### Agenda

#### June 24, 2020

Upon Call of the Chair - State Capitol – Senate Chamber

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

Background: On June 15, 2020, the Legislature passed SB 74 (Mitchell), which represented the Legislature’s budget agreement. This bill makes amendments based off of SB 74, which represent the budget agreement between the Legislature and the Administration. This agreement differs from the Legislature’s budget agreement, as reflected in SB 74, in the following ways:

- It does not rely on additional Rainy Day Funds, Safety Net Reserve Funds, or the Public Employee Retirement System deferral if additional federal funds did not materialize. Instead, this agreement relies upon updated baseline forecast adjustments to revenues and expenditures and an increased Proposition 98 deferral.

- It changes from the Legislature’s “trigger down” approach (including funding in the budget that is reduced only if additional federal funds were not received by September 1, 2020), to a “trigger up” approach (only providing funding or augmenting programs if additional federal funds are received by October 15, 2020, as specified). Under this approach, the following comprise the components of the trigger:
  - $2.9 billion will reverse state employee payroll reductions.
  - $970 million will be restored to the UC and CSU ($770 million was subject to trigger cuts in Legislature’s version).
  - $150 million will restore courts reductions ($100 million was subject to trigger in Legislature’s version).
  - $250 million will restore low-income and moderate income housing reductions.
  - $250 million will augment the $750 million county realignment backfill, for a total of $1 billion to backfill county realignment.
  - $88 million will restore the reductions to Golden State Teacher Grant.
$45 million will restore cut to local child support program.

Under this budget agreement, total General Fund expenditures for the 2020-21 fiscal year are $133.9 billion. In addition, reserves would be $11.4 billion, including 1) $2.6 billion in the Regular Reserve, 2) $450 million in the Safety Net Reserve, and 3) $8.3 billion in the Rainy Day Fund.

**Proposed Law:** Makes the following changes to the 2020 Budget Act:

### Education

1. Provides an increase of $2.3 million in ongoing General Fund for the Department of Social Services to reflect the transition of child care programs from the Department of Education.

2. Provides $100,000 in one-time General Fund to the Department of Education for the development of a template for the Learning Continuity and Attendance Plan.

3. Provides $336,000 General Fund and 3.0 positions to the Department Education for additional workload related to changes in the 2020-21 Budget Act.

4. Eliminates $600,000 in one time Proposition 98 General Fund for the development of a distance learning curriculum, funding for this purpose is provided through the budget trailer bill.

5. Eliminates the reduction to the After School Education and Safety Program of $100 million proposed in the Governor's May Revision.

6. Reflects the reduction of $50 million in General Fund for General Child Care, these funds are backfilled with Proposition 64 funds. Provides an additional $47 million in federal Child Care and Development Block Grant funds for alternative payment provider slots, with first priority for children of essential workers and at-risk children who received care through funds provided pursuant to SB 89, (Committee on Budget and Fiscal Review), Chapter 2, Statutes of 2020. Provides $9.3 million in one-time federal funds for a data system for early education.

7. Amends requirements for the Oakland Unified School District to receive funding pursuant to AB 1840 (Committee on Budget), Chapter 426, Statutes of 2018.

### Higher Education

1. Reduces support for the University of California (UC) campuses by $428.39 million, and reduces support for UC Office of the President, UC Path, and UC Division of Agriculture and Natural Resources by $43.21 million total. The bill specifies that if the funding restoration for this item reflected in Control Section 8.28 does not occur, it is the intent of the Legislature that these reductions do not have a disproportionate impact on low-income students, students from underrepresented minority groups and other disadvantaged students, as specified.
2. Authorizes the Department of Finance to provide up to $5 million one-time General Fund to implement a one-time demonstration grant for animal shelters through the UC Davis Koret Shelter Medicine if philanthropic resources are not sufficient.

3. Provides $6 million in Federal Funds to help mitigate learning loss in mathematics, science and English and Language arts through the California Subject Matter Projects.

4. Reduces support for UC Hastings by $1.94 million General Fund.

5. Reduces support for the California State University by $495.09 million General Fund, and specifies that should the funding restoration for this item reflected in Control Section 8.28 not occur, it is the intent of the Legislature that these reductions do not have a disproportionate impact on low-income students, students from underrepresented minority groups and other disadvantaged students, as specified.

6. Defers $1.45 billion in Proposition 98 General Fund for California Community Colleges (CCC) from 2020-21 to the 2021-22 fiscal year.

7. Reduces ongoing funding for Calbright College by $5 million Proposition 98 General Fund for a total of $15 million ongoing. The bill also repurposes $40 million Proposition 98 General one-time to towards 2020-21 apportionments to reduce the CCC deferral.

8. Provides $53.98 million Federal Funds to establish a block grant for CCC to use on activities that support student learning and mitigate learning loss related to COVID-19, as specified. The bill requires a report on the use of funds by March 1, 2021.

9. Provides $250,000 one-time for the California Student Aid Commission to convene a student loan workgroup to research strategies to ensure that student loan have access to financially beneficial loan programs and repayment plans.

10. Reappropriates $7.5 million General Fund from 2019-20 appropriation for the Dreamer Service Incentive Grant for the purpose of providing emergency student financial aid.

11. Reduces support for the program by $88.4 million, leaving $1.35 million for outreach and administration. Control section 8.28 specifies that if federal funding is available, then this reduction will be restored.

12. Reduces funding for the California Student Aid Commission Child Savings Account Program by $15 million, this leaves approximately $10 million in support for the program.
Health

1. Reduces net General Fund expenditures by $381.7 million in the Medi-Cal program due to revised caseload estimates and other cost adjustments.

2. Restores funding for requested positions and repairs at the Department of State Hospitals including electronic health records system implementation, roof repairs at three state hospitals, and staffing for treatment teams and protective services.

Human Services

1. Incompetent to Stand Trial Capacity. Includes $16.4 million General Fund for 71.7 positions to temporarily increase bed capacity at Porterville Developmental Center Secure Treatment Program and Enhanced Behavioral Support Homes with delayed egress and secure perimeter.

2. Strikes provisional language that would have allowed the balance of unspent funds for a minimum wage provider supplement to be used to implement a provider supplement to providers in areas with a local minimum wage ordinance.

3. Restores $2 million General Fund ongoing for the Best Buddies program.

4. Includes a reduction of $46 million General Fund to temporarily reduce state operations and contracts, and to revert Local Child Support Agency funding methodologies to 2018 levels. Note that if sufficient federal funding is provided by October 15, 2020, then this funding will be restored.

5. Includes $2.4 billion for the Single Allocation within the CalWORKs program.

6. Includes $32 million to fund costs associated with continuing extended foster care benefits for non-minor dependents affected by COVID-19 who cannot meet participation requirements and turn 21 while in extended foster care on or after April 17, 2020, through June 30, 2021.

7. Provides $750 million to counties to backfill for lost realignment revenues, prioritizing support for health and human services, entitlement programs, and programs that serve vulnerable populations. Note that an additional $250 million will be provided to counties if sufficient federal funding is received by October 15, 2020.

Resources/Energy

1. Appropriates funding to California Geologic Management Division (CalGEM), at the Department of Conservation, for 25 position as follows:

   a. Assessment of financial liability of oil companies and orphaned wells (SB 551) — 10 positions.
b. Strengthening of financial assurance requirements for oil companies (AB 1057) — Four positions.

c. Improvement of transparency of gas leaks (AB 463) — two positions.

d. Public outreach/data transparency — two positions.

e. Regulatory compliance and oversight — five positions.

f. Enforcement — two positions.

2. Reappropriates funding for various projects.

3. Extends the encumbrance period for various local park projects.

4. Provides technical cleanup language.

5. Authorizes the Department of Finance to make a $50 million loan to Golden State Energy to enable the entity, a non-profit public benefit corporation to begin the work of purchasing, owning, controlling, operating, or managing electrical and gas services for its ratepayers. This loan would be made available only if Pacific Gas and Electric fails to successfully exit bankruptcy, and only if certain other conditions were met. Requires Golden State Energy and the Department of Finance to report on the activities of Golden State Energy if the loan is made.

General Government

1. Includes $11.1 million General Fund in 2020-21 and $11.5 million General Fund in 2021-22 and 2022-23, for a total of three-year limited term resources for the California Cybersecurity Integration Center. This proposal is funded in various departments, including the Office of Emergency Services, California Highway Patrol, California Military Department, and the Department of Technology. Includes provisional language reinforcing privacy protections and reporting requirements that include details of cyber-attacks, and whether any of the investigations led to criminal prosecutions.

2. Includes $5 million and associated reporting language for an operational observer to monitor the efforts of Pacific Gas & Electric to prepare for the 2020 wildfire season, implement measures to mitigate the risk of wildfire ignitions from utility infrastructure, and reduce the use, scope, and duration of public safety power shut offs.

3. Includes $2.6 million ($503,000 General Fund) to support the transition the Alfred E. Alquist Seismic Safety Commission under the purview of the Office of Emergency Services, and ongoing costs.

4. Includes $1.3 million for a two year-limited term for the Office of Student Assistance and Relief within the Bureau of Private Postsecondary Education.
5. Specifies that, contingent upon the passage of the California Consumer Financial Law program, the Department of Finance may use the Joint Legislative Budget Committee process to augment the funds necessary for carrying out the aforementioned program.

6. Includes $25 million for the Infrastructure and Economic Development Bank to expand underserved small business lending in the state by establishing funds to support California Community Development Financial Institutions and mission-based lender liquidity and thus increase their capacity to lend to California’s underserved communities.

7. Implements control section 3.90, which reduces employee compensation by $1.45 billion General Fund and $1.40 billion from other funds. This reduction is to be achieved through a combination of memoranda of understand or addenda, furloughs, or other reductions for nonrepresented employees. The bill also specifies that increases in salaries and wages that were to become effective during the 2020-21, but were not agreed to as a part of the collective bargaining process identified in C.S. 3.90 shall be suspended.

8. Reverts $45 million in unencumbered funds for mixed income housing and $203 million in unencumbered funds for the Infill Infrastructure Grant Program of 2019, and provides that these programs would be funded if additional federal funding becomes available.

9. Provides $13 million to the Office of Planning and Research to expand the California Volunteers program support the development of the state service framework, focused specifically on building the response and recovery elements of service for COVID-19 response and recovery, and allow for the continuance of the expanded AmeriCorps member slots from 2019-20.

10. Provides $300 million to local governments and continuums of care to continue efforts to combat homelessness.

11. Provides $50 million in General Fund resources for acquisition of properties for Project Room Key and for capitalizing operating subsidies for acquired properties.

**Public Safety**

1. Provides $13.29 million General Fund to support the Mental Health Psychiatry Registry.

2. Reduces the Integrated Substance Use Disorder Program by $30 million General Fund one-time due to COVID-19 impacts.

3. Provides $135 million General Fund and Lease Revenue Bond for various capital outlay projects.

4. Provides $3.3 million General Fund to implement AB 1296 (Gonzalez), Chapter 626, Statutes of 2019. The resources will be used for Department of Justice-led
teams to prosecute violations of labor, tax, insurance, and licensing laws by businesses and individuals in the underground economy.

5. Includes set-aside amounts of $9.6 million General Fund in 2020-21, $24.7 million General Fund in 2021-22, $22.9 million General Fund in 2022-23, and $12.1 million General Fund in 2023-24 for DJJ realignment. Conversations will continue during the summer with the Administration around DJJ Realignment.

6. Includes a set-aside amount of $65 million General Fund starting in 2021-22 and annually thereafter to implement statutory changes that repeal the authority to collect several criminal administrative fees currently being collected from persons impacted by the carceral system.

7. Includes a trigger amount of $150 million General Fund for the Judicial Branch that will be augmented contingent upon sufficient funding from the federal government.

8. Protects the following programs from any reduction: Dependency Counsel; Court Interpreters; California Collaborative and Drug Court Projects; Court Appointed Special Advocate Program; Model Self-Help Program; Equal Access Fund; Family Law Information Centers; and Civil Case Coordination.

9. Includes $1.2 million General Fund and four positions for the Commission on Judicial Performance to improve investigative processes and acquire a new case management system to accept electronic complaints.

10. Revises Control Section 8.28 to allow the Department of Finance to augment specific items upon the receipt of additional federal funds.

11. Adds Control Section 11.90 to provide flexibility and approval authority for augmentations for expenditure of $9.5 billion in funds allocated from the Coronavirus Relief Fund in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Specifically allocates, 1) $550 million to the Department of Housing and Community Development to support housing for individuals and families who are experiencing homelessness or at risk of homelessness due to the COVID-19 pandemic, 2) $500 million directly to cities, to be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic, and 3) $1.3 billion to counties, to be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic.

