AMENDED IN ASSEMBLY AUGUST 28, 2012

AMENDED IN ASSEMBLY AUGUST 23, 2012

# SENATE BILL No. 1026

**Introduced by Committee on Budget and Fiscal Review**

February 6, 2012

An act to amend Sections 6253.2, 6531.5, 110001, 110003, 110011, 110012, 110013, 110019, 110022, 110023, 110024, 110029, 110031, 110034, and 110035 of the Government Code, to amend Sections 1502 and 1531.15 of the Health and Safety Code, to amend Sections 4094.7, 5405, 6500, 10101.1, 11265.45, 11265.47, 11322.8, 11325.21, 11325.23, 11334.8, 11451.5, 12300.5, 12300.7, 12302.21, 12302.25, 12302.6, 12306, 12306.1, 12306.15, 12330, 14186.35, 18906.55, and 18987.7 of the Welfare and Institutions Code, and to amend Section 17 of Chapter 45 of the Statutes of 2012, relating to human services, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 1026, as amended, Committee on Budget and Fiscal Review. Human services.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization. Existing law authorizes services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium. Existing law establishes the California In-Home

Supportive Services Authority (Statewide Authority) and requires the authority to be the entity authorized to meet and confer in good faith regarding wages, benefits, and other terms and conditions of employment with representatives of recognized employee organizations for any individual provider who is employed by a recipient of supportive services.

Existing law establishes the In-Home Supportive Services Employer-Employee Relations Act, which serves to resolve disputes regarding wages, benefits, and other terms and conditions of employment between the Statewide Authority and recognized employee organizations. Existing law authorizes individual providers to form, join, and participate in the activities of employee organizations for the purpose of representation on all matters within the scope of representation. Under existing law, the Statewide Authority is the employer of record, for collective bargaining purposes, of individual providers of in-home supportive services in each county upon implementation by a county.

This bill, would, among other things, clarify that predecessor agencies to the Statewide Authority cannot meet and confer in good faith with a recognized employee organization after the Statewide Authority assumes those agencies' rights and responsibilities. The bill would also require, if the Statewide Authority and the recognized employee organization negotiate changes to locally administered health benefits, the Statewide Authority to give a county and a specified entity 90 days' notice before the changes are implemented. This bill would provide that the scope of representation shall exclude providing assistance to IHSS recipients through the establishment of emergency backup services. This bill would change references from the employer and public agency to the Statewide Authority in these provisions, and would make other technical and clarifying changes to these provisions.

Existing law authorizes managed care health plans, as defined, to assume the authority, previously granted to counties, to contract for the provision of in-home supportive services with a qualified agency, as defined, subject to specified restrictions and requirements. Existing law requires qualified agencies to establish procedures to ensure specified contract limitations on caseload are being met and there is coordination of information among managed care health plans, qualified agencies, counties, and the department.

This bill would, among other things, create an alternative means to meet a documentation requirement for entities seeking authorization as

a qualified agency, as specified, and would specify that counties and managed care health plans are also required to establish those procedures. By increasing the duties of local entities, this bill would create a state-mandated local program. This bill would provide that the state shall be immune from liability resulting from the state's implementation of those provisions, and from the negligence or intentional torts of a contract provider providing services pursuant to those provisions.

Existing law requires all counties, commencing July 1, 2012, to have a County IHSS Maintenance of Effort (MOE), and requires counties to pay the County IHSS MOE instead of paying the nonfederal share of IHSS costs, as specified.

This bill would specify that the MOE shall be adjusted for the annualized cost of increases in provider wages or health benefits that are locally negotiated, mediated, or imposed before the Statewide Authority assumes specified responsibilities for certain counties. This bill would require the Department of Finance to consult with a specified organization, as prescribed, to implement the MOE.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. One of the methods by which these services are provided is pursuant to contracts with various types of managed care plans. Existing law provides that, not sooner than March 1, 2013, IHSS shall be a Medi-Cal benefit available through managed care health plans in specified counties, and requires managed care health plans to, among other things, enter into a contract with the State Department of Social Services to pay wages to IHSS providers, as specified. Existing law requires the department to assume responsibility for providing workers' compensation coverage for specified employees who provide in-home supportive services pursuant to contracts with counties.

This bill would, among other things, require managed care health plans to enter into a contract with the department to pay benefits to IHSS providers, as specified. This bill would provide that a managed care health plan shall not be deemed to be the employer of an in-home supportive services provider for purposes of liability, as specified. This bill would also require the department to provide workers' compensation

coverage for specified employees pursuant to contracts with managed care health plans.

Existing law provides that specified provisions relating to the California In-Home Supportive Services Authority and managed care health plans that contract for the provision of in-home supportive services shall become inoperative under certain circumstances.

