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CALIFORNIA STATE SENATE

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Agenda

June 28, 2021

9:00 a.m. – Senate Chamber

	<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
1.	AB 129	Committee on Budget	Budget Act of 2021
2.	AB 139	Committee on Budget	Golden State Stimulus
3.	AB 142	Committee on Budget	Memorandum of Understanding
4.	AB 146	Committee on Budget	Public Safety: Facilities Financing
5.	AB 147	Committee on Budget	Budget Act of 2020: Augmentation
6.	AB 152	Committee on Budget	Elections
7.	AB 158	Committee on Budget	Toxics
8.	AB 159	Committee on Budget	Memorandum of Understanding

Informational Hearing

Subject: Eviction Moratorium

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 129 **Hearing Date:** June 28, 2021
Author: Committee on Budget
Version: June 25, 2021 As amended
Urgency: No **Fiscal:** No
Consultant: Joe Stephenshaw

Subject: Budget Act of 2021

Summary: This is a Budget Bill Junior associated with the Budget Act of 2021. This bill makes technical and substantive changes to the Budget Act.

Background: On June 14, 2021, the Legislature passed AB 128 (Ting), which represented the Legislature's budget agreement. This bill makes amendments based off of AB 128 and represents a budget bill agreement between the Legislature and the Administration.

This agreement builds on priorities put forward in the Assembly's "A Budget of Opportunity" blueprint, the Senate's "Build Back Boldly" plan, and the Governor's May Revision to represent a responsible and transformative state budget.

All told this bill, combined with AB 128, reflects a total spending plan of \$262.6 billion, of which \$196.4 billion is from the General Fund, and total General Fund reserves equaling a record \$25.2 billion. Total Proposition 98 spending is a record, \$93.7 billion, including \$66.4 billion from the General Fund.

Proposed Law:

K-12 Education

- 1) Provides \$260 million in ongoing Proposition 98 General Fund for the Special Education Early Intervention Preschool Grant for specified services for 0-5 year olds.
- 2) Aligns state operations workload funding with various education programs included in the 2021-22 budget and specifically programs \$2.5 million in additional funding and associated positions for the implementation of specified programs.
- 3) Provides \$6 million in one-time General Fund for the Department of Education to contract for the implementation of direct deposit for payments to state preschool providers over a two-year period.
- 4) Provides \$10 million in federal funds on one-time basis to provide technical assistance and support to local educational agencies in developing and administering comprehensive Individualized Education Programs, and to develop

tools and resources to assess and address learning and service needs for students with disabilities stemming from the COVID-19 pandemic. Makes a variety of other investments in state level activities for special education, including in Family Empowerment Centers.

- 5) Provides \$215 million in federal America Rescue Plan Act funds for after school programs to increase daily rates for the After School Education and Safety Program to \$10.18 in the 2021-22 and 2022-23 fiscal years.
- 6) Provides \$86.4 million in Federal funds to increase daily rates to \$10.18 for the 21st Century Community Learning Center grant program that provides after school care.
- 7) Reduces Non-Proposition 98 General Fund for the non-local educational agency based California State Preschool Program to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements.
- 8) Provides \$1.5 million in Proposition 98 carryover funding for workload for the California Collaborative for Educational Excellence related to the biweekly instructional surveys.
- 9) Reflects other adjustments and technical changes to a variety of items related to the 2021-22 Budget.

Child Care:

- 10) Reflects the transfer of \$3.8 billion in federal America Rescue Plan Act funds for child care from the Department of Education to the Department of Social Services and specifies that of the total, \$1.4 billion is for child care slots through 2023-24, \$100 million is for childcare infrastructure, and \$10 million is provided for child care resource and referral networks. The remaining funds are to be programmed pursuant to pending trailer bill legislation.
- 11) Provides \$9 million in one-time General Fund for the Department of Social Services to contract for the implementation of direct deposit for payments to child care providers over a two-year period.
- 12) Reduces General Fund for all Child Care programs to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements and reduces General Fund to reflect additional child care slots implemented over a multi-year period.
- 13) Provides \$150 million in one-time General Fund to support the acquisition, construction, development and renovation of child care facilities.
- 14) Provides \$15 million in ongoing General Fund for restoring the Child Care nutrition program state reimbursement rates.

Higher Education

- 15) Removes the University of California Office of the President (UCOP) line item and requires UC to report on UCOPs actual and planned budget expenditures, and maintains the UC Division of Agriculture and Natural Resources as a separate line item.
- 16) Provides \$45 million one-time to support UC Davis Animal Shelter Grant Program.
- 17) Provides \$433 million one-time to support the transition for Humboldt State University into a polytechnic university.
- 18) Provides \$10 million to San Francisco State University to support the Stop Asian American Pacific Islander Hate website and other resources to support the Stop Anti-Asian Hate collaborative.
- 19) Provides \$100 million Proposition 98 General Fund ongoing to increase full-time faculty hiring at the community colleges, and \$10 million ongoing to support part-time faculty office hours.
- 20) Provides an increase of \$42 million ongoing to support the community college strong workforce program.
- 21) Maintains Calbright College.
- 22) Provides \$200 million to support the Learning Aligned Employment Program, a new state work-study program, to be administered by the California Student Aid Commission.
- 23) Provide \$472.5 million in federal funds and \$27.5 million General Fund to establish and support the Golden State Education and Training Grant Program to be administered by the Student Aid Commission. This grant program will provide education and training grants of up to \$2,500 to workers displaced due to COVID-19.
- 24) Provides \$2 billion to establish the Capacity and Affordable Student Housing (CASH) fund to support higher education infrastructure and affordable student housing projects.

Resources

- 25) Sets aside \$440 million General Fund one-time, which is a part of a total of \$3.675 billion General Fund over three-years for the Climate Resilience Package. Details of the Climate Resilience Package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 26) Appropriates \$258 million General Fund and \$75 million Greenhouse Gas Reduction Fund (GGRF) one-time in 2021-22; and \$500 million General Fund in 2022-23 for the Wildfire Prevention and Resilience Package. (The remaining

\$125 million GGRF for 2021-22 for purposes of SB 901 (Dodd), Chapter 626, Statutes of 2018, will be part of the Cap-and-Trade Spending Plan, which is to be finalized later this summer.) Details of the wildfire prevention package are to be finalized in an agreement among the Senate, Assembly, and Governor.

27) For the Agriculture Package, appropriates \$436 million General Fund one-time. Of this amount, the following have been approved for 2021-22:

- a. \$180 million General Fund one-time to the Air Resources Control Board to be granted to the San Joaquin Valley Air Pollution Control District to support incentives for alternatives to agricultural burning in the San Joaquin Valley. Funds may be expended only for non-combustion incentives.
- b. \$50 million General Fund one-time for Healthy Soils.
- c. \$5.4 million General fund one-time for technical assistance for Underserved Farmers.
- d. \$500,000 General Fund one-time for the Senior Farmers Program.
- e. Details for the remaining \$200 million General Fund, as well as funding from special funds, for the package are to be finalized in an agreement among the Senate, Assembly, and Governor.

28) For the Water and Drought Resilience Package appropriates \$2.4 billion General Fund and \$11 million special funds in 2021-22 as follows:

- a. \$1.3 billion General Fund one-time to the State Water Resources Control Board (SWRCB), \$650 million of which will be available for drinking water projects, \$650 million for wastewater projects, \$85 million for groundwater cleanup and water recycling projects.
- b. \$60 million General Fund to the Department of Water Resources (DWR) for the Sustainable Groundwater Management Act.
- c. \$100 million General Fund to DWR for water conveyance.
- d. \$85 million General Fund to SWRCB for groundwater cleanup/water recycling.
- e. \$6 million General Fund to the California Natural Resources Agency (CNRA) for Clear Lake rehabilitation.
- f. \$500 million General Fund to DWR for small community drought relief (\$200 million), urban community drought relief (\$100 million), multi benefit projects (\$200 million).
- g. \$65 million General Fund one-time to the Wildlife Conservation Board (WCB) for local assistance for drought-related purposes, of which \$12.5

million shall be provided for removal of dams to preserve the federally endangered southern steelhead trout and to restore the natural watershed that is part of a project with Parks with a federal cost share.

- h. \$10 million (\$3 million General Fund, \$7 million special fund) to DWR for technical assistance for water conservation and water supply reliability.
 - i. \$12 million to SWRCB for drinking water emergencies.
 - j. \$5 million to the California Department of Food and Agriculture (CDFA) for agriculture technical assistance.
 - k. For data, research, and communications, appropriates General Fund as follows: \$91 million to DWR; \$1 million to CNRA; \$3 million to SWRCB; and, \$2 million to CDFA.
 - l. \$33 million General Fund to DFW for fisheries and wildlife support.
 - m. For drought permitting compliance and enforcement, appropriates the following: \$18 million (\$16 million General Fund, \$2 million special fund one-time, and \$3 million special fund ongoing) to SWRCB and \$18 million to DFW.
 - n. Includes \$25 million General Fund for the drought control section.
 - o. \$33 million (\$30 million General Fund and \$3 million special fund) one-time, and \$3 million ongoing, to SWRCB for water rights modernization.
 - p. \$10 million General Fund to DWR for salinity barrier.
 - q. Details for the remainder of the package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 29) Appropriates \$1 billion Coronavirus Fiscal Recovery Fund of 2021 to SWRCB for local assistance to forgive residential and commercial customer arrearages and water enterprise revenue shortfalls due to the pandemic.
- 30) Appropriates \$1 million General Fund one-time to the California Conservation Corps (CCC) for deferred maintenance projects that represent critical infrastructure deficiencies and \$1.3 million General Fund one-time to address critical maintenance projects at the Los Padres facilities.
- 31) Specifies that \$250 million Coronavirus Fiscal Recovery Fund of 2021 one-time to the State Lands Commission shall be allocated to the state's public ports based on their revenue losses due to the pandemic.
- 32) Appropriates \$2 million to DFW to be provided to the Resource Conservation District of the Santa Monica Mountains to assist the recovery of the federally endangered southern steelhead trout with habitat restoration, genetic preservation, and hatcheries.