12. Adds Control Section 11.95 related to the allocation of federal funds, as specified, to support testing and contact tracing in response to the COVID-19 public health emergency.

Fiscal Effect: As a Budget Bill, this bill makes numerous significant adjustments to General Fund, Special Fund, and Federal Fund expenditure authority for the 2020-21 fiscal year.

-- END --
Subject: Education Finance: Education Omnibus Budget Trailer Bill

Summary: This bill provides for statutory changes necessary to enact the K-12 statutory provisions of the Budget Act of 2020.

Background: This bill, as part of the 2020-21 budget package, makes statutory changes to implement the 2020-21 Budget Act.

Proposed Law: Specifically, this bill:

K-12 Education

1) Extends the deadline for the Department of Education to develop a standardized English language teacher observation protocol for use by teachers in evaluating a pupil’s English language proficiency from June 30, 2020 to December 31, 2021.

2) Amends various sections of Education Code to specify that amounts calculated for the Local Control Funding Formula and specified other calculations are considered final as of the certification of the second principal apportionment after five years.

3) Defers a total of $11 billion in principal apportionment payments to local educational agencies (LEAs) from the 2020-21 fiscal year to the 2021-22 fiscal year in the amounts of $1.5 billion from February to November of 2021, $2.4 billion from March to October of 2021, $2.4 billion from April to September of 2021, $2.4 billion from May to August of 2021, and $2.4 billion from June to July of 2021. This bill also defers $1.9 billion in principal apportionment payments to LEAs from June 2020 to July 2021. If, pursuant to Control Section 8.28 of the Budget Act of 2020, the Director of Finance determines that there are sufficient federal funds provided to the state for the 2020-21 fiscal year that may be used to offset the deferral amounts, the Director of Finance shall reduce the deferral amounts starting with the deferrals occurring earliest in the 2020-21 fiscal year.

4) Allows for up to $100 million in each of February, March, April, May, and June of 2020-21 of the warrants to be deferred in each of these months to instead be drawn in the month they were scheduled to be paid originally for LEAs that meet specified fiscal hardship exemption requirements.
5) Reverts $300 million in available unspent funds from the full-day kindergarten facilities grant program to the General Fund, make future allocations from the program contingent upon appropriation by the legislature, and make other technical amendments.

6) Allows school districts to deposit proceeds from the sale or lease of surplus property into the general fund of the school district for one-time general fund purposes with specified conditions through the 2023-24 fiscal year.

7) Eliminates the requirement for the approval by the State Board of Education for school district joint occupancy agreements.

8) Limits appeals to the State Board of Education regarding school district territory transfers by prohibiting appeals when a county committee on school district reorganization disapproves a territory transfer.

9) Extends deadlines for local education agencies to provide for an audit, and for the related oversight and reporting requirements.

10) Suspends the statutory split of Proposition 98 funding between K-12 education and California Community Colleges in the 2020-21 fiscal year.

11) Provides a new multi-year payment obligation designed to supplement funding provided by Proposition 98. This new obligation would designate 1.5 percent of General Fund Revenues per year to K-14 education beginning in 2021-22 to provide $12.4 billion over a multi-year period. This funding would accelerate the recovery of the Proposition 98 Guarantee from reductions due to the impact of COVID-19 and increase the Proposition 98 share of General Fund from 38 to 40 percent in a Test 1 year by 2023-24.

12) Extends the timeline for the Fiscal Crisis and Management Assistance Team to complete the required written status report for school districts who have received emergency loans from every six months, to an annual report. This bill makes technical amendments to the process by which school district budgets are reviewed and technical clean-up to update the activities of the Fiscal Crisis and Management Assistance Team in statute with actual practice. The bill also makes technical amendments to the process for audit exceptions for local educational agencies.

13) Exempts specified employees of the Fiscal Crisis Management and Assistance Team and the California School Information Services, from the merit system.

14) Amends provisions of AB 1505 (O’Donnell) Chapter 486, Statutes of 2019 and provisions of AB 1507 (Smith) Chapter 487, Statutes of 2019, relating to charter schools to specify how fiscal apportionments are made to charter schools that were required to make changes under those statutes. The bill also includes clarifying amendments to grandfather in existing charter schools operated by or located on tribal land from AB 1507 location requirements.
15) Allows school districts, for the 2020-21 and 2021-22 fiscal years if the state enacts deferrals of payments owed to school districts, to use inter-fund borrowing of up to 85 percent between funds for payment of obligations to help mitigate any necessary cash deferrals related to the economic impacts of the COVID-19 pandemic. Districts exercising this option would be required to hold a public hearing prior to considering a resolution authorizing the temporary transfer.

16) Specifies the following related to instruction, attendance, and calculation of apportionments in the 2020-21 fiscal year:

   a. A hold-harmless is provided for the purpose of calculating apportionment in the 2020-21 fiscal year; the Department of Education shall use the average daily attendance in the 2019-20 fiscal year reported from July 1, 2019 to February 29, 2020, as specified in the bill, except for new charter schools commencing instruction in 2020-21.
   b. LEAs shall offer in-person instruction to the greatest extent possible and may offer distance learning, as defined.
   c. LEAs are required to meet instructional day requirements through a combination of in-person and distance learning instruction, however, LEAs are allowed to only meet minimum-day instructional minute requirements and are exempted from minimum instructional minute requirements for physical education.
   d. Instructional minutes shall be determined for in-person instruction as time under the immediate physical supervision of a certificated employee of the LEA and for distance learning based on the time value of assignments as determined and certified by a certificated employee of the LEA, or a combination of both instruction types.
   e. LEAs that offer distance learning must comply with specified requirements. Distance learning may be provided on a LEA-wide or schoolwide basis pursuant to an order or guidance from a state or local public health officer, and for pupils who are medically fragile, at-risk from in-person instruction, or quarantining due to exposure to COVID-19. Instructional requirements are defined specific to the access and content of instruction, supports for students with exceptional needs, English learner students, students in foster care, experiencing homelessness or in need of mental health supports. Daily interaction with students in distance learning is defined, and LEAs are required to provide access to nutrition programs.
   f. For purposes of attendance, an LEA must document daily student participation, as defined, when providing distance learning, and keep weekly engagement records. LEAs shall continue to report absences, as defined, for purposes of reporting chronic absenteeism. LEAs shall developed tiered re-engagement strategies for students who do not participate, and shall regularly engage with parents or guardians regarding academic progress. Requirements shall be included in the audit guide.
   g. Fiscal penalties are defined for LEAs that do not meet the instructional day requirements or the attendance related requirements.
   h. Charter schools offering distance learning pursuant to this section of the bill are not required to request a material revision to the charter. Classroom based charter schools that offer distance learning pursuant to
this section will not be considered a non-classroom based charter in the 2020-21 fiscal year if they provide distance learning.

17) Requires that, in place of the Local Control Accountability Plan previously required on December 15, 2020 pursuant to Executive Order N-56-20, an LEA is required to adopt a Learning Continuity and Attendance Plan (2020-21 LCAP) by September 30, 2020. The local control funding formula budget overview for parents shall be required to be adopted by December 15, 2020 with the first interim budget report. In adopting the 2020-21 LCAP pursuant to this section, the governing body of the LEA shall consult with stakeholders, as specified, including the parent advisory committee and the English learner parent advisory committee, solicit stakeholder input and hold two public hearing to present the 2020-21 LCAP and for the adoption of the 2020-21 LCAP. Schools districts shall submit the 2020-21 LCAP to the county superintendent of schools, county offices of education shall submit the 2020-21 LCAP to the Superintendent of Public Instruction, and charter schools shall submit the 2020-21 LCAP to their chartering authority within five days after adoption. The County Superintendent of Schools and the Superintendent of Public Instruction may review and comment on the 2020-21 LCAPs by October 30, 2020. The template for the 2020-21 LCAP shall be developed by the Superintendent of Public Instruction, in consultation with the executive director of the State Board of Education, by August 1, 2020, that includes, but is not limited to the following:

a. A description of how the LEA will provide continuity of learning and address the impacts of COVID-19 on pupils, staff, and the community in the following areas and the specific expenditure the LEA anticipates taking to support its ability to address the impacts of COVID-19:
   i. Distance Learning
   ii. Learning Loss
   iii. Mental Health / Social Emotional Well-being of students and staff
   iv. Professional Development
   v. Pupil Engagement and Outreach
   vi. School Nutrition

b. For each area, the 2020-21 LCAP shall describe how state and federal funds (including funds provided for the Learning Loss Block Grant) are anticipated to be used to support the efforts described in the 2020-21 LCAP. If the actions and expenditures described in the 2020-21 LCAP are not included in the LEA’s budget, the plan shall describe how they will be included in the first interim budget report.

c. The 2020-21 LCAP shall also include a description of how the LEA is increasing or improving services in proportion to funds generated on the basis of the number and concentration of English learner, foster youth, and low income students pursuant to the Local Control Funding Formula, and in compliance with regulations adopted by the State Board of Education.

d. The 2021-22 Annual Update to the Local Control and Accountability Plan shall include the actions and expenditures included in the 2020-21 LCAP.
18) Specifies the amount to be withheld from the Local Control Funding Formula entitlement for a county office of education that operates a special day class or classes and does not offer the required minimum number of instructional days or instructional minutes.

19) Extends by one year the deadline that requires transitional kindergarten teachers to obtain 24 units of early childhood education as part of their education requirements.

20) Provides the Superintendent of Public Instruction with the authority to determine alternative criteria for students to meet the State Seal of Biliteracy requirements due to COVID-19 constraints.

21) Amends requirements for the Student Performance and Stakeholder Engagement section of the Local Control and Accountability Plan template to be adopted by the State Board of Education by January 31, 2022.

22) Makes technical edits to the operations of the California Collaborative for stakeholder engagement.

23) Extends by one year, the grant period for the Bilingual Teacher Professional Development Grant.

24) Provides for various flexibilities for the Migrant Education Program. Specifically, the bill suspends requirements for 2020 parent advisory council nominations and elections until September 2020, decreases the required number of regional parent advisory council meetings in 2020 from six to three meetings, decreases the required number of State Parent Advisory Council meetings in 2020 from six to three meetings, suspends the requirement that the State Superintendent of Public Instruction sponsor a biennial State Parent Advisory Council Conference in 2020, allows summer school programs to be offered through distance learning for the 2020 calendar year, waives the instructional minute requirements for summer school instruction in 2020, but encourages local educational agencies to offer the minimum instructional minutes to the extent practicable for the 2020 calendar year.

25) Suspends the requirement that school districts, county offices of education, and community college districts make facilities available for Migrant Education Summer School programs in 2020 if facilities are closed due to the COVID-19 pandemic.

26) Provides a moratorium from establishing new single district Special Education Local Plan Areas (SELPAs) for the 2020-21 through the 2023-24 fiscal year.

27) Provides a two-year extension to the date by the Department of Education must develop and the date by which a SELPA must include, an annual assurances support plan in the local plan for education of all individuals with exceptional needs.
28) Provides for a one-year extension, to October 1, 2021, for when recommendations are provided from a workgroup related to improving the transitions of three-year olds to LEAs from regional centers, and improving access to and coordination of LEA Medi-CAL billing and other programs. The bill also requires the workgroup to provide a progress report by October 1, 2020, and extends the availability of funding for this purpose.

29) Creates a new special education funding formula, commencing with the 2020-21 fiscal year, that provides SELPAs with the greater of $625 per average daily attendance or the per ADA rate the SELPA received in 2019-20, and applies COLA in future years to the statewide base rate. COLA is not provided in the 2020-21 fiscal year. The bill repeals statutes related to the current Special Education funding program, freezes funding at the 2019-20 levels for most add-on adjustments, and makes various other related technical amendments.

30) Extends through the 2020-21 fiscal year the existing funding allocation method for the Out-of-Home Care program for foster students with exceptional needs.

31) Requires an Individualized Education Plan to include a description of how services will be provided to students in an emergency situation, in the development of a new IEP or at the next regularly scheduled review of an existing IEP.

32) Provides a backfill for special education programs for 2020-21 to the extent that property tax revenues from Redevelopment Agency dissolution are not sufficient to cover the appropriation in the 2020 Budget Acts for Special Education.

33) Specifies that an LEA may claim apportionment for extended school year services for pupils with disabilities offered through distance learning in the summer of 2020 that meets specified requirements.

34) Expands the allowable use of Educationally-Related Mental Health Services funds to include mental health services for all students beginning in the 2020-21 fiscal year. Currently funds are restricted to education-related mental health services that are included in individualized education plans.

