2019
Author:	Ting		
Version:	June 18, 2019 As amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Health

Summary: This bill is an omnibus health trailer bill, and contains changes to implement the 2019-20 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2019. Specifically, this bill:

- 1) Establishes the Office of the Surgeon General within the Health and Human Services Agency, delineates the authority and responsibilities of the Surgeon General, and makes Surgeon General appointees subject to Senate confirmation on or after July 1, 2019.
- 2) Establishes a program within the Health Benefit Exchange (Covered California) to provide state subsidies to assist individuals with incomes under 600 percent of the federal poverty level (FPL) afford health insurance.
- 3) Implements an individual mandate penalty for individuals that fail to purchase minimum essential coverage during a calendar year.
- 4) Revises the funding source for accelerating hospital licensing applications by the Department of Public Health.
- 5) Revises the actuarial value of Bronze-level health plans offered in Covered California to comply with new federal rulemaking.
- 6) Implements a grant program to local health jurisdictions for prevention of sexually transmitted diseases, with no less than 50 percent of the funding provided to community-based organizations. Suspends the grant program on December 31, 2021, unless the Director of Finance determines that General Fund revenues exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.
- 7) Implements a grant program to local health jurisdictions for prevention of human immunodeficiency virus (HIV), with no less than 50 percent of the funding provided to community-based organizations. Suspends the grant program on December 31, 2021, unless the Director of Finance determines that General Fund revenues

exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.

- 8) Implements a grant program to local health jurisdictions for prevention of hepatitis C, with no less than 50 percent of the funding provided to community-based organizations. Suspends the grant program on December 31, 2021, unless the Director of Finance determines that General Fund revenues exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.
- 9) Aligns financial eligibility requirements for the HIV Care Program at the Department of Public Health with those for the AIDS Drug Assistance Program.
- 10) Establishes a Value-Based Payments program to provide supplemental incentive payments to Medi-Cal providers to meet certain metrics related to behavioral health integration, chronic disease management, prenatal and postpartum care, and early childhood preventive services. Suspends the program on December 31, 2021, unless the Director of Finance determines General Fund revenues exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.
- 11) Extends filing deadlines until September 1, 2019, for seismic safety requirements under the Alfred E. Alquist Hospital Facilities Seismic Safety Act for UCSF Benioff Children's Hospital in Oakland and Providence Tarzana Medical Center in Los Angeles.
- 12) Makes changes to labor and workers' compensation rules to allow patients at state hospitals participating in a vocational rehabilitation or sheltered workshop program to be paid the federal minimum wage and to standardize the wage structure across the state hospitals.
- 13) Prohibits the Department of State Hospitals from confiscating patient earnings from a vocational rehabilitation or sheltered workshop program to pay for the costs of care or housing.
- 14) Directs the Department of Health Care Services (DHCS) to seek federal approval to provide screening, brief intervention, and referral to treatment services to screen for opioids and other illicit drugs. Suspends the program on December 31, 2021, unless the Director of Finance determines that General Fund revenues exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.
- 15) Allows DHCS to continue payment to Medi-Cal providers in the event of a delay or other system error in the Medi-Cal Checkwrite Schedule provider claims processing system.

- 16) Establishes the Medi-Cal Drug Rebate Fund to collect funds received from federal and state supplemental prescription drug rebate programs.
- 17) Restores the following optional Medi-Cal benefits no sooner than January 1, 2020: audiology, speech therapy, podiatry, and incontinence creams and washes. Suspends the restorations on December 31, 2021, unless the Director of Finance determines that General Fund revenues exceed expenditures by a sufficient amount for the 2021-22 and 2022-23 fiscal years to fund programs subject to suspension.
- 18) Requires DHCS to establish a pharmacy working group to receive feedback on the Administration's proposed transition of Medi-Cal pharmacy benefits from managed care to fee-for-service, provide a description of changes for managed care plans and beneficiaries, and include fiscal assumptions for the transition in the Governor's proposed budget.
- 19) Extends the availability of funding for the Health Home Program until July 1, 2024.