This bill would include among those provisions the In-Home Supportive Services Employer-Employee Relations Act.

Existing law, the California Community Care Facilities Act, among other provisions, authorizes a licensee of certain adult residential facilities or group homes to utilize secured perimeters, as defined. Under existing law, only individuals meeting specified criteria may reside in a facility that utilizes secured perimeters. These criteria include a requirement that the individual is not a foster care child under the jurisdiction of the juvenile court pursuant to specified law.

This bill would revise the list of laws, pursuant to which the juvenile court has jurisdiction over a foster child, for purposes of eligibility to reside in a facility with secured perimeters, as described above.

Existing law requires the State Department of Social Services to establish an income reporting threshold for CalWORKs assistance units that do not include an eligible adult. Under existing law, a recipient in one of these assistance units may report to the county any changes in income that may increase the recipient's grant, as specified.

This bill would revise procedures for redetermining a recipient's grant under the circumstances described above, including requiring the county to issue the increased benefit amount within 10 days of receiving the recipient's verification of income change. By increasing county duties under the CalWORKs program, this bill would impose a state-mandated local program.

Existing law authorizes a student required to participate in CalWORKs welfare-to-work activities to continue in an undergraduate degree or certificate program that leads to employment, if certain conditions are met. A student subject to these provisions is required to concurrently participate in welfare-to-work activities, if participation in educational or vocational training is not at least 32 hours per week.

This bill would decrease the number of required hours before concurrent welfare-to-work participation is required, to 30 hours per week, or 20 hours per week for an adult recipient in a one-parent assistance unit that does not include a child less than 6 years of age.

Under existing law, for a family that does not include a needy child qualified for CalWORKs benefits, a pregnant mother is eligible for aid for the month in which the birth is anticipated, and the 3 months immediately prior to that month. However, CalWORKs aid is required to be paid to a pregnant woman who is also eligible for the Cal-Learn Program, as specified, at any time after verification of pregnancy.

Existing law requires the Cal-Learn Program to be fully operative on April 2, 2013, with a transitional phase-in period for counties from July 1, 2012 to March 31, 2013.

This bill would revise provisions specifying that a pregnant woman with no other children who is, or would be, eligible for the Cal-Learn Program, is eligible for CalWORKs aid, as specified, at any time after verification of pregnancy.

Under existing law, prior to the initial licensure or first renewal of a license of any person to operate or manage specified psychiatric and mental health care facilities, the State Department of Social Services is required to submit fingerprint images and other information pertaining to the applicant or licensee to the Department of Justice. Existing law imposes similar requirements on the State Department of Social Services upon the employment of, or contract with or for, any direct care staff.

This bill would transfer the responsibilities of the State Department of Social Services with respect to submitting the fingerprint images and information described above to the applicant, licensee, or direct care staff person, as appropriate.

Existing law requires each county to pay 30% of the nonfederal share of costs of administering the CalFresh program.

Existing law also requires counties to expend an amount for programs that provide services to needy families that, when combined with the funds expended above for the administration of the CalFresh program, equals or exceeds the amount spent by the county for corresponding activities during the 1996–97 fiscal year.

Existing law provides that any county that equals or exceeds the amount spent by the county for corresponding activities during the 1996–97 fiscal year entirely through expenditures for the administration of the CalFresh program in the 2010–11 and 2011–12 fiscal years shall receive the full state General Fund allocation for the administration of the CalFresh program without paying the county’s share of the nonfederal costs for the amount above the 1996–97 expenditure requirement.

This bill would extend counties' eligibility to receive the full allocation for CalFresh administration under the above circumstances to the 2012–13 state fiscal year.

This bill would make various other procedural and technical changes to provisions relating to health and human services programs.

This bill would appropriate $1,000 from the General Fund to the California Health and Human Services Agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6253.2 of the Government Code, as added by Section 1 of Chapter 804 of the Statutes of 1999, is amended to read:

6253.2. (a) Notwithstanding any other provision of this chapter to the contrary, information regarding persons paid by the state to provide in-home supportive services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code or personal care services pursuant to Section 14132.95 of the Welfare and Institutions Code, shall not be subject to public disclosure pursuant to this chapter, except as provided in subdivision (b).

(b) Copies of names, addresses, and telephone numbers of persons described in subdivision (a) shall be made available, upon request, to an exclusive bargaining agent and to any labor organization seeking representation rights pursuant to subdivision (c) of Section 12301.6 or Section 12302.25 of the Welfare and Institutions Code or Chapter 10 (commencing with Section 3500) of Division 4 of Title 1. This information shall not be used by the receiving entity for any purpose other than the employee

organizing, representation, and assistance activities of the labor organization.