35) Extends the reporting date for Multi-tiered System of Support (SUMS Project) from June 2020 to June 30, 2021 because the project cannot collect the necessary data from participants due to COVID-19 school closures.

36) Prevents school districts, charter schools, and county offices of education from expending funds Proposition 98 funds for courses or instruction offered by private or public colleges or universities beyond what is required in pursuit of a high school diploma, except for courses or instruction in which students are enrolled in prior to July 1, 2020.

37) Removes the Academic Performance Index from the Mandate Block Grant, as it is no longer calculated.
38) Requires the State Controller’s Office, in consultation with the Department of Finance, to develop guidance by December 31, 2020 for the allocation of K-12 Educational Revenue Anticipation Fund (ERAF) by County Auditor Controllers commencing with calculations for the 2019-20 fiscal year.

39) Establishes the California Newcomer Education and Well-Being (CalNEW) program to be administered by the Department of Social Services to funding to school districts to support refugee children, unaccompanied minors, and English learner students.

40) Includes amendments to reduce Item 6100-158-0001 of the Budget Act of 2019 (Chapter 23, 55, 80, and 363 of the Statutes of 2019) by $9,765,000 Proposition 98 General Fund to reflect savings related to the unexpended balance of the Adults in Correctional Facilities Program.

41) Clarifies the provisions of Executive Order N-26-2020 and Senate Bill 117, (Committee on Budget and Fiscal Review) Chapter 3, Statutes of 2020 on July 1, 2020 and makes other technical amendments.

42) Includes legislative intent language to evaluate the use of police officers and other law enforcement on school campus, consider other alternatives to ensure student safety, and consider encouraging LEAs to use school resources currently allocated to law enforcement for other student support services.

43) Prevent school districts from terminating certificated employees from July 1 2020 to July 1, 2021, with the exception of those employees in positions that require administrative or supervisory credentials.

44) Prevents the governing boards of school districts, community college districts, county offices of education, or joint powers authorities from terminating classified employees for lack of funds or lack of work if they hold classifications or are in positions in nutrition, transportation, or custodial services from July 1 2020 to July 1, 2021. Includes legislative intent language that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in the 2020-21 fiscal year.

45) Allows the Superintendent of Public Instruction to waive various requirements of the Afterschool Education and Safety program as needed to provide flexibility for the 2020-21 school year and to prorate funding rates for programs offering more than three hours a day and up to six hours a day.

46) Specifies the process for the state to recoup an overpayment of funds provided to the Guerneville Elementary School District through a multi-year repayment plan.

47) Requires the State Controller’s Office to recapture Local Control Funding Formula state aid overpayments from the second principal apportionment to LEAs for deposit into the Educational Protection Account and provide the fourth quarter Educational Protection Account payment still owed to LEAs by August 15, 2020.
48) Waives the requirement that the Fiscal Crisis and Management Assistance Team complete a comprehensive review of Inglewood Unified School District in 2019-20 due to COVID-19 constraints.

49) Extends the testing window for the English Language Proficiency Assessment for California (ELPAC) into the fall of 2020 to be used for the reclassification of pupils from English learner to English proficient.

50) Specifies that the State Board of Education shall not publish the California School Dashboard (Dashboard) in December 2020, specifies that valid and reliable data shall be published on the DataQuest website or through other means and specifies that LEAs identified for technical assistance or intervention pursuant to the 2019 Dashboard remain identified until the release of the 2021 Dashboard.

51) Allows a charter school that is scheduled to open or add a grade level for the 2020-21 school year to delay opening or adding a grade for one year without submitting a material revision to its chartering authorizer.

52) Appropriates $60 million in one-time Proposition 98 General Fund for the Classified Employee Summer Assistance Program for the 2021-22 program cohort. Specifies that the remaining balance funds made available in the 2018 Budget Act for the Classified School Employee Assistance program, shall be available for purposes increasing rates for the 2020-21 cohort of program participants, as included in the April 30, 2020 notification by the Department of Education.

53) Appropriates $1 million in one-time Proposition 98 General Fund for the Southern California Regional Occupational Center for instructional and operational costs.

54) Appropriates a total of $5.3 billion in one-time funding ($4.4 billion federal Coronavirus Relief Fund, $355.2 million federal Governor’s Emergency Education Relief Fund and $540 million Proposition 98 General Fund) to address learning loss and other impacts of COVID-19. Of this total, $1.5 billion is allocated to LEAs, with the exception of non-classroom based charter schools, on the basis of the enrollment of students with exceptional needs (ages 3-22), $2.9 billion is allocated to LEAs, with the exception of non-classroom based charter schools, on the basis of the proportion of Supplemental and Concentration grant funding each LEA receives of the total statewide Supplemental and Concentration grant funding, and $980 million is provided to all LEAs in proportion to the amount of Local Control Funding Formula funding each LEA receives. Federal funds must be expended within specified federal time frames and funding must be used to directly support pupil academic achievement and mitigate learning loss related to COVID-19 school closures, including academic programs, services, and supports to address learning loss, extended instructional minutes and services, additional materials, including devices or internet connectivity, and other supports related to health, mental health, professional development, and school meals among others.
55) Appropriates $50 million in one-time Proposition 98 funding to the Department of Education for the Early Literacy Support Block Grant to provide grants (over a three-year period) to LEAs with the 75 schools with the highest percentage of pupils in grade three scoring at the lowest standard achievement level on the English Language Arts assessment. LEAs receiving grants shall conduct a root-cause analysis, create a literacy action plan, and provide for supplementary activities for children in grades Kindergarten through three. The Department of Education may retain $3 million of the total for the costs of administering the program.

56) Appropriates $3 million in one-time Proposition 98 funding to establish an expert lead in literacy within the statewide system of support.

57) Appropriates $450,000 in one-time Proposition 98 funding to support the alignment and integration of the online platforms for the California School Dashboard, the Local Control and Accountability Plan electronic template system, and the School Accountability Report Card.

58) Appropriates $45 million in one-time Federal Elementary and Secondary Schools Emergency Relief Funds for a California Community Schools Partnership Program. Grants for this program are to be awarded on a competitive basis to LEAs, including county offices of education to support and expand existing community schools. Funds are available over a four year period.

59) Appropriates $112.2 million in one-time Federal Elementary and Secondary Schools Emergency Relief Funds for LEA school meal reimbursements during summer break and COVID school closures, at a rate of up to 75 cents per meal. Allows state reimbursement funds from 2019-20 to be used for disaster relief for LEAs who did or attempted to serve student meals during the school closure period.

60) Appropriates $4.2 million in one-time Proposition 98 General Fund for the Standardized Account Code Structure System replacement project.

61) Appropriates $750,000 in one-time Proposition 98 General Fund for the development of draft distance learning curriculum and instructional guidance in English language arts and mathematics to be developed by the Sacramento County Office of Education, to be adopted by the State Board of Education by May 31, 2021.

62) Appropriates $4 million in one-time Proposition 98 General Fund create the California Dyslexia Initiative to be allocated to a county office of education to increase statewide resources for early interventions, and supports for addressing specific learning disabilities, such as dyslexia.

63) Includes amendments to grant local educational agencies the authority to exclude the consideration of all state pension payments on behalf of local educational agencies from general fund expenditures for the purposes of the Routine Restricted Maintenance Account calculation.
64) Appropriates $200,000 in one-time General Fund to the Department of Education for a Young People’s Task Force that will develop guidance to promote culturally competent interactions between young people and school resource officers on school campuses, contingent upon future legislation in the 2019-20 Regular Session.

*Early Education and Development*

65) Adds the Early Childhood Development Act to transfer all child care programs, with the exception of the California State Preschool Program from the Department of Education to the Department of Social Services, commencing July 1, 2021. Establishes the position of Deputy Director of Child Development within the Department of Social Services, to be appointed by the Governor and confirmed by the Senate. The Department of Social Services, in consultation with the Department of Education is required to provide a report detailing the transition and planning efforts by March 31, 2021 and quarterly updates from October 1, 2020 to December 31, 2024.

66) Amends the growth adjustment for child care programs, including state preschool, based on population growth of children ages zero to four, to be applied only when the adjustment is greater than zero.

67) Provides a hold harmless for child care providers operating contracts with the Department of Education (California State Preschool Programs, General Child Care Programs, Family Childcare Home Education Networks, Migrant Child Care and Development Programs, and Programs for children with Special Needs) for the 2020-21 fiscal year. Specifically, for those providers who remain open or re-open within a specified time frame, or are closed by a local or state public health order, reimbursement shall be at 100 percent of the maximum contract amount or 100 percent of enrollment, whichever is greater. The bill further requires child care programs that remain closed due to a health order to provide distance learning services.

68) Specifies that commencing July 1, 2020, alternative payment programs shall provide notice, including the effective date, of any changes to rates, care schedules, fees, or terminations to childcare providers on the same day a notice of action is issued to a family.

69) Requires alternative payment agencies to provide specified data about childcare caseload in the alternative payment program to the Department of Education on a monthly basis.

70) Specifies that unspent General Funds provided for the Early Learning and Care Infrastructure Grant Program and the Early Learning and Care Workforce Development Grants Program shall revert to the General Fund on June 30, 2020.

71) Eliminates 10,000 full-day non-LEA state preschool slots provided in the 2019 Budget Act and reverts $31.4 million to the General Fund. The bill also decreases funding for the LEA State Preschool Program in the 2019 Budget Act.
by $110.4 million Proposition 98 General Fund to reflect savings related to the unexpended program balance.

72) Allocates $152.3 million Federal Trust Fund Child Care and Development Block Grant Supplemental Fund in fiscal year 2019-20 for transfer to the General Fund to offset $152.3 million in costs associated with the state’s response to mitigating the COVID-19 impact on child care programs. The state costs incurred provided assistance and relief to child care providers and families in 2019-20 in immediate response to the COVID-19 pandemic as follows: $50 million allocated for child care services provided to workers deemed essential during the response to COVID-19 and at-risk children and $50 million to child care providers for the purposes of cleaning, sanitation, and other activities necessary to maintain or resume the operation of programs pursuant to SB 89 (Committee on Budget and Fiscal Review) Chapter 2, Statutes of 2020, and $44.3 million (including $3.3 million for CalWORKS Stage 1 family fee suspension) for continued payments and assistance to child care providers and families as a result of decreased enrollment or closures related to COVID-19, and $8 million to be provided for a 30-day extension of the family fee waiver for child care programs, consistent with Executive Order N-66-20.

73) Appropriates $198 million Federal Trust Fund Child Care and Development Block Grant Supplemental Fund for the following:
   a. $62.5 million to support alternative payment programs to reimburse providers at families’ certified need, regardless of attendance, until June 30, 2021, or until funds are exhausted.
   b. $62.5 million in flat rate, per child stipends for alternative payment programs based on the number of subsidized children enrolled and the average cost of care.
   c. $73 million to extend child care for children of essential workers and at-risk children who received care with the $50 million provided for care under SB 89 (Committee on Budget and Fiscal Review) Chapter 2, Statutes of 2020, for at least 90 days. Further extends any unspent funds from the $50 million provided for care under SB 89 (Committee on Budget and Fiscal Review) Chapter 2, Statutes of 2020 for the same purpose of extending care for families. Prioritizes these children for permanent enrollment in available capacity within the alternative payment program if they meet program requirements.

74) Specifies that if additional federal funds are received for these purposes in the 2020-21 fiscal year, the Department of Education shall prioritize funds as follows:
   a. Up to $100 million for alternative payment providers to extend access to child care for children of essential workers, at risk children, and other eligible children as specified, in order of priority.
   b. Up to $50 million to increase capacity for up to two years for general child care programs and state preschool programs.
   c. Up to $25 million in stipends to assist child care providers with the costs of re-opening.
   d. Up to $125 million in stipends to assist all subsidized child care providers.
Commission on Teacher Credentialing

75) Extends for one year the time of validity of exam scores used to satisfy a requirement for the issuance of a teaching credential, certificate, permit, or waiver for scores between March 19, 2020 and June 30, 2021.

76) Extends to 120 days the time of validity of fees submitted to the Commission on Teacher Credentialing with paper applications for teaching credentials not available for online renewal or recommendation.

77) Reduces the requirement for the field practice assignment for a pupil services credential to take place in only one school setting from March 19, 2020 to June 30, 2021, instead of two or more school settings.

78) This bill makes various other technical changes.

Fiscal Effect: The funding related to the changes in this bill is contained in the 2020-21 Budget Act. In addition, this bill appropriates funding for K-14 education programs, totaling approximately $5.8 billion.