Fiscal Effect: Extends until July 1, 2024, the availability of \$50 million appropriated from the Health Home Program Account to DHCS to implement the Health Home Program approved in SB 75 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2015.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2019 - 2020 Regular

Bill No:	AB 79	Hearing Date:	June 19, 2019
Author:	Ting		
Version:	June 17, 2019 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Mental health

Summary: This bill makes necessary changes to implement the 2019-20 budget related to mental health programs administered by the Mental Health Services Oversight and Accountability Commission (MHSOAC).

Proposed Law: Specifically this bill:

- 1) Allows a county to encumber Mental Health Services Act (MHSA) funds for innovative programs within the timeframes approved by the MHSOAC in the county's innovation project plan, or within three years, whichever is later.
- 2) For counties with a population of less than 200,000, allows MHSA funds for innovative programs to be encumbered within the timeframes approved in the county's innovation project plan, or within five years, whichever is later.
- 3) Eliminates the prohibition on the use of state funds for early psychosis and mood disorder detection and intervention programs.
- 4) Clarifies the Senate's appointment authority to the MHSOAC.

Fiscal Effect: None.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2019 - 2020 Regular

Bill No:	AB 80	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 12, 2019 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Renita Polk		

Subject: Human services omnibus

Summary: Provides for statutory changes necessary to enact human-services related provisions of the Budget Act of 2019.

Background: As part of the 2019-20 budget package, this bill makes statutory changes to implement the budget act.

Proposed Law:

For the Department of Social Services (DSS):

CalWORKs: This bill includes provisions pertaining to the CalWORKs program, including:

- 1) **Ending Childhood Deep Poverty.** Increases the maximum aid payment (MAP) amounts for CalWORKs recipients in order to increase grants to no less than 50 percent of the Federal Poverty Level for assistance units (AU) of one, effective October 1, 2019. Grant amounts for all other AU sizes will be increased to no less than 47 percent. The Budget Act includes \$329.8 million General Fund ongoing for this purpose.
- 2) **Home Visiting Program.** Makes the Home Visiting Program permanent and allows for the inclusion of all young children ages 0-2.
- 3) **Homeless Assistance Program.** Allows the use of temporary assistance for up to 16 cumulative days, instead of consecutive days, in a 12-month period. The Budget Act includes \$14.7 million in 2019-20 for this purpose.
- 4) **Earned Income Disregard (EID) and Income Reporting Threshold (IRT).** Updates the EID to \$500 and 50 percent of income with a June 1, 2020 effective date and subsequent adjustments in future fiscal years. Also removes the amount likely to render a recipient ineligible for CalWORKs benefits from the IRT. The Budget Act includes \$6.8 million in 2019-20 for these purposes.
- 5) **12-month Continuous Eligibility for CalWORKs Stage One Childcare.** Amends the CalWORKs Stage one child care program to provide full time continuous child care to families in Stage one for twelve months or until families are transferred to Stage two. Expands the definition of program activities that make families eligible for

child care. Provides for a data sharing system between county welfare departments and child care contractors to ensure that child care is not disrupted during the transfer from Stage one to Stage two.

- 6) **Asset Limits.** Increases the CalWORKs asset limit to \$10,000 and the motor vehicle exemption to \$25,000 and ties inflation factors to these limits. The Budget Act includes \$7.5 million in 2019-20 for this purpose.

Child Welfare Services: The bill includes provisions pertaining to Child Welfare Services, including:

- 7) **Family Urgent Response System.** Establishes a statewide hotline for caregivers and youth who experience emotional, behavioral, or other difficulties and are in need of immediate help. Also allows counties to establish or expand mobile response teams to provide in-home response on a 24/7 basis to stabilize situations and assess needs. The Budget Act includes \$15 million in 2019-20 for this purpose. The program would be subject to suspension on December 31, 2021, if certain conditions are met.
- 8) **Foster Family Agency (FFA) Rates - Cost-of-Living Adjustment (COLA).** Provides a one-time COLA, based on the California Necessities Index, to the rates paid to FFAs, subject to suspension on December 31, 2021, if certain conditions are met. The Budget Act includes \$6.8 million for this purpose.
- 9) **Continued Emergency Caregiver Funding at Time of Placement.** Allows for continued payment for emergency caregivers prior to approval for up to 365 days if the delay in the Resource Family Approval process is found to be neither the fault of the county nor the family. The Budget Act includes \$4.1 million for this purpose.