- 33) Appropriates \$30 million General Fund one-time to the Coastal Commission for grants related to addressing sea level rise.
- 34) Appropriates \$10 million General Fund one-time to the Coastal Commission for the Whale Tail Program.
- 35) Appropriates \$115,000 Environmental License Plate Fund (ELPF) ongoing to the Native American Heritage Commission for a new Governor's Tribal Advisor position.
- 36) Appropriates \$65 million General Fund; \$3.16 million ELPF one-time, \$2.441 million ongoing; and 20 positions to the Department of Parks and Recreation (Parks) for K-12 Expansion to provide disadvantaged youth with digital and physical access to the natural environment. This includes \$45 million to be deposited into the Natural Resources Parks Preservation Fund for future appropriation to address infrastructure improvements.
- 37) Appropriates \$3 million General Fund one-time to Parks, in collaboration with the California State Library for a three-year pilot program to provide state park passes to libraries for check-out.
- 38) Appropriates \$500,000 General Fund one-time to Parks for the CalWORKs Golden Bear Pass Eligibility Outreach Pilot Program.
- 39) Appropriates \$200 million General Fund one-time for local park grants.
- 40) Appropriates \$920,000 General Fund one-time to the Office of Environmental Health Hazard Assessment for a pipeline biogas analysis.
- 41) Appropriates \$2 million General Fund one-time to CDFA for deferred maintenance projects that represent critical infrastructure deficiencies.

Energy

- 42) The bill includes \$2.7 billion in funding for a variety of programs related to zero-emission vehicles. This includes:
 - a. \$525 million for the Clean Vehicle Rebate Project
 - b. \$500 million for zero-emission vehicle charging and fueling infrastructure
 - c. \$500 million in funding for the Clean Truck, Bus, and Off-Road Vehicle and Equipment Program, including \$25 million for the Clean Off-Road Equipment program.
 - d. \$125 million in ZEV manufacturing grants
 - e. \$475 million for drayage trucks, transit buses, and school buses, and associated infrastructure
 - f. \$407 million for zero-emission transit investments
 - g. \$150 million in equity investments
 - h. \$50 million for near-zero truck replacement

Health

43) Adjusts allocations to the Children and Youth Behavioral Health Initiative as follows:

- a. Allocates \$10 million General Fund to support initial planning for implementation of a behavioral health services and supports platform. These funds had previously been allocated for e-Consult services that would not be available until the platform is implemented.
- b. Allocates \$205 million (\$100 million Coronavirus Fiscal Recovery Fund and \$105 million Mental Health Services Fund) for the Mental Health Student Services Act to fund grants to school and county mental health partnerships that support the mental health and emotional needs of children and youth as they return to schools and everyday life.
- c. Restores \$429 million Coronavirus Fiscal Recovery Fund (CFRF) to DHCS for evidence-based behavioral health programs that had previously been allocated to MHSOAC. DHCS will allocate 10 percent of these funds to support programs in collaboration with MHSOAC.
- d. Restores \$100 million General Fund to OSHPD to support development of a school behavioral health counselor and coach workforce.

44) Adjusts allocations for public health programs as follows:

- a. Delays for one year allocations of funding for local health jurisdictions, health equity and racial justice innovation grants, and public health workforce development programs, with \$300 million General Fund allocated annually to these programs beginning in 2022-23.
- b. Allocates \$13 million General Fund annually, beginning in 2021-22, to DPH to support programs to prevent HIV/AIDS, hepatitis C, and sexually transmitted infections.
- c. Maintains \$63.1 million General Fund in 2021-22 to support phase two of the California Reducing Disparities Project.
- d. Allocates \$13 million in 2021-22 to support the Transgender Wellness and Equity Fund.

45) Adjusts allocations for the Behavioral Health Continuum Infrastructure Program as follows:

- a. Allocates \$2.2 billion over three years to support competitive grants to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. These funds include an allocation of \$150 million, combined with \$55 million of federal funding, to support mobile crisis support teams to assist youth and adults experiencing a behavioral health crisis.

- b. Allocates \$250 million to DSH to contract directly with providers or through counties as intermediaries to provide additional capacity to treat patients found incompetent to stand trial (IST) on felony charges or to provide step-down capacity for patients not guilty by reason of insanity or offenders with mental disorders. These allocations are intended to improve the pace of admissions of IST patients to state hospitals and clear the wait list of patients pending placement.
- c. Allocates \$40 million to support the CalBridge Behavioral Health Navigator program, which provides funding to hospitals for behavioral health navigators in emergency departments.

46) Eliminates previously allocated funding for the following programs:

- a. \$2.8 million annually to support fentanyl, HIV, and hepatitis C testing for narcotic treatment providers
- b. \$1.8 million annually to support continuous coverage for children age zero to five.

Developmental Services

47) Includes \$89.9 million General Fund in 2021-22 to begin a five-year phase in of rate models proposed in the 2019 DDS rate study. Funding for implementation would grow to \$1.2 billion General Fund in 2025-26. The process of rate reform implementation will focus on compliance with federal Home and Community-Based Services rules and quality benchmarks, metrics, and outcomes to ensure person-centered service delivery.

48) Beginning in 2022-23, includes \$61.8 million General Fund ongoing to hire additional service coordinators at Regional Centers for enhanced service coordination.

SSI/SSP:

49) Includes \$225 million in 2021-22 and \$450 million in 2022-23 to restore 50 percent of the remaining 2009 SSI/SSP grant cut, and anticipates the remaining 50 percent of the cut will be restored in the 2023-24 budget year. This restoration (combined with Governor's May Revision proposal) will increase the SSP grant by approximately \$34-\$36 per month for individuals and \$90-\$94 per month for couples.

Foster Care/Child Welfare:

50) Includes \$222 million one-time to strengthen county prevention efforts to avoid youth entering the foster care system.

51) Includes \$138 million one-time to help address the complex needs of foster youth.

Social Services Housing and Homelessness Programs:

52) Includes \$805 million one-time, to be spent across multiple years, for the development and stabilization of Residential Care Facilities for the Elderly and Adult Residential Facilities across the state.

53) Includes \$300 million General Fund one-time for the Home Safe Program over two years to help combat senior homelessness.

54) Includes \$380 million one-time for the CalWORKs Housing Support Program over two years to house families in the program, and help them avoid eviction.

55) Includes \$185 million General Fund one-time to help aid in family maintenance when a child welfare case is partly due to housing instability.

Food Assistance

56) Includes a total of \$262 million General Fund for food bank resources to meet COVID-19 demands, as well as capacity enhancements and climate resiliency efforts.

57) Includes \$5 million General Fund in 2021-22 and \$25 million General Fund in 2022-23 for automation changes to begin implementation of a targeted expansion to the California Food Assistance Program to all regardless of immigration status, to begin in 2023-24.

General Government

58) Control Section 11.91 is revised to allow Department of Finance to reduce and/or transfer portions of the \$1.7 billion General Fund that is appropriated to nine specific departments for COVID-19 Direct Response expenditures to other departments for COVID-19-specific expenditures after providing a 10-day notification of the Joint Legislative Budget Committee.

59) Control Section 11.92 is removed which would have authorized the Department of Finance to make additional expenditures from the Disaster Response-Emergency Operations Account (DREOA) for COVID-19 response activities during the 2021-22 fiscal year.

60) Control Section 11.96 is added to provide the Administration with the flexibility to make adjustments in the allocations of the \$27 billion in federal American Rescue Plan Act Funds budgeted from the Coronavirus State Fiscal Recovery Fund for COVID-19 response activities. Specifically, the Director of Finance, after providing the Joint Legislative Budget Committee with a 30-day notification, is authorized:

- a. To expend up to \$10 million in interest earned to address workload needs.
 - b. Redirect funds to conduct audits or address audit finding.
 - c. Establish positions and transfer amounts within a program to support the implementation of the program's goals.
 - d. Allocate funds to offset or reduce appropriations in the 2020–21 and 2021–22 fiscal years for eligible COVID-19 activities.
 - e. Reallocate funds not encumbered as of August 1, 2024, to ensure the federal funds are fully expended.
- 61) In addition, the director is authorized to transfer up to \$9.2 billion from the Coronavirus Fiscal Recovery Fund of 2021 to the General Fund based on the estimated amount of revenue loss calculated pursuant to federal statute. The director is required to notify the Joint Legislative Budget Committee within 10 days of the transfer.
- 62) Provides \$250 million in General Fund resources for Project Homekey. This augments the \$1.2 billion in federal funds provided in AB 128.
- 63) Includes \$25 million for a Technology Modernization Fund under the Department of Technology, to be used to update legacy systems and other modernization projects that cost less than \$5 million.
- 64) Appropriates \$110 million for organizations that provide victim services and other community services, to support victims and survivors of hate crimes and historically disadvantaged communities.
- 65) Provides \$10 million for Stop AAPI Hate.
- 66) Appropriates \$10 million to provide language support for scientific data surveys in languages spoken by communities that comprise less than 5 percent of the statewide population.
- 67) Includes \$10 million ethnic media grant program, administered by the California State Library.
- 68) Provides \$120 million one-time General Fund to establish the Cal Competes Grant Program.
- 69) Removes \$70 million one-time General Fund to establish the California Investment and Innovation Program and provide grants to community development financial institutions.
- 70) Directs FTB to investigate creating a simplified online portal to help Californians claim tax credits and other benefits.

- 71)The bill includes \$185 million in federal funds for youth workforce development.
- 72)The bill includes \$250 million for Regional K-16 Education Collaboratives, \$15 million for Student Success Coaching Grants, and \$3 million for a STEM Teacher Recruitment Program.
- 73)The bill includes \$45 million for a Californians for All College Volunteers Program.
- 74)The bill includes significant investments in broadband infrastructure access and affordability. This includes \$3.75 billion in federal funds for investments in middle-mile infrastructure, and \$622 million that is a mix of funds for additional investments.
- 75) Includes Control Sections 19.56 and 19.57 to appropriate funds reflecting various legislative priorities.