Support: None on File

Opposed: None on File

-- END --
Subject: Bergeson-Peace Infrastructure and Economic Development Bank

Summary: This bill is the Infrastructure and Economic Development Bank (IBank) trailer bill, and contains changes to implement the 2020-21 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting IBank programs necessary to implement the Budget Act of 2020. Specifically, this bill:

1) Establishes the Climate Catalyst Revolving Loan Fund Act of 2020, which makes moneys in the fund available for expenditure upon appropriation by the Legislature for purposes of funding “climate catalyst projects” to further the state’s climate goals, activities that reduce climate risk, and the implementation of low-carbon technology and infrastructure.

2) Defines “climate catalyst project” as any building, structure, equipment, infrastructure, or other improvement within California, or financing the general needs of any sponsor or participating party for operations or activities within the state that are consistent with, and intended to, further the purposes of the act.

3) Requires the IBank to administer the fund and provides how the IBank is to administer the moneys, such as authorizing the bank to pledge moneys in the fund as security for the payment on an issuance of bonds for purposes of this act.

4) Requires the Strategic Growth Council (SGC), in consultation with the Labor and Workforce Development Agency, to advise the Legislature of potential categories of climate catalyst projects that focus on the state’s key climate mitigation and resilience priorities and inform IBank of the advice provided to the Legislature.

5) Requires the IBank to prepare and submit a report, as specified, regarding the fund’s program activities for the preceding fiscal year to SGC, the Governor, and the Legislature.

6) Limits the total amount of rate reduction bonds and bonds issued to finance public development facilities that may be outstanding at any one time to $15 billion. Currently, the limit for rate reductions bonds is $10 billion and the limit for bonds to finance public development is $5 billion. This change does not increase the total authority; rather it combines the limits allowing for more flexibility between the categories.
7) Authorizes IBank’s board to establish one or more programs administered by the bank directly, in conjunction with financial companies or financial institutions, in direct or indirect participation with special purpose entities established for small business finance or under contract with small business financial development corporations.

8) Authorizes IBank’s board to establish any and all programs pursuant to the Small Business Financial Assistance Act of 2013 and other provisions of law, as specified, that it determines necessary or desirable to directly or indirectly assist small businesses obtain capital.

**Fiscal Effect:** By authorizing the deposit of additional moneys into the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, this bill would make an appropriation.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Human services omnibus

Summary: Provides for statutory changes necessary to enact human-services related provisions of the Budget Act of 2020.

Background: As part of the 2020-21 budget package, this bill makes statutory changes to implement the budget act.

Proposed Law:

For the Department of Developmental Services (DDS):

1) **Supplemental Rate Increases for Specified Providers.** Requires DDS, effective January 1, 2021, to provide a rate increase to independent living programs, infant development programs, and early start specialized therapeutic services. The percentages of the rate increases shall be established by the department and posted on the department’s website. Implementation of these rate increases will be suspended on December 31, 2021, subject to the terms of the suspension policy.

2) **Incompetent to Stand Trial Capacity/Diversion Process.** Increases the allowable number of certified Enhanced Behavioral Support Homes (EBSHs) with delayed egress and secure perimeter to 11 statewide, and also increases the maximum number of beds in facilities that utilized delayed egress and secure perimeter to 174 statewide. Temporarily increases the maximum population of the secure treatment facility at Porterville Developmental Center from 211 to 231 until June 30, 2023. Revises provisions relating to the diversion process for defendants that have been evaluated by a regional center to have a developmental disability, expanding the offenses to which the diversion program would apply and aligning with current law for defendants with mental health disorders.

3) **Stabilization, Training, Assistance, and Reintegration (STAR) Home Leases.** Authorizes DDS to execute leases, lease-purchases, or leases with the option to purchase real property necessary for the establishment or maintenance of Stabilization, Training, Assistance, and Reintegration (STAR) homes.

4) **Expedited Regional Center Individual Program Plan (IPP) Process.** Requires regional centers to review an individual program plan no later than seven days after a request is submitted if the review is deemed necessary for the consumer’s health and safety or to maintain the consumer in their home.
For the State Council on Developmental Disabilities (SCDD):

5) **Self Determination Program Report.** Requires the SCDD to issue an interim report on the status of the Self-Determination Program, barriers to implementation, and recommendations to enhance the effectiveness of the program by June 30, 2021. The bill also extends the deadline for submission of the Council’s final report on the Self-Determination program to December 31, 2022.

For the Department of Child Support Services (DCSS):

6) **CalWORKs Child Support Pass-through.** Beginning January 1, 2022, increases the amount of child support passed through to CalWORKs recipients - $100 for a family with one child and $200 for a family with two or more children. Under current law, only the first $50 of child support collected per month is paid to a CalWORKs recipient. The remaining balance of the collected child support goes to local and state government as a reimbursement for provided aid.

For the Department of Social Services (DSS):

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

7) **Restoration of the 60 Month Time Limit.** Authorizes moving to a single 60-month CalWORKs time limit, effective May 1, 2022, or when the department notifies the Legislature that all necessary automation changes are complete. The bill also eliminates the 24-month limitation on certain welfare-to-work activities, effective May 1, 2022, or when the department notifies the Legislature that all necessary automation changes are complete. Makes other conforming changes to program statute to reflect the 60-month time limit.

8) **12-month Continuous Eligibility for CalWORKs Stage One Childcare.** Clarifies that sanctioned participants can access childcare if they have indicated an intent to engage in a program activity or employment, but have not yet participated.

9) **CalWORKs Accountability and Outcome Review (Cal-OAR).** Makes the Cal-OAR continuous quality improvement components optional to counties during the 2020-21 fiscal year. Requires the department to provide a summary of executed and pending contracts and grants to implement Cal-OAR on the department website.

10) **CalWORKs Single Allocation.** Delays removal of funding for stage one childcare from the Single Allocation from 2020-21 to take effect in 2021-22.

11) **Identity Verification Methods.** Clarifies that the methods approved by the department as of July 1, 2018 satisfy the requirement for nonbiometric identity verification methods in the CalWORKs program. Repeals obsolete sections related to this issue.
12) **Cal-Learn Program.** Specifies additional intensive case management models that counties are required to contract for the provision of services with public or nonprofit agencies or school districts that administer services, including, among others, a home visiting model. Requires counties to include approved contractors in their planning of the Cal-Learn Program to ensure participation in the county’s planning and implementation of the program.

**CalFresh:** This bill includes provisions pertaining to the CalFresh program, including:

13) **CalFresh Simplifications.** Makes several simplifications to the CalFresh program to help those enrolled retain benefits and those who are eligible access the program. Simplifications include requiring counties to attempt to make personal contact via telephone or other electronic means prior to terminating benefits, and requiring any discontinuance be rescinded if the necessary information for the semiannual report form is obtained via an acceptable alternative method.

14) **CalFresh Overissuances.** Modifies the amount in current law ($125) that current and future CalFresh benefits could be reduced to recover an overissuance to a higher amount that is approved by the United States Department of Agriculture. Modifies the amount in current law ($400) that, if a household is no longer receiving CalFresh benefits, a CalFresh overissuance caused by administrative error or inadvertent household error shall not be established, and collection shall not be attempted, to a higher amount that is approved by the United States Department of Agriculture.

15) **CalFresh County Match Waiver.** For the 2020-21 and 2021-22 fiscal years, caps the amount of a county’s share of administration costs at the amount the county was required to contribute to receive its full allocation under the 2019 Budget Act.

16) **CalFresh County Administration Funding.** Changes the beginning base year for the updating of the budgeting methodology used to determine the annual funding for county administration of the CalFresh Program from 2020–21 to 2021–22.

17) **Safe Drinking Water Supplemental Benefit Pilot.** Extends the sunset date for the Safe Drinking Water Supplemental Benefit Pilot program to provide additional CalFresh nutritional benefits for interim assistance to purchase safe drinking water from July 1, 2020, to July 1, 2024.

**Child Welfare Services/Foster Care:** This bill includes provisions pertaining to child welfare services and foster care, including:

18) **Rate Increases for Foster Family Agencies (FFAs):** States the intent of the Legislature that any additional federal funds identified due to the implementation of a Social worker Time Study to be applied to offset General Fund appropriated for the cost of the 4.15 percent FFA social worker rate increase.

19) **Flexibilities for FFAs:** For FFAs, institutes a ratio of one full-time social worker for every 18 children in placement. Allows non-social work personnel to complete a resource family home health and safety assessment if the assessment is reviewed.
and approved by a social worker, given those non-social work personnel have a minimum of a bachelor’s degree in social work, psychology, or a related field.

20)**Flexibilities for County Child Welfare Services Programs**: Allows for biennial updates of resource family approvals. For the 2020-21 fiscal year, allows counties to conduct inspections of supervised independent living placements through methods other than in-person visits.

21)**Nonminor Dependent (NMD) Transitional Housing Program Supplement**: Allows the rates paid for providing services to NMDs to be supplemented with a housing supplement, based on fair market rent.

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

23)**Emergency Caregiver Payments**: During the 2020-21 fiscal year, allows emergency caregiver payments made prior to placement approval to be provided beyond 120 days and up to 365 days when the delay in approval is outside of county control.

24)**Family Urgent Response System (FURS)**: Allows for the implementation of FURS before January 1, 2021, as long as counties have established a mobile response system or an alternative method to accept and respond to referrals from the statewide hotline. Implementation of this program will be suspended on December 31, 2021, subject to the terms of the suspension policy as specified in statute.

25)**Los Angeles (L.A.) County Public Health Nursing Early Intervention Program.** Requires, before January 1, 2021, and to the extent enabled by existing resources or appropriated funds, the Department of Health Care Services (DHCS), in consultation with LA County to determine the steps required to seek any federal approvals necessary to claim federal financial participation for allowable Medicaid activities of the program, and states that the activities of the program shall be implemented only to the extent that DHCS obtains any necessary federal Medicaid approvals.

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

26)**Sick Day Parity for Waiver Personal Care Services (WPCS) Providers**. Requires sick day coverage for WPCS providers who also provide in-home supportive services.

27)**IHSS Reassessments**. Gives counties until December 31, 2020, to complete required IHSS assessments that were due between the issuance of Executive Order N-29-20 and June 30, 2020, or were not completed due to the waiver authority set forth in that Executive Order. Allows those reassessments to be conducted remotely, subject to federal approval.
28) **IHSS Provider Orientations.** Requires counties to provide no less than 10 days notice of provider orientations to the recognized employee organization. Also requires this advance notice if the orientation is modified from an onsite, in-person orientation. Specifies that prospective providers may, by their own accord, choose not to participate in the recognized employee organization presentation.

29) **IHSS Mandatory Training.** Mandates new IHSS case workers, case worker supervisors, quality assurance and program integrity staff, and program managers receive training within the first six months of employment. Would also require any existing staff who have not had training or completed training prior to July 1, 2019, to complete a one-day refresher training.

30) **IHSS Quality Assurance Activities.** Permits a county to, until December 31, 2020, request, and the Department of Social Services to approve, a reduction of quality assurance and program integrity activities to address staffing shortages and enable the county to repurpose staff to support critical IHSS administrative functions, including intakes and reassessments. Also allows counties to conduct these activities remotely, subject to federal approval.

Additionally, for DSS, this bill:

31) **Notification of Closure of Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFES).** Requires licensees of ARFs and RCFEs to inform the city and county in which the facility is located of a proposed closure or intent to sell the property or business, no later than 180 days before, or as soon as practically possible.

**Fiscal Effect:** Funding related to the changes in this bill is contained in the 2020-21 budget.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Health omnibus

Summary: This bill is an omnibus health trailer bill, and contains changes to implement the 2020-21 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2020. Specifically, this bill:

1) Establishes the Health Care Payments Data Program, which will collect data on health care expenditures for inclusion in a Health Care Payments Data System. The data system will collect information regarding health care costs, utilization, quality, and equity to provide greater transparency to inform public policy decisions.

2) Prohibits termination of Medi-Cal eligibility for incarcerated juveniles to comply with provisions of the federal Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act.

3) Changes the name of the Electronic Health Record Incentive Program to the Medi-Cal Promoting Interoperability Program and extends the program sunset date from July 1, 2021, to January 1, 2024.

4) Prioritizes full-scope Medi-Cal expansion to undocumented seniors in the upcoming budget if the Department of Finance determines there are sufficient General Fund revenues for that fiscal year and the ensuing three fiscal years to support the expansion.

5) Authorizes the Department of Health Care Services (DHCS) to reimburse for medication assisted treatment (MAT) services in the Drug-Medi-Cal program.