(c) This section shall apply solely to individuals who provide services under the In-Home Supportive Services Program (Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code) or the Personal Care Services Program pursuant to Section 14132.95 of the Welfare and Institutions Code.

(d) Nothing in this section is intended to alter or shall be interpreted to alter the rights of parties under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4) or any other labor relations law.

(e) This section shall become operative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 2. Section 6253.2 of the Government Code, as amended by Section 1 of Chapter 45 of the Statutes of 2012, is amended to read:

6253.2. (a) Notwithstanding any other provision of this chapter to the contrary, information regarding persons paid by the state to provide in-home supportive services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, or services provided pursuant to Section 14132.95, 14132.952, or 14132.956 of the Welfare and Institutions Code, shall not be subject to public disclosure pursuant to this chapter, except as provided in subdivision (b).

(b) Copies of names, addresses, and telephone numbers of persons described in subdivision (a) shall be made available, upon request, to an exclusive bargaining agent and to any labor organization seeking representation rights pursuant to Section 12301.6 or 12302.25 of the Welfare and Institutions Code or the In-Home Supportive Services Employer-Employee Relations Act (Title 23 (commencing with Section 110000)). This information shall not be used by the receiving entity for any purpose other than the employee organizing, representation, and assistance activities of the labor organization.

(c) This section shall apply solely to individuals who provide services under the In-Home Supportive Services Program (Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of

Division 9 of the Welfare and Institutions Code), the Personal Care Services Program pursuant to Section 14132.95 of the Welfare and Institutions Code, the In-Home Supportive Services Plus Option pursuant to Section 14132.952 of the Welfare and Institutions Code, or the Community First Choice Option pursuant to Section 14132.956 of the Welfare and Institutions Code.

(d) Nothing in this section is intended to alter or shall be interpreted to alter the rights of parties under the In-Home Supportive Services Employer-Employee Relations Act (Title 23 (commencing with Section 110000)) or any other labor relations law.

(e) This section shall become inoperative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 3. Section 6531.5 of the Government Code is amended to read:

6531.5. (a) There is hereby created the California In-Home Supportive Services Authority, hereafter referred to as the Statewide Authority. Notwithstanding any other law, the Statewide Authority shall be deemed a joint powers authority created pursuant to this article and is a public entity separate and apart from the parties that have appointing power to the Statewide Authority or the employers of those individuals so appointed. Notwithstanding the requirements of this article, an agreement shall not be required to create the Statewide Authority.

(b) The Statewide Authority shall consist of the following five members:

(1) Two members shall be county officials who are appointed by, and who serve at the pleasure of, the Governor.

(2) Three members shall be the Director of Social Services, the Director of Health Care Services, and the Director of Finance in their ex officio capacities, or their duly appointed representatives.

(c) The members of the Statewide Authority shall serve without compensation.

(d) The Statewide Authority shall not be subject to Sections 6501, 6505, and 53051.

(e) The Statewide Authority shall appoint an advisory committee that shall be comprised of not more than 13 individuals. No less than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance

services paid for through public or private funds or recipients of in-home supportive services.

(1) At least two members of the advisory committee shall be a current or former provider of in-home supportive services.

(2) Individuals who represent organizations that advocate for people with disabilities or seniors may be appointed to the advisory committee.

(3) Individuals from each representative organization that are designated representatives of IHSS providers shall be appointed to the advisory committee.

(4) The Statewide Authority shall designate a department employee to provide ongoing advice and support to the advisory committee.

(f) Prior to the appointment of members to a committee authorized by subdivision (e), the Statewide Authority shall solicit recommendations for qualified members through a fair and open process that includes the provision of reasonable written notice to, and reasonable response time by, members of the general public and interested persons and organizations.

(g) The advisory committee established pursuant to subdivision (e) shall provide ongoing advice and recommendations regarding in-home supportive services to the Statewide Authority, the State Department of Social Services, and the State Department of Health Care Services.

SEC. 4. Section 110001 of the Government Code is amended to read:

110001. It is the purpose of this title to promote full communication between the California In-Home Supportive Services Authority (the Statewide Authority) and the recognized employee organization representing individual providers by providing a reasonable method of resolving disputes regarding wages, benefits, and other terms and conditions of employment, as defined in Section 110023, between the Statewide Authority for in-home supportive services and recognized employee organizations. It is also the purpose of this title to promote the improvement of personnel management and employer-employee relations within the Statewide Authority by providing a uniform basis for recognizing the right of individual providers to join organizations of their own choice and be represented by those organizations for purposes of collective bargaining with the

Statewide Authority. This title is intended to strengthen methods of administering employer-employee relations through the establishment of uniform and orderly methods of communication between the recognized employee organizations and the Statewide Authority. Except as expressly provided herein, this title is not intended to require changes in existing bargaining units or memoranda of agreement or understanding.