Public Safety and Courts

- 76)Provides \$140 million in 2021-22 (\$70 million ongoing) from the General Fund to support programs and practices statewide that reduce pre-trial detention. Trial courts could use the funding to support pre-trial decision making activities and/or to contract for the provision of services to individuals released pretrial.
- 77)Delivers \$80 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure.
- 78)Includes \$60 million for allocation by the Judicial Council to trial courts to address backlogs and workload delays resulting from the COVID-19 Pandemic.
- 79)Includes \$42.7 million General Fund in 2021-22 (\$35.9 million ongoing) to standardize staffing levels across all Psychiatric Inpatient Programs operated by CDCR and to increase certain service levels. This proposal preserves psychiatric technician positions in the budget year and adds \$5 million General Fund above the May Revision in accordance with this preservation.
- 80)Includes \$34.8 million one-time General Fund for CDCR to replace existing metal dayroom furniture with more comfortable furniture for positive programming and non-designated program facilities and female institutions.
- 81)Redirects savings of \$49.3 million in 2020-21 and \$40.9 million in 2021-22 and ongoing within CDCR from eliminated civil service positions to augment existing funding for psychiatry registry staff and to support the mental health program.
- 82)Includes \$12.3 million General Fund in 2021-22, \$25.1 million in 2022-23, \$47.0 million in 2023-24, and \$58.4 million annually thereafter for the Judicial Branch to support statewide court operations to allow individuals the ability to adjudicate all infractions online, including processing ability to pay determinations.

- 83) Includes \$12 million General Fund one-time to the CDCR for 60 minutes of telephone calls to each incarcerated person every two weeks at no cost to the incarcerated person or the person receiving the telephone call. This will be in addition to, and will not supplant, the existing 15 minutes every two weeks of no-cost telephone calls currently provided to incarcerated persons or the persons receiving telephone calls. As well, includes 60 electronically transmitted outgoing written messages, equivalent to an email or instant message, per month at no cost to the incarcerated person or the person with whom they are communicating.
- 84) Includes \$1.75 million General Fund for a one-year Board of Parole Hearings pilot to require state-appointed attorneys to provide an additional hour of counsel to incarcerated persons before they are interviewed for their comprehensive risk assessment and to represent them before the full board if their case is referred to the full board for review at a monthly executive meeting. This shall include at least one hour of counsel, education, and advice on the importance of the comprehensive risk assessment and its role in the parole decision making decision making process.
- 85) Includes \$6.8 million General Fund in 2021-22 for health care facility repairs at the California Rehabilitation Center.
- 86) Includes \$2.8 million General Fund and 5.5 positions in 2021-22, \$1.8 million General Fund in 2022-23, and \$1.2 million General Fund in 2023-24 and ongoing for the CDCR to implement SB 132 (Wiener), Chapter 182, Statutes of 2020.

Transportation

- 87) The bill includes \$350 million for the first year of a \$400 million transportation adaptation grant program.
- 88) The bill includes \$328 million for a variety of beautification and improvement projects along the state highway system and local streets and roads.
- 89) The bill includes \$5.5 million for a statewide organized property crimes task force at the California Highway Patrol.

Labor

- 90) Provides \$600 million in federal funds to establish the Community Economic Resilience Fund.
- 91) Provides \$270 million to increase workforce development programs through highroad training partnerships, Employment Training Panel, Prison to Employment Program, Breaking Barriers Program, SEED program, and other programs administered through the California Workforce Development Board.

Fiscal Effect: This bill, when combined with AB 128, reflects a state spending plan that totals \$262.6 billion, of which \$196.4 is from the General Fund.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 139 **Hearing Date:** June 28, 2021
Author: Committee on Budget
Version: June 25, 2021 As amended
Urgency: No **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Golden State Stimulus II: Golden State Stimulus

Summary: This bill establishes the Golden State Stimulus II tax rebate payments of approximately \$8.1 billion to provide financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency.

Background: SB 88 (Committee on Budget and Fiscal Review), Chapter 8, Statutes of 2021, created the Golden State Stimulus and Golden State Grant programs, which provided \$600 in direct relief to millions of low-income Californians who qualify for the California Earned Income Tax Credit (CalEITC) or are recipients of other specific benefit programs. Specifically, SB 88:

1. Directed the Controller to make a one-time Golden State Stimulus tax refund payment in the applicable amount to each qualified recipient, as follows:
 - a) \$600 for a qualified recipient who is an eligible individual for the CalEITC who filed a California individual income tax return for the taxable year beginning on or after January 1, 2020, and before January 1, 2021, who has been allowed a CalEITC for that taxable year by November 15, 2021, and is a California resident on the date the Controller issues the payment.
 - b) \$600 for a qualified recipient who 1) filed a California individual income tax return on or before October 15, 2021, for the taxable year beginning on or after January 1 2020, and before January 1, 2021, 2) included on their return either their Federal Individual Taxpayer Identification Number (ITIN), or, if married, the ITIN number of their spouse 3) reported California adjusted gross income of \$75,000 or less, and 4) is a California resident on the date the Controller issues the payment.
 - c) \$1,200 for a qualified recipient who satisfies the requirements of both a and b.
2. Directed the State Department of Social Services to make a one-time grant payment in the amount of \$600 to each person who is one of the following:
 - a) An assistance unit as defined in Section 11450.16 of the Welfare and Institutions Code under the California Work Opportunity and Responsibility to Kids Act.

- b) A recipient of benefits provided under the Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants.
- c) A recipient of benefits under the Supplemental Security Income/State Supplemental Program.

The Golden State Stimulus II provided for in this bill will bring the total investment in the GSS to \$11.9 billion. The following chart from the California Budget and Policy Center displays total Golden State Stimulus payments for tax filers under both the first Golden State Stimulus and the Golden State Stimulus II as proposed by the Governor’s May Revision, which was approved as part of the Legislature’s budget plan and is reflected in this bill.

Total Golden State Stimulus Payments Under Governor Newsom's Revised Budget Proposal						
	Californians Who File with SSNs			Californians Who File with ITINs		
	Proposed First GSS	Proposed Second GSS	Total	Proposed First GSS	Proposed Second GSS	Total
	Income of \$30,000 or Less			Income of \$30,000 or Less		
With Dependents	\$600	\$500	\$1,100	\$1,200	\$1,000	\$2,200
Without Dependents	\$600	\$0	\$600	\$1,200	\$0	\$1,200
	Income Between \$30,000 and \$75,000			Income Between \$30,000 and \$75,000		
With Dependents	\$0	\$1,100	\$1,100	\$600	\$1,000	\$1,600
Without Dependents	\$0	\$600	\$600	\$600	\$0	\$600

Note: SSNs = Social Security numbers. ITINs = federally issued Individual Taxpayer Identification Numbers.
Source: California Budget & Policy Center analysis of Governor's Golden State Stimulus proposal

Proposed Law:

1. Defines a “qualified recipient” as an individual who meets all of the following criteria:
 - a. Is an individual who filed a California individual income tax return on or before October 15, 2021, as specified, for the taxable year beginning on or after January 1, 2020, and before January 1, 2021.
 - b. Is a California resident, as defined by Section 17014 of the Revenue and Taxation Code, for more than one-half of the taxable year beginning on or after January 1 2020, and before January 1, 2021, and on the date the Controller issues the rebate.
 - c. Cannot be claimed as a dependent by another taxpayer.
 - d. Had California adjusted gross income of \$1 or more, but not more than \$75,000, or not more than \$37,500 in the case of a married individual filing separately.

- e. Had wages subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code of \$75,000 or less, or \$37,500 or less in the case of a married individual filing separately.
2. Specifies that if an individual or their spouse applied for, but did not receive, a ITIN on or before October 15, 2021, the individual is a qualified taxpayer, as specified, if the tax return was filed on or before February 15, 2022. Additionally, applies this provision to the Golden State Stimulus I.
 3. Specifies that the Controller shall make a one-time Golden State Stimulus II tax refund payment to each qualified recipient, not to exceed \$1,100, as follows:
 - a. \$500 for a qualified recipient, or \$250 in the case of a married individual filing separately, if the qualified recipient met the requirements of the Golden State Stimulus I and filed the return using a social security number, and, if married, the social security number of their spouse, and the qualified recipient claimed a credit for one or more dependents, as specified.
 - b. \$600, or \$300 in the case of a married individual filing separately, if the qualified recipient did not meet the requirements of the Golden State Stimulus I, and did not claim a credit for one or more dependents, as specified.
 - c. \$1,000, or \$500 in the case of a married individual filing separately, if the qualified recipient met the requirements of the Golden State Stimulus I and filed their return using their federal ITIN, or, if married, the ITIN of their spouse, and the qualified recipient claimed a credit for one or more dependents, as specified.
 - d. \$1,100, or \$550 in the case of a married individual filing separately, if the qualified recipient did not meet the requirements of the Golden State Stimulus I and claimed a credit for one or more dependents. As specified.
 4. Specifies that a qualified individual shall not include an individual who satisfies all of the following:
 - a. Is an individual without a dependent.
 - b. Files or filed their California individual income tax return using the single filing status, as specified.
 - c. Is either of the following:
 - i. Deceased on the date the Controller would issue the payment, as specified.
 - ii. Incarcerated, other than incarcerated pending the disposition of charges, in a jail, prison, or similar penal institution or correctional facility on the date the Controller would issue the payment, as specified.

5. Exempts Golden State Stimulus II payments from offsets and garnishment orders and provides that the Controller shall not offset delinquent accounts against the payments, as specified.
6. Specifies that Golden State Stimulus II payments shall not be a refund or overpayment of income taxes under Chapter 6 (commencing with Section 19301) of Part 10.2 of Division 2 of the Revenue and Taxation Code of any liability imposed under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code.
7. Specifies that a qualified recipient who files jointly with their spouse shall be considered one qualified recipient for the purposes of this section, and shall receive only one payment of the applicable amount.
8. Specifies that the Franchise Tax Board (FTB) shall inform the Controller of the payment amount for each qualified recipient and provide the return or return information to the Controller to allow the Controller to make payments, as specified.
9. Continuously appropriates, from the Golden State Stimulus Emergency Fund to the Controller, an amount necessary for the Controller to make the Golden State Stimulus II tax refund payments to help low and middle-income Californians impacted by the COVID-19 emergency.
10. Stipulates that the Controller shall issue the required payments no later than July 15, 2022. However, allows the Controller to reissue stale, dated, or replacement warrants after July 15, 2022. Any returned payments shall be redeposited into the Golden State Stimulus Emergency Fund. Any unused money remaining in the Golden State Stimulus Emergency Fund shall be transferred to the General Fund by June 1, 2024.
11. Specifies that the Golden State Stimulus II payments shall be treated in the same manner as the federal earned income refund for the purpose of determining eligibility to receive benefits, as specified.
12. Specifies that the Golden State Stimulus II payments shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for the purpose of determining eligibility of such individual, or any individual, for benefits or assistance or the amount or extent of benefits or assistance under any state or local program, as specified.
13. Contains a legislative finding and declaration that to the extent an individual is otherwise a qualified recipient, an undocumented person, as specified, is eligible for Golden State Stimulus II payments.
14. Specifies that for the purpose of complying with Section 41 of the Revenue and Taxation Code, the Legislature finds and declares that the purpose of the tax expenditure allowed by this act is to provide financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency.