6) Adjusts rate reviews for physician and dental reimbursable services to more closely align with federal access-to-care requirements.

7) Amends the definition of “best price” to allow DHCS to negotiate prescription drug rebates for Medi-Cal beneficiaries using the best international price, rather than the best domestic price.

8) Authorizes DHCS to negotiate prescription drug rebates on behalf of non-Medi-Cal populations.
9) Eliminates the monthly limit of six prescriptions and the one dollar copayment for prescriptions for Medi-Cal beneficiaries in the fee-for-service delivery system.

10) Requires DHCS to implement any approved federal Medicaid waiver or flexibility related to the novel coronavirus 2019 (COVID-19) public health emergency.

11) Authorizes DHCS to extend coverage for COVID-19 to uninsured individuals for the duration of the COVID-19 emergency period, pursuant to the option afforded to states in the federal Families First Coronavirus Response Act (FFCRA).

12) Requires DHCS to maximize federal financial participation for Medi-Cal expenditures to respond to the COVID-19 public health emergency, including the temporary increase granted in the FFCRA, and to comply with any conditions placed on receipt of those funds.

13) Authorizes DHCS, in consultation with stakeholders, to seek federal approval for a temporary extension of all or select components of the state’s 1115 Waiver Demonstration project, Medi-Cal 2020, which is scheduled to expire on December 31, 2020.

14) Suspends the Value-Based Payments program and supplemental payments to providers in Medi-Cal from Proposition 56 tobacco tax revenue effective July 1, 2021, unless the Department of Finance estimates that General Fund revenues exceed expenditures for the 2021-22 and 2022-23 fiscal years by an amount sufficient to support these programs and payments.

15) Authorizes DHCS to reduce applicable capitation rate increments for Medi-Cal managed care plans by up to 1.5 percent for the July 1, 2019, to December 31, 2020, rating period to account for reduced utilization related to the COVID-19 public health emergency.

16) Authorizes DHCS, in consultation with affected Medi-Cal managed care plans, to develop and implement a risk corridor to limit the financial risk of either overpayments or underpayments of capitation rates during the July 1, 2019, to December 31, 2020, rating period.

17) Authorizes the Department of Public Health (DPH) to allow the Pre-Exposure Prophylaxis (PrEP) Assistance Program to pay for an initial 30-day supply of PrEP and post-exposure prophylaxis (PEP) medication.

18) Authorizes the Franchise Tax Board to provide electronic retrieval of modified adjusted gross income data for the purposes of determining eligibility for the AIDS Drug Assistance Program.

19) Exempts the Lead-Related Construction Program from the Administrative Procedures Act for the purposes of addressing funding issues through fees established through the fee report authorized in the 2018 Budget Act.

20) Extends the authority for Patton State Hospital to house up to 1,530 patients from September 2020 until September 2030.
21) Authorizes the Governor, upon recommendation of the director, to appoint medical
directors for the Department of State Hospitals and each of the individual state
hospitals. Also allows the director to designate other hospital employees as officers.

22) Allows the board and staff members of Covered California to provide volunteer
professional services if certain conditions are met.

23) Revises the actuarial value of Bronze-level health plans offered in Covered
California to comply with new federal rules.

24) Extends the program period and reappropriates and extends availability of funding
for the Medically-Tailored Meals pilot program authorized in the 2017 Budget Act.

25) Removes statutory language authorized in the 2019 Budget Act that would have
suspended funding for DPH programs for the prevention of human
immunodeficiency virus, hepatitis C, and sexually transmitted diseases.

26) Authorizes DHCS to establish, implement, and maintain a supplemental payment
pool for nonhospital community clinics participating in the federal 340B program.

**Fiscal Effect:** Reappropriates General Fund expenditure authority of $1.4 million
approved in the 2017 Budget Act for a medically tailored meals pilot program and
makes those funds available for encumbrance or expenditure until June 30, 2023.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Public health funding: health facilities and services

Summary: This bill is an omnibus health trailer bill, and contains changes to implement the 2020-21 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2020. Specifically, this bill:

1) Extends the quality assurance fee on free-standing skilled nursing facilities, originally authorized by AB 1629 (Frommer), Chapter 875, Statutes of 2004, until December 31, 2022.

2) Deposits quality assurance fee revenue in the Long-Term Care Quality Assurance Fund.

3) Continues the Quality and Accountability Supplemental Payment System, which withholds approximately $90 million of funding for skilled nursing facilities, and uses that funding to provide supplemental payments to facilities for meeting certain quality measures. Also includes compliance with public health directives related to the novel coronavirus 2019 (COVID-19) public health emergency.

4) Continues the existing facility-specific cost reimbursement methodology for skilled nursing facilities, adds new cost categories, including employee trainings, and increases the components related to direct and indirect labor costs from the 90th to the 95th percentile.

5) Adds auditing requirements for increased federal funding related to the COVID-19 public health emergency to ensure skilled nursing facilities adequately utilize increased funding for only allowable costs including, but not limited to, increased wages or benefits, shift incentive payments, staff retention bonuses, pay differentials for workers employed by more than one facility, overtime payments to non-managerial workers, personal protective equipment, COVID-19 testing for any workers, infection control measures and equipment, and additional staff training.

6) Provides for weighted reimbursement rate increases to skilled nursing facilities as follows:

   a. 3.62 percent through December 31, 2020
b. 3.5 percent plus the cost of complying with new state or federal mandates until December 31, 2021

c. 2.4 percent plus the cost of complying with new state or federal mandates until December 31, 2022.

7) Beginning January 1, 2021, requires facilities to comply with direct care service hours per patient day requirements, applicable minimum wage laws, and wage pass-through requirements as a condition of Medi-Cal funding.

8) Authorizes counties to extend the effective timeframe of a three-year plan for Mental Health Services Act (MHSA) expenditures or an annual update to include the 2020-21 fiscal year. Requires counties to submit the three-year plan or annual update to the Mental Health Services Oversight and Accountability Commission (MHSOAC) and the Department of Health Care Services (DHCS) by July 1, 2021.

9) Authorizes counties to, during the 2020-21 fiscal year, use funds from MHSA prudent reserves for mental health expenditures to children and adults, including housing assistance.

10) Authorizes counties to determine allocations of MHSA funds within community services and supports, and prevention and early intervention categories for the 2020-21 fiscal year.

11) Suspends reversion of unspent MHSA funds required to be reverted as of July 1, 2019, or July 1, 2020. The suspension is effective until July 1, 2021.

**Fiscal Effect:** Extends revenue collection from quality assurance fees imposed on free-standing skilled nursing facilities, for deposit in the Long-Term Care Quality Assurance Fund.

**Support:** None on file.

**Opposition:** None on file.
Subject: State government

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

Proposed Law: This bill make the following statutory changes:

1) Responsible Beverage Act Delayed Implementation. Delays the implementation of the Responsible Beverages Act from July 1, 2021 to July 1, 2022, to provide relief to licensees of the Department of Alcoholic Beverage Control.

2) Cesar Chavez Holiday. Specifies that if March 31, Cesar Chavez Day, falls on a Tuesday, Wednesday or Thursday, the Legislature may observe the holiday on the preceding Friday, the preceding Monday, or the following Friday.

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

4) Social Entrepreneurs for Economic Development (SEED). Establishes the SEED program to provide entrepreneurial training, microgrants, technical assistance and support, and outreach and education to individuals with limited English proficiency or are undocumented to establish or maintain a small business in the state. The bill requires a report to the Legislature by March 1, 2020 regarding the uses and outcomes of the funds.

5) Employment Development Department (EDD) and Department of Motor Vehicles (DMV) Information. Authorizes the DMV to respond to information requests from the EDD to ensure compliance with disability insurance and unemployment compensation requirements.

6) Department of Industrial Relations Wage Claim Reporting. Requires the Division of Labor Standards Enforcement to annually submit a report by March 1, 2022 to the Department of Finance and the Legislature regarding wage claims submitted to the division and its outcomes.
7) **Rural Broadband.** This bill makes a number of statutory changes to allow the California Public Utilities Commission to provide matching funds through the California Advanced Services Fund to broadband providers as they pursue funding through the federal Rural Digital Opportunity Fund.

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

9) **Used Care Dealer Sales Tax Clean-Up.** Requires the Department of Motor Vehicles (DMV), through the adoption of regulations, to establish any additional requirements for implementing AB 85 (Committee on Budget) of the 2019-20 Regular Session and would prohibit a dealer from participating in the sale of a used vehicle without complying, as specified. Eliminates the requirement that DMV withhold the registration or the transfer of the registration of any vehicle sold at retail on and after January 1, 2021, to any applicant by any licensed dealer, other than a new motor vehicle dealer, until the dealer pays to the department the sales tax and any penalties. Makes the operations of the above provisions contingent on the enactment of AB 85.

**Fiscal Effect:** This bill makes an appropriation by potentially increasing the amount of employee contributions by state peace officers to the Public Employees’ Retirement Fund, a continuously appropriated fund.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Housing

Summary: This bill provides for statutory changes necessary to enact the housing and homelessness provisions of the Budget Act of 2020.

Proposed Law: This bill, as part of the 2020-21 Budget package, makes the following statutory changes to implement the Budget Act:

1) **National Mortgage Settlement.** Allocates $300 million to be administered by the California Housing Finance Agency for the purpose of providing housing counseling services to homeowners, former homeowners, or renters and provide mortgage assistance to households, including borrowers who own residential properties with four or fewer units. Allocates an additional $31 million to Judicial Council for qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including pre-eviction, and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation.

2) **Property Exchange for Affordable Housing.** Allows state properties to be exchanged for another property or other properties belonging to a local government if:
   a. The Department of Housing and Community Development has determined that the property or properties proposed to be conveyed to the state are suitable for the purpose of affordable housing, as defined.
   b. The Director of the Department of General Services makes a finding that the exchange is in the best interest of the state.

3) **Planning and Zoning Law.** Revises the requirements for a unit to qualify for inclusion in a committed assistance program, including extending long-term affordability covenants and restrictions that require the unit to be available at affordable housing costs for at least 55 years. Authorizes units in a motel, hotel, or hostel that are converted from nonresidential to residential to count towards a jurisdiction’s adequate sites, if specified conditions are met, including that the unit is part of a long-term recovery response to COVID-19, and authorizes spaces in specified mobilehome parks. Revises the definition of committed assistance to instead require the city or county to enter into a legally enforceable agreement until the end of the 4th year of the planning period that obligates sufficient available funds or other in-kind services.
4) **Special Occupancy Parks.** Provides that the Special Occupancy Parks Act does not apply to a non-profit entity under temporary, permanent, or emergency use, as determined by local government through enabling ordinance.

5) **Homeless Housing, Assistance, and Prevention Program (HHAPP).** States Legislative intent to continue to build on effort to combat homelessness at a regional and statewide level, and provides $300 million for Round 2 of HHAP funding, consistent with the requirements of AB 101 (Committee on Budget), Chapter 159, Statutes of 2019.

   a. Allocates this funding as follows:
      
      i. $90 million to Continuums of Care (CoC)
      
      ii. $130 million to each city, or city that is also a county that has a population of 300,000 or more as of January 1, 2020.
      
      iii. $80 million to counties

   b. Allows a city, city and county, single CoC to apply jointly with a counterpart entity or entities. Requires that five percent shall be set aside for the program administration, including state operations and technical assistance. Prohibits a program recipient from using funding to supplant existing local funds for homeless housing, assistance, or prevention. Requires a program recipient to use at least eight percent of the funds allocated for homeless youth populations. Requires funding to be expending using Housing First principles.

   c. Requires an applicant for Round 2 to submit an application according to a calendar established by the Council to provide ample opportunity for technical assistance for applicants. Provides that applications shall be made available no later than November 30, 2020. Requires regular reporting from grant recipients.

6) **Building Homes and Jobs Trust Fund.** Extends the deadline for a jurisdiction to encumber planning dollars from SB 2 (Atkins), Chapter 364, Statutes of 2017, to December 31, 2020, and expend those funds no later than December 31, 2023.

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

8) **General Fund Transfer.** Requires any remaining funds deposited on or before July 1, 2020, into the Housing Rehabilitation Loan Fund from the Deferred-Payment Rehabilitation Loan Program, the Rental Housing Construction Program, and the Family Housing Demonstration Program may be transferred to the General Fund, upon order of the Department of Finance. This would result in the transfer of roughly $95 million in legacy funds to the General Fund.
9) **Project Room Key.** Provides for funds from the Coronavirus Relief Fund and General Fund to acquire, convert, rehabilitate, or capitalize operating subsidies for housing for individuals and families who are experiencing homelessness or who are at risk of homelessness to be disbursed in accordance with the Multifamily Housing Program, including grants to cities, counties, and other local public entities.

