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CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

STATE CAPITOL – ROOM 5019
SACRAMENTO, CA 95814



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Thursday, March 1, 2018
John L. Burton Hearing Room (4203)
10:00 a.m. or Upon Adjournment of Session

Agenda

BILL

AUTHOR

SUBJECT

A.B. 105
A.B. 106
A.B. 108
A.B. 110

Committee on Budget.
Committee on Budget.
Committee on Budget.
Committee on Budget.

Budget Act of 2017.
Cannabis: Licensing & background checks.
Education Finance.
General Government.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 105 **Hearing Date:** March 1, 2018
Author: Committee on Budget
Version: February 26, 2018 As amended
Urgency: No **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Budget Act of 2017

Summary: This bill makes changes to the 2017 Budget Act

Background: The 2017 Budget Act included an appropriation of \$7 million General Fund for grants for cities and counties that participate in the federal Local Update of Census Addresses Program and for the Department of Finance (DOF) to hire a Census Outreach Coordinator.

Proposed Law: Assembly Bill 105 makes statutory changes related to the 2017 Budget Act, as follows:

- 1) Amends provisional budget bill language to allow up to five percent of the \$7 million included in the budget for costs associated with the federal Local Update of Census Address Program to be used by DOF for administrative costs.
- 2) Makes other technical changes to the budget act.

Fiscal Effect: Makes changes to the purpose for which specific funds contained in the 2017 Budget Act may be used.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 106 **Hearing Date:** March 1, 2018
Author: Ting
Version: February 26, 2018 As amended
Urgency: No **Fiscal:** Yes
Consultant: Joe Stephenshaw

Subject: Cannabis: licenses: criminal records

Summary: This measure makes statutory changes necessary to implement cannabis-related provisions of the Budget Act of 2017.

Background: The Budget Act of 2017 and associated trailer bills established a single system of administration, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), for cannabis laws in California by enacting statutory changes necessary for state licensing entities to implement a regulatory framework pursuant to the Medical Cannabis Regulation and Safety Act (MCRSA), established by AB 266 (Bonta), Chapter 689, Statutes of 2015, AB 243 (Wood), Chapter 688, Statutes of 2015, SB 643 (McGuire), Chapter 719, Statutes of 2015, and SB 837 (Committee on Budget and Fiscal Review), Chapter 32, Statutes of 2016, and the Adult Use of Marijuana Act (AUMA) of 2016 (Proposition 64).

Proposed Law: This bill includes provisions necessary for state licensing entities to continue implementation of MAUCRSA. Specially, this bill:

1. Specifies that the Bureau of Cannabis Control, the Department of Food and Agriculture (CDFA), and the Department of Public Health may obtain and receive, at their discretion, criminal history information from the Department of Justice (DOJ) and the United States Federal Bureau of Investigation for an applicant for any state license under MAUCRSA.
2. Requires the DOJ to forward all requests for federal criminal history record information to the Federal Bureau of Investigation and to review the information and compile and disseminate a response to the licensing authority.
3. Appropriates \$10.7 million from the Cannabis Control Fund to CDFA to supply proprietary plant package and identification tags to be used by licensees to track cannabis and cannabis-related products.

Fiscal Effect: Appropriates \$10.7 million from the Cannabis Control Fund with a corresponding augmentation to the General Fund loan Item that transfers into the Cannabis Control Fund.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 108 **Hearing Date:** March 1, 2018
Author: Committee on Budget
Version: February 26, 2018 As amended
Urgency: No **Fiscal:** Yes
Consultant: Elisa Wynne, Anita Lee

Subject: Education Finance

Summary: Provides for statutory changes related to the Child Care and Early Education and Higher Education provisions of the Budget Act of 2017.

Proposed Law: Specifically, this bill:

- 1) Consolidates statute authorizing child care pilot programs relating to the counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma as enacted through AB 258 (Arambula), Chapter 697, Statutes of 2017, AB 300 (Caballero), Chapter 699, Statutes of 2017, AB 377 (Frazier), Chapter 701, Statutes of 2017, and AB 435 (Thurmond), Chapter 703, Statutes of 2017 within Article 15.1 of the Education Code. The bill also makes the following changes to new and existing pilot programs:
 - a. Streamlines and reduces duplication within the requirements for submittal and approval of pilot plans and clarifies allowable functions of the pilot programs in statute. Specifically, the bill would clarify that pilot counties are permitted to enroll families for 24 months without re-enrollment; pilot counties may create local policies related to the ratio of four-year olds in state preschool and sets parameters around the inclusion of CalWORKs child care in the pilots.
 - b. Specifies that pilot counties may change both reimbursement rates and adjustment factors, but cannot increase regional market reimbursement rates beyond the levels provided in the annual budget act.
 - c. Requires the Department of Education to develop a template for pilot programs to submit implementation reports at one, three, and five year increments.
- 2) Transfers the administration of the Every Kid Counts College Savings program and associated funding of \$3 million one-time General Fund from the Scholarshare Investment Board to the California Student Aid Commission. Additionally, the bill creates eligibility guidelines for local governments and other entities to participate in the grant program. Lastly, the bill establishes a funding distribution formula based on the number of entities eligible to receive grants, amount of available funding, the number of students that the applicant intends to serve, and the percentage of low-income families residing in the community served by each participating entity. Grants shall be at least \$100,000.