15. Requires the FTB, in consultation with the Controller, to provide a written report to the Legislature by December 1, 2022, that includes the number of qualified recipients issued a payment, as specified.
16. Declares that the COVID-19 emergency has had a significant and disproportionate negative impact on the financial health of many low and middle-income Californians. Furthermore, the COVID-19 emergency has caused many low and middle-income families to face the loss of jobs, loss of income, increased costs, and increased risks to their personal health and safety.
17. Contains legislative finding and declaration that the Golden State Stimulus II payments serve the public purpose of providing financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency, and do not constitute gifts of public funds, as specified.
18. Specifies that this act provides for appropriations relating to the state of Emergency declared by the Governor on March 4, 2020, relating to the COVID-19 pandemic, and pursuant to paragraph (2) of subdivision (c) of Section 3 of Article XIII B of the California Constitution are not subject to the annual appropriations limit set by Section 1 of Article XIII B of the California Constitution when passed by a two-thirds vote of the Legislature.
19. Contains conforming changes to sections related to the first Golden State Stimulus.

Fiscal Effect: The provisions of this bill are projected to result in costs of approximately \$8.1 billion, as follows:

1. The \$600 one-time stimulus payments to all taxpayers filing a 2020 tax year return with adjusted gross income of \$75,000 or less who did not already receive a Golden State Stimulus is estimated to cost \$5.6 billion and assist about 9.4 million tax filers.
2. The \$500 one-time stimulus payments to all taxpayers with adjusted gross income of \$75,000 or less with a dependent on the return is expected to cost \$2.2 billion and assist 4.3 million tax filers. Some of these recipients will receive \$1,100 if they also qualify for the low- to middle-income stimulus under 1 above.
3. The \$500 one-time stimulus payments to all ITIN taxpayers with adjusted gross income of \$75,000 or less and a dependent is expected to cost \$260 million and assist 520,000 tax filers. These recipients are also eligible for the payments under 2, above, so they will receive \$1,000.

Support: None on file.

Opposed: None on file.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 142
Author: Committee on Budget
Version: June 25, 2021 As amended
Urgency: No
Consultant: Hans Hemann

Hearing Date: June 28, 2021
Fiscal: Yes

Subject: State employment: State Bargaining Units

Summary: Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs), addenda and side letters between 19 bargaining units (BUs) and the state. The agreements cover state employees represented by 11 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 Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)

- Bargaining Unit 2: Attorneys, Administrative Law Judges, and Hearing Officers

California Association of Highway Patrolmen (CAHP)

- Bargaining Unit 5: California Highway Patrol Officers

California State Law Enforcement Association (CSLEA)

- Bargaining Unit 7: Protective Services and Public Safety

Professional Engineers of California Government (PECG)

- Bargaining Unit 9: Professional Engineers

California Association of Professional Scientists (CAPS)

- Bargaining Unit 10: Professional Scientists

International Union of Operating Engineers (IUOE)

- Bargaining Unit 12: Craft and Maintenance

International Union of Operating Engineers (IUOE)

- Bargaining Unit 13: Stationary Engineers

Union of American Physicians and Dentists (UAPD)

- Bargaining Unit 16: Physicians, Dentists, and Podiatrists

California Association of Psychiatric Technicians (CAPT)

- Bargaining Unit 18: Psychiatric Technicians

American Federation of State, County and Municipal Employees (AFSCME)

- Bargaining Unit 19: Professional Health and Social Services

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.

- 9) The 2020-21 Budget Act achieved General Fund savings in state employee compensation through the ratification of negotiated agreements between the state and 20 bargaining units. Among other cost saving measures, the ratified MOU addenda and side letters included a personal leave program (PLP 2020) that achieved a 4.62% savings for each day employee pay was reduced. The PLP 2020 was approved for fiscal years 2020-21 and 2021-22 and varied depending on the bargaining unit. In addition, the agreements suspended employee contributions to prefund retiree health benefits in 2020-21 and 2021-22.

Proposed Law: This bill ratifies the MOUs, addenda, and side letters entered into between the state and bargaining units 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21, notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

- 1) Approves provisions requiring the expenditure of funds for the addendum entered into by the state and BUs 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 2) Authorizes the state or any of the bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Reinstates the employee contribution for prefunding other postemployment benefits for the 2021-22 fiscal year for employees represented by BUs 1, 2, 3, 4, 7, 9, 10, 11, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 4) Adjusts the state and employee contribution percentages for prefunded retiree health care, as specified, to maintain a 50% cost sharing of the actuarially determined total normal costs for employees in BU 12.
- 5) Adjusts the cost-sharing amounts applicable to the state and employees in BU 5 for prefunding retiree health care.
- 6) Appropriates \$1,287,279,000 for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.
- 8) Includes double jointing language to address chaptering out issues with AB 159 (Ting).

Comments: The MOUs entered between the state and the 19 bargaining units are as follows:

Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21: The MOU side letter agreement between the state and SEIU Local 1000 is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective June 30, 2021, the Personal Leave Program (PLP 2020) will end. SEIU Bargaining Unit employees will have their full salaries restored.
- 2) Unused PLP 2020 leave credits may be used in the same manner as Vacation/Annual Leave and Personal Necessity Leave.
- 3) Open enrollment will occur July 1, 2021 through August 1, 2021, for SEIU Bargaining Unit employees to opt into the Voluntary Personal Leave Program.
- 4) CalHR will review leave cash out policies by March 1, 2022, to assess for equity impact/implementation across all departments and will meet with SEIU Local 1000 within 60 days of completion of that review.

Salary Increase

- 5) Effective on the first day of the pay period following ratification by both parties, all SEIU Bargaining Unit employees will receive a 4.55 percent salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (2.5 percent) and the salary increase that was already scheduled for July 1, 2021 (2.0 percent), including compounding (.05 percent).

Minimum Wage Equity Adjustment

- 6) Effective on the first day of the pay period following ratification by both parties, SEIU Bargaining Unit employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.

Improving Affordability and Access to Healthcare

- 7) The existing MOU contains a \$260 monthly payment for SEIU Bargaining Unit employees with specific eligibility requirements. This provision will continue to be suspended until June 30, 2022.
- 8) All health benefits-eligible SEIU Bargaining Unit employees will receive a monthly payment of \$260 and will be ineligible for the Flex-Elect Benefit Plan cash option. The Flex-Elect Benefit Plan cash option shall be reinstated July 1, 2022. For those eligible, enrollment for the Flex-Elect Benefit Plan will occur in the spring of 2022.

Post-Employment Benefits Prefunding of Other Post-Employment Benefits (OPEB)

- 9) Effective on the first day of the pay period following ratification, SEIU Bargaining Unit employees will resume monthly contributions of 3.5 percent to prefund OPEB.

Miscellaneous Contract Reopener Language

- 10) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Bargaining Unit 2: The MOU side letter agreement between the state and BU 2 (CASE) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification by both parties, PLP 2020 will end. Bargaining Unit 2 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Salary Increase

- 3) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 4.04 percent salary increase. This increase was originally schedule for July 1, 2022 (2.5 percent) and a new increase (1.5 percent), including compounding (0.04 percent).

Special Salary Adjustments

- 4) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 1.33 percent increase.
- 5) Effective August 1, 2021, ranges A and B of specific classifications will have the minimum and maximum salaries increased by 15 percent and Bargaining Unit 2 employees in these ranges will receive a 15 percent special salary adjustment.

Post-Employment Benefits

Prefunding of Other Post-Retirement Benefits (OPEB)

- 6) Effective on the first day of the pay period following ratification, Bargaining Unit 2 employees will resume monthly contributions of 2 percent to prefund OPEB.

Miscellaneous

- 7) Effective the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive the monthly payment of \$260 for Improving Affordability and Access to Healthcare.
- 8) Effective the pay period following ratification by both parties, the Bilingual Pay Differential will be increased from \$100 per month to \$200 per month.
- 9) Effective the pay period following ratification by both parties, the Commute Program Reimbursements will be increased by \$35 per month.
- 10) No later than 6 months after ratification by both parties, the State will present to the State Personnel Board a proposal to consolidate a majority of the Administrative Law Judge I and II classifications into one statewide classification and to combine the two levels.
- 11) No later than July 1, 2022, the State will present a proposal to the State Personnel Board to make the following changes to certain attorney classifications.

Duration

- 12) This MOU is effective July 1, 2021, through June 30, 2022.

Bargaining Unit 5: The MOU side letter agreement between the state and BU 5 (CAHP) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 5 employees will have their full salaries reinstated.
- 2) Effective on the first day of the pay period following ratification by both parties, bargaining unit 5 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Modification of Vacation and Annual Leave Hours Cap

- 3) Vacation and Annual Leave caps are capped at 924 hours through July 3, 2024, and may be extended if the employer is not able to reduce balances for operational reasons.

One-time Leave Cash Out

- 4) Employees shall have a one-time option to cash out up to 80 hours of leave credits in the fall of 2021.

Restoration of Uniform Allowance

- 5) Effective on the first day of the pay period following ratification by both parties, the following items are restored consistent with MOU:
 - a. \$920 per year allowance for uniforms.
 - b. \$25 per month uniform maintenance and cleaning.

Retirement and Other Post-Employment Benefits

Restoration of Employee Retirement Contribution towards Compensation

- 6) As previously negotiated, on July 1, 2023, the 1.0 percent of salary which was redirected to the employer contribution will be restored to the employees' compensation.

Restoration of Employees' Retirement Contributions

- 7) Effective July 1, 2021, increases to employees' retirement contribution shall be restored.