SEC. 5. Section 110003 of the Government Code is amended to read:

110003. As used in this title:

(a) "Board" means the Public Employment Relations Board established pursuant to Section 3541.

(b) "Employee" or "individual provider" means any person authorized to provide in-home supportive services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, and Sections 14132.95, 14132.952, and 14132.956 of the Welfare and Institutions Code, pursuant to the individual provider mode, as referenced in Section 12302.2 of the Welfare and Institutions Code. As used in this title, "employee" or "individual provider" does not include any person providing in-home supportive services pursuant to the county-employed homemaker mode or the contractor mode, as authorized in Section 12302 of the Welfare and Institutions Code. Individual providers shall not be deemed to be employees of the Statewide Authority for any other purpose, except as expressly set forth in this title.

(c) "Employee organization" means an organization that includes employees, as defined in subdivision (b), and that has as one of its primary purposes representing those employees in their relations with the Statewide Authority.

(d) "Employer" means, for the purposes of collective bargaining, the Statewide Authority established pursuant to Section 6531.5. The in-home supportive services recipient shall be the employer of an individual in-home supportive services provider with the unconditional and exclusive right to hire, fire, and supervise his or her provider.

(e) "In-home supportive services" or "IHSS" means services provided pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions

Code, and Sections 14132.95, 14132.952, and 14132.956 of the Welfare and Institutions Code.

(f) "In-home supportive services recipient" means the individual who receives the in-home supportive services provided by the individual provider. The in-home supportive services recipient is the employer for the purposes of hiring, firing, and supervising his or her respective individual provider.

(g) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, benefits, and other terms and conditions of employment, as defined in Section 110023, between representatives of the employer and the recognized employee organization or recognized employee organizations through interpretation, suggestion, and advice.

(h) "Meet and confer in good faith" means that the employer, or those representatives as it may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals, and to endeavor to reach agreement on matters within the scope of representation prior to the adoption of the annual Budget Act.

(i) "Predecessor agency" means a county or an entity established pursuant to Section 12301.6 of the Welfare and Institutions Code before the effective date of this title.

(j) "Recognized employee organization" means an employee organization that has been formally acknowledged as follows:

(1) Before the county implementation date as described in subdivision (a) of Section 12300.7 of the Welfare and Institutions Code, by a county or an entity established pursuant to Section 12301.6 of the Welfare and Institutions Code, as the representative of individual providers in its jurisdiction.

(2) On or after the county implementation date as described in subdivision (a) of Section 12300.7 of the Welfare and Institutions Code, by the Statewide Authority, as the representative of individual providers subject to this title.

(k) "Statewide Authority" means the California In-Home Supportive Services Authority established pursuant to Section 6531.5.

SEC. 6. Section 110011 of the Government Code is amended to read:

110011. (a) Except as otherwise expressly provided in this title, the enactment of this title shall not be a cause for the employer or any predecessor agency to modify or eliminate any existing memorandum of agreement or understanding, or to modify existing wages, benefits, or other terms and conditions of employment. Except to the extent set forth in this title, the enactment of this title shall not prevent the modification of existing wages, benefits, or terms and conditions of employment through the meet and confer in good faith process or, in those situations in which the employees are not represented by a recognized employee organization, through appropriate procedures.

(b) On the county implementation date, subject to Section 12306.15 of the Welfare and Institutions Code, the Statewide Authority shall assume the predecessor agency's rights and obligations under any memorandum of understanding or agreement between the predecessor agency and a recognized employee organization that is in effect on the county implementation date for the duration thereof. Absent mutual consent to reopen, the terms of any transferred memorandum of understanding or agreement shall continue until the memorandum of understanding or agreement has expired. If a memorandum of understanding or agreement between a recognized employee organization and a predecessor agency has expired and has not been replaced by a successor memorandum of understanding or agreement as of the county implementation date, the Statewide Authority shall assume the obligation to meet and confer in good faith with the recognized employee organization.

(c) Notwithstanding any other provision of law, except to the extent set forth in this chapter and as limited by Section 110023, the terms and conditions of any memorandum of understanding or agreement between a predecessor agency and a recognized employee organization in effect on the county implementation date shall not be reduced, except by mutual agreement between the recognized employee organization and the Statewide Authority.

(d) Nothing in this title shall be construed to relieve any predecessor agency of its obligation to meet and confer in good faith with a recognized employee organization pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) until the county implementation date. Nothing in this title shall permit the predecessor agency to

meet and confer after the Statewide Authority assumes the predecessor agency's rights and obligations on the county implementation date.