Fiscal Effect: Child care pilot programs already provide flexibility to make adjustments to utilize the county's child care allocation; these pilot program-specific amendments would not impact the state's funding allocation to each county, but could reduce potential state savings from recouping unused funds. Transfers \$3 million one-time General Fund from the Scholarshare Investment Board to the California Student Aid Commission.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2017 - 2018 Regular

Bill No: AB 110 **Hearing Date:** March 1, 2018
Author: Committee on Budget
Version: February 27, 2018 As amended
Urgency: No **Fiscal:** Yes
Consultant: Theresa Pena , James Hacker, Julie Salley

Subject: General Government

Summary: Provides for statutory changes necessary to enact provisions of the Budget Act of 2017.

Proposed Law: AB 110 makes the following changes to implement the 2017-18 budget.

- 1) **Immigration Detention.** Clarifies that California law enforcement agencies cannot contract with the federal government for use of California law enforcement agency facilities to house individuals as federal detainees, for purposes of civil immigration custody only.
- 2) **Foster Care Payments.** With the enactment of the Continuum of Care Reform, the new Resource Family Approval (RFA) process has been taking longer than the expected 90 days. Consequently, some caregivers have gone without payment for well over 90 days. To remedy this situation, the language below will allow for payments to be made to families who are waiting for approval. Specifically, this language:
 - a. Provides that counties shall provide a payment equal to the basic rate of the Home Based Family Care rate structure to an emergency caregiver who is caring for a child or non-minor dependent beginning at the time of placement (instead of beginning when the resource family is approved as under current law).
 - b. Specifies that the emergency caregiver must have a pending RFA application filed.
 - c. Specifies that if the child or non-minor dependent is placed with a relative and has been determined to be ineligible for federal participation in AFDC-FC, the emergency caregiver shall be eligible for the Approved Relative Caregiver Funding (ARC) Program for purpose of the payment.
 - d. If the child or non-minor dependent is placed with a relative and has been determined to be eligible for federal participation in AFDC-FC or the child or non-minor dependent is placed with a non-related extended family member, then the emergency caregiver shall be provided a basic rate payment from Emergency Assistance TANF funding.

- e. Department of Social Services (DSS) is authorized to implement this section via All County Letter (ACL) and is required to finalize and publish the ACL no later than 21 days following the enactment of the act that adds the section.
- 3) **IHSS MOE and Collective Bargaining.** With the discontinuance of the Coordinated Care Initiative, SB 90 (Senate Committee on Budget and Fiscal Review), Chapter 25, Statutes of 2017, established a new In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) and collective bargaining structure. SB 90 authorized counties to negotiate an IHSS provider wage supplement. The amendments below provide further guidance to counties as they begin the negotiation process for increasing wages or benefits for IHSS providers.
- a. Requires that any increase in IHSS provider wages or benefits that are locally negotiated, mediated, or imposed, or adopted by ordinance shall not take effect until the increase is determined by the DSS to be in compliance with state law.
 - b. Specifies that any IHSS provider wage supplement negotiated by a county shall be in addition to the highest wage rate paid since June 30, 2017, and a county's MOE shall include a one-time adjustment by the amount of the increased costs resulting from the supplement.
 - c. Clarifies that an IHSS provider wage supplement can be subsequently applied to the county individual provider wage when the state minimum wage increase is equal to or exceeds the county wage paid without including the wage supplement and the increase to the county wage paid takes effect at the same time as the state minimum wage increase.
 - d. Allows counties that submitted a wage change request to DSS prior to January 1, 2018 to be excluded from the above new requirements. Instead, in these counties the IHSS provider wage supplement negotiated by a county can be in addition to the highest wage paid any time prior to January 1, 2018, and the wage supplement can be applied to the county individual provider wage when the state minimum wage is equal to or exceeds the county wage paid with the inclusion of the wage supplement.
 - e. Appropriates one million dollars in reimbursements to DSS in fiscal year 2017-18 for costs associated with allowing counties that submitted a rate change request to DSS prior to January 1, 2018 to be excluded from the above new requirements.
- 4) **Real Estate Transaction Document Fees.** SB 2 (Atkins), Chapter 364, Statutes of 2017, established the Building Homes and Jobs Trust Fund (the Trust Fund) within the State Treasury, and imposed, beginning January 1, 2018, a \$75 fee on every real estate instrument, paper, or notice, that is required or permitted by law per each single transaction per parcel of real property. It excluded real estate instruments, papers, or notices recorded in connection with a transfer subject to a documentary transfer tax or with a transfer of real property that is a residential dwelling to an owner-occupier.

- a) This bill extends this exemption to any real estate instrument, paper, or notice executed or recorded by the federal government, the state, or local government pursuant to the Uniform Federal Lien Registration Act. It applies this exemption retroactively to any relevant document filed on or after January 1, 2018.

Fiscal Effect: This bill appropriates one million dollars in reimbursements to DSS in fiscal year 2017-18.

Support: None on file.

Opposed: None on file.

-- END --