Restoration of Employee and Employer Other Post-Employment Benefits (OPEB) Contributions

- 8) Effective on the first day of the pay period following ratification by both parties, OPEB prefunding contributions will resume. The employee and employer OPEB contributions will resume based on the following schedule:
 - a. Effective on the first day of the pay period following ratification by both parties, employee share of 0.9 percent pensionable compensation and employer share of 5.9 percent of pensionable compensation for a total of 6.8 percent.
 - b. Effective July 1, 2022, employee share of 1.7 percent of pensionable compensation and employer share of 5.1 percent of pensionable compensation for a total of 6.8 percent.
 - c. Effective July 1, 2023, employee share of 2.6 percent of pensionable compensation and employer share of 4.2 percent of pensionable compensation for a total of 6.8 percent.
 - d. Effective July 1, 2024, employee share of 3.4 percent of pensionable compensation and employer share of 3.4 percent of pensionable compensation for a total of 6.8 percent.

Miscellaneous

Contract Reopener Language

- 9) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

Term

- 10) Upon ratification by both parties the MOU is extended from June 30, 2023 to July 3, 2024. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 7: The MOU side letter between the state and BU 7 (CSLEA) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification, PLP 2020 will end. Bargaining Unit 7 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 3) Bargaining Unit 7 employees may still use any Personal Development Days prior to using any remaining PLP 2020 leave credits.

Salary Increase

- 4) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will receive a 5.06 percent salary increase. This increase was originally schedule for July 1, 2020 (2.5 percent) and July 1, 2021 (2.5 percent), including compounding (0.06 percent). Minimum Wage Equity Adjustment
- 5) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 7 employees will no longer be eligible for the Minimum Wage Pay Differential 443 that was negotiated in response to the implementation of PLP 2020.

Post-Employment Benefits

Prefunding of Other Post-Retirement Benefits (OPEB)

- 6) Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will resume monthly contributions of 4 percent to prefund OPEB.

Miscellaneous

Contract Reopener Language

- 7) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Term

- 8) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 9: The MOU side letter agreement between the state and BU 9 (CSLEA) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification, the PLP 2020 will end. Bargaining Unit 9 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Salary Increase

- 3) Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 9 employees will receive a 5.58 percent salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2022 (3.0 percent) and a new salary increase (2.5 percent), including compounding (.08 percent).

Retirement

- 4) As previously negotiated, effective the first day of the pay period following ratification by both parties, Miscellaneous and Safety Bargaining Unit 9 employees will pay an additional 0.5 percent in retirement contributions for one year. After the completion of one year, the retirement contributions will be reduced by 0.5 percent.

Post-Employment Benefits

Prefunding of Other Post-Employment Benefits (OPEB)

- 5) Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will resume monthly contributions of 2.0 percent to prefund OPEB.

Miscellaneous

Contract Reopener Language

- 6) The side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Term

- 7) Effective the first day of the pay period following ratification by both parties. The Union ratification process is expected to be completed no later than June 30, 2021.

Bargaining Unit 10: The MOU side letter agreement between the state and BU 10 (CAPS) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 10 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged, except any unused PLP accruals do not expire.
- 3) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will be allowed to modify their participation in Voluntary Personal Leave Program for three calendar months. After the third calendar month the standard timeframes will be restored.

Salary Increase

- 4) Effective on the first day of the pay period following ratification, the salary ranges of all Bargaining Unit 10 classifications will be increased by 7.63 percent. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (5 percent), a new July 1, 2021 increase (2.5 percent), and including compounding (0.13 percent).

Post-Employment Benefits*Prefunding of Other Post-Employment Benefits (OPEB)*

- 5) Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will resume monthly contributions to prefund OPEB.

Term

- 6) Effective the first day of the pay period following ratification, and continues until June 30, 2022, or until the provisions are incorporated into a successor agreement. The union ratification process has been completed.

Bargaining Unit 12: The MOU collective bargaining agreement between the state and BU 12 (IUOE) is, as follows:

Compensation*Salary Increase*

- 1) Effective the first day of the pay period following ratification by both parties, all Bargaining Unit 12 employees will receive a 5.06 percent salary increase. This increase accounts for a 2.5 percent salary increase for 2020 and 2021, including compounding (.06 percent).
- 2) Effective July 1, 2022, all Bargaining Unit 12 employees will receive a salary increase of 2.25 percent.

Special Salary Adjustments

- 3) Effective the first day of the pay period following ratification by both parties, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4, 5 or 7 percent.
- 4) Effective July 1, 2022, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4, 5, or 7 percent.

Night Shift Pay Differential

- 5) Effective July 1, 2021, increases in night shift pay differential from 40 cents to \$1 per hour for work shifts that fall between 6 p.m. and 12 midnight.
- 6) Effective July 1, 2021, increase in night shift pay differential from 50 cents to \$2 per hour for work shifts that fall between 12 midnight and 6 a.m.

Special Duty Pay

- 7) Effective July 1, 2021, increases in special duty pay for California Department of Transportation employees assigned to avalanche control, performing rock scaling, climbing, transporting of explosives, or suspended work. Pay increases from \$6 to \$10 per hour.

- 8) Effective July 1, 2021, certified CalOES employees performing radio communications during emergency outages while deployed in a snow caterpillar will receive special duty pay of \$10 per hour.

Department of Corrections Recruitment and Retention Pay

- 9) Effective July 1, 2021, all Bargaining Unit 12 employees will be eligible for an increase in their recruitment and retention bonus from \$2400 to \$2600. This pay differential has been extended to five institutions, Pelican Bay, Sierra Conservation Center, California Correctional Center, High Desert, and RJ Donovan Correctional facilities.

Greater Bay Area Recruitment and Retention Pay Differential

- 10) Effective July 1, 2021, Bargaining Unit 12 employees who work in the greater Bay Area will be eligible for a recruitment and retention pay differential of 5 percent.

Commercial Vehicle Inspection Specialist (CVIS) Pay Differential

- 11) Effective the first day of the pay period following ratification by both parties, employees in the California Highway Patrol CVIS classification who pass the Passenger Vehicle Inspection exam will receive a \$200 pay differential each month.

Well Drilling License Pay Differential

- 12) Effective July 1, 2021, Caltrans employees in the Senior Foundation Driller and the Foundation Driller Leadworker classifications, who possess the C-57 Well Drilling license and perform the associated duties, will receive a pay differential of 5 percent.

Recruitment and Retention Differential – Cal OES Telecommunications

- 13) Effective July 1, 2021, California Governor's Office of Emergency Services Telecommunications Technician Trainees, Telecommunications Technicians, and Senior Telecommunications Technicians who work in Los Angeles, Orange, San Benito, San Diego, San Luis Obispo, Santa Barbara, or Ventura counties will receive a pay differential of 5 percent.

Footwear

- 14) Footwear purchases made on or after July 1, 2021, will increase their footwear reimbursement from \$50 per year to \$100 per year or every two years from \$100 to \$200. Department of General Services and California Department of Education – Nutritional Services Division have been added to the list of Departments under this section.

Shift Premium for Department of Water Resources (DWR)

- 15) Effective the first day of the pay period following ratification by both parties, specified employees covered by the DWR Rotating Shift Operations will have increases to their shift pay differential.

Personal Leave Program (PLP 2020)

- 16) Bargaining Unit 12 employees will have their full salaries restored. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Vacation and Annual Leave Hours Cap

- 17) Annual Leave and Vacation Leave caps will be allowed to increase by the equivalent number of PLP 2020 hours employees were subject to through June 30, 2021. The increase will remain in effect until June 30, 2023.

Tool Allowance

- 18) Effective July 1, 2021, employees in the Lead Heavy Equipment Body Worker/Painter classification are eligible for an annual tool allowance of \$325 per year.

Seasonal Employees Uniform Allowance

- 19) Effective July 1, 2021, seasonal employees are allowed a one-time per year uniform allowance advance not to exceed 3 months or \$135.
- 20) Effective July 1, 2021, seasonal employee's uniform allowance has increased from \$20 to \$45 per 160 hours of employment.

Transportation Incentives

- 21) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 75 percent discount on public transit passes up to \$100 per month. This is an increase from \$65 per month.
- 22) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools will be eligible for a 75 percent reimbursement of the monthly fee up to \$100 per month. This is an increase from \$65 per month. The State will provide \$135 per month for each employee who is the primary vanpool driver. This is an increase from \$100 per month.

Moving Expenses

- 23) Effective July 1, 2021, an employee who is required to move by the state will be reimbursed by the state for approved items under the same requirements that apply to excluded employees.

Federal Funding for Essential Worker Premium Pay

- 24) The state will meet and confer with Bargaining Unit 12 upon finalization of the federal regulations regarding essential worker premium pay.

Post-Employment Benefits Prefunding of Other Post-Retirement Benefits (OPEB)

- 25) Effective the first day of the pay period following ratification by both parties, the contribution percentages will be adjusted based on the actuarially determined total normal cost. If the total normal costs increase or decrease by more than half a percent from the total normal cost contribution in effect at that time, the employer and employee contribution percentages will be increased or decreased, no sooner than July 1, 2021, to maintain a 50 percent cost sharing of actuarially determined total normal costs. The increase or decrease to the employer or employee contribution shall not exceed 0.5 percent per year.

Health Benefits Health, Dental, Vision

- 26) The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2022, and January 1, 2023.

Workforce Development – Trades

- 27) The State is committed to partnering with IUOE in exploring recruitment, training and educational opportunities within the Trades classifications with a focus on increasing diversity and retaining skilled labor essential for continuing to innovate and adapt to meet the needs of the 21st century.

Duration

- 28) July 1, 2021, through June 30, 2023

Term

- 29) Effective the first day of the pay period following ratification by both parties. The union ratification process will be completed no later than June 30, 2021

Bargaining Unit 13: The MOU side letter agreement between the state and BU 13 (IUOE) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 13 employees will have their full salaries reinstated.

- 2) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Salary Increase

- 3) Effective on the first day of the pay period following ratification by both parties, the maximum of the salary ranges of all Bargaining Unit 13 classifications will be increased by 5.83 percent. This increase will account for the two previously negotiated salary increases that were originally scheduled for July 1, 2020 (3 percent) and July 1, 2021 (2.75 percent), including compounding (.08 percent).

Post-Employment Benefits Prefunding of Other Post-Employment Benefits (OPEB)

- 4) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will resume monthly contributions of 3.9 percent to prefund OPEB.

Term

- 5) Effective the first day of the pay period following ratification by both parties. The union ratification process has been completed.

Bargaining Unit 16: The MOU side letter agreement between the state and BU 16 (UAPD) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 16 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Salary Increases

- 3) Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 16 employees will receive a 5.06 percent general salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2022 (2.5 percent), and a new salary increase (2.5 percent), including compounding (0.06 percent).
- 4) Effective July 1, 2022, all Bargaining Unit 16 employees will receive a 2 percent salary increase. (Section 10.4) Maximum Salary Range Increase.