Supplemental Security Income/State Supplemental Payment (SSI/SSP) Program:

This bill includes provisions pertaining to the SSI/SSP program, including:

- 10) **Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) Programs.** Makes the SNB and TNB programs, both designed to hold harmless households that would have been negatively affected by the expansion of CalFresh benefits to SSI/SSP recipients, permanent. Also makes these benefits available without regard to an appropriation in the annual Budget Act.

In-Home Supportive Services (IHSS): This bill includes provisions pertaining to the IHSS program, including:

- 11) **Maintenance-of-Effort (MOE).** Resets the base for counties' share of program costs and adjusts the IHSS MOE inflation factor, among other provisions.
- 12) **Electronic Visit Verification (EVV) Protections.** Codifies consumer and provider protections that were included in budget bill language in the 2018 Budget Act.
- 13) **Wage Agreements.** Subjects counties to financial penalties when agreements on wage increases with IHSS services providers cannot be reached following a fact-finding process.

- 14) **Provider Cards.** Allows providers to receive payment of wages through a provider card, such as a prepaid account or prepaid card.

Additionally, for DSS, this bill:

- 15) **Rapid Response Program.** Requires the department to administer a rapid response program to award grants to entities that provide critical assistance to immigrants during times of need.

For the Department of Aging:

- 16) **Long-Term Care Ombudsman.** Specifies that the State Ombudsman should provide residents with regular and timely access to services through quarterly facility visits. The Budget Act includes \$5.2 million ongoing for this and other related purposes.

- 17) **No Wrong Door Model.** Requires the department to administer a grant program for the purpose of implementing a No Wrong Door system, subject to suspension on December 31, 2021, if certain conditions are met. Grants would be awarded to qualified Area Agencies on Aging and Independent Living Centers. The Budget Act includes \$5 million ongoing for this purpose.

For the Department of Rehabilitation:

- 18) **Traumatic Brain Injury Program.** Removes the sunset on the program, extending its operation indefinitely.

For the Department of Child Support Services:

- 19) **Local Child Support Agency (LCSA) Funding Methodology.** Requires the department to convene a series of stakeholder working sessions to establish an ongoing LCSA funding methodology to begin in the 2020-21 fiscal year.

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

Support: None on file.

Opposition: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No:	AB 81	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 12, 2019 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Renita Polk		

Subject: Developmental services

Summary: Provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2019.

Background: As part of the 2019-20 budget package, Assembly Bill 81 makes statutory changes to implement the budget act.

Proposed Law:

- 1) Requires the department to identify key indicators, in conjunction with stakeholders, to track the Regional Center delivery of services, and to report that information to the Legislature.
- 2) Allows for service provider rate increases for specified services, contingent upon approval of federal funding. Allows for suspension of those rates on December 31, 2021, unless specified conditions are met.
- 3) Requires the department to conduct stakeholder workgroups to discuss system and fiscal reforms, and to report the findings of those discussions during the 2020-2021 budget process.
- 4) By October 1, 2019, requires the department to post responses to the departmental rate study, and any appropriate and necessary changes to the rate models contained in the study.
- 5) Requires specific improvements to Regional Center board governance, such as requiring inclusion of Board members with specific expertise and eliminating legal counsel conflicts-of-interest.
- 6) Requires Regional Centers to annually present data regarding quality assurance in public meetings, and to provide notices of these meetings to consumers, families, and stakeholders.
- 7) Requires the department's performance dashboard to be published in a machine-readable format and requires each Regional Center to publish its own dashboard and to post a link to the department's dashboard on the Regional Center's website.