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

      i. Need geographically across the state.

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

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

      iv. The creation of new permanent housing options.

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

   b. Requires that any project that uses funds received from the Coronavirus Relief Fund for Project Room Key be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, and that the project shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals. Requires the administration to report on the use of funds.

10) **California Environmental Quality Act (CEQA) Requirements.** Provides an exemption from CEQA requirements for Project Room Key projects if certain requirements are satisfied. Specifies that the exemption applies only to a project for which the initial application to the city, county, or city and county where the project is located was submitted on or before April 30, 2021, and specifies the exemption sunsets on July 1, 2021. The requirements for a project to receive and exemption include.

   a. No units were acquired by eminent domain.

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

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

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

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

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

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

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

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

11) **Low Income Housing Tax Credit.** Makes a number of changes to the state Low Income Housing Tax Credit program. Specifically, this bill:

a. Specifies that tax credits be made available in the 2021 calendar year by the California Tax Credit Allocation Committee (CTCAC) after CTCAC and the California Debt Limit Allocation Committee (CDLAC) have adopted regulations, rules or guidelines to align programs of both committees with the objective of increasing production and containing costs.

b. Requires CTCAC to accept applications for the 2021 calendar year not sooner than 30 days after those regulations, rules, or guidelines have been adopted. Provides that CDLAC shall not accept applications for the 2021 calendar year for bond allocations for an eligible project prior to issuing, reviewing, and publishing a new tax-exempt private activity bond demand survey.

c. Revises the allocation methodology for the 2021 calendar year and thereafter, when CTCAC and CDLAC develop and prescribe regulations, rules or guidelines that includes a scoring system that maximizes the efficient use of public subsidy and benefit created through the private activity bond and low-income housing tax credit programs.

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

e. Requires CDLAC to report to the Legislature by April 1, 2021 on the private activity bonds awarded during the 2020 calendar year as specified.
f. Requires CTCAC to report to the Legislature by April 1, 2021 on federal and state low-income housing tax credits allocated from the 2019-20 budget as specified.

12) **Housing First Cleanup.** Extends the requirements that agencies and departments administering state programs to collaborate with the Homeless Coordinating and Financing Council to revise or adopt guidelines and regulations to incorporate core components of Housing First to July 1, 2022. Requires an agency or department that administers programs that fund recovery housing to do the following:

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

b. Ensure that recovery housing programs provide assistance in accessing housing for individuals who are removed or discharged from recovery housing programs, and that those programs report to the state on housing outcomes for program participants.

13) **Housing Navigator Program Suspension.** Provides that moneys appropriated to the Housing Navigator program are subject to the suspension if certain projections are not met for the General Fund. States that it is the intent of the Legislature to consider alternative solutions to prevent the suspension.

**Fiscal Effect:** The provisions of this bill are necessary to implement the requirements of the 2020-21 Budget.

**Support:** None on File.

**Opposed:** None on File.

-- END --
Summary: This bill makes the necessary changes to implement the employee compensation provisions adopted as part of the 2020 Budget Act.

Proposed Law: This bill makes various statutory changes to implement the employee compensation provisions of the 2020-21 budget. Specifically this bill:

1) California Public Employees’ Retirement System (CalPERS) Supplemental Pension Payment. Withdraws $500 million General Fund supplemental pension payment provided in the 2019-20 budget act for the 2020-21, 2021-22, and 2023-24. This bill provides $243 million Proposition 2 funds for a supplemental pension payment for the state patrol member category of the unfunded liability, per the July 1, 2019 collective bargaining agreement.

The bill also repurposes $2.5 billion General Fund CalPERS supplemental pension payment provided in the 2019 Budget Act, which was paid to CalPERS in July 2019, to instead be used to supplant the state’s 2020-21 and 2021-22 CalPERS contribution, as specified. The bill authorizes the cash transfer of up to $2.5 billion to the General Fund, from all non-GF funds that are required by law to fund state employer CalPERS contribution over the two fiscal years.

2) California State Teachers’ Retirement System (CalSTRS) and CalPERS Schools Pool. Redirects $660 million General Fund CalPERS Schools Pool supplemental pension payment provided in the 2019 Budget Act, to make a supplanting payment for district contribution rates in 2020-21 and 2021-22. Compared to existing law, this would reduce CalPERS district contribution rates by 2.90 percent in 2020-21 and 2.16 percent 2021-22.

This bill also redirects $1.64 billion General Fund CalSTRS supplemental pension payment provided in the 2019 Budget Act, to make a supplanting payment for district contribution rates in 2020-21 and 2021-22. Compared to existing law, this would reduce CalSTRS district contribution rates by 2.95 percent in 2020-21 and 2.18 percent in 2021-22.

3) CalSTRS State Contribution Rates. Specifies that for 2020-21, the state CalSTRS contribution rate shall be the same as the rate the CalSTRS board set on 2019-20. The bill specifies that this does not prevent payments towards the unfunded actuarial obligation.
4) **Bargaining Unit 5 Compensation.** Suspends, for the 2020-21 fiscal year, the requirement that the state shall pay rank-and-file members of the California Highway Patrol (CHP) who are members of BU 5 the average total compensation of corresponding ranks for specified city and county police and sheriff’s departments. This bill specifies that for the 2020-21 fiscal year, CHP rank-and-file members shall be subject to any and all reductions in state employee compensation, regardless of the means adopted to effect those reductions.

5) **Personal Leave Program 2020 (PLP).** Specifies that from July 1, 2020 through June 30, 2021, state employees shall participate in the Personal Leave Program 2020, as required by an applicable memorandum of understanding. Under the PLP 2020, employees shall receive a reduction in pay no greater than 10 percent, and up to 16 hours of PLP 2020 Program leave credits on the first day of each monthly pay period.

For state employees not subject to the PLP 2020 Program, Department of Human Resources shall adopt a plan for July 1, 2020 through June 30, 2021 for those employees to be furloughed for two workdays per calendar month. The bill also requires the department to adopt rules to implement, enforce and administer the furlough plan.

**Fiscal Effect:** Appropriates $243 million Proposition 2 Funds for a CalPERS supplemental pension payment for the state patrol member category. This bill redirects $2.3 billion General Fund CalPERS and CalSTRS school pool supplemental pension payments, as specified. This bill also authorizes the transfer of up to $2.5 billion General Fund to make a supplanting CalPERS payment.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Bill No: AB 88  Hearing Date: June 24, 2020
Author: Ting  Version: June 22, 2020  As amended
Urgency: No  Fiscal: No
Consultant: Christopher Francis

Subject: Public Safety

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

Background: As part of the 2020-21 budget package, AB 88 makes statutory changes to implement the budget act.

Proposed Law: This bill makes the following statutory changes:

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

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

3) **Elimination of Integrated Services for Mentally Ill Parolees (ISMIP) Program.** Eliminates the ISMIP program. CDCR anticipates savings of $8.1 million General Fund in 2020-21, increasing to $16.3 million General Fund in 2021-22 and ongoing.

4) **Prison Closure.** Requires the identification of a state owned and operated prison for closure by January 10, 2021 and second state owned and operated prison for closure by January 10, 2022. Requires the consideration of factors, including costs associated with operations and capital outlay needs, and operational flexibility.

5) **Criminal Records Automatic Relief.** Adjusts the timeline for implementation of AB 1076 (Ting), Chapter 578, Statutes of 2019, and provides a technical clarification for the Teacher Credentialing Program.

6) **Expanding College Opportunities for People with Criminal Records.** Prohibits a postsecondary education institution, exempting all professional degree or basic law enforcement granting training program, from inquiring about a prospective student’s
criminal history on an initial application form or at any time during the application process before the institution’s final decision relative to the prospective student’s application for admission. A postsecondary educational institution shall make any necessary changes to its application form to comply with the statutory changes by the fall term of the 2021–22 academic year.

7) **Firearms Precursor Parts.** Adjusts the timeline for implementation AB 879 (Gipson), Chapter 730, Statutes of 2019.

8) **Updates to Elderly Parole and Compassionate Release to address COVID-19 concerns.** Changes the life expectancy for inmates who are eligible for recall of sentence for compassionate release from six months to 12 months and removes the Board of Parole Hearing from the process. Changes age for elderly parole eligibility from 60 to 50 and time served from 25 to 20 years.

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

10) **Remote Court Appearances.** Allows preliminary hearings and trials to be held by two-way electronic audio-video communication if a defendant within the jurisdiction of the California Department of Corrections and Rehabilitation agrees and requires to arrange for communication between the superior court and any state prison in these situations. This language is a proactive cost containment strategy intended to reduce overall transportation costs and mitigate the need for future budget augmentations in this area.

11) **Conforming Statute to Realignment in response to People v. Vega.** Modifies legislative, non-proposition-approved statute to delete reference to location of facility for time served so that underlying crime is determiner of facility where sentence is served.

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

13) **Statewide authority to implement optional Misdemeanor Diversion.** Includes statutory changes to authorize a judge in a superior court in which a misdemeanor is being prosecuted to offer misdemeanor diversion.
14) **Young Adult Pilot Program Suspension.** Include statutory changes to suspend the young adult pilot program in the Division of Juvenile Justice to achieve cost savings.

15) **Update to Parole Terms and Earned Discharge.** Requires a person released from state prison on or after July 1, 2020 and subject to parole supervision by the Department of Corrections and Rehabilitation to serve a parole term of two years for a determinate term and a parole term of three years for a life term. Requires the Division of Adult Parole Operations to review these individuals for earlier discharge as specified.

The aforementioned statutory changes do not apply to any inmate currently incarcerated for an offense that will require the person to register as a sex offender pursuant to Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1. Overall, establishing a new maximum term for parole for most offenders and earned discharge processes will result in General Fund savings of $23.2 million and a reduction of 122.9 positions in 2020-21.

16) **Health Care Facility Infrastructure Projects:** Increases the California Department of Corrections and Rehabilitation’s lease revenue bond authority for the construction of various Health Care Facility Improvement Projects. Specifically, this bill provides an augmentation of $32.5 million for these projects, increasing the total for these projects from $1.13 billion to $1.17 billion.

**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 --
Bill No:  AB 90  Hearing Date:  June 24, 2020
Author:  Committee on Budget  Fiscal:  Yes
Version:  June 22, 2020  Amended
Urgency:  No
Consultant:  James Hacker

Subject:  Transportation

Summary:  This bill provides for statutory changes necessary to enact the transportation provisions of the Budget Act of 2020.

Proposed Law:  This bill, as part of the 2020-21 Budget package, makes the following statutory changes to implement the Budget Act:

1. Statutory Relief for Transit Agencies. This bill would provide several types of temporary statutory relief for transit agencies impacted by the COVID-19 pandemic. Specifically, it does the following:

   a. Institutes hold harmless provision for calculation and allocation of State Transit Assistance (STA) Program, STA-State of Good Repair, and Low Carbon Transit Operations Program allocations (Local Revenue Basis Only) for the 2020-2021 and 2021-2022 budget years. For 50 percent of all funds allocated under these three programs, current law requires the State Controller to calculate funding apportionments for each eligible transit agency based on the ratio that the transit agency’s local revenue bears to the total local revenue of all eligible transit agencies within the jurisdiction of each agency’s transportation planning agency, county transportation commission, or regional board. This bill directs the State Controller to “freeze” for the 2020-21 and 2021-22 budget years the local revenue allocation factors used most recently before the pandemic; and, to allocate to transit agencies funds under these three programs using those same allocation factors, as opposed to updating the factors each year.

   b. Temporarily suspends the financial penalties associated with the Transportation Development Act’s requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2020-2021 and 2021-2022 budget years. Current law requires transit agencies to obtain specified fixed percentages of their operating budgets from passenger fares (often called “farebox recovery ratio requirements”) in order to receive their full share of the Transportation Development Act’s Local Transportation Fund (LTF) revenues. Transit agencies that fail to meet this requirement face financial penalties, which reduce the LTF funding available to them for capital and operations. As transit ridership has declined due to the COVID-19
pandemic, this language would prevent agencies from being penalized due to the ongoing public health crisis.

c. Temporarily suspends, for the 2020-2021 and 2021-2022 budget years, the financial penalties associated with the State Transit Assistance Program’s requirement that transit agencies’ operating cost per revenue vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year. Current law requires transit agencies to hold operating cost per revenue vehicle hour constant year-over-year, as adjusted for inflation, in order to apply their share of State Transit Assistance Program funds fully toward operations. Transit agencies that fail to meet this requirement face financial penalties, which limit the funding from their total share that could be applied to operations (i.e. these dollars may only be used for capital expenditures). Suspending this requirement would prevent transit agencies from being penalized for increasing maintenance and sanitation spending during the ongoing public health crisis.