- 5) Effective on the first day of the pay period following ratification by both parties, the following classifications will have an increase in the maximum salary ranges by 10 percent.
- 6) Certain specified employees who have been at the maximum salary for 12 qualifying pay periods will be moved to the new maximum salary.

Recruitment and Retention Salary Differential

- 7) Effective on the first day of the pay period following ratification by both parties, certain specified classifications will receive a recruitment and retention differential of 10 percent.
- 8) Effective on the first day of the pay period following ratification by both parties, agreed upon classifications are eligible for additional payments of \$5,000 after 60 and 84 qualifying pay periods.

Assignment and Payment of Medical Officer of the Day

- 9) Effective the first day of the pay period following ratification by both parties and expiring with the June 2023 pay period, the Department of State Hospitals (DSH) will be eligible for Medical Officer of the Day with a four-hour minimum requirement.

Licensure – Continuing Medical Education

- 10) Effective the first day of the pay period following ratification by both parties, Unit 16 employees will receive \$2,500 annually for continuing medical education.

Post-Employment Benefits Prefunding of Other Post-Employment Benefits (OPEB)

- 11) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will resume monthly contributions of 1.4 percent to prefund OPEB.

Miscellaneous

Contract Reopener Language

- 12) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

Term

- 13) Upon ratification by both parties the MOU is extended from July 1, 2022, to July 1, 2023. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 18: The MOU side letter agreement between the state and BU 18 (CAPT) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 18 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

General Salary Increase (GSI)

- 3) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will receive a 5.58 percent salary increase. This increase was originally schedule for July 1, 2020 (2.75 percent) and July 1, 2021 (2.75 percent), including compounding (0.08 percent).

Minimum Wage Equity Adjustment

- 4) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 18 employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.

Post-Employment Benefits Prefunding of Other Post-Retirement Benefits (OPEB)

- 5) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will resume monthly contributions to prefund OPEB.

Miscellaneous

Vacation Leave

- 6) Effective with the October 2021 bid cycle, Bargaining Unit 18 employees will be able to bid for a total of 32 vacation days, but may not exceed the accrued PLP/vacation/annual leave balances available.

Contract Reopener Language

- 7) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Term

- 8) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 19: The MOU side letter agreement between the state and BU 19 (AFSCME) is, as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 19 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Post-Employment Benefits Prefunding of Other Post-Employment Benefits (OPEB)

- 3) Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will resume monthly contributions of 3.0 percent to prefund OPEB

Term

- 4) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Fiscal Effect: This bill appropriates \$1,287,279,000 (\$469,723,000 General Fund) to implement the MOU addenda and side letters.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 146 **Hearing Date:** June 28, 2021
Author: Committee on Budget
Version: June 25, 2021 As amended
Urgency: No **Fiscal:** Yes
Consultant: Christopher Francis

Subject: Public Safety: Facilities Financing

Summary: Provides for statutory changes necessary to enact public safety facilities financing related provisions of the Budget Act of 2021.

Background: As part of the 2021-22 fiscal year budget package, AB 146 makes statutory changes to implement the budget act.

Proposed Law: This bill makes the following statutory changes:

- 1) Health Care Facility Improvement Program (HCFIP): Lease Revenue Bond Authority Reduction. Reduces existing lease revenue bond authority for the completion of the construction phase for HCFIP projects at Department of Corrections and Rehabilitation institutions. This change is due to a switch in fund source to General Fund for 2021-22.
- 2) Relinquishment of County Jail Funding. Decreases the lease revenue authority for county jail construction programs by \$229,059,000 resulting from award relinquishments and unawarded funds for the construction of adult local criminal justice facilities. This will eliminate the remaining and relinquished bond authority for the county jail construction financing programs.

Fiscal Effect: This bill would decrease the amounts of revenue bonds, notes, or anticipation notes that the State Public Works Board may issue for various programs that authorize the Department of Corrections and Rehabilitation or the Board of State and Community Corrections, participating counties, and the State Public Works Board to acquire, design, and construct local jail facilities or adult local criminal justice facilities, as defined, approved by the Board of State and Community Corrections. The amounts decrease to \$840,445,397, \$412,474,000, \$420,000,000, and \$244,516,000, as specified, thereby making an appropriation.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 147 **Hearing Date:** June 28, 2021
Author: Committee on Budget
Version: June 11, 2021 As amended
Urgency: No **Fiscal:** Yes
Consultant: Hans Hemann

Subject: Budget Act of 2020: augmentation

Summary: This bill makes a supplemental appropriation to the Budget Act of 2020.

Background: Specifically, this bill appropriates \$17,195,800 General Fund for costs incurred during the 2020-21 fiscal year.

Proposed Law:

- 1) Appropriates \$17,185,000 General Fund to augment the 2020 Budget Act for the California Department of Corrections and Rehabilitation (CDCR) for costs incurred in complying with *Armstrong v. Newsom* in which the U.S. District Court for the Northern District of California ordered CDCR to develop a plan to address violations of the Americans with Disabilities Act (ADA) for abuses against incarcerated people with disabilities.

In September 8, 2020, the Court found that CDCR violated the ADA and prior court orders at Richard J. Donovan Correctional Facility (RJD). As a remedy, the Court required CDCR to develop a plan, within 21 days, to install security cameras and use body-worn cameras throughout RJD, modify the staff complaint and disciplinary process, and increase supervisory staffing on all prison yards. CDCR identified a need for \$13,511,000 in supplementary funding to support the costs of these court-ordered activities at RJD in 2020-21.

On March 11, 2021, the Court ordered CDCR to implement the same measures identified in the September 8, 2020 court order for RJD at five additional prisons: California State Prison, Los Angeles County; California Institution for Women; Kern Valley State Prison; California State Prison, Corcoran; and Substance Abuse Treatment Facility and State Prison at Corcoran. The court order required CDCR to implement body-worn cameras by July 30, 2021. To meet this court-directed timeframe, CDCR has identified the need for additional funding of \$3,674,000 in 2020-21 to purchase and begin deploying the body-worn cameras and conducting the necessary training.

This funding is needed by June 30, 2021.

The Budget Act of 2021-22 includes \$90.6 million General Fund to continue the implementation of the court-ordered reforms at the six prisons.

- 2) Appropriates \$10,800 General Fund to augment the 2020 Budget Act to reimburse Mariposa County for the costs related to the homicide case of *People v. Cary Stayner*. This claim has been approved by the State Controller, pursuant to Chapter 3 (commencing with Section 15200) of Part 6 of Division 3 of Title of the Government Code, which allows qualified counties to seek state reimbursement for homicide trial costs.

Fiscal Effect: Appropriates \$17,195,800 General Fund to address shortfalls in the Budget Act of 2020.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No: AB 152 **Hearing Date:** June 28, 2021
Author: Committee on Budget
Version: June 23, 2021 As amended
Urgency: No **Fiscal:** Yes
Consultant: Yong Salas

Subject: Elections

Summary: This bill contains statutory provisions related to elections necessary to implement the Budget Act of 2021.

Proposed Law: This bill makes the following statutory changes.

- 1) Requires counties that administer a recall election pursuant to this chapter shall be considered to comply with requirements to hold a general election.
- 2) Authorizes a county that has previously conducted an all-mailed ballot election subject to specified provisions.
- 3) Authorizes a county that has not previously conducted an all-mailed ballot election to conduct an all-mailed ballot election subject to specified provisions.
- 4) Requires counties to conduct a voter education and outreach campaign. Requires the Secretary of State to establish a process for granting counties partial waivers from requirements relating to the number, location, or operational duration of consolidated polling places or ballot drop-off locations and from requirements relating to the maximum number of voters in a precinct.
- 5) Authorizes counties to start to process vote by mail ballots on the 29th day before an election. The bill would deem a vote by mail ballot timely cast if it is postmarked or date stamped on or before election day and is received by the voter's elections official no later than 7 days after election day.
- 6) Authorizes a local government entity that previously called a special local election to consolidate that election with a gubernatorial recall election if certain conditions are met.
- 7) Allows the Secretary of State to certify the sufficiency of the signatures if the Legislature has appropriated funds it determines are reasonably necessary to conduct the recall election and has designated funds for that purpose in the Budget Act or another statute.

Fiscal Effect: Appropriates \$35,000,000 from the General Fund to the Secretary of State to support statewide and county costs of the 2021 gubernatorial recall election.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No:	AB 158	Hearing Date:	June 28, 2021
Author:	Committee on Budget		
Version:	June 25, 2021	Fiscal:	Yes
	As amended		
Urgency:	No		
Consultant:	Joanne Roy		

Subject: Hazardous waste

Summary: This bill establishes the Board of Environmental Safety (Board) within the Department of Toxic Substances Control (DTSC), restructures and increases charges that support the Hazardous Waste Management Account (HWCA), restructures and increases the tax that supports the Toxic Substances Control Account (TSCA), and provides funding to support brownfield cleanups and investigations across the state and Exide residential cleanup.

Existing Law:

- 1) Establishes DTSC to protect California against threats to public health and degradation to the environment and to restore properties degraded by past environmental contamination, and requires DTSC to regulate management of hazardous wastes, clean up existing contamination, and prevent pollution by working with businesses to reduce their hazardous waste and use of toxic materials. (H&S § 25360.1, et seq.)
- 2) Imposes various fees, including a disposal fee, generator fee, and facility fee, that are deposited in the HWCA and imposes charges on organizations that use, generate, store, or conduct activities in this state related to hazardous materials that are deposited in TSCA that, upon appropriation by the Legislature to DTSC, are authorized to be expended for, among other things, the administration and implementation of the Hazardous Waste Control Laws (HWCLs) and site remediation and response costs, as specified (HSC § 25174 and § 25173.6).