(e) With the exception of all economic terms covered by Section 12306.15 of the Welfare and Institutions Code and notwithstanding any other provision of law, beginning July 1, 2012, and ending on the county implementation date as set forth in subdivision (a) of Section 12300.7 of the Welfare and Institutions Code, any alterations or modifications to either current or expired memoranda of understanding that were in effect on July 1, 2012, and any newly negotiated memoranda of understanding or agreements reached after July 1, 2012, shall be submitted for review to the State Department of Social Services, hereafter referred to as the department. This review requirement shall not begin until a county commences transition pursuant to subdivision (g) of Section 14132.275 of the Welfare and Institutions Code, and shall be performed by the department until the Statewide Authority becomes operational, after which date the Statewide Authority shall continue to perform this review requirement. If, upon review, but not later than 180 days after the county commences transition pursuant to subdivision (g) of Section 14132.275 of the Welfare and Institutions Code, the department or Statewide Authority reasonably determines that there are one or more newly negotiated or amended noneconomic terms in the memorandum of understanding or agreement to which it objects for a bona fide business-related reason, the department or Statewide Authority shall provide written notice to the signatory recognized employee organization of each objection and the reason for it. Upon demand from the recognized employee organization, the department, or the Statewide Authority, those parties shall meet and confer regarding the objection and endeavor to reach agreement prior to the county implementation date. If an agreement is reached, it shall not become effective prior to the county implementation date. If an agreement is not reached by the county implementation date, the objectionable language is deemed inoperable as of the county implementation date. All terms to which no objection is made shall be deemed accepted by the Statewide Authority. If the Statewide Authority or the department fails to provide the 180 days' notice of objection, it shall be deemed waived.

SEC. 7. Section 110012 of the Government Code is amended to read:

110012. If the Statewide Authority and the recognized employee organization negotiate changes to locally administered health benefits for individual providers, the Statewide Authority shall give 90 days' notice to the county and an entity established pursuant to Section 12301.6 of the Welfare and Institutions Code prior to implementation of the agreed-upon changes.

SEC. 8. Section 110013 of the Government Code is amended to read:

110013. The Legislature hereby finds and declares that collective bargaining for individual providers under this title constitutes a matter of statewide concern. Therefore, this title is applicable to all counties, notwithstanding charter provisions to the contrary, as set forth in Section 110005.

SEC. 9. Section 110019 of the Government Code is amended to read:

110019. (a) Notwithstanding Section 110002, any other provision of this title, or any other law, rule, or regulation, an agency shop agreement may be negotiated between the employer and a recognized public employee organization that has been recognized as the exclusive or majority bargaining agent, in accordance with this title. As used in this title, "agency shop" means an arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization, to be determined by the organization in accordance with applicable law.

(b) In addition to the procedure prescribed in subdivision (a), an agency shop arrangement between the Statewide Authority and a recognized employee organization that has been recognized as the exclusive or majority bargaining agent shall be placed in effect, without a negotiated agreement, upon (1) a signed petition of 30 percent of the employees in the applicable bargaining unit requesting an agency shop agreement and an election to implement an agency fee arrangement, and (2) the approval of a majority of employees who cast ballots and vote in a secret ballot election in favor of the agency shop agreement. The petition may be filed only after the recognized employee organization has requested the

Statewide Authority to negotiate on an agency shop arrangement and, beginning seven working days after the Statewide Authority received this request, the two parties have had 30 calendar days to attempt good faith negotiations in an effort to reach agreement. An election that shall not be held more frequently than once a year shall be conducted by the State Mediation and Conciliation Service in the event that the Statewide Authority and the recognized employee organization cannot agree within 10 days from the filing of the petition to select jointly a neutral person or entity to conduct the election. In the event of an agency fee arrangement outside of an agreement that is in effect, the recognized employee organization shall indemnify and hold the Statewide Authority harmless against any liability arising from a claim, demand, or other action relating to the Statewide Authority's compliance with the agency fee obligation.

(c) An individual provider who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support a public employee organization as a condition of employment. The employee may be required, in lieu of periodic dues, initiation fees, or agency shop fees, to pay sums equal to the dues, initiation fees, or agency shop fees to a nonreligious, nonlabor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three of these funds, designated in a memorandum of understanding between the employer and the recognized employee organization, or if the memorandum of understanding fails to designate the funds, then to a fund of that type chosen by the employee. Proof of the payments shall be made on a monthly basis to the employer as a condition of continued exemption from the requirement of financial support to the public employee organization.

(d) An agency shop provision in a memorandum of understanding that is in effect may be rescinded by a majority vote of all the employees in the unit covered by the memorandum of understanding, provided that: (1) a request for that type of vote is supported by a petition containing the signatures of at least 30 percent of the employees in the unit, (2) the vote is by secret ballot, and (3) the vote may be taken at any time during the term of the

memorandum of understanding, but in no event shall there be more than one vote taken during that term.