- 8) Requires Regional Centers to provide the department with copies of corrective action plans issued to providers, as specified.
- 9) Requires the department to develop information packets in a standard format and to include specific information.
- 10) Requires the department to submit an update of its Safety Net Plan, developed in consultation with stakeholders, on or before January 10, 2020.
- 11) Requires the department to provide specified information at quarterly briefings with legislative staff of the appropriate policy and fiscal committees of the Legislature, including efforts to identify and reduce disparities in services.
- 12) Aligns IMD admission criteria with the laws governing placements in state-operated acute crisis settings.
- 13) Requires a list of agreed-upon services to be provided to consumers at the conclusion of an individual program plan meeting.
- 14) Allows the department to include community-based residential options that consist of community crisis homes for children who meet specific criteria. Also requires the department to develop guidelines around the use of restraints in community crisis homes.
- 15) Requires a Regional Center to maintain an average service coordinator-to-consumer ratio of 1 to 25 for consumers with complex needs.
- 16) Requires Regional Centers to post on their internet website policies, guidelines, or assessment tools to determine specified consumer needs.
- 17) Revises admission criteria to Canyon Springs Community Facility, if specified conditions are met, for those committed to either an acute psychiatric facility or an acute crisis facility. Admissions would be time-limited.

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

Support: None on file.

Opposition: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2019 - 2020 Regular

Bill No:	AB 90	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 14, 2019 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Anita Lee		

Subject: Public employees' retirement

Summary: This bill makes necessary changes to implement the 2019-20 budget related to supplemental pension payments.

Proposed Law: This bill makes various statutory changes to implement the California Public Employees Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) related provisions of the 2019-20 budget. Specifically, this bill:

1) **CalPERS Supplemental Pension Payments.** Appropriates \$2.5 billion General Fund in 2018-19 to make a supplemental pension payment to address the state's unfunded liability. Funds shall be apportioned based on the estimated amount of General Fund that each state plan contributes to CalPERS.

The bill also makes additional payments of \$265 million General Fund, \$200 million General Fund, and \$35 million General Fund, in 2020-21, 2021-22, and 2022-23, respectively.

2) **CalSTRS Supplemental Pension Payments.** Appropriates a total of \$2.9 billion Proposition 2 Funds in 2019-20 through 2022-23 to pay down the state share of the CalSTRS unfunded liability. Additionally, appropriates approximately \$1.6 billion General Fund to address the school employers' share of the CalSTRS unfunded liability.

3) **CalSTRS and CalPERS School Employer Contribution Rates.** Appropriates \$500 million General Fund in 2019-20 to reduce the CalSTRS and CalPERS school employer contribution rate by approximately 1.03 percent for CalSTRS and 1.012 percent for CalPERS, and \$350 million in 2020-21 to reduce the CalSTRS and CalPERS school employer contribution rate by approximately 0.7 percent.

4) **CalPERS School Pool Supplemental Pension Payment.** Appropriates \$660 million General Fund in 2019-20 to address the school employers' share of the CalPERS unfunded liability.

Fiscal Effect: This bill appropriates approximately:

- 2018-19: \$4.8 billion General Fund,
- 2019-20: \$500 million General Fund and \$1.1 billion Proposition 2 Funds,
- 2020-21: \$615 million General Fund and \$802 million Proposition 2 Funds,

- 2021-22: \$200 million General Fund and \$615 million Proposition 2 Funds, and
- 2022-23: \$35 million General Fund and \$345 million Proposition 2 Funds.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair

2019 - 2020 Regular

Bill No:	AB 102	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 13, 2019 As amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Anita Lee		

Subject: State employees: memorandum of understanding

Summary: Provides legislative ratification of the memorandum of understanding (MOU) agreed to by the state and Bargaining Unit (BU) 6, represented by the Correctional Peace Officers Association.

Existing Law:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e. bargaining units) regarding wages and working conditions, and to define negotiated agreements in MOUs.
- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 3) Requires that any MOU between the state and an exclusive representative must be ratified by the Legislature.
- 4) Establishes the California Public Employees' Retirement System (CalPERS), which administers health and retirement benefits for state employees.
- 5) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analyses of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 6) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 100 percent of the weighted average premium of the four health plans most highly utilized by all members. Dependents are eligible for a contribution based on 90 percent of the average additional premiums paid for dependents during the benefit year in which the formula is applied. This is referred to as the 100/90 formula.
- 7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.