Proposed Law: This bill:

- 1) Establishes a five-member Board within DTSC, composed of a full-time chairperson and four part-time paid members. Three members of the Board are appointed by the Governor with Senate confirmation and two members appointed by the Legislature, as specified.
- 2) Specifies the Board's responsibilities, including:
 - a. Annually aligning charges for HWCA and TSCA based on legislative changes to appropriation levels;

- b. Hearing and deciding appeals of hazardous waste facility permit decisions made by DTSC;
 - c. Providing opportunities for public hearings on DTSC's permit and remediation decisions;
 - d. Reviewing and approving the Director's annual priorities and adopting performance metrics;
 - e. Developing long-term goals for DTSC's programs;
 - f. Conducting an analysis of DTSC's fee structure; and,
 - g. Conducting an analysis of DTSC's programs and their relationship with related programs in other agencies and, to the extent necessary, develop recommendations to improve coordination between programs and reduce or eliminate duplication/overlap.
- 3) Authorizes the Board to form advisory subcommittees to work on topics within the board's jurisdiction, including, but not limited to environmental justice and fee structure and make recommendations to the full board for consideration and action.
- 4) Requires the Director of DTSC to appear before the Board as requested and requires the Board to prepare an annual performance review of DTSC and the Director.
- 5) Requires the director of DTSC and the Board chair to annually appear before the appropriate policy committees in the Assembly and Senate to provide an update on the department's performance and progress in implementing reform measures.
- 6) Establishes an Office of the Ombudsperson within the Board to receive complaints and suggestions from the public and regulated community, make recommendations to the Board, and provide assistance to the public when appropriate.
- 7) Makes a number of programmatic reforms, including:
- a. Updating a state hazardous waste management plan (Plan) by March 1, 2025 and every three-years thereafter. Specifies the Plan include: waste reduction goals and reduce the risk of exposure to communities threatened by releases of hazardous waste; updates to DTSC's Pollution Prevention Program; and recommendations regarding the criteria used to identify wastes as hazardous waste in the state.
 - b. Strengthening financial assurances requirements for entities who handle hazardous waste. Requires DTSC to review cost estimates and mechanisms every 5 years; specifies hazardous waste facilities establish and maintain financial assurance for corrective action; and restricts DTSC from requiring financial assurance for corrective action that the State Water Board is overseeing.

- c. Establishing accountability requirements for DTSC’s permit renewals, including accelerating time lines for the department to complete hazardous waste facility permit renewals. Requires DTSC to post estimated decision dates and milestones, establishes deadlines for DTSC to make permit decisions, and establishes accountability if DTSC misses permit deadlines.

8) Makes four significant changes to the existing HWCA fee structure:

- a. Replaces the existing generator, disposal, EPA identification verification, and manifest user fees with a new generation and handling fee. The new generation and handling fee would be based on a price-per-ton model—instead of the current tiered model—and set at \$49.25 per ton (currently between \$10 and \$100 per ton);
- b. Increases the existing facility fees. Sets the base rate at \$94,910 (currently \$35,943), a rate that reflects DTSC’s level of service expected in FY 2022-23 and begins to establish a prudent reserve.
- c. Eliminates various exemptions for which entities are subject to paying the charges, including exemptions for entities that handle used oil.
- d. Revises the timing of payments to coincide with the fiscal year in which the Legislature appropriates the department’s funding (rather than by calendar year, which is how current payments are structured).

9) Makes two significant changes to the environmental fee to take effect in 2022 and revises the timing of payments to coincide with the fiscal year in which the Legislature appropriates the department’s funding:

- a. Exempts businesses with fewer than 100 employees from paying the tax (extending the existing exemption to businesses with 50 to 99 employees); and,
- b. Increases tax rates for businesses with more than 500 employees.

The 2022-23 rates would be as follows:

Business Size	Current Rate	Proposed Rate
Businesses with 50 – 74 Employees	\$362	\$0
Businesses with 75 – 99 Employees	\$636	\$0
Businesses with 100 – 249 Employees	\$1,261	\$1,261
Businesses with 250 – 499 Employees	\$2,706	\$2,706
Businesses with 500 – 999 Employees	\$5,054	\$16,000
Businesses with 1,000 or more Employees	\$17,144	\$54,100

- 10) Appropriates \$500 million (one-time General Fund), over three years, to address brownfields (i.e., properties underutilized due to the presence of a hazardous substance, pollutant, or contaminant), to be allocated in the following ways:
 - a. Investigations and Brownfield Cleanups. DTSC would use these funds to investigate and clean up various projects where no financially viable responsible party can be found.
 - b. Brownfield Grant Program. Establishes a new competitive grant program to provide funding to local governments, tribes, nonprofit organizations, and private entities primarily to investigate as well as clean up brownfield sites.
 - c. Workforce Development. Establishes a new workforce development program. The funding would go to various organizations (such as technical schools and community-based organizations) to train individuals to perform environmental remediation work, such as site sampling technicians.
 - d. Impacted Community Grant Program. Establishes a new program to provide grants to communities impacted by contaminated sites to provide technical assistance. Grant funds could be used to pay for independent confirmation sampling and independent technical experts.
 - e. Environmental Justice Council. Authorizes funds be used to assist in the development of a forum that represents communities across the state impacted by DTSC's programs, to provide environmental justice advice, consultation, and recommendations to the director of DTSC and the Board.
- 11) Appropriates \$322.4 million (General Fund), over three years, as a loan for DTSC for activities, including job training activities, related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon. Requires funds recovered from potentially responsible parties for the former Exide Technologies facility to be used to repay those loans and would authorize forgiveness of the remaining loan balance under certain circumstances.
- 12) Makes conforming changes throughout Health and Safety Code and Revenue and Taxation Code.
- 13) Requires 2/3 vote of the Legislature.

Background:

- 1) *California Hazardous Waste Control Law (HWCL)*. HWCL is the state's program that implements and enforces federal hazardous waste law in California and directs DTSC to oversee and implement the state's HWCL. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. HWCL covers the entire management of hazardous waste, from the point the hazardous waste is generated, to management, transportation, and ultimately disposal into a state or federal authorized facility.

- 2) *DTSC's Hazardous Waste Management Permitting Program*. DTSC is responsible for administering the hazardous waste facility permitting program established under HWCL and the federal Resource Conservation and Recovery Act (RCRA). The core activities of the permitting program include: review of RCRA and non-RCRA hazardous waste permit applications to ensure safe design and operation; issuance and denial of operating permits; issuance of post-closure permits; approval and denial of permit modifications; issuance and denial of emergency permits; review and approval of closure plans; oversight of approved closure plans; and, providing public involvement on issues related to permitted facilities.
- 3) *The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)*. CERCLA, or Superfund, provides a Federal "Superfund" to clean up uncontrolled or abandoned hazardous waste sites as well as accidents, spills, and other emergency releases of pollutants and contaminants into the environment. Through CERCLA, the US Environmental Protection Agency (US EPA) was given authority to seek out those parties responsible for any release and assure their cooperation in the cleanup. The US EPA cleans up orphan sites when potentially responsible parties cannot be identified or located, or when they fail to act.
- 4) *Carpenter-Presley-Tanner Hazardous Substances Account Act (HSAA)*. State law provides DTSC with general administrative responsibility for overseeing the state's responses to spills or releases of hazardous substances, and for hazardous waste disposal sites that pose a threat to public health or the environment. Additionally, DTSC ensures that the state meets the federal requirements that California pay 10 percent of cleanup costs for federal Superfund sites and 100 percent of the operation and maintenance costs after cleanup is complete. The HSAA provides DTSC with the authority, procedures, and standards to investigate, remove, and remediate contamination at sites; to issue and enforce a removal or remedial action order to any responsible party; and, to impose administrative or civil penalties for noncompliance with an order. Federal and state laws also authorize DTSC to recover costs and expenses it incurs in carrying out these activities.
- 5) *Recent Criticism of DTSC*. Over the past decade or so, DTSC has received complaints from the public about its permitting program and held meetings with the public, the regulated community, and stakeholders to identify and understand concerns about its permitting program. Community groups that live near hazardous waste facilities are concerned that DTSC is not properly enforcing state and federal law and allowing facilities to operate with an expired permit or have numerous violations of state law and regulation. Additionally, the regulated community is concerned about the length of time it takes DTSC to process a permit, with processing a permit extending years beyond the expiration date of their permit, as well as the costs associated with processing a permit.
- 6) *Legislative Oversight*. Over the last five years, the Legislature has conducted numerous hearings on DTSC's internal controls, its business practices, and its basic statutory obligations. In those hearings, the budget and policy committees have

evaluated the following four main areas: (1) reviewing and monitoring the department's strategic plan and reorganization; (2) auditing cost recovery at the department; (3) providing staffing to improve permit backlogs and business operations; and, (4) improving enforcement at the department.

Numerous statutory changes have been made to clarify and strengthen DTSC's statutes to help DTSC better achieve its mandates, and budget augmentations have been made to give DTSC resources to reduce backlogs and address outstanding programmatic failings. However, many of the underlying concerns about transparency, accountability, and long-term stability of DTSC programs remain.

- 7) *Funding Sources for DTSC.* DTSC's funding comes primarily from HWCA and TSCA. TSCA is a repository for revenues from cost recovery, penalties, interest, and the Environmental Fee. HWCA revenues are derived from fees paid by various hazardous waste generators, transporters, and facilities. They were last amended in statute in 1998 or earlier.
- 8) *Both HWCA and TSCA Have Been Operating With a Structural Deficit.* Expenditures out of HWCA and TSCA have exceeded revenues for many years. HWCA became insolvent in fiscal year 2018-19 and TSCA became insolvent in fiscal year 2019-20. A number of factors contribute to the operating structural deficit in both accounts. They include increasing legislative mandates, an outdated fee structure that no longer corresponds to the proportion of waste generated or disposed, increasing costs relating to the state obligated cost share for National Priority List sites, and a backlog of unresolved response costs worth approximately \$194 million at over 1,600 cleanup sites over a 25-year period.

The Budget Act of 2019 provided HWCA with \$27.5 million in General Fund to backfill the shortfall and maintain existing operations. The Budget Act of 2020 included \$12 million in General Fund for TSCA to backfill the shortfall and maintain existing operations. In the Governor's proposed budget for 2021-22, \$22.5 million in General Fund is proposed to backfill HWCA and \$13 million in General Fund is proposed to backfill TSCA.