(e) A recognized employee organization that has agreed to an agency shop provision or is a party to an agency shop arrangement shall keep an adequate itemized record of its financial transactions and shall make available annually, to the employer with which the agency shop provision was negotiated, and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant. An employee organization required to file financial reports under the federal Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. Sec. 401 et seq.) covering employees governed by this title, or required to file financial reports under Section 3546.5, may satisfy the financial reporting requirement of this section by providing the employer with a copy of the financial reports.

SEC. 10. Section 110022 of the Government Code is amended to read:

110022. Recognized employee organizations shall have the right to represent their members in their employment relations with the employer. Employee organizations may establish reasonable restrictions regarding who may join and may make reasonable provisions for the dismissal of individuals from membership. Nothing in this section shall prohibit an employee from appearing on his or her own behalf in his or her employment relations with the Statewide Authority.

SEC. 11. Section 110023 of the Government Code is amended to read:

110023. (a) The scope of representation shall include all matters relating to wages, benefits, and other terms and conditions of employment. The scope of representation shall exclude the following functions performed by, or on behalf of, a county:

(1) Determining an applicant's eligibility for IHSS benefits.

(2) Assessing, approving, and authorizing an IHSS recipient's initial and continuing need for services.

(3) Enrolling providers and conducting provider orientation.

(4) Conducting criminal background checks on all potential providers.

(5) Providing assistance to IHSS recipients in finding eligible providers through the establishment of a provider registry, as well as providing orientation to recipients.

(6) Pursuing overpayment recovery recollection.

(7) Performing quality assurance activities.

(8) Providing assistance to IHSS recipients through the establishment of emergency backup services.

(9) Performing any other function or responsibility required pursuant to statute or regulation to be performed by the county.

(b) The scope of representation shall also exclude the IHSS recipient's right to hire, fire, and supervise the individual provider.

SEC. 12. Section 110024 of the Government Code is amended to read:

110024. (a) Except in cases of emergency as provided in this section, the Statewide Authority shall give reasonable written notice to each recognized employee organization affected by any rule, practice, or policy directly relating to matters within the scope of representation proposed to be adopted by the Statewide Authority and shall give each recognized employee organization the opportunity to meet with the Statewide Authority.

(b) In cases of emergency when the Statewide Authority determines that any rule, policy, or procedure must be adopted immediately without prior notice or meeting with a recognized employee organization, the Statewide Authority shall provide notice and an opportunity to meet at the earliest practicable time following the adoption of the rule, policy, or procedure.

SEC. 13. Section 110029 of the Government Code is amended to read:

110029. (a) If, after a reasonable period of time, representatives of the Statewide Authority and the recognized employee organization fail to reach agreement, the dispute shall be referred to mediation before a mediator mutually agreeable to the parties. If the parties are unable to agree upon the mediator, either party may request the board to appoint a mediator in accordance with rules adopted by the board.

(b) The costs of mediation shall be divided one-half to the Statewide Authority and one-half to the recognized employee organization or recognized employee organizations.

SEC. 14. Section 110031 of the Government Code is amended to read:

110031. (a) If the dispute is not settled within 30 days after the appointment of the factfinding panel, or, upon agreement by both parties within a longer period, the panel shall make findings of fact and recommend terms of settlement, which shall be advisory only. The factfinders shall submit, in writing, any findings of fact and recommended terms of settlement to the parties before they are made available to the public. The Statewide Authority shall make these findings and recommendations publicly available within 10 days after their receipt.

(b) The costs for the services of the panel chairperson, whether selected by the board or agreed upon by the parties, shall be equally divided between the parties, and shall include per diem fees, if any, and actual and necessary travel and subsistence expenses. The per diem fees shall not exceed the per diem fees stated on the chairperson's résumé on file with the board. The chairperson's bill showing the amount payable by the parties shall accompany his or her final report to the parties and the board. The chairperson may submit interim bills to the parties in the course of the proceedings, and copies of the interim bills shall also be sent to the board. The parties shall make payment directly to the chairperson.

(c) Any other mutually incurred costs shall be borne equally by the Statewide Authority and the employee organization. Any separately incurred costs for the panel member selected by each party shall be borne by that party.

(d) Nothing in this chapter shall be construed to prohibit the mediator appointed pursuant to Section 110029, upon mutual agreement of the parties, from continuing mediation efforts on the basis of the findings of fact and recommended terms of settlement made pursuant to Section 110031.