- 8) Provides that most state employees (those hired after 1985 or 1989, depending on class) must work for 10 years to receive 50 percent of the 100/90 formula, with an additional five percent per year of service until, after 20 years, they are vested to receive 100 percent of the 100/90 formula. Individuals hired prior to 1985 or 1989 could be subject to either five year or 10 year vesting for full coverage of the 100/90 formula. Some employees must work up to 15 years for 50 percent up to 25 years to receive 100 percent of the employer contribution.
- 9) Provides that retirees who were covered in certain bargaining units while actively employed will receive an employer retiree health contribution based on the 80/80 formula (i.e., 80 percent of the weighted average premium of the four health plans most highly utilized by all members).
- 10) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.

Proposed Law: This bill will be in effect from July 3, 2019 through July 2, 2020, and would impact approximately 27,694 full-time equivalent employees.

Health Benefits

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

Compensation

12) General Salary Increase (GSI)

- a. Effective July 1, 2020, all BU 6 represented classifications shall receive a three percent GSI.

13) Night Shift and Weekend Pay Differentials

- b. Increases the night shift pay differential (earned by employees who work more than four hours between 6:00 p.m. and 6:00 a.m.) by \$0.85 per hour.
- c. Increases the weekend pay differential (earned by employees who work more than four hours between midnight Friday and midnight Saturday) by \$0.70 per hour.

14) Leave Buy Back

- d. All BU 6 represented employees will be permitted to continue to cash out up to 80 hours of accumulated compensable leave. California Department of Corrections and Rehabilitation (CDCR) will notify employees in August and employees will have until September 10, 2019, to indicate that they want to

participate. It is anticipated that payment for one-time cash out will be issued by November 15, 2019.

Miscellaneous

- 15) Leave time (excluding sick leave in all forms) to be counted as time worked for purposes of calculating overtime when an employee is required to work overtime involuntarily.
- 16) Includes new, more limited, definition of "holdover" to avoid confusion about when someone will have leave time, count as hours worked, for purposes of calculating overtime.
- 17) Provides employees with two hours work time when placed on standby time for a possible work-related court appearance outside of normal work hours or on a day off.
- 18) Provides eight hours of holiday credit to employees working posted positions who have their scheduled Regular Day Off fall on an observed state holiday.
- 19) Increases the number of gender restricted posts and increases ability for employees who are women to transfer to female institutions.
- 20) Creates a joint workgroup to facilitate recruitment and retention of women at female institutions.
- 21) Increases ability for Correctional Counselors to focus on rehabilitation.
- 22) Increases ability to maintain programming through the effective utilization of staff.
- 23) Creates a joint workgroup to explore less lethal force options.
- 24) Reopener language to initiate a meet and confer process at least 120 days prior to the transition of the Division of Juvenile Justice to the Department of Youth and Community Restoration within the California Health and Human Services Agency.

Fiscal Effect: The budget trailer bill includes a continuous appropriation. The bill appropriates \$131.2 million (\$128.28 million General Fund) for 2019-20 to implement the bargaining agreement for rank-and-file employees and to provide similar benefits for excluded employees.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No: AB 105 **Hearing Date:** June 19, 2019
Author: Ting
Version: June 14, 2019 As amended
Urgency: No **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Budget Act of 2019

Summary: This is the Budget Bill Jr. that makes changes to the 2019 budget.

Proposed Law: Specifically, this bill:

1. Appropriates \$428.6 million (an increase of \$133.4 million) General Fund to Covered California to provide premium assistance subsidies to individuals with household income at or below 600 percent of the federal poverty level (FPL). Of these funds, 17 percent will be provided for premium assistance subsidies for individuals with household incomes between 200 and 400 percent of the FPL and 83 percent will be provided for premium assistance subsidies for individuals between 400 and 600 percent of the FPL and to reduce out-of-pocket premiums for individuals under 138 percent of the FPL.
2. Makes significant investments to increase access to higher education. Specifically, provides \$50 million to the University of California (UC) to increase resident undergraduate enrollment by 4,860, and \$85 million to California State University (CSU) to increase undergraduate enrollment by 10,000 students.
3. Requires UC and CSU to report by March 1, 2020 and each year thereafter regarding the use of basic needs funding, and specified outcomes.
4. Makes other clarifying and technical adjustments.

Fiscal Effect: Increases appropriations in the 2019-20 fiscal year by \$248.4 million.

Support: None on file.

Opposed: None on file.

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