- 9) *Workload Analysis Indicates Resource Gaps.* In January 2021, DTSC released a workload analysis that provided information on current staffing, funding, and workload, as well as a discussion of identified resource gaps for high-priority programs and activities. As noted in the report, DTSC's responsibilities have grown significantly since 1991, but the department's staffing levels have remained relatively stagnant. The report states that over time, DTSC's ability to carry out its mission has been compromised by the combination of unfunded additional statutory and regulatory authorities, fiscal constraints, and a static fee structure — Most of the fees that support DTSC's programs were last updated in statute in 1998, yet 92 statutory authorities and mandates have been adopted since that time. Because the existing fee structure was not developed to cover DTSC's current responsibilities and program costs, the department has struggled to deliver services aligned with its statutory duties.
- 10) *Likely Tens of Thousands of Brownfields Across the State.* Common examples of brownfield sites are former dry cleaners, gas stations, and chemical storage facilities. According to a report from DTSC, there are roughly 15,000 known contaminated sites

across California. However, these numbers likely underestimate the number of brownfields in the state given the difficulty in estimating the number of properties that are underutilized as a result of suspected contamination. Some research estimates that this number could be between 150,000 to 200,000 sites. Studies have shown that brownfield sites are disproportionately located in neighborhoods that have lower average incomes and more people of color.

11) *Exide*. Exide, a former lead-acid battery recycling company in Vernon, had been operating under an interim hazardous waste facility permit prior to 2013. The areas immediately surrounding the Exide facility were found to be contaminated with dangerously high levels of lead, extending up to 1.7 miles from the facility. In May 2015, the facility was closed. To date, the state has provided over \$251 million General Fund for residential cleanup and other costs associated with Exide.

The Administration has stated that it remains committed to pursuing cost recovery from responsible parties for Exide. The Budget includes one-time funding of \$14 million General Fund, and \$2.5 million ongoing funding from the Lead-Acid Battery Cleanup Fund, for these and future cost recovery efforts. The trailer bill includes \$322.4 million in one-time General Fund for DTSC to meet the state's existing commitment to clean up lead contamination from the remaining 342 properties within 1.7 miles of the former Exide Technologies facility and 2,740 additional properties identified with over 200 parts per million of lead contamination around the facility.

Related/Prior Legislation

SB 42 (Wieckowski) establishes a Board of Environmental Safety within DTSC. This bill is pending in the Assembly.

AB 1 (Garcia) creates the Board of Environmental Safety within the CalEPA to provide policy direction to and oversight of DTSC and raises and recasts existing fees within the Hazardous Waste Control Account (HWCA). This bill is pending before the Senate Environmental Quality Committee.

AB 995 (Garcia, 2020) would have created the Board of Environmental Safety within the CalEPA to provide policy direction to and oversight of DTSC and would have raised and recast existing fees within HWCA. This bill was vetoed by the Governor.

Fiscal Effect: This bill appropriates \$500 million (one-time General Fund), over three years to address brownfields and appropriates \$322.4 million (General Fund), over three years, as a loan for DTSC activities related to the Exide hazardous waste cleanup.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair

2021 - 2022 Regular

Bill No:	AB 159	Hearing Date:	June 28, 2021
Author:	Committee on Budget		
Version:	June 25, 2021 As amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Hans Hemann		

Subject: State Employment: State Bargaining Unit 6

Summary: Makes necessary statutory changes to ratify and implement the side letter agreement to the memorandum of understanding (MOU) between Bargaining Unit 6 (BU 6) and the state.

California Correctional Peace Officers Association (CCPOA) is the exclusive employee representative of BU 6.

The side letter agreement represents the end of the Personal Leave Program (PLP 2020), and includes salary increases, restoration of various suspended pay items, a one-time leave cash out option, a temporary increase contribution to pandemic-related health and wellness costs, restoration of employee other post-retirement benefits (OPEB) contributions, restoration of training and relief position, and extends the current BU 6 MOU for one year.

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.
- 9) The 2020-21 Budget Act achieved General Fund savings in state employee compensation through the ratification of negotiated agreements between the state and 20 bargaining units. Among other cost saving measures, the ratified MOU addenda and side letters included a personal leave program (PLP 2020) that achieved a 4.62% savings for each day employee pay was reduced. The PLP 2020 was approved for fiscal years 2020-21 and 2021-22 and varied depending on the bargaining unit. In addition, the agreements suspended employee contributions to prefund retiree health benefits in 2020-21 and 2021-22.

Proposed Law: This bill ratifies the MOU side letter entered into between the state and BU 6, notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

- 1) Approves provisions requiring the expenditure of funds for the addendum entered into by the state and BU 6.
- 2) Authorizes the state or BU 6 to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Extends the date of the MOU to July 2, 2023.
- 4) Reinstates the employees' monthly contribution for prefunding other postemployment benefits for the 2021–22 fiscal year.
- 5) Provides for a continuous appropriation for fiscal year 2023-24 to extend the terms of the MOU until the Budget Act of 2023 is enacted, if the budget is not enacted by July 1, 2023.
- 6) Appropriates \$509,997,000 for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.

- 8) Includes double jointing language to address chaptering out issues with AB 142 (Ting).

Comments: The MOU entered between the state and BU 6 (CCPOA) is as follows:

Compensation

Personal Leave Program (PLP 2020)

- 1) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. BU 6 employees will have their full salaries restored.
- 2) Effective on the first day of the pay period following ratification by both parties, BU 6 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

Salary Increase

- 3) Effective on the first day of the pay period following ratification by both parties, all BU 6 employees will receive a 5.58 percent. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (3 percent), a new July 1, 2021 increase (2.5 percent), and includes compounding (.08 percent).
- 4) Effective July 1, 2022, all BU 6 employees will receive a 2.5 percent salary increase.

Holiday Pay

- 5) Effective on the first day of the pay period following ratification by both parties, the holiday pay and credits that were suspended for seven holidays will be restored.

Night and Weekend Shift Differentials

- 6) Effective on the first day of the pay period following ratification by both parties, the night and weekend shift differentials that were suspended will be restored.

Restoration of Uniform Allowance

- 7) Effective on the first day of the pay period following ratification by both parties, the reduced uniform allowances will be restored with the 2021 uniform allowance payment.

Personal Development Day (PDD)

- 8) Effective on the first day of the pay period following ratification by both parties, the one PDD that was suspended for calendar year 2022 will be restored.

One-time Leave Cash Out

- 9) Employees shall have a one-time option to cash out up to 80 hours of compensable leave credits in the fall of 2021.

Post-Employment Benefits

Prefunding of Other Post-Employment Benefits (OPEB)

- 10) Effective on the first day of the pay period following ratification by both parties, BU 6 employees will resume monthly contributions to prefund OPEB.

Health Benefits

Employer Contribution for Active State Employees

- 11) The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2023

Miscellaneous

Restoration of Training

- 12) The annual training schedule for calendar year 2021 will continue through December 31, 2021, as scheduled. The relief positions tied to the modified training will be restored effective the first day of the pay period following ratification by both parties.
- 13) Effective January 1, 2022, training will revert back to the 7k Training Program and the associated relief positions will be used to cover training.

Pandemic-Related Health and Wellness

- 14) Effective August 1, 2021 through July 2022, eligible Bargaining Unit 6 employees shall earn 8 hours of COVID-19 Fatigue Leave Time Off (CFLTO) per month. This leave time is non-compensable and is expected to be used routinely. Management may mandate employees off work for any unutilized CFLTO. Any unused leave will expire permanently on July 30, 2022.

- 15) The CFLTO program is not grievable or arbitrable. Any disputes that cannot be resolved at the local level shall be resolved by the chief of the CDCR Program Support Unit and the CCPOA President, or their designee.
- 16) The relief positions from the modified training program will be deployed to allow for COVID-19 Fatigue Leave Time Off through December 31, 2021.
- 17) BU 6 employees shall receive \$208 per month payable in a single lump sum once in calendar year 2021 and once in calendar year 2022 in recognition of increased health and wellness needs tied to COVID-19.

Rehabilitative and Efficiency Measures

- 18) The parties agree to continue to meet quarterly and address efficiencies and the rehabilitation measures within the Correctional Counselor classification.

Total Compensation Report

- 19) A joint labor management group will be established to discuss the criteria, comparators and methodology to be utilized in the next Bargaining Unit 6 Total Compensation Report pursuant to Government Code Section 19826.

Main Table Work Group

- 20) A main table work group will be established and begin meeting in 2022 to work collaboratively and creatively to prepare for 2023 contract negotiations.

Contract Reopener Language

- 21) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.
- 22) CCPOA will have the ability to reopen section 15.01 of the contract should another bargaining unit receive a negotiated general salary increase (negotiated after June 1, 2021) greater than 2.5 percent payable in 2022.

Term

- 23) Upon ratification by both parties the MOU is extended from July 2, 2022 to July 2, 2023. The Union ratification process is expected to be completed no later than June 30, 2021.

Fiscal Effect: This bill appropriates \$509,997,000 to implement the MOU addenda and side letters.

Support: None on file.

Opposed: None on file.

June 2021 Eviction Relief

The state is acting to allocate additional federal funding for emergency rental assistance, and is making programmatic changes to the existing emergency rental assistance program.

New Federal Funding

- \$2.58 billion in new federal rental assistance funding.
 - \$1.4 billion in direct federal allocation to large cities and counties.
 - \$1.2 billion to the state.

Extension of Eviction Moratorium and Other Tenant Protections

- Extends the state's eviction moratorium until September 30, 2021, with existing requirements from SB 91.
- Extends other tenant, landlord, and homeowner protections until September 30.
- Extends statewide uniformity/preemption rules until March 31, 2022.

Emergency Rental Assistance Program Changes

- Increases reimbursement rate to 100% for both back rent and prospective rent.
- Allows payment directly to tenants for 100% of back rent if a landlord refuses to participate.
- Authorizes payments to landlords and tenants where the tenant no longer occupies a unit but still owes rental arrears.
- Prioritizes jurisdictions that need additional rental assistance funding by ensuring dollars are reallocated to localities with unmet need.
- Allows cities and counties with a population over 200,000 to opt into the state-administered rental assistance program or to administer their own local program.

Backstop Judicial Process

- Ensures that a landlord attempts to secure rental assistance before a court may initiate an eviction proceeding against a tenant in COVID-19 nonpayment cases.
- Requires a court to confirm that a landlord attempted to obtain rental assistance to cover the nonpayment before beginning an eviction proceeding.
- Creates a backstop mechanism to prevent an eviction of a tenant whose rental assistance has been approved but is pending receipt of rental assistance dollars.
- Requires state and local rental assistance programs to provide landlords, tenants, and courts with easy and secure ways to verify information on the status of a rental assistance application.