SEC. 15. Section 110034 of the Government Code is amended to read:

110034. The Statewide Authority shall not do any of the following:

(a) Impose or threaten to impose reprisals on individual providers, to discriminate or threaten to discriminate against individual providers, or otherwise to interfere with, restrain, or coerce individual providers because of their exercise of rights guaranteed by this title.

(b) Deny to employee organizations the rights guaranteed to them by this title.

(c) Refuse or fail to meet and negotiate in good faith with a recognized employee organization. For purposes of this subdivision, knowingly providing a recognized employee organization with inaccurate information regarding the financial resources of the Statewide Authority, whether or not in response to a request for information, constitutes a refusal or failure to meet and negotiate in good faith.

(d) Dominate or interfere with the formation or administration of any employee organization, contribute financial or other support to any employee organization, or in any way encourage individual providers to join any organization in preference to another.

(e) Refuse to participate in good faith in any applicable impasse procedure.

SEC. 16. Section 110035 of the Government Code is amended to read:

110035. (a) The Statewide Authority may adopt reasonable rules and regulations for all of the following:

(1) Registering employee organizations.

(2) Determining the status of organizations and associations as employee organizations or bona fide associations.

(3) Identifying the officers and representatives who officially represent employee organizations and bona fide associations.

(4) Any other matters that are necessary to carry out the purposes of this title.

(b) The board shall establish procedures whereby recognition of employee organizations formally recognized as majority representatives pursuant to a vote of the employees may be revoked by a majority vote of the employees only after a period of not less than 12 months following the date of recognition.

(c) The Statewide Authority shall not unreasonably withhold recognition of employee organizations.

(d) Employees and employee organizations may challenge a rule or regulation of the Statewide Authority as a violation of this title. This subdivision shall not be construed to restrict or expand the board's jurisdiction or authority as set forth in subdivisions (a) to (c), inclusive, of Section 3541.3.

SEC. 17. Section 1502 of the Health and Safety Code is amended to read:

1502. As used in this chapter:

(a) "Community care facility" means any facility, place, or building that is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and includes the following:

(1) "Residential facility" means any family home, group care facility, or similar facility determined by the director, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

(2) "Adult day program" means any community-based facility or program that provides care to persons 18 years of age or older in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of these individuals on less than a 24-hour basis.

(3) "Therapeutic day services facility" means any facility that provides nonmedical care, counseling, educational or vocational support, or social rehabilitation services on less than a 24-hour basis to persons under 18 years of age who would otherwise be placed in foster care or who are returning to families from foster care. Program standards for these facilities shall be developed by the department, pursuant to Section 1530, in consultation with therapeutic day services and foster care providers.

(4) "Foster family agency" means any organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. Private foster family agencies shall be organized and operated on a nonprofit basis.

(5) "Foster family home" means any residential facility providing 24-hour care for six or fewer foster children that is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed. The placement may be by a public or private child placement agency or by a court order, or by voluntary

placement by a parent, parents, or guardian. It also means a foster family home described in Section 1505.2.

(6) "Small family home" means any residential facility, in the licensee's family residence, that provides 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities. A small family home may accept children with special health care needs, pursuant to subdivision (a) of Section 17710 of the Welfare and Institutions Code. In addition to placing children with special health care needs, the department may approve placement of children without special health care needs, up to the licensed capacity.

(7) "Social rehabilitation facility" means any residential facility that provides social rehabilitation services for no longer than 18 months in a group setting to adults recovering from mental illness who temporarily need assistance, guidance, or counseling. Program components shall be subject to program standards pursuant to Article 1 (commencing with Section 5670) of Chapter 2.5 of Part 2 of Division 5 of the Welfare and Institutions Code.

(8) "Community treatment facility" means any residential facility that provides mental health treatment services to children in a group setting and that has the capacity to provide secure containment. Program components shall be subject to program standards developed and enforced by the State Department of Health Care Services pursuant to Section 4094 of the Welfare and Institutions Code.

Nothing in this section shall be construed to prohibit or discourage placement of persons who have mental or physical disabilities into any category of community care facility that meets the needs of the individual placed, if the placement is consistent with the licensing regulations of the department.

(9) "Full-service adoption agency" means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assumes care, custody, and control of a child through relinquishment of the child to the agency or involuntary termination of parental rights to the child.

(B) Assesses the birth parents, prospective adoptive parents, or child.

(C) Places children for adoption.

(D) Supervises adoptive placements.

Private full-service adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a full-service adoption agency shall be accredited and in good standing according to Part 96 of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(10) "Noncustodial adoption agency" means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assesses the prospective adoptive parents.

(B) Cooperatively matches children freed for adoption, who are under the care, custody, and control of a licensed adoption agency, for adoption, with assessed and approved adoptive applicants.