2. Aircraft Jet Fuel. This bill requires retailers of aircraft jet fuel to report quarterly to the California Department of Tax and Fee Administration on their sales of aircraft jet fuel. This bill makes failure to comply with this requirement subject to a fine. It would further require CDTFA to post the information from these reports online on a quarterly basis to comply with applicable Federal Aviation Administration policy.

3. High Speed Rail Business Plan. This bill would delay the delivery of the final High Speed Rail 2020 Business Plan until December 15, 2020. It also specifies that the Project Update Report which would otherwise be delivered by March 1, 2021 is not required. This bill also clarifies that the final Business Plan is still subject to review from the High Speed Rail Peer Review Group.

4. Heavy Duty Vehicle Inspection and Maintenance Program. This bill appropriates $1,705,000 from the Air Pollution Control Fund for the Department of Motor Vehicles to implement the requirements of SB 210 (Leyva), Chapter 298, Statutes of 2019. The requested funds will allow the DMV to develop an IT system that will receive data from the California Air Resources Board regarding heavy-duty truck smog violations to assist the Board in improving its emissions control program for heavy-duty vehicles.

Fiscal Effect: The provisions of this bill are necessary to implement the requirements of the 2020-21 Budget.

Support: None on file.

Opposed: None on file.

-- END --
Summary: AB 92 is the omnibus Resources budget trailer bill. It contains provisions necessary to implement the 2020 Budget Act

Proposed Law: Specifically, this bill:

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

2) **Amendments to AB 658 (Arambula), Chapter 678, Statutes of 2019.** Requires the State Water Resources Control Board (SWRCB), in setting a specified fee schedule, to include an amount estimated by the SWRCB, in consultation with the Department of Fish and Wildlife, necessary to recover costs incurred by the department.

3) **Fees to Regulate Law Prohibiting Confinement of Animals (Proposition 12).** Requires the Secretary of Food and Agriculture to adopt, by regulation, fees to cover the Department of Food and Agriculture’s reasonable regulatory program costs related to the confinement of animals, as described in Proposition 12. Requires the fees to be separately accounted for in the Department of Agriculture Account, Department of Food and Agriculture Fund.

4) **Extinguishing Remaining Unissued Bond Authority (Propositions 112 and 82).** Extinguishes old general obligation bonds that are no longer needed to reduce Administration costs at the request of the Treasurer’s Office. This saves on ongoing Administration to administer minimal remaining balances that are not enough to support another project. The trailer bill language reduces the amount of indebtedness authorized by the Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 and the Water Conservation Bond Law of 1988.
5) **Lead-Acid Battery Cleanup Fund.** Explicitly requires moneys in the Lead-Acid Battery Cleanup Fund to be expended, upon appropriation by the Legislature, on specified activities to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon; and requires costs incurred by the Department of Toxic substances Control using moneys from the fund that are recovered be deposited into the fund.

6) **Amendments to AB 1499 (Gray), Chapter 798, Statutes of 2017.** Specifies that total gross receipts of sales of property within state-designated fairs be subject to review by the California Department of Tax and Fee Administration (CDTFA) for errors. Requires CDTFA to note any identified errors and the approximate impact on those errors on the total gross receipts in its report to the Department of Finance to allow an adjusted total gross receipts amount to be determined for the purpose of calculating the amount to be included in the Governor’s Budget for use by the Department of Food and Agriculture for allocation to fairs.

7) **401 Certification.** Authorizes SWRCB to issue a certificate or statement, which is required under federal water quality control laws, before completion of an environmental review, which is required under the California Environmental Quality Act, if SWRCB determines that waiting until completion of the environmental review means review poses a substantial risk of waiver of the state’s certification authority under federal water quality control laws. Requires SWRCB, to the extent authorized by federal law, to reserve authority to reopen and revise the certificate or statement as appropriate based on the information provided in the environmental review document.

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

**Support:** None on file.

**Opposed:** None on file.

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

Summary: This is the California Earned Income Tax Credit (EITC) trailer bill.

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.

Proposed Law:

1) Expands EITC and YCTC eligibility to Individual Taxpayer Identification Number filers with at least one child under the age of six and specifies that children six and over would count as qualifying children, as long as the family has at least one child under six.
2) Removes from conformity to Internal Revenue Code EITC eligibility rules related to the exception from eligibility for certain Social Security Numbers. The removal of that conformity would apply for all taxpayers, regardless of whether they have children under six in the family.

**Fiscal Effect:** By authorizing payments to additional taxpayers from the continuously appropriated Tax Relief and Refund Account for amounts of EITCs and YCTCs, this bill would make an appropriation. The expansion of the EITC and YCTC provided for in this bill is estimated to cost approximately $65 million in the 2020-21 fiscal year.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Higher Education

Summary: This bill makes necessary changes to implement the higher education provisions adopted as a part of the Budget Act of 2020.

Proposed Law: This bill makes various statutory changes to implement the higher education provisions of the 2020-21 budget. Specifically, this bill:

1) Cal Grant Awards for Students Attending Private Non-Profit Colleges and Universities. Sets the Cal Grant amount for students attending private non-profit colleges and universities at $9,084 for the 2020-21 academic year.

2) Dreamer Service Incentive Grant and Emergency Financial Aid. Specifies that funds provided for the Dreamer Service Incentive Grant shall be redirected to provide emergency financial aid. This bill provides $15 million one-time General Fund for emergency financial aid for AB 540 students at the University of California, California State University, and California Community Colleges. The Dreamer Service Incentive Grant program will resume in the 2021-22 academic year.

3) Golden State Teachers Grant Program. Makes technical adjustments to the program to clarify that the funds are for students enrolled in an accredited institution of higher education, that the funds shall be available for encumbrance until June 30, 2023, and funds shall supplement other financial aid, as specified.

4) Middle Class Scholarship Program. Specifies that for the 2019-20 fiscal year and each year thereafter, $117 million shall be allocated for the program.

5) Community College Fifty Percent Law: COVID-19 Expenses. Specifies that for the 2020-21 fiscal year only, expenditures related to the COVID-19 virus that are not otherwise normal expenditures are exempt from the 50 percent law. The 50 percent law requires community college districts to allocate no less than 50 percent of its general fund expenditures to “salaries of classroom instructors,” under a formula based upon the current expense of education.

6) Student Centered Funding Formula. Specifies the base, supplemental and student success allocation rates for the funding formula for 2019-20. This bill specifies that commencing with the 2020-21 fiscal year, these rates are to be adjusted for changes in the cost-of-living adjustments. The bill also specifies that for the 2020-21 fiscal year, colleges may use the 2019-20 data in place of 2020-21 data.
to calculate the base allocation. For the 2020-21 supplemental allocation and student success allocation, colleges may use 2018-19 data in place of the 2019-20 data. The bill also provides a two-year extension of the hold harmless provision from 2021-22 to 2023-24. The bill also includes intent language to specify that for the 2020-21 fiscal year, 70 percent of the funding is for the base allocation, 20 percent for supplemental, and 10 percent for student success.

7) **Community College Short-term Career Technical Education Programs.** Encourages community college districts to expedite the development of short-term workforce training programs related to economic recovery.

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

9) **California State University Retirees.** Makes technical changes to update references for CSU annuitants to retirees.

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

11) **Community College Deferrals.** Specifies that for the 2020-21 fiscal year, a total of $1.45 billion Proposition 98 General Fund shall be deferred from June to July, May to August, April to September, March to October and February to November.

    The bill also provides a hardship waiver of $30 million for each of the 2020-21 deferral payments, and authorizes the Controller, Treasurer and Department of Finance to provide additional hardship amounts of up to $60 million total for each month of the deferrals.

    The bill specifies that by August 1, 2021 and each year after, the Department of Finance shall notify the Joint Legislative Budget Committee of each district that requested an exemption, and information about the amount they requested and were provided, and information on why a request was not granted. The bill specifies that if the amount that the waivers requested are larger than the funds available, the Chancellor’s office and Department of Finance shall prorate the amount to districts.

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

13) **CCC COVID-19 Response Block Grant.** Provides $66.26 million Proposition 98 General Fund one-time for the CCC COVID-19 Response Block Grant. Pursuant to the Budget Act, a total of $120 million in Federal funds and Proposition 98 General Fund shall be used for this purpose. This block grant will fund activities that support student learning and mitigate learning loss, this includes professional development, information technology, mental health services, and cleaning supplies and protective equipment. This bill requires the Chancellor’s Office to submit a report to the Legislature by January 1, 2023, on the use and effectiveness of these funds.
14) **CCC Student Equity and Achievement Program (SEAP).** Requires that as a condition of receiving SEAP funds, colleges must provide support to, or establish an on-campus food pantries or regular food distributions.

15) **UC San Francisco Parnassus Heights Plan.** Establishes procedures for the administrative and judicial review of the environmental review and approvals for the UCSF Parnassus Heights Plan project. This bill requires actions or proceedings seeking judicial review pursuant to the California Environmental Quality Act (CEQA) or granting of project approvals for the UCSF Parnassus Heights project to be resolved within 270 days of filing the certified record of proceedings to the court. This bill also prohibits the UC Board of Regents from prequalifying, shortlisting or awarding a contract to perform work on the UCSF Parnassus Heights project unless the entity provides an enforceable commitment that they and their subcontractors use skilled and trained workforce to perform all work that falls within an apprenticeable occupation, except as provided in a project labor agreement, as specified. This section shall remain in effect until January 1, 2026.

16) **Various Adjustments.** Makes other technical and conforming amendments to the higher education provisions of the budget act.

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

**Support:** None on file.

**Opposed:** None on file.
Bill No: AB 100  
Author: Committee on Budget  
Version: June 22, 2020 Amended  
Urgency: No  
Consultant: Yong Salas  

Hearing Date: June 24, 2020  
Fiscal: Yes  

Subject: State government  

Summary: This bill deletes the existing contents and 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) **2020 General Elections Funding.** Allows excess funds previously appropriated for counties to replace voting systems to be used for the administration of the November 2020 elections.

2) **Transfer the Alfred E. Alquist Seismic Safety Commission to the Office of Emergency Services.** Establishes the Alfred E. Alquist Seismic Safety Commission as a separate unit within the Office of Emergency Services, and reduces the number of commissioners from 20 to 15. Expands the number of public entities that provide regular updates to the commission regarding earthquake preparedness and seismic safety activities.

Fiscal Effect: This bill makes an appropriation by removing a restriction on the expenditure of funds available under an existing appropriation.

Support: None on file.

Opposed: None on file.

-- END --
Subject: CalSavers Program

Summary: This is a trailer bill associated with the 2020 budget act that transfers enforcement responsibilities for the CalSavers program from the Employment Development Department (EDD) to the CalSavers Retirement Board and the Franchise Tax Board (FTB) and makes other technical updates to the CalSavers program.

This budget trailer bill for 2020 makes technical changes to the CalSavers program to adjust the program’s forthcoming implementation to reflect the challenges faced by EDD in addressing unprecedented workload.

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

Proposed Law: Specifically, this bill:

1) Provides authority to the CalSavers Retirement Board to enforce compliance with CalSavers, to be administered through action by the FTB and deletes current provisions related to the EDD.
   a. Allows employers to appeal any penalty imposed in writing to the FTB.
   b. Requires CalSavers Retirement Board to reimburse the FTB for any costs for administering the program.
   c. Authorizes the FTB to disclose information to the CalSavers Board to facilitate the collections of amounts due and the appeals of the determination of the board, as specified.

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

3) Allows an eligible employee to opt out of the program by phone.
4) Allows the CalSavers Retirement Board the discretion to determine whether employees who opted out of the program are to be re-enrolled into it, rather than requiring this practice.

5) Renames the program in statute from California Secure Choice to CalSavers.

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

**Fiscal Effect:** This bill is not expected to change the overall cost of the CalSavers program, but will change which departments will provide the enforcement services. By authorizing amounts collected by the FTB to be transferred to the board for deposit into the CalSavers Retirement Savings Trust, a continuously appropriated trust, this bill would make an appropriation.

**Support:** None on file.

**Opposed:** None on file.

-- END --
Subject: Unemployment Compensation Benefits: COVID-19

Summary: This bill provides conformity to federal law for the purpose of accessing additional unemployment insurance administration funds and to extend unemployment insurance benefits to workers.

Existing Law:

1) Establishes the Unemployment Insurance (UI) program administered by the Employment Development Department (EDD) to provide partial wage replacement to workers who lost their job through no fault of their own.

