

Government Finance and Operations Policy Committee
CSAC Legislative Conference
Thursday, May 28, 2015 — 8:30 a.m. – 10:00 a.m.
Sheraton Grand Sacramento, Camellia Ballroom
Sacramento County, California

Supervisor Henry Perea, Fresno County, Chair
Supervisor Erin Hannigan, Solano County, Vice Chair

- 8:30 a.m. I. **Welcome and Introductions**
Supervisor Henry Perea, Fresno County, Chair
Supervisor Erin Hannigan, Solano County, Vice Chair
- 8:35 a.m. II. **State Budget Update**
Brian Uhler, Senior Fiscal & Policy Analyst,
Legislative Analyst's Office
- 8:55 a.m. III. **Paid Sick Leave Update**
Gage Dungy, Partner, Liebert Cassidy Whitmore
- 9:10 a.m. IV. **Open Data Implementation and Options**
Nicole Neditch, Fellowship Director, Code for America
- 9:30 a.m. V. **What to Expect from 2015 Tax Reform Efforts**
Chris Hoene, Executive Director,
California Budget & Policy Center
- 9:50 a.m. VI. **Legislative Update**
Dorothy Holzem, Legislative Representative, CSAC
Faith Conley, Legislative Representative, CSAC
- 10:00 a.m. VII. **Closing Comments and Adjournment**
Supervisor Henry Perea, Fresno County, Chair
Supervisor Erin Hannigan, Solano County, Vice Chair

ATTACHMENTS

Attachment One	Speaker Biographies
Attachment Two	CSAC Budget Action Bulletin – May Revise
Attachment Three	Paid Sick Leave Law
Attachment Four	Introduction to Open Data
Attachment Five	Bills of Interest

Attachment One
Speaker Biographies

Brian Uhler, Senior Fiscal & Policy Analyst, Legislative Analyst's Office

Brian Uhler serves as Senior Fiscal and Policy Analyst for the Legislative Analyst's Office (LAO). The LAO provides fiscal and policy advice to the Legislature and is known for its fiscal and programmatic expertise and nonpartisan analyses of the state budget. The office serves as the "eyes and ears" for the Legislature to ensure that the executive branch is implementing legislative policy in a cost efficient and effective manner. Brian's program areas include local government, state mandates, economic development, bankruptcy, ERAF, Proposition 218, property tax, Vehicle License Fee, land use and housing. Brian has a Masters in Economics from San Diego State University and received a Bachelor of Science in Economics from Cal Poly, San Luis Obispo.

Gage Dungy, Partner, Liebert Cassidy Whitmore

Gage Dungy is experienced in representing and advising employers on various labor and employment law issues, including matters pertaining to employment discrimination/harassment/retaliation, disability accommodation and family/medical leaves of absence, wage and hour law, employee discipline and due process, the meet and confer process, labor relations and negotiations, and the preparation of employment guidelines and policies. Gage represents a range of employers not only in court, but before the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the Public Employment Relations Board, the California Unemployment Insurance Appeals Board, the Workers' Compensation Appeals Board, the Department of Labor and the California Labor Commissioner.

Working in Sacramento, Gage also leads LCW's legislative tracking efforts on labor and employment law legislation and works closely with the California State Association of Counties, and other local government associations on the impacts of proposed laws.

Gage has been recognized as a Northern California Rising Star in the field of employment and labor law in 2009-2014. He has also published articles on current labor and employment law cases and trends in the *Daily Journal* and the *California Public Employee Relations Journal*.

Nicole Neditch, Fellowship Director, Code for America

Nicole Neditch brings her experience in government, technology, and community development to Code for America, where she directs the organization's hallmark program, the Fellowship. The Fellowship pairs teams of technologists with local government to develop digital approaches for key government services. Nicole came to Code for America from the City of Oakland where she worked for the City Administrator on initiatives related to open government, service design, and public participation. Before working for Oakland, Nicole developed websites for governments, non-profits, foundations, and art organizations. She also owned a cafe/gallery/community hub, Mama Buzz Cafe, served on the City of Oakland's Cultural Affairs Commission, founded the Bay Area Visual Arts Network, and launched Oakland's First Friday Artwalk, ArtMurmur.

Chris Hoene, Executive Director, California Policy and Budget Center

Chris Hoene has served as Executive Director since October 2012, bringing to the organization 15 years of leadership in state and local policy research and analysis. The Center's mission is to engage in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians.

Prior to joining the Budget Center, Chris was director of the Center for Research and Innovation at the National League of Cities in Washington, DC, leading efforts to analyze trends in local

and state government and promote constructive policy action on issues including public finance, economic development, housing, poverty reduction, infrastructure, and governance. Chris also previously worked for the Center on Budget and Policy Priorities in Washington, DC, and the Public Policy Institute of California in San Francisco. Chris holds a Ph.D. in Political Science from Claremont Graduate University and a bachelor's degree in Political Science of the College of Idaho. In 2011, in recognition of his service to the state and local community, Chris was elected as a Fellow into the National Academy of Public Administration (NAPA).

Attachment Two

May Revise – CSAC Budget Action Bulletin



**Governor's 2015-16 May Revision
May 14, 2015**

May 14, 2015

TO: CSAC Board of Directors
County Administrative Officers
CSAC Corporate Partners

FROM: Matt Cate, CSAC Executive Director
DeAnn Baker, CSAC Director of Legislative Affairs

RE: **Summary of the Governor's 2015-16 May Revision**

As expected, Governor Brown stressed fiscal prudence and forethought in the 2015-16 May Revision today, raising the specter of deficits and the cuts they bring in not-too-distant future and the hundreds of billions of dollars in state liabilities and deferred maintenance. Health and education are the stated focus of the budget.

The revised budget proposal has many positive aspects from the county perspective, including hundreds of millions of dollars in reimbursements, but continues not to recognize the importance of local streets, roads, and bridges to California's transportation system.

Of the \$6.7 billion in unexpected 2015-16 General Fund revenue, \$5.5 billion will go to K-14 education, \$633 million will be saved pursuant to Proposition 2, and \$633 million will pay down debts and liabilities, also pursuant to Proposition 2.

Fulfilling the promise of the 2014-15 Budget Act, the May Revision will pay off the last of the pre-2004 mandate debts, totaling \$765 million. The amount was previously estimated to be \$800 million based on rough estimates of accrued interest.

Also of note for counties:

- The Governor has included \$150 million for Medi-Cal administration in 2015-16, the same amount allocated in the current-year budget for a six-month period.
- \$2.2 billion in funding for drought-related programs, on top of the \$1.9 billion already appropriated, are made available through accelerating the Proposition 1 bond schedule, cap and trade funds, and some General Fund revenue.
- Cap and trade revenues have more than doubled to \$2.2 billion since January, increasing the amount available in every line item including the Affordable Housing and Sustainable Communities program, which counties may access.
- SB 678 incentive funding is now available for offenders under mandatory supervision and post-release community supervision, instead of only those in traditional probation.
- The Governor has expanded his amnesty program for court-ordered debt.
- The May Revision proposes to fix a number of smaller issues that affect particular counties, including “negative bailout” and prior year insufficient ERAF, although these measures are packaged with changes to the redevelopment dissolution process that many legislators oppose.
- Funding for funding PILT and California’s Fairs remains unchanged from January.

This *Budget Action Bulletin* outlines the May Revision components of relevance to counties, including more information on the items above. Items previously detailed in the January proposed budget have not changed, unless noted here. For additional details on the Governor’s May Revision, visit www.ebudget.ca.gov. Please do not hesitate to contact CSAC staff with any questions.

STATEWIDE ISSUES

Despite calling for general fiscal restraint, the Governor does propose new General Fund spending in a few new areas.

One major new proposal is a state-level Earned Income Tax Credit, providing two million Californians with a total of \$380 million in benefits annually. The May Revision points out several other areas of the budget that address the problems faced by people in poverty, including affordable housing, farmworker housing, the Local Control Funding Formula for schools, and others included in the cap and trade and drought proposals.

Governor Brown also announced that university tuitions will be held flat for two more years, a deal reached in exchange for providing increased funding to CSUs and paying down pension liabilities for the UC system using Proposition 2 funds earmarked for debt repayment. Funds for providing health care and safety net services to undocumented immigrants covered by President Obama’s executive actions granting permanent residence are also included.

Funding for K-12 schools will reach \$68.4 billion in the budget year, \$2.7 billion more than expected just four months ago. The amount also represents an increase of nearly \$12 billion over 2007-08 levels and more than \$21 billion (about \$3,000 per student) above the low point in 2011-12. The increased funding also allows the state to accelerate funding for the Local Control Funding Formula, which directs increased funding to districts with high populations of students who are poor, English learners, and foster children.

2015-16 May Revision
General Fund Budget Summary
(\$ in millions)

	2014-15	2015-16
Prior Year Balance	\$5,589	\$2,359
Revenue and Transfers	\$111,307	\$115,033
Total Resources Available	\$116,896	\$117,392
Non-Proposition 98 Expenditures	\$64,929	\$65,892
Proposition 98 Expenditures	\$49,608	\$49,416
Total Expenditures	\$114,537	\$115,308
Fund Balance	\$2,359	\$2,084
Reserve for Liquidation of Encumbrances	\$971	\$971
Special Fund for Economic Uncertainties	\$1,388	\$1,113
Budget Stabilization Account / Rainy Day Fund	\$1,606	\$3,460

**General Fund Expenditures by Agency
Compared to Current Year**

(\$ in millions)

	2014-15	2015-16	\$ Change	% Change
Legislative, Judicial, Executive	\$3,017	\$3,180	\$163	5.4%
Business, Consumer Services & Housing	843	623	-220	-26.1%
Transportation	200	261	61	30.5%
Natural Resources	2,558	2,490	-68	-2.7%
Environmental Protection	87	65	-22	-25.3%
Health and Human Services	30,046	31,811	1,765	5.9%
Corrections and Rehabilitation	10,030	10,087	57	0.6%
K-12 Education	49,659	49,285	-374	-0.8%
Higher Education	13,267	14,195	928	7.0%
Labor and Workforce Development	282	215	-67	-23.8%
Government Operations	754	739	-15	-2.0%
General Government:				
Non-Agency Departments	1,500	677	-823	-54.9%
Tax Relief/Local Government	446	469	23	5.2%
Statewide Expenditures	242	1,211	969	400.4%
Supplemental Payment to the ERBs	1,606	-	-1,606	-100.0%
Total	\$114,537	\$115,308	\$771	0.7%

**General Fund Revenue Sources
Compared to Current Year**

(\$ in millions)

	2014-15	2015-16	\$ Change	% Change
Personal Income Tax	\$75,384	\$77,700	\$2,316	3.1%
Sales and Use Tax	23,684	25,240	1,556	6.6%
Corporation Tax	9,809	10,342	533	5.4%
Insurance Tax	2,486	2,556	70	2.8%
Alcoholic Beverage Taxes and Fees	353	360	7	2.0%
Cigarette Tax	84	82	-2	-2.4%
Motor Vehicle Fees	23	23	0	0.0%
Other	1,090	584	-506	-46.4%
Subtotal	\$112,913	\$116,887	\$3,974	3.5%
Transfer to Budget Stabilization / Rainy Day Fund	-1,606	-1,854	-248	15.4%
Total	\$111,307	\$115,033	\$3,726	3.3%



2011 Realignment

The Governor's May Revision includes updated estimates of allocations of base and growth amounts for 2011 Realignment through 2015-16 as detailed below.

2011 Realignment Estimate¹ - at 2015-16 May Revision

	2013-14	2013-14 Growth	2014-15	2014-15 Growth	2015-16	2015-16 Growth
Law Enforcement Services	\$2,124.3		\$2,078.3		\$2,258.8	
Trial Court Security Subaccount	508.0	9.8	518.1	18.1	536.1	14.7
Enhancing Law Enforcement Activities Subaccount ¹	489.9	24.6	489.9	73.7	489.9	89.6
Community Corrections Subaccount ²	998.9	73.1	934.1	135.4	1,069.5	110.3
District Attorney and Public Defender Subaccount ²	17.1	4.9	15.8	9.0	24.8	7.4
Juvenile Justice Subaccount	110.4	9.8	120.4	18.1	138.5	14.7
<i>Youthful Offender Block Grant Special Account</i>	<i>(104.3)</i>	<i>(9.3)</i>	<i>(113.8)</i>	<i>(17.1)</i>	<i>(130.8)</i>	<i>(13.9)</i>
<i>Juvenile Reentry Grant Special Account</i>	<i>(6.1)</i>	<i>(0.5)</i>	<i>(6.6)</i>	<i>(1.0)</i>	<i>(7.6)</i>	<i>(0.8)</i>
Growth, Law Enforcement Services	122.2	122.2	254.3	254.4	236.7	236.6
Mental Health³	1,120.6	9.1	1,120.6	16.8	1,120.6	13.7
Support Services	2,829.4		3,022.0		3,340.7	
Protective Services Subaccount	1,837.0	112.0	1,970.7	162.2	2,133.0	122.9
Behavioral Health Subaccount ⁴	992.4	60.0	1,051.3	156.4	1,207.7	136.6
<i>Women and Children's Residential Treatment Services</i>	<i>(5.1)</i>	-	<i>(5.1)</i>	-	<i>(5.1)</i>	-
Growth, Support Services	181.1	181.1	335.4	335.4	273.2	273.2
Account Total and Growth	\$6,377.6		\$6,810.6		\$7,230.0	
Revenue						
1.0625% Sales Tax	5,863.1		6,247.0		6,650.5	
Motor Vehicle License Fee	514.5		563.6		579.5	
Revenue Total	\$6,377.6		\$6,810.6		\$7,230.0	

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹ Allocation is capped at \$489.9 million. 2013-14 growth will not add to subsequent fiscal year's subaccount base allocations.

² 2013-14 is not added to subsequent fiscal year's subaccount base allocations.

³ Growth does not add to base.

⁴ The Early and Periodic Screening, Diagnosis, and Treatment and Drug Medi-Cal programs within the Behavioral Health Subaccount do not yet have a permanent base.

ADMINISTRATION OF JUSTICE

2011 REALIGNMENT FUNDING ESTIMATES UPDATED

As reflected in the table above, the estimate for 2014-15 is now \$135.4 million. This is higher than the \$127.7 million estimated in the Governor's January Budget, but still lower than the \$151.8 million estimated last year. The amount will continue to change based on statewide sales tax performance until the data is finalized in August. Counties will receive 2014-15 growth funds this fall.

SB 678—COMMUNITY CORRECTIONS PERFORMANCE INCENTIVE ACT

The May Revision provides an augmentation of \$1.1 million for a total of \$125.8 million in the budget. The Governor proposes to adjust the methodology by providing incentive funding to county probation departments for reducing admissions to state prison by individuals on felony probation, Mandatory Supervision, and Post Release Community Supervision (PRCS).

ACTION

Incentive funding for the expanded supervised population will be based on 50 percent of the state's contract bed rate for reductions in new crime admissions, while reductions in technical violations admissions will be funded at 75 percent of the state's estimated contract bed rate. In addition, the formula adds a past-performance allocation for counties equal to 60 percent of the average of the highest two years of past payments. The May Revision recognizes the importance of SB 678 funding in helping reduce state prison admissions. These proposals will help stabilize funding going forward for county probation.

AMNESTY PROGRAM

The May Revision updates the January Amnesty Program proposal by allowing individuals whose driver licenses have been suspended to reinstate their licenses as part of the program, if the suspension is due to Failure to Appear or Failure to Pay related to traffic offenses. In addition, the \$300 court-imposed civil assessment fee will be waived for the purposes of the amnesty program and replaced with a \$50 administrative fee for the courts to recover their costs of running the program.

CORRECTIONS

The budget for the Department of Corrections and Rehabilitation (CDCR) is \$130 million less than the Governor's January Budget proposal (excluding a \$60.6 million transfer from the statewide funding set aside for high-cost medications), which is largely the result of reducing 4,000 out-of-state contract beds by the end of the year.

High Cost Drugs. An allocation of \$228 million of the proposed \$300 million for Department of Health Care Services, State Hospitals, and CDCR. This amount includes funding for expanding clinical guidelines that are largely consistent with national clinical recommendations for Hepatitis C treatment.

Clinical Workgroup. DHCS will convene two workgroups with state and local entities to discuss clinical and procurement issues with the goal of developing a proposal for inclusion in the 2016-17 Governor's Budget. The clinical workgroup will discuss high-cost drugs that are pending federal approval and how they could affect existing clinical guidelines. A procurement workgroup will examine aspects of relevant entities' pharmacy benefit manager contracts, the availability of pricing information, and the activities and functions of state entities procuring drugs or negotiating prices and supplemental rebates.

DEPARTMENT OF STATE HOSPITALS

The May Revision includes \$10.1 million General Fund to expand the Restoration of Competency Program by up to 108 beds to address the existing waitlist.

The May Revision also includes \$4.6 million General Fund for Coleman housing to activate 30 beds at the California Medical Facility in Vacaville.

AGRICULTURE, ENVIRONMENT AND NATURAL RESOURCES

The Governor's May Revision of the budget includes two significant changes in the Natural Resources & Environmental Protection areas from his January budget. The Administration is proposing significant funding increases to the state's cap and trade investment plan to the tune of an additional \$1.2 billion as well as an additional \$2.2 billion in one-time resources for the FY 15-16 budget to continue immediate response to drought impacts. Funding for programs proposed in the January budget, including \$644,000 for Payment in Lieu of Taxes and \$10 million for the network of fairs remains unchanged.

CAP AND TRADE FUNDING

The May Revision of the budget includes an additional \$1.2 billion in cap and trade funding to further reduce greenhouse gas (GHG) emissions. The increase in funding is directed at all programs across the Governor's January 2015-16 expenditure plan as well as a few select new programs. The increased resources reflect a revised auction proceeds estimate as well as the establishment of a reserve to account for potential volatility in future auction proceeds. This increase also supports the Governor's interim GHG reduction target—GHG emissions reduction of 40% below 1990 levels by 2030—which he imposed recently through an Executive Order.

The revised expenditure plan is largely similar to the January proposal, with significant funding increases to programs within the sustainable communities and clean transportation sectors. This includes the Affordable Housing and Sustainable Communities (AHSC) fund, which sees an increase of \$200 million from the January budget. Funding under the AHSC program is intended to provide funding to regions and local jurisdictions for the implementation of SB 375 and like projects that reduce GHG emissions and promote sustainable growth and affordable housing—including the preservation of agricultural lands—and projects that promote infill development and the reduction of vehicle miles traveled.

The revised expenditure plan includes several new programs, including funding for drought-related efforts (see the section on drought below), increased energy efficiency from California's public universities, and a new program to support demonstration projects to increase carbon sequestration from soils.

The table on the following page includes the updated cap and trade expenditure plan with a comparison to the January budget.

Category	Department	Program	January	May	Total
Sustainable Communities & Clean Transportation	High Speed Rail Authority	High Speed Rail Project	\$250	\$250	\$500
	Transportation Agency	Transit and Intercity Rail Capital Program	\$100	\$165	\$265
	State Transit Assistance	Low Carbon Transit Operations Program	\$50	\$50	\$100
	Strategic Growth Council	Affordable Housing & Sustainable Communities	\$200	\$200	\$400
	Air Resources Board	Low Carbon Transportation	\$200	\$150	\$350
Energy Efficiency & Clean Energy	Dept. of Community Services and Development	Energy Efficiency Upgrades & Weatherization	\$75	\$65	\$140
	Energy Commission	Energy Efficiency for Public Buildings	\$20	\$20	\$40
	Unv of CA/CAL State University	Renewable Energy and Energy Efficiency Projects	\$0	\$60	\$60
	DWR/ Dept of Food & Agriculture	Water and Energy Efficiency	(\$30)	\$60	\$60
	Energy Commission/DWR	Drought Executive Order- Rebates for Appliances	\$0	\$30	\$30
	Energy Commission/DWR	Drought Executive Order- Water & Energy Technology Program	\$0	\$30	
	Dept of Food & Ag	Agricultural Energy & Operational Efficiency	\$5	\$20	\$25
Natural Resources & Waste Diversion	Dept of Fish & Wildlife	Wetlands & Watershed Restoration	\$25	\$40	\$65
	Dept of Forestry & Fire Protection	Fire Preservation & Urban Forestry Projects	\$42	\$50	\$92
	Dept of Food & Agriculture	Healthy Soils	\$0	\$20	\$20
	Cal Recycle	Waste Diversion	\$25	\$35	\$60
TOTAL			\$992	\$1,245	\$2,237

DROUGHT

The Governor's May Revision includes an additional \$2.2 billion of one-time resources for the 2015-16 budget to continue immediate response to drought impacts. The additional funding comes from a combination of sources, including the acceleration of spending from Proposition 1, new General Fund dollars, and cap and trade funds.

Expanding Local Water Supplies. Included in the drought package is \$1.8 billion from Proposition 1 to the Water Board for a number of programs related to expanding local water supplies, including groundwater contamination funding for projects that prevent or clean up the contamination of groundwater that serves as a source of drinking water. Other programs funded under this category include water recycling and advanced treatment projects, small drinking water system projects in disadvantaged communities, wastewater treatment projects, stormwater management for multi-benefit projects. The package also directs \$110 million to the Department of Water Resources for groundwater sustainability efforts, including \$60 million to support local groundwater planning efforts as well as desalination projects.

Water Conservation. The drought package includes \$245 million to fund programs and projects that save water, with a focus on urban water conservation programs from a mix of cap and trade resources and bond funding. These programs include consumer rebates for the replacement of water consuming appliances, funds to replace lawns, grants to reduce energy demand through local projects that also support water use efficiency, and agricultural water efficiency programs.

Emergency Response Activities. The drought package includes \$371 million in General Fund dollars to assist drought-impacted communities and enforce water use restrictions, including funds to the Office of Emergency Services for local infrastructure projects and emergency protective measures for water delivery to individuals without potable drinking water; and, funds to the Department of Housing and Community Development to assist with housing and job training to those displaced by the drought. Finally, there is funding included in this package to increase enforcement of water use restrictions.

In addition to funding, the Governor's May Revision proposes legislation to enhance local enforcement authority by providing all water agencies and local governments with consistent, minimum enforcement capabilities to achieve required water conservation. The table on the following page details the drought-related funding and sources.

ACTION

Category	Department	Program	Dollars	Source
Protecting and Expanding Local Water Supplies	Water Board	Groundwater Contamination	\$784.0	Prop 1
	Water Board	Water Recycling	\$475.0	Prop 1
	Water Board	Safe Drinking Water in Disadvantaged Communities	\$180.0	Prop 1
	Water Board	Wastewater Treatment Projects	\$160.0	Prop 1
	Water Board	Stormwater Management	\$100.0	Prop 1
	DWR	Groundwater Sustainability	\$60.0	Prop 1
	DWR	Desalination Projects	\$50.0	Prop 1
Water Conservation	DWR/Energy Commission	Urban Water Conservation	\$104.0	Prop 1/Cap Trade
	DWR/Food & Ag	Ag Water Conservation	\$75.0	Prop 1/Cap Trade
	DWR/Energy Commission	Make Water Conservation a Way of Life	\$43.0	Prop 1/Cap Trade
	General Services	Conservation at State Facilities	\$23.4	General & Special Funds
Emergency Response	Dept of Forestry & Fire Protection	Enhanced Fire Protection	\$61.8	General Fund
	Office of Emergency Services	CA Disaster Assistance	\$22.2	General Fund
	DWR	Removal of Emergency Salinity Barriers in the Delta	\$22.0	General Fund
	Community Services & Development	Farmworker Assistance	\$7.5	General Fund
	HCD	Rental Relocation	\$6.0	General Fund
	Water Board	Executive Order Implementation	\$1.4	General Fund
Total			\$2,175	

ACTION

GOVERNMENT FINANCE AND OPERATIONS

REVENUE AND TAX

MANDATE REPAYMENT

The May Revision includes full repayment of the pre-2004 state mandated debt, increasing the January proposal by \$232 million for a total of \$765 million to local government agencies statewide. The noted reduction from the originally estimated \$800 pre-2004 mandate debt is a reflection of updated actual interest rate payments due.

Counties will receive 77 percent of the payment, or approximately \$589 million. The Department of Finance has said they expect the State Controller to distribute the money within 45 days.

The May Revision was silent on tackling another major challenge by paying down the post-2004 mandate costs.

MANDATE SUSPENSIONS

The Governor has proposed the suspension of two additional mandates since January:

- The Medi-Cal Eligibility of Juvenile Offenders mandate addresses activities of county juvenile detention facilities and county welfare departments to assist juveniles whose Medi-Cal coverage is terminated as a result of incarceration in a juvenile detention facility for 30 days or more to obtain Medi-Cal or other health coverage immediately upon release from custody. This mandated program cost in the current budget year is estimated at \$27,469 and \$4,578 annually thereafter.
- The State Authorized Risk Assessment Tool for Sex Offenders (SARATSO) addresses activities performed by counties and cities relating to the statutory requirement that registered sex offenders be subject to an assessment of the offender's risk of recidivism using the SARATSO. This mandated program cost in the current budget year is estimated at \$245,080 and \$40,847 annually thereafter.

The proposal to suspend the Interagency Child Abuse and Neglect (ICAN) Investigation Report mandate and provide grants in lieu of mandate reimbursement for those counties that carry out these programs remains unchanged in the May Revision.

REDEVELOPMENT DISSOLUTION

The Administration has provided additional details to the continued unwinding of redevelopment agencies (RDA) based on requests received from numerous stakeholders, including sponsoring entities, or those local governments with former RDAs, since the January budget release. These changes may impact the total general purpose property tax amounts

ACTION

returned to the affected local taxing entities. In addition, they capture several legislative proposals now moving through the Senate and Assembly in a single package.

The May Revision offers the following updates that the Administration believes is in keeping with the key dissolution goals of 1) providing a pathway that has limited state involvement, 2) clarifying and refining provisions of perceived ambiguity for smoother operation without rewarding prior questionable behavior, and 3) minimizing the erosion of property tax residuals being returned to affected local taxing entities. CSAC will closely review the specific trailer bill language for further details on these proposed changes.

Stranded 2011 Bond Proceeds. For bonds issued during a time known as the “mardi gras” period just prior to RDA dissolution enactment, the May Revision establishes a tiered process for successor agencies with a finding of completion to expend a portion of their “stranded” process. Any unused portions are to be used to defease the outstanding bonds in accordance with current law.

Litigation Expenses as Enforceable Obligations. Clarifies that the sponsoring entity can loan money to a successor agency for litigation costs associated with challenging a dissolution decision. As a loan amount, it may be repaid as an enforceable obligation but only if the litigation is successful. Under current law, successor agencies must use their administrative funds for litigation.

Findings of Completion. Allows a successor agency to receive a finding of completion if it enters into a written payment agreement with the Department of Finance to remit its unencumbered cash assets to the county auditor-controller.

Property Tax “Override” Revenues. Clarifies that any pension or State Water Project override revenues pledged to RDA debt service must be used for that purpose. If the override revenues were not pledged to debt service, they are to be returned to the entity that levies the override. If the override revenues were pledged to RDA debt service, but the full amount is not needed for that intended debt service payments, the entirety of the unneeded portion are to be returned to the levying entity.

Highway Infrastructure Improvements as Enforceable Obligations. The May Revision allows agreements between the former RDA and its sponsoring entity that relate to state highway infrastructure improvements to be an enforceable obligation.

Reentered Agreements. Clarifies, as a result of a final court decision, that only reentered agreements entered into after the passage of Chapter 26, Statutes of 2012 (AB 1484) are unauthorized and unenforceable, unless their purpose was providing administrative support.



ERAF AND OTHER FUNDING MECHANISM ADJUSTMENTS

Several May Revision proposals address Educational Revenue Augmentation Fund (ERAF) backfills. They clean-up various complex, long-standing funding mechanisms and agreements between the state, counties, and cities.

- \$5.8 million in insufficient ERAF backfill to Alpine, Amador, and San Mateo County, including for previous years.
- Ends the “negative bailout” for six counties, totaling \$6.9 million annually.
- Debt forgiveness in Riverside County for California’s newest cities, with subsequent CalFIRE reimbursement forgiveness for Riverside County through state General Fund backfill.
- ERAF calculation forgiveness totaling \$3.4 million in San Benito County.
- Unwinding Tax Equity Allocation in Santa Clara County, ending the requirement for cities to reimburse ERAF for these allocations over five years.

Similar to the RDA proposal, these provisions also incorporate a number of individual bills moving through the Legislative. CSAC has learned, unfortunately, the proposals above are likely to be bundled together with the RDA changes into a single trailer bill, in an “all or none” approach. The packaged approach could undermine certain proposals’ viability since interests in the Legislature and the local government community could be divided.

EMPLOYEE RELATIONS

POST COMMISSION

The Governor’s January Budget included a reduction of \$5.2 million in administrative costs; simultaneously, the Commission instituted an 18-month reduction plan that reduced the reimbursement of training costs for local law enforcement agencies attending training. The May Revision reduces administrative costs by \$800,000, increases the current reduction of contracted, non-mandated training courses by \$1.9 million, and continues the \$2.5 million suspension of reimbursements for local law enforcement to backfill behind officers participating in training. The reduction will allow the Commission to reinstate reimbursement for travel and per diem costs (\$4.4 million) to reduce the cost of training for local law enforcement agencies.

STATE EMPLOYEES

The May Revision increases state employee compensation and retiree health care costs by \$57 million relative to the Governor’s January Budget. Those costs are due to increases in health care premiums and enrollment. Additionally, the May Revision adjusts state contributions to the California Public Employees’ Retirement System for state employee pension costs by a decrease of \$56 million General Fund due to the impact of employees entering the system post-PEPRA, strong investment performance, and greater than expected contributions to the system.

ACTION

HEALTH AND HUMAN SERVICES

The Governor's May Revision decreases health and human services spending by \$121 million from the January plan. The total proposed 2015-16 funding for HHS is \$140.5 billion (\$31.6 billion General Fund and \$108.9 billion other funds, mostly federal).

MEDI-CAL COUNTY ADMINISTRATION FUNDING

The Governor proposes a smaller number than expected, \$150 million (\$48.8 million General Fund), for county Medi-Cal eligibility office workload in 2015-16. Since January 2014, county workers have had to use time-consuming manual workarounds for determining Medi-Cal eligibility due to problems with the state's CalHEERS system.

The \$150 million proposed does not cover the full-year costs of counties' ACA-associated workload and may result in longer response times for beneficiaries, reduced oversight activities, and delayed redetermination activities. Further, the state has failed to address many of the issues with CalHEERS, so counties will be forced to continue these workarounds in 2015-16.

When the Governor included a \$150 million mid-year budget augmentation for county administrative activities in January as part of the current year (2014-15) budget, he acknowledged that those funds were intended as a stop-gap for the huge costs counties had incurred as they worked their way around CalHEERS and the application backlog. Providing only \$150 million over the twelve-month 2015-16 fiscal year falls short of the costs counties will incur due to these ongoing problems.

AB 85 HEALTH REALIGNMENT DIVERSIONS FOR 2015-16

The Governor's May Revision included updated county diversion estimates for 2015-16 of \$742 million – roughly \$43.6 million higher than the Governor's January estimate of \$698.2 million.

AB 85 (Chapter 24, Statutes of 2013) specifies changes to the 1991 realignment structure and redirects health realignment funding for CalWORKs grant increases. The legislation designated three types of counties: County Medical Services Program Counties (CMSP), Article 13 Counties, and Public Hospital Counties. CMSP counties and the CMSP Board will have \$246 million diverted, Article 13 counties will have \$172 million diverted, and \$324 million will be diverted from the Public Hospital Counties.

The county-by-county AB 85 estimates released by the Department of Finance today were incorrect. Once accurate numbers are provided, CSAC will immediately distribute them.

Health realignment projections for 2015-16 are up \$4.7 million since the Governor's January budget.

POVERTY REDUCTION STRATEGIES

The Governor makes more of an effort to address California's high poverty rate in the May Revision, with three proposed strategies:

Earned Income Tax Credit. The Governor has a new proposal to implement a \$380 million state Earned Income Tax Credit (EITC) to assist working Californians at the lowest rungs of the economic ladder. The Governor estimates that this new tax credit will assist two million residents (825,000 families) and slide up or down based on the number of dependents in a household. Those with less than \$6,580 in income with no dependents and up to \$13,870 with three or more dependents will qualify and would receive between \$460 and \$2,653 annually.

The Legislature, particularly the Assembly, has been pushing for a state EITC, with two bills currently moving through the process.

AB 43, by Assembly Member Mark Stone, will be heard in the Assembly Revenue and Taxation Committee on May 18. It does not have income thresholds as currently in print.

SB 38, by Senator Carol Liu, would allow a credit based on earned income equal to 15 percent of the federal earned income tax credit allowed by federal law. SB 38 is similar to the first option in the Legislative Analyst's Office's (LAO) December report, *Options for a State Earned Income Tax Credit*. The measure is set for hearing in the Senate Appropriations Committee on May 18.

Now that the Governor has proposed an EITC, this issue will move through the Legislature's budget committee process.

Workforce Investment. The Governor's January Budget proposed investing roughly \$1.2 billion into California's workforce programs. These funds would support: Adult Education Block Grants (\$500 million), Career Technical Education (\$250 million), Workforce Investment Act (\$390.8 million), Apprenticeship Program Funding (\$14 million), and the Enhanced Non-Credit Rate Change (\$49 million).

The Governor's May Revision proposes \$1.4 billion for these programs, an increase of roughly \$150 million since January.

Court-Ordered Debt Amnesty Program. For information about the Court-Ordered Debt Amnesty Program, please see the Administration of Justice section earlier in this Bulletin.

ACTION

HIGH-COST DRUGS

In January, the Governor reserved \$300 million to account for the high costs of newly approved Hepatitis C drugs. The Governor's May Revision allocates \$228 million of the \$300 million to the Department of Health Care Services, Department of State Hospitals, and the Department of Corrections and Rehabilitation. Please see the Administration of Justice section earlier in this Bulletin for more information.

DEPARTMENT OF STATE HOSPITALS

For information on the Governor's Department of State Hospitals (DSH) proposals, including the Restoration of Competency (ROC) program, please see the Administration of Justice section earlier in this Bulletin.

CALWORKS AND CHILD CARE

According to the Governor's May Revision, CalWORKs caseload will decline and is projected to be 539,000 in 2014-15 and 525,000 in 2015-16. Because of this, the Governor's May Revision decreased General Fund and federal Temporary Assistance for Needy Families (TANF) block grant expenditures by \$97 million in 2015-16.

In January, the Governor's Budget estimated a decrease in CalWORKs Stage 2 child care caseload and reduced funding by \$11.6 million. However the Governor's May Revision projects a \$46.8 million increase in General Fund spending to reflect the number of new Stage 2 beneficiaries and an increase in the cost of providing care.

Consistent with the Governor's January budget assumptions, Stage 3 child care caseload is also increasing. The Governor's May Revision includes an increase of \$2 million—in addition to the January's \$38.6 increase—in General Fund spending to reflect caseload and care costs.

CHILDREN'S HEALTH INSURANCE PROGRAM

The Governor's May Revision realizes \$381 million in savings due to the Congressional reauthorization of the Children's Health Insurance Program (CHIP). CHIP allows California to receive enhanced federal funding for children in the Medi-Cal program.

HEALTH CARE FOR IMMIGRANTS

The Governor includes a note about recent presidential and court actions that could allow "deferred action" immigrants to qualify for certain assistance programs in California.

If the President's deferred action plan moves forward—it is currently enjoined in federal district court—immigrants who qualify would fall under California's Permanent Residence Under Color of Law (PRUCOL) program and thereby be eligible for Medi-Cal, In-Home Supportive Services,

and some cash assistance payments. PRUCOL immigrants are not eligible for Covered California, CalFresh, CalWORKs, or the California Food Assistance Program.

The Governor includes partial-year costs of \$62 million General Fund for 2015-16 PRUCOL costs, and another \$5.2 million for direct assistance for immigrant applicants and temporary workers. The state estimates that the full annual PRUCOL costs would be around \$200 million General Fund. Please note that these costs—both estimated and proposed—will only be incurred if the federal deferred action plan moves forward.

Senator Ricardo Lara has also introduced SB 4, which would allow undocumented immigrants to participate in Covered California and Medi-Cal. It was placed on the Senate Appropriations Committee Suspense File on May 4, with estimated annual costs of \$280 to \$740 million.

HEALTH HOMES

The Governor's May Revision includes \$61.6 million in non-state funds for additional payments to health plans that participate in the Health Homes program, beginning in January 2016. Section 2703 of the Affordable Care Act of 2010 granted states the ability to create an optional Medicaid health home benefit that provides a comprehensive system of care coordination for individuals with chronic conditions. The Department of Health Care Services aims to implement the program in January 2016. The federal government will provide an enhanced participation rate for the first eight quarters of the program.

CSAC has provided comments to California as it develops the health home program and will continue to monitor this issue.

IN-HOME SUPPORTIVE SERVICES

In January 2015, a federal court ruled against the United States Department of Labor rule requiring overtime pay for IHSS workers under the Fair Labor Standards Act (FLSA). The Governor's Budget included \$184 million for 2014-15 and \$316 million in 2015-16; however no funds have been spent to date due to the federal court ruling.

Senate Bill 855 (Chapter 29, Statutes of 2014) included a provision requiring unspent FLSA-related funding in the current year resulting from delayed federal implementation to be used for other purposes within the IHSS program. The Governor's May Revision uses these funds to partially offset increased IHSS caseload costs. The Governor's proposed budget assumes an increase of \$147.6 million and \$179.1 million General Fund in 2014-15 and 2015-16 respectively. The increases in IHSS costs are associated with increases in caseload, hours per case, and costs per hour.

ACTION

HOUSING, LAND USE AND TRANSPORTATION

The May Revision saw little change with regard to transportation funding, with the exception of programs funded through cap and trade auction proceeds (see the Agriculture, Environment and Natural Resources section earlier in this Bulletin).

Governor Brown called out transportation funding as a priority for his Administration in the 2015 legislative session, but deferred to the Legislature to develop specific solutions for the significant funding shortfalls. Speaker Toni Atkins subsequently released high-level concepts for her transportation funding proposal in February and Senator Jim Beall introduced SB 16, which CSAC supports, shortly thereafter.

While it was rumored that the May Revision might contain a proposal from the Administration on transportation funding or a response to the Legislature’s work to date, there were no specific proposals or direct reactions to legislative ideas currently under consideration. The May Revision mentions the funding challenges for local roads and bridges, but perpetuates the January Budget’s narrow focus on “the priorities that are the state’s core responsibility—maintaining and operating the state’s network of highways and interstates, and improving the highest priority freight corridors.” The May Revision also states that “funding should be sustainable as gasoline consumption falls” and that solutions for state highway funding needs should “reflect the state’s environmental objectives.” CSAC is concerned that the May Revision language could be interpreted as casting doubt on proposals, such as those contained within SB 16, which would share revenues with local governments, increase the gas tax, and ensure that zero-emissions vehicles pay for their use of roads and highways.

CSAC continues to emphasize the need for comprehensive interim and long-term funding solutions that invest in both the state and local systems. An interim funding solution is especially important since the timing to adopt a long-term replacement for the state gas tax—the primary revenue source for local street and road maintenance—is highly uncertain.

STAY TUNED FOR THE NEXT *BUDGET ACTION BULLETIN!*

If you would like to receive the Budget Action Bulletin electronically, please e-mail Stanicia Boatner, CSAC Senior Legislative Assistant, at sboatner@counties.org.

Attachment Three
Paid Sick Leave Law

Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

Presented by: Gage Dungy

LCW LIEBERT CASSIDY WHITMORE

Leading The Way
35
Years

Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC)
Legislative Conference | May 28, 2015

Presented By: Gage Dungy



Agenda

- Overview of Law
- Areas of Uncertainty
- Clean-Up Legislation
- What Counties Should be Doing Now



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Overview of AB 1522

Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

Presented by: Gage Dungy

Background

- Assembly Bill 1522 – Healthy Workplaces, Healthy Families Act of 2014
- Law Went Into Effect on **January 1, 2015**
– **Notice Requirements and Eligibility Timelines**
- Paid Sick Leave Requirements Go Into Effect on **July 1, 2015**



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Covered Employees

- **ALL** Employees are Covered Under the New Paid Sick Leave Law, Except:
 1. Employees covered by a valid CBA that provides for final and binding arbitration of paid sick leave disputes
 2. Construction industry employees covered by a valid CBA with regular hourly pay of not less than 30% more than the state minimum wage and premium overtime wages
 3. In-Home Supportive Services (IHSS) employees
 4. Certain airline cabin crew and flight desk employees
Lab. Code, § 245.5(a).

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Covered Employees

- Covered Employees Under AB 1522 Include:
 - Part-Time Employees
 - Temporary Employees
 - Seasonal Employees
 - Paid Interns or Apprentices
 - Elected/Appointed Officials?



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Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

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Purposes

- AB 1522 Requires Paid Sick Leave for:
 - The diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee **or** an employee's "**family member**"
 - **Family Member:** Child, Spouse, Parent, Parent-in-Law, Registered Domestic Partner, Grandparent, Grandchild, and Sibling.
 - An employee who is a victim of domestic violence, sexual assault, or stalking, the purposes described in Labor Code sections 230(c) and 230.1(a).

Lab. Code, § 246.5(a).

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Waiting Periods

- Labor Code § 246(c)
 - Entitled to paid sick leave after 30 work days
 - Interpreted by DLSE to be 30 days of employment
 - Can use accrued paid sick leave beginning on the 90th day of employment
 - Employment periods effective January 1, 2015
- However, Employee Accruals of Paid Sick Leave Begin on First Day of Employment (Beginning on July 1, 2015)

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Amount of Paid Sick Leave

- An Employer May Limit an Employee's Use of Paid Sick Leave to **3 Days or 24 Hours**, in Each 12-Month Period of Employment
- The Labor Commissioner (DLSE) Interprets **3 Days or 24 Hours** to be Whichever is Greater:
 - *Example:* An employee who works a 12-hour shift can use up to 3 days (36 hours) of paid sick leave
 - *Example:* An employee who works a 4-hour shift can use up to 24 hours (8 days) of paid sick leave

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Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

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Amount of Paid Sick Leave

- An Employee Shall Accrue Paid Sick Leave at a Rate No Less than One (1) Hour for Every 30 Hours Worked. Three Ways to Comply:
 - Accrual Method:** Accrue Paid Sick Leave 1/30 Hours and Allow Use of 3 Days/24 Hours in 12-Month Period, Carryover Any Unused Sick Leave and Allow Cap of 6 Days/48 Hours.
 - Frontload Method:** Provide 3 Days/24 Hours at Beginning of Each 12-Month Period. No Other Accrual of Carryover Required.
 - Current Sick Leave/PTO Policies:** Incorporate the Use, Accrual and Carryover Provisions of AB 1522 Into Current Sick Leave/PTO Policies.

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Other Requirements

- Employee Only Needs to Provide an Oral or Written Request for Leave.
 - Foreseeable:** Reasonable Advance Notification
 - Unforeseeable:** As Soon as Practicable
- Probably Cannot Request Doctor Certification for Covered AB 1522 Paid Sick Leave Days
- Employers Can Set a Minimum Increment of Paid Sick Leave Use at Two Hours
- General Notice Posting in Workplace
- Accrual Balances Provided to Employees Each Payday

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Separation of Employment and Reinstatement of Employment

- An Employer is **NOT** Required to Provide Compensation for Accrued, Unused Paid Sick Leave Upon Separation From Employment.
- If Employee Separates from Employment and is Rehired Within 12-Months from Date of Separation, Previously Accrued and Unused Paid Sick Days Shall Be Reinstated (Up to 6 Days/48 Hours).

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Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

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Areas of Uncertainty

Retired Annuitants?

- AB 1522 Does Not Expressly Exempt CalPERS or '37 Act Retired Annuitants From the Definition of Eligible Employees
 - Unclear Whether PEPRRA Preempts AB 1522
 - Different Opinions From CalPERS Representatives
 - CalPERS Circular to be Released Before July 1, 2015?



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Constitutional Preemption of Application of AB 1522 to Counties?

- Home Rule Provisions of Article XI, Section 1 of the California Constitution **May** Preempt AB 1522 Statutory Authority
 - Provides that Counties Shall Provide for the "Compensation" of Employees.
 - Question of Whether Paid Sick Leave is a Matter of Compensation Reserved to Counties or a Matter of Statewide Concern that can be Legislated.
 - **Would Require Court Order of Preemption**

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Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

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Clean-Up Legislation

Clean-Up Legislation?

- There is an attempt in the Legislature to clean-up/clarify AB 1522 (AB 304)
- However, the status of AB 304 is somewhat fluid at the present time
- There is also no indication any such clean-up legislation will be implemented prior to July 1, 2015

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What Counties Should Be Doing Now

Update on AB 1522 - California's New Paid Sick Leave Law

California State Association of Counties (CSAC) Legislative Conference | May 28, 2015

Presented by: Gage Dungy

What Counties Should Be Doing Now

Three Main Steps:

1. Comply With AB 1522 Notice Requirements Now;
2. Decide How to Provide AB 1522 Leave; and
3. Revise and Implement Paid Sick Leave Policies by **July 1, 2015**.

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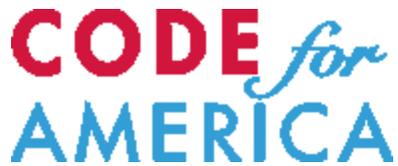
Thank You



Gage Dungy
Partner | Sacramento Office
916.917.5178 | gdungy@lcwlegal.com
<http://lcwlegal.com/Gage-Dungy>

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Attachment Four
Code for America Introduction to Open Data



Introduction: What is open data, and why bother?

Government data is a valuable public resource that, when accessible by every community member, can be a powerful tool to support the goals and values of the community. Cities and counties around the country are making an effort to ensure the data they hold is freely and easily available to the public by embracing and institutionalizing the practice of “open data.”

What is open data? Basically, open data refers to data (such as documents, databases, records, or transcripts, including those managed by outside vendors) released by a government or organization that is:

- freely available to be used, shared, and reused by anyone for any purpose, commercial or otherwise.
- available in digital, machine-readable formats (such as .csv) so that it can be used in combination with other data and applications.
- available in its entirety — and able to be downloaded “in bulk” and not just manually retrieved record-by-record.

There are many benefits of opening data. By opening data in machine-readable formats, governments can drive internal efficiency, spark community engagement, and fuel a civic tech ecosystem —to name just a few of the reasons your government might decide to pursue an open data initiative.

www.codeforamerica.org

Attachment Five

Bills of Interest – Revenue & Taxation, Employee Relations



Revenue and Taxation Legislative Bulletin

2015-16 LEGISLATIVE SESSION

For more information, please contact Dorothy Holzem at (916) 327-7500, ext 515, or email dholzem@counties.org. For the latest bill status, please visit www.counties.org/legislative-tracking.

Updated May 15, 2015

MEASURE	Issue	LOCATION	BRIEF SUMMARY	POSITION
AB 3 (Williams)	Local Agency Formation	Assembly Appropriations Committee	Authorizes the establishment of the Isla Vista Community Services District, which would have unprecedented tax authority and governance structure for a special district. Specifically, AB 3 provides the CSD with Utility User Tax authority and an appointed board member appointed by a non-publicly elected official.	Concerns
AB 88 (Gomez)	Energy Efficient Appliance Sales and Use Tax Exemption	Assembly Revenue and Taxation Committee	Exempts from state and local sales and use taxes an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program.	Oppose Unless Amended
AB 279 (Dodd)	Franchise Tax Board Disclosure Of Information	Senate	Authorizes counties to enter into tax data sharing agreements with the Franchise Tax Board related to business licenses, matching current city authority to enter into such information sharing agreements.	Support
AB 313 (Atkins)	Enhanced Infrastructure Financing Districts	Assembly Floor	Clarifies current enhanced infrastructure finance district (EIFD) governance structures and provides requirements for relocating affordable housing impacted by an EIFD project.	Support
AB 341 (Achadjian)	Financial Affairs Reporting	Assembly Floor	Expands the timeframe for local agencies to submit annual mandated financial transaction reports and compensation data to the State Controller's Office, to better accommodate local agency audit and IRS timelines.	Support
AB 363 (Steinorth)	Closing Of The Polls	Assembly Floor	Authorizes county elections officials, on election day, to begin accounting and processing polling place ballots during the day, instead of waiting until the closing of the polls, to expedite tallying and reduce overtime costs.	Support

AB 440 (Alejo)	San Benito County Tax Allocation	Assembly Appropriations Suspense File	Corrects past property tax allocation errors that resulted in reduced allocations to the Educational Revenue Augmentation Fund (ERAF) in San Benito County.	Support
AB 464 (Mullin)	Transactions And Use Taxes Combined Rate	Senate	Increases the combined transaction and use tax rate cap from 2% to 3%, upon achieving necessary voter approval, for all counties.	Support
AB 717 (Gonzalez)	Diaper Sales and Use Tax Exemption	Assembly Revenue and Taxation	Exempts from state and local sales and use taxes diapers for infants and toddlers.	Oppose Unless Amended
AB 800 (Gomez)	Vote By Mail Ballots	Assembly Appropriations	Requires counties to include with vote by mail ballots a prepaid postage return envelope.	Oppose
AB 823 (Bigelow)	Ordinance Publications	Senate Governance and Finance Committee	Allows county boards of supervisors to use online posting to the county's website as a means to meet publication requirements for proposed ordinances or proposed amendments to an existing ordinance.	Support
AB 851 (Mayes)	Disincorporation	Assembly Floor	Updates the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 related to the disincorporation of a city to reflect current governance regulations and taxation restrictions. Maintains LAFCO's role as the lead in the disincorporation process.	Support in Concept
AB 971 (Chang)	Special Election Costs	Assembly Appropriations Suspense File	Requires the state to reimburse county expenses incurred for the administration of a special election conducted to fill a state legislative or congressional vacancy.	Support
AB 974 (Bloom)	Redevelopment Dissolution Bond Proceeds	Assembly Appropriations Suspense File	Authorizes a successor housing entity to designate the use of, and commit, proceeds from indebtedness that was issued by a redevelopment agency prior to June 28, 2011, and would require the proceeds from bonds issued between January 1, 2011, and June 28, 2011, to be used for certain specified projects, rather than redistributing those funds to impacted taxing entities, including counties.	Oppose
AB 1157 (Nazarian)	Commerical Air Carrier Property Tax Assessments	Assembly Appropriations Committee	Extends the sunset on the current lead-county system for commercial air carrier property assessment by 1 year, until December 1, 2016.	Support
AB 1262 (Wood)	California Advanced Services Fund	Senate	Appropriates \$5 million from the California Advanced Services Fund to the Rural and Urban Regional Broadband Consortia Grant Account.	Support

SB 25 (Roth)	Vehicle License Fee Adjustments	Senate Appropriations Suspense File	Provides a vehicle license fee (VLF) adjustment amount for California's newest cities impacted by the SB 89 (2011) calculations, ensuring those cities continued viability.	Support
SB 434 (Allen)	Mobilehome and Manufactured Housing Property Tax Assessments	Senate Floor	Requires the owner of a manufactured home or mobilehome to request a transfer from the vehicle license fee to local property taxation if the improvement to the home creates a fixed foundation.	Support
SB 593 (McGuire)	Transient Occupancy Tax Collection	Senate Floor	Requires an operator of an online short-term rental hosting platform operator to report specified information quarterly to the city, county, or city and county. Authorizes a county, or city and county, by ordinance, to opt out from receiving reports. Imposes a penalty fine on an operator that promotes short-term rentals on their platform where a local ordinance prohibits such leases.	Support
SB 661 (Hill)	Commerical Air Carrier Property Tax Assessments	Senate Appropriations Committee	Requires the State Board of Equalization to assess personal property that is owned by a commercial air carrier, shifting from the county-lead assessment system and unwinding a decade-old system.	Oppose



Employee Relations Legislative Bulletin

2015-16 LEGISLATIVE SESSION

For more information, contact Faith Conley at 916/650-8117 or email fconley@counties.org.

Current as of May 15, 2015

Subject Area Key:

BA – Brown Act

C - Compensation

CB – Collective Bargaining

DA – Disabled Access

ER – Employee Rights

H – Hospitals

HB – Health Benefits

IHSS – In Home Supportive Services

Imm – Immigration

O – Other

PRA – Public Records Act

PubW – Public Works Projects

PS – Public Safety

PW – Prevailing Wage

RB – Retirement Benefits

WC – Workers’ Compensation

WH – Work Hours

Vets – Veterans

Bill No.	Area	Author	Description	CSAC Position	Status
AB 11	IHSS	Gonzalez	As amended 3/11/15: would require mandatory paid sick leave for IHSS workers.	Pending	Asm. Approps SUSPENSE
AB 52	DA	Gray	As amended 2/18/15: would provide that defendant’s max liability for statutory damages in a construction-related accessibility claim against a place of public accommodation is \$1K for each offense if defendant has corrected all violations within 180 days of being served.	Pending	Asm. Judiciary
AB 67	ER	Gonzalez	As introduced 12/1/14: Enacts the Double Pay on the Holiday Act of 2015 that would require an employer to pay at least 2 times the regular rate of pay to an employee for work on a family holiday	Pending	Asm. Approps SUSPENSE

AB 75	V	Mathis	As amended 4/23/15: would continuously appropriate \$3 million to DVA to assist USDVA in processing vets claims.	Watch	Asm. Approps SUSPENSE
AB 97	IHSS	Weber	As amended 3/26/15: requires DSS to program CMIPs to receive payments from MCOs for specified add'l personal care service and related domestic service hours, issue a single payroll check to providers and to differentiate between the two types of authorized hours.	Watch	Asm. Approps SUSPENSE
AB 171	Vets	Irwin	As amended 3/17/15: continuously appropriate the sum of \$5.6M from the General Fund to the Department of Veterans Affairs to be available for allocation to counties to fund the activities of county veterans service officers.	Support	Assembly Approps SUSPENSE
AB 211	IHSS	Gomez	As introduced 2/2/15: spot bill – to become Statewide Authority bill.	Watch	Asm. Approps SUSPENSE
AB 219	PW	Daly	As amended 4/14/15: would expand the definition of “public works,” for purposes of prevailing wage payment to include the delivery of ready-mixed concrete with respect to contracts involving any state agency or any political subdivision of the state.	OPPOSE	Asm. Approps SUSPENSE
AB 241	RB	Gordon	As amended 4/29/15: would require local public entity to provide name and address of retired employees to any organization representing retired employees in a neutral eval process, declaration of fiscal emergency or a bankruptcy proceeding.	Watch	Asm Approps 5/20/15

AB 247	PS	Waldron	As amended 3/24/15: would require every person appointed as an animal control officer prior to 7/1/16 to complete a course in the exercise of powers of arrest and to serve warrants no later than 1/1/17. Would require every person appointed as an ACO and everyone appointed as a director, manager or supervisor or any person in direct control of an animal control agency to complete a course in the exercise of powers of arrest and to serve warrants.	Concerns	Asm. Approps SUSPENSE
AB 251	PW	Levine	As introduced on 2/9/15: provides that a public subsidy is de minimis if both less than \$25K and less than 1% of total project cost.	Watch	Senate L&I.R.
AB 259	O	Dababneh	As introduced on 2/10/15: would require an agency, if the agency was the source of the breach and the breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months	Pending	Asm. Approps SUSPENSE
AB 272	ER	Lackey	As amended 4/15/15: expands FEHA protections to reserve or auxiliary peace officers.	OPPOSE	Sen. Rules

AB 295	CB	Gipson	As introduced on 2/12/15: would require public agency if it becomes successor employer to a private employer that offers emergency med trans services, to immediately recognize a new bargaining unit consisting of the employees of the predecessor private employer.	Pending	A. P.E.R. & S.S. 2-year bill
AB 304	ER	Gonzalez	As amended 3/26/15: AB 1522 sick leave clean up bill;	Oppose	Asm. Approps
AB 305	WC	Gonzalez	As amended 4/30/15: prohibits apportionment of PD from being based on pregnancy, menopause or osteoporosis.	Oppose	Senate Rules
AB 327	PW	Gordon	As amended 4/30/15: deletes sunset on CA Conservation Corp members, volunteers and volunteer coordinators from prevailing wage.	Support	Senate Rules
AB 334	PS	Cooley	As amended 4/7/15: would require POST to ensure profiling of motorcycle riders addressed in basic law enforcement training and all local law enforcement agencies to adopt a written policy designed to condemn and prevent profiling of motorcycle riders.	Watch	Asm. Approps. SUSPENSE
AB 373	PS	Medina	As introduced on 2/17/15: would require heads of law enforcement agencies to assess jurisdiction to determine if any Indian tribal lands are within jurisdiction and ensure peace officers in those jurisdictions complete a course including a review of PL-280.	Pending	Asm. Approps. SUSPENSE
AB 438	WC	Chiu	As amended 4/6/15: makes provisions of Dymally-Alatorre Bilingual Svc Act applicable to SCIF, DIR and DWC.	Watch	Senate Rules

AB 471	ER	Harper	As introduced on 2/23/15: spot bill pertaining to meal periods.	Pending	In Print
AB 511	WC	Gipson	As amended 4/20/15: expands certain presumptions to certain categories of peace officers.	Oppose	Asm. Approps.
AB 537	RB	Allen	As introduced on 2/24/15: prohibits public agency or employee from entering into MOU providing retiree health care benefits without a strategy for permanently prefunding those benefits.	Pending	Asm. / P.E.R., S.S. 2-year bill
AB 546	PS	Gonzalez	As introduced on 2/23/15: authorizes a probation department to apply to POST or BSCC to become certified provider of an introductory training course.	Pending	Senate Public Safety
AB 578	O	Low	As amended 4/13/15: requires employer to give notice to workers who will be affected by a temporary order granting a variance from an OSHA standard if employees may be affected by or exposed to hazards by that variance.	Pending	Asm. Approps SUSPENSE
AB 588	O	Grove	As introduced on 2/24/15: would provide employer with right to cure certain violations under PAGA before employee can bring a civil action.	Pending	A. Labor & Employment, 2-year bill
AB 622	ER	Hernandez	As amended 4/27/15: expands definition of unlawful employment practice to prohibit employer from using E-Verify to someone who has not rec'd offer of employment except as req'd by federal law or as a condition of receiving federal funds.	Watch	Asm. Floor

AB 651	PS	Cooper	As amended 4/9/15: authorizes employing public agency to grant right of representation to a FF or public safety officer if an interview regarding the investigation of another FF or public safety officer if interview is likely to result in punitive action against the FF or officer who is not formally under investigation.	Oppose	Senate Rules
AB 663	RB	Irwin	As introduced on 2/24/15: would allow Ventura County to appoint an alternate member of its CERL retirement board.	Watch	Senate Rules
AB 671	PS	Medina	As introduced on 2/25/15: would state intent of Legislature to enact legislation authorizing county deputy coroners to become full time peace officers.	Pending	In Print
AB 676	ER	Calderon	As introduced on 2/25/15: would prohibit employer from asking applicant for employment to disclose information concerning applicant's current employment status; would prohibit employer from operating website for posting jobs from interfering with or discriminating against a person exercising this right.	Pending	Asm. Approps SUSPENSE
AB 698	WC	Gaines, B.	As introduced on 2/25/15: spot bill pertaining to workers' comp.	Pending	In Print

AB 842	PW	Patterson	As introduced on 2/26/15: would provide that a contractor that bids on or has been awarded work covered by a project labor agreement that provides health care coverage to workers on the project that is the subject of the agreement that includes PPACA essential health benefits is exempt from a requirement to pay into a trust or custodial benefit plan for health for those workers an amount equal to the amount that the contractor would have been required to pay into that trust.	Pending	A. Labor & Employment
AB 852	PW	Burke	As amended 4/6/15: would expand the definition of public works to include any construction, alteration, demolition, installation or repair work done under private contract on a hospital or health care facility project when project is paid for in whole or in part with proceeds of conduit revenue bonds issued on or after 1/1/16.	Pending	Senate L. & I.R.
AB 883	ER	Low	As amended 4/6/15: prohibits employers, or a person who operates specified job posting Internet Web site, from publishing or posting a job advertisement that would disqualify an applicant who is currently, or was at one point, a public employee, authorizes a job applicant or prospective applicant to bring an action against the perspective employer, and provides for a fine for an intentional violation.	OPPOSE	A. Labor & Employment 4/8/15
AB 898	W	Gonzalez	As introduced on 2/26/15: spot bill pertaining to wages.	Pending	In Print

AB 970	W	Nazarian	As introduced on 2/26/15: authorizes Labor Commissioner to enforce local laws regarding overtime or minimum wage.	Pending	Asm. Floor
AB 984	ER	Calderon	As amended 3/26/15: prohibits employer from using information regarding a person's age when making any employment decision regarding that person.	Pending	Asm. Approps. SUSPENSE
AB 987	ER	Levine	As introduced 2/26/15: would prohibit an employer or other covered entity from retaliating or discriminating against a person for requesting accommodation of his or her disability or religious beliefs regardless of whether the accommodation request was granted.	Pending	Senate Judiciary
AB 992	RB	PERSS Committee	As introduced on 2/26/15: specifies that a member who applies for disability and is granted a service retirement pending a determination of disability may change the type of allowance that s(he) elected at the time of the service retirement.	Pending	Senate Rules
AB 1007	W	McCarty	As introduced on 2/26/15: spot bill pertaining to minimum wage.	Pending	Asm. Labor & Employment
AB 1031	HB	Thurmond	As introduced on 2/26/15: would specify that a contracting agency that has elected to be subject to PEMHCA is required to fulfill its employer contribution obligations for health benefits, including reimbursement for Medicare Part B premiums.	Pending	Senate Rules

AB 1052	RB	Cooley	As introduced on 2/26/15: would specify that a retirement board of a public pension is authorized to enter into agreements for the investment of the fund or appt investment managers to manage the assets of the fund under the terms and utilizing the processes the board deems necessary and consistent with its fiduciary duties.	Pending	Senate Rules
AB 1065	ER	Chiu	As amended 4/15/15: would make it an unlawful employment practice for an employer to request more or different documents than are required under fed law relating to verification that an individual is not an unauthorized alien.	Pending	A. Approps. SUSPENSE
AB 1124	WC	Perea	As amended 4/14/15: would require DWC Admin Director to establish a formulary for prescribing prescription medications.	Pending	Asm. Approps. SUSPENSE
AB 1154	PRA	Gray	As amended 4/23/15: would provide that PRA shall not be construed to require disclosure of home addresses and phone numbers of applicants for firearms or of licensees for firearms.	Watch	Asm. Public Safety

AB 1168	PS	Salas	As introduced on 2/27/15: would, until 1/1/19, exempt a custodial peace officer that does not become employed within 3 years of passing the examination or who has a 3-year + break in service, from requirement to retake the exam if s(he) has been continuously employed as a custodial peace officer of that class for a period not exceeding 5 years by the agency making the appointment.	Pending	Asm. Public Safety
AB 1170	WC	Alejo	As introduced on 2/27/15: creates the Pilot Program for the Care of Agricultural Workers; would require DIR to evaluate amount spent by agricultural employers on workers' comp and the amount spent on workers' comp medical coverage.	Pending	Asm. Insurance 2-year bill
AB 1227	PS	Cooper	As amended 3/26/15: would require POST to assess all training courses on interactions with persons with mental illnesses or developmental disabilities.	Watch	Asm. Approps SUSPENSE
AB 1245	O	Cooley	As amended 5/11/15: would require an employer with 10+ employees to file all reports and returns electronically and remit contributions for UI premiums by EFT. Would authorize the granting of a waiver from these requirements.	Pending	Asm. Floor
AB 1246	PS	Quirk	As amended 3/26/15: would prohibit disclosure of a recording from a body worn camera except to person whose image is recorded.	Pending	Asm. Public Safety 2-year bill

AB 1410	RB	Nazarian	As introduced on 2/27/15: would prohibit PERS and STRS from investing public employee retirement funds in a Turkish investment vehicle.	Watch	Asm. Approps. SUSPENSE
AB 1418	IHSS	Gipson	As introduced on 2/27/15: would state intent of Legislature to enact legislation that would improve the economic security of IHSS program providers.	Pending	In Print
AB 1468	ADA	Baker	As introduced on 2/27/15: would except public buildings, public facilities and other public places of a public entity that met specified ADA access standards on a specified date from the application of provisions that a person aggrieved or potentially aggrieved by a violation of ADA may bring an action for damages and the prevailing party be entitled to recover atty's fees	Pending	Asm. Judiciary 2-year bill
AB 1469	PS	Achadjian	As introduced on 2/27/15: spot bill pertaining to POST.	Pending	In Print
ACA 3	RB	Gallagher	As introduced 2/27/15: would require any enhancement to public employee's retirement formula or benefit adopted on or after effective date of this measure to apply only to service performed on and after this date.	Pending	A. P.E.R., S.S.
SB 3	C	Leno	As amended 3/11/15: increases the minimum wage, on and after January 1, 2016, to not less than \$11 per hour, on and after July 1, 2017, to not less than \$13 per hour.	Watch	Senate Approps. SUSPENSE

SB 11	PS	Beall	As amended 4/15/15: requires POST to include evidence-based behavioral health classroom training course and instructor-led active learning in basic training.	Pending	Senate Approps. SUSPENSE
SB 29	ER	Beall	As amended 4/15/15: requires POST to require field training officers to complete 40 hours evidence-based behavioral health training related to public safety officer interaction with people with mental illness.	Pending	Senate Approps SUSPENSE
SB 56	Vets	Knight	As introduced 12/19/15: spot bill pertaining to veteran' benefits	Pending	Senate Rules
SB 58	RB	Knight	As introduced 12/19/14: spot bill pertaining to PERS membership.	Pending	Senate Rules
SB 67	ADA	Galgiani	As introduced 1/7/15: extends period for correcting construction-related violations that are the basis of a claim from 60 days to 120 days of being served with the complaint, for purposes of reducing a defendant's minimum statutory damage liability to \$1000.	Pending	Senate Judiciary
SB 201	PRA	Wieckowski	As introduced on 2/10/15: would require a court, in an action by a 3 rd party to enjoin disclosure of a public record or declaratory relief concerning a request to inspect a public record, to apply PRA provisions as if the action had been initiated by a person requesting disclosure of a public record.	Oppose Unless Amended	Senate Judiciary

SB 216	RB	Pan	As amended 4/21/15: would repeal provisions directing CalPERS Board to invest not less than 25% of all funds available in a fiscal year for new investments in specified obligations and securities connected with residential realty.	Watch	Asm. P.E.R.SS 4/13/15
SB 237	PS	Anderson	As introduced on 2/26/15: would require every person appointed as an animal control officer prior to 7/1/16 to complete a course in the exercise of powers of arrest and to serve warrants no later than 1/1/17. Would require every person appointed as an ACO and everyone appointed as a director, manager or supervisor or any person in direct control of an animal control agency to complete a course in the exercise of powers of arrest and to serve warrants.	Concerns	Senate Approps SUSPENSE
SB 272	PRA	Hertzberg	As amended 4/6/15: requires inventory of data gathered by local agencies that discloses what data is maintained by agency to be available to the public.	Pending	Asm. Desk
SB 292	RB	Pan	As amended 4/21/15: exempts city or county that pays pension costs with revenue from property tax rate, approved by voters of a city or county to make payments in support of pension programs and levied in addition to general prop tax rate and its employees from the specified-described 50% contribution rate provision under PEPR.A.	Pending	Asm. Desk
SB 293	RB	Pan	As introduced on 2/23/15: spot bill pertaining to PERL.	Pending	Senate Rules

SB 309	RB	Morrell	As introduced on 2/23/15: spot bill pertaining to '37 Act county contribution rates.	Pending	Senate Rules
SB 354	RB	Huff	As introduced on 2/24/15: spot bill pertaining to definition of "member" for PERS.	Pending	Senate Rules
SB 331	PRA/ BA	Mendoza	As introduced on 2/23/15: requires public entities with COIN ordinances to go through certain procedures for the negotiation and approval of contracts \$50K or more.	Watch	Sen. Approps.
SB 339	O	Gaines	As introduced on 2/23/15: spot bill pertaining to Unemployment comp payroll tax.	Pending	Senate Rules
SB 358	W	Jackson	As introduced 2/24/15: extends prohibitions on employers from conditioning employment on requiring an employee to refrain from disclosing amount of his or her wages, etc. to discussions and inquiries regarding the wages of an employee, other employees and workplace conditions.	OPPOSE	Senate Approps 5/18/15
SB 375	RB	Berryhill	As introduced on 2/24/15: spot bill pertaining to PERS employer contributions.	OPPOSE	Senate Rules
SB 406	ER	Jackson	As amended 4/23/15: would require employers to allow employees to use sick leave to address a childcare or school emergency.	OPPOSE	Senate Approps SUSPENSE
SB 522	WC	Mendoza	As amended 4/6/15: clarifies that independent medical reviews are medical provider network independent medical reviews.	Watch	Asm. Desk

SB 542	WC	Mendoza	As amended 4/30/15: authorizes fee schedule of workers' comp in home care services to be based on either max service hours and fees set forth in state law or other state or federal home health care services fee schedules.	Watch	Senate Rules
SB 563	WC	Pan	As introduced on 2/26/15: requires that the method of compensation and any incentive payments contingent upon approval, modification or denial of a claim for an individual or entity providing services pursuant to workers' comp UR process be filed with DWC and disclosed to employees, physicians and public upon request.	OPPOSE	Senate Approps 5/18/15
SB 579	ER	Jackson	As amended 4/15/15: allows paid sick leave for employees to use to address a childcare or school emergency.	Oppose	Senate Floor
SB 585	WC	Leyva	As amended 5/5/15: would require Department of Insurance to consult with the Department of Child Support Services to develop a program requiring an insurer or a self-insurer, each as defined, to notify the Department of Child Support Services of a claim owed to a person owing a duty of child, spouse, or family support, defined as an "obligor."	Pending	Senate Approps 5/18/15

SB 604	WC	Hall	As introduced on 2/26/15: would amend existing law to clarify that self-insured government entities are not liable for the workers' compensation benefits for employees of contracted temporary service agencies whose insurer becomes insolvent, but rather that those liabilities are covered by the California Insurance Guarantee Association.	Support	Senate Insurance 2-year bill
SB 623	WC	Lara	As introduced on 2/27/15: would provide that a person shall not be excluded from receiving benefits under the Uninsured Employers Fund or the Subsequent Injuries Benefits Trust Fund based on citizenship or immigration status.	Pending	Asm. Desk
SB 735	PS	Galgiani	As introduced on 2/27/15: would establish the Postretirement Law Enforcement Officer Cold Case Grant program to fund the hiring of retired law enforcement officers to work on unsolved cases; program would be administered by DOJ.	Pending	Senate P.E.R.
SB 771	ER	Stone	As introduced on 2/27/15: spot bill pertaining to the Private Attorneys General Act of 2004.	Pending	Senate Rules