(C) Cooperatively supervises adoptive placements with a full-service adoptive agency, but does not disrupt a placement or remove a child from a placement.

Private noncustodial adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a noncustodial adoption agency shall be accredited and in good standing according to Part 96 of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(11) "Transitional shelter care facility" means any group care facility that provides for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. Program components shall be subject to program standards developed by the State Department of Social Services pursuant to Section 1502.3.

(12) "Transitional housing placement provider" means an organization licensed by the department pursuant to Section 1559.110 and Section 16522.1 of the Welfare and Institutions Code to provide transitional housing to foster children at least 16 years of age and not more than 18 years of age, and nonminor dependents, as defined in subdivision (v) of Section 11400 of the

Welfare and Institutions Code, to promote their transition to adulthood. A transitional housing placement provider shall be privately operated and organized on a nonprofit basis.

(b) "Department" or "state department" means the State Department of Social Services.

(c) "Director" means the Director of Social Services.

SEC. 18. Section 1531.15 of the Health and Safety Code is amended to read:

1531.15. (a) A licensee of an adult residential facility or group home for no more than 15 residents, that is eligible for and serving clients eligible for federal Medicaid funding and utilizing delayed egress devices pursuant to Section 1531.1, may install and utilize secured perimeters in accordance with the provisions of this section.

(b) As used in this section, "secured perimeters" means fences that meet the requirements prescribed by this section.

(c) Only individuals meeting all of the following conditions may be admitted to or reside in a facility described in subdivision (a) utilizing secured perimeters:

(1) The person shall have a developmental disability as defined in Section 4512 of the Welfare and Institutions Code.

(2) The person shall be receiving services and case management from a regional center under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code).

(3) (A) The person shall be 14 years of age or older, except as specified in subparagraph (B).

(B) Notwithstanding subparagraph (A), a child who is at least 10 years of age and less than 14 years of age may be placed in a licensed group home described in subdivision (a) using secured perimeters only if both of the following occur:

(i) A comprehensive assessment is conducted and an individual program plan meeting is convened to determine the services and supports needed for the child to receive services in a less restrictive, unlocked residential setting in California, and the regional center requests assistance from the State Department of Developmental Services' statewide specialized resource service to identify options to serve the child in a less restrictive, unlocked residential setting in California.

(ii) The regional center requests placement of the child in a licensed group home described in subdivision (a) using secured perimeters on the basis that the placement is necessary to prevent out-of-state placement or placement in a more restrictive, locked residential setting and the State Department of Developmental Services approves the request.

(4) The person is not a foster child under the jurisdiction of the juvenile court pursuant to Section 300, 450, 601, or 602 of the Welfare and Institutions Code.

(5) An interdisciplinary team, through the individual program plan (IPP) process pursuant to Section 4646.5 of the Welfare and Institutions Code, shall have determined the person lacks hazard awareness or impulse control and, for his or her safety and security, requires the level of supervision afforded by a facility equipped with secured perimeters, and, but for this placement, the person would be at risk of admission to, or would have no option but to remain in, a more restrictive placement. The individual program planning team shall determine the continued appropriateness of the placement at least annually.

(d) The licensee shall be subject to all applicable fire and building codes, regulations, and standards, and shall receive approval by the county or city fire department, the local fire prevention district, or the State Fire Marshal for the installed secured perimeters.

(e) The licensee shall provide staff training regarding the use and operation of the secured perimeters, protection of residents' personal rights, lack of hazard awareness and impulse control behavior, and emergency evacuation procedures.

(f) The licensee shall revise its facility plan of operation. These revisions shall be first be approved by the State Department of Developmental Services. The plan of operation shall not be approved by the State Department of Social Services unless the licensee provides certification that the plan was approved by the State Department of Developmental Services. The plan shall include, but not be limited to, all of the following:

(1) A description of how the facility is to be equipped with secured perimeters that are consistent with regulations adopted by the State Fire Marshal pursuant to Section 13143.6.

(2) A description of how the facility will provide training for staff.

(3) A description of how the facility will ensure the protection of the residents' personal rights consistent with Sections 4502, 4503, and 4504 of the Welfare and Institutions Code, and any applicable personal rights provided in Title 22 of the California Code of Regulations.

(4) A description of how the facility will manage residents' lack of hazard awareness and impulse control behavior.

(5) A description of the facility's emergency evacuation procedures.

(g) Secured perimeters shall not substitute for adequate staff.

(h) Emergency fire and earthquake drills shall be conducted on each shift in accordance with existing licensing requirements, and shall include all facility staff providing resident care and supervision on each shift.

(i) Interior and exterior space shall be available on the facility premises to permit clients to move freely and safely.

(j) For the purpose of using secured