2) Establishes a number of eligibility criteria for receiving UI benefits including the requirement that the recipient be able and available to accept suitable work and actively engaged in the search for suitable work.

3) Establishes a one-week waiting period before an unemployed worker can obtain UI benefits.

4) Provides an unemployed worker with 50 percent of their weekly wages (based on the worker's highest quarterly earnings in the prior 18 months) with a maximum weekly benefit of $450 for up to 26 weeks.

5) Requires employers to pay a state UI tax on the first $7,000 of wages paid to a worker each year to pay the cost of UI benefits.

6) Requires employers, as a matter of federal law, to pay a federal UI tax on the first $7,000 of wages paid to a worker to pay the cost of UI administration.

7) Establishes a schedule of UI tax rates (with a maximum rate of 6.2 percent).

8) Establishes the Federal-State Extended Unemployment Compensation Act of 1970 to provide extended duration benefits program known as Fed-ED. Fed-ED is funded 50 percent from Federal funds and 50 percent from state funds.

9) Extends the amount of time workers can claim UI benefits from 26 weeks to 39 weeks under House Resolution 748 (The Coronavirus Aid, Relief, Economic Security Act). HR 748 specifies that the federal government pay the full cost of the extra
weeks of benefits. The extra weeks of benefits would be available until the end of the 2020.

10) Activates Fed-ED when the state’s Insured Unemployed Rate (IUR) is at least five percent, and is at least 120 percent higher than the average IUR for the same period in the two previous years. The IUR is based on the number of workers collecting UI benefits as a percentage of those who are covered by the UI program.

Federal law also permits states to also adopt a Total Unemployment Rate (TUR), which is based on total number of unemployed individuals who are a part of the labor force, to determine when Fed-ED is available. When the TUR averages 6.5 percent over the most recent three month period, up to 13 weeks of Fed-ED benefits are available. When the TUR averages eight percent over the most recent three month period, up to 20 weeks of Fed-ED benefits are available to individuals who have exhausted their regular UI benefits.

11) Establishes HR 6201, Families First Coronavirus Response Act, which makes available approximately $120 million Federal Funds in UI administration funds for California, as specified. Funding is provided in two allotments to the state, and the state must adopt certain UI administrative changes, as specified, to receive these funds.

Proposed Law: This bill provides conformity to federal law for the purpose of accessing additional unemployment insurance administration funds and to extend unemployment insurance benefits to workers.

1) Non-Charging of Employers. Specifies that for the duration of all federal unemployment benefits program specifically created for the COVID-19 pandemic, unemployment insurance benefits paid shall not be charged against the reserve account for a tax-rated employer, as specified. This section shall be repealed on July 1, 2021, unless non-charging provisions are extended by federal law.

2) Total Unemployment Rate Trigger. Triggers on the Fed-ED benefits under the TUR trigger for the period beginning on or after March 18, 2020, pursuant to the Families First Coronavirus Response Act, as specified.

Fiscal Effect: This bill would provide for the payment of additional benefit amounts from the unemployment fund, a continuously appropriated special fund.

Support: None on file.

Opposed: None on file.

-- END --
Subject: Change in ownership: nonresidential active solar energy systems: initiative

Summary: This is the Nonresidential Solar Energy Systems trailer bill for the 2020-21 budget. It contains various statutory changes necessary to implement the Budget Act of 2020.

Proposed Law: This bill makes the following statutory changes:

1) Reclassifies a nonresidential active solar energy system as personal property rather than real property, as previously defined.

2) Redefines real property to include residential property and improvements but excludes personal property from this definition. Existing law defines the parameters for the appraisal of real property and associated tax.

3) Specifies a nonresidential active solar energy system to mean a system that uses solar devices to provide the collection, storage or distribution of solar energy that is not constructed or installed in or on residential property.

4) Exempts nonresidential active solar energy systems constructed or installed prior to January 1, 2025 from taxation as a personal property until there is a subsequent change in ownership. Change in ownership is defined in existing law.

5) The provisions of this bill become operative on the date that the Schools and Communities First (Section 2.5) ballot initiative measure is added to Article XIII A of the California Constitutions at the November 3, 2020 statewide general election.

6) In the event the ballot measure is not approved, provisions in this bill will remain inoperative and effectively repealed on January 1, 2021.

Fiscal Effect: The provisions of this bill does not result in any fiscal impact as it is merely extends existing property tax exemptions.

Support: None on file.

Opposed: None on file.
Subject: State employment: State Bargaining Units

Summary: Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs) and addenda between 12 bargaining units (BUs) and the state. The MOUs cover state employees represented by four exclusive employee representatives, as follows:

Service Employees International Union, Local 1000 (SEIU 1000)
- BU 1: Administrative, Financial, and Staff Services
- BU 3: Professional Educators and Librarians
- BU 4: Office and Allied
- BU 11: Engineering and Scientific Technicians
- BU 14: Printing Trades
- BU 15: Allied Services
- BU 17: Registered Nurses
- BU 20: Medical and Social Services
- BU 21: Education Consultants and Library Employees

California Correctional Peace Officers Association (CCPOA)
- Bargaining Unit 6: Corrections

Professional Engineers of California Government (PECG)
- Bargaining Unit 9: Professional Engineers

California Association of Psychiatric Technicians (CAPT)
- Bargaining Unit 18 (psychiatric technicians)

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 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 analysis 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 80 or 100 percent of the weighted average premium of the four health plans most highly utilized by all members. Depending on the bargaining unit, dependents are eligible for a contribution based on 80 or 90 percent of the average additional premiums paid for dependents during the benefit year in which the formula is applied. These are referred to as the 80/80 and 100/90 formulas.

7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.

8) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.

**Proposed Law:** This bill ratifies the MOUs, addenda, or both entered between the state and bargaining units 1, 3, 4, 6, 9, 11, 14, 15, 17, 18, 20, and 21, notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

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

2) Ratifies and approves provisions requiring the expenditure of funds in MOU, addenda, or both, entered between the state employer and other state BUs no later than June 30, 2020, if the MOU or addenda includes savings measures that contribute to meeting the budgeted reductions as specified in the Budget Act of 2020. This ratification and approval is notwithstanding the requirement for LAO to produce a fiscal analysis.

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

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

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

6) Relating to the Public Employees’ Medical and Hospital Care Act (PEMHCA):
   a. For BUs 1, 3, 4, 11, 14, 15, 17, 20 or 21: suspends the additional 1.2 percent required for the employees’ monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22.
   b. For BU 6: suspends the additional 1.4 percent required for the employees’ monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22.
   c. For BU 9: suspends the additional one percent required for the employees’ monthly contribution for prefunding other postemployment benefits for 2020-21 and 2021-22.
   d. This bill continues to require the employer’s monthly contribution for prefunding those postemployment benefits during those fiscal years.

7) Appropriates $270.92 million for expenditure in 2020-21 in augmentation of, and for the purpose of, state employee compensation as provided.

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

9) Provides that the provisions of a MOU entered into between a state employer and a BU are effective, unless otherwise provided for by the Budget Act or other legislative enactment.
Comments: The MOUs entered between the state and the 12 bargaining units are as follows:

Bargaining Unit 6: The MOU between the state and BU 6 is for the term July 1, 2020 through June 30, 2022, as follows:

Prefunding of Post-Retirement Health Benefits Suspended

10) BU 6 employees currently contribute four percent to prefund post-retirement health benefits. Effective the first day of the pay period following ratification through the June 2022 pay period, the employees’ monthly contribution to prefund other post-employment benefits will be suspended for the 2020-21 and 2021-22 fiscal years, and will not be withheld from employees’ salaries. The bill continues to require the employer’s monthly contribution for prefunding those postemployment benefits during those fiscal years.

Compensation

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

a. 7K Ranges = 4.5 percent
b. Fire Captain Range L and M (192 Hour Schedule) = 3.85 percent
c. Fire Captain Range N and P (216 Hour Schedule) = 3.42 percent

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

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

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

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

15) Employees currently receiving an annual Uniform/Uniform Accessories replacement Allowance of $1,000.00 will be reduced to $750.00 annually during the term of the contract.
16) Employees currently receive two Personal Development Days (PDDs) per calendar year. In calendar years 2021 and 2022, employees will receive only one PDD.

Miscellaneous

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

Contract Reopener Language – Elimination of Pay Decreases and Suspensions

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

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

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

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

20) The BU 6 MOU specifies that in the event that the Director of the Department of Finance does not restore, at their sole discretion, the three percent GSI that was provided in the existing MOU for July 1, 2020, then a three percent GSI shall become effective on July 1, 2022. However, if projected state revenues at the 2022-23 May Revision to the Governor’s Budget continue to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing the aforementioned pay increases to all eligible employees, a three percent GSI shall become effective on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of the Department of Finance.
Bargaining Unit 9: This MOU between the state and PECG is for the term July 1, 2020 through June 30, 2022, as follows:

Prefunding of Post-Retirement Health Benefits Suspended

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

Compensation

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

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

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

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

25) Effective July 1, 2022, all BU 9 employees shall receive a three percent GSI.

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

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

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

Contract Reopener Language – Elimination of Pay Decreases and Suspensions

29) The determination of sufficient funding to restore the reductions relative to this Agreement shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:
a. If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

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

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

Bargaining Unit 18: The MOU between the state and CAPT is for the term July 2, 2019 through July 1, 2022, as follows:

Compensation

31) BU 18 employees shall receive the following GSIs:

a. Effective January 1, 2020, all eligible represented classifications shall receive a 2.75 percent GSI.

b. Effective July 1, 2020, all eligible represented classifications shall receive a 2.75 percent GSI.

c. Effective July 1, 2021, all eligible represented classifications shall receive a 2.75 percent GSI.

32) Effective the month following ratification by both the state and BU, the maximum salary of some alternate ranges within the Senior Psychiatric Technician, Psychiatric Technician, and Psychiatric Technician Assistant classifications, shall be adjusted by 2.5 percent.

33) Effective July 1, 2021, represented employees working on a regularly scheduled weekend shift shall receive a weekend differential of fifty-cents per hour.

Employee Pension Contribution

34) Effective July 1, 2021, the employee contribution rates for First Tier retirement formulas remain in effect until CalPERS has determined:

a. The total normal cost rate has increased by one percent, and
b. Fifty percent of that normal cost rate rounded to the nearest quarter of one percent is greater than the current employee contribution rate.

Each year thereafter, the rate shall only be adjusted if CalPERS determines the total normal cost rate increases by more than one percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution in any given fiscal year shall not exceed one percent per year.

35) Effective July 1, 2021, the employee contribution rates for State Safety retirement formulas shall remain in effect until CalPERS has determined:

a. The total normal cost rate has increased by one percent, and  
b. 50 percent of that normal cost rate rounded to the nearest quarter of one percent is greater than the current employee contribution rate.

Each year thereafter, the rate shall only be adjusted if CalPERS determines the total normal cost rate increases by more than one percent of payroll above the total normal cost rate in effect at the time the employee contribution rate was last adjusted. The increase to the employee contribution in any given fiscal year shall not exceed one percent per year.

**Prefunding of Post-retirement Health Benefits**

36) Effective July 1, 2021, and each year thereafter, the employer and employee contribution percentages will be adjusted if the actuarially determined total normal costs have increased by more than half a percent from the total normal cost contribution percentages currently in effect. The increase to the employee contribution percentage in any given fiscal year shall not exceed half a percent.

**Health Benefits**

37) The state’s monthly health benefit contribution for each active state 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, January 1, 2021, and January 1, 2022.

**Miscellaneous Adjustments**

38) The MOU specifies that bilingual differential certification testing shall be offered at least every six months.

39) The MOU makes a commitment to reduce mandated overtime.

40) The state and the CAPT agree to meet quarterly to discuss the feasibility of a possible expansion of Enhanced Industrial Disability Leave benefits to include diagnosed post-traumatic stress disorder.
41) Within six months after ratification of this agreement, the state will conduct a Safety Retirement Audit for employees at the Department of Developmental Services (DDS) Canyon Springs facility.

42) California Department of Human Resources (CalHR) agrees to meet quarterly with the bargaining unit to review the Coleman court history, court orders, vacancy numbers at each department (Department of State Hospitals, California Department of Corrections and Rehabilitation, California Correctional Health Care Services and DDS) and recruitment efforts as well as identify best practices for recruitment.

**Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21:** This bill also implements the MOU between the state and SEIU Local 1000.

**Fiscal Effect:** This bill appropriates $270.92 million ($131.94 million General Fund) to implement the MOUs.

**Support:** None on file.

**Opposed:** None on file.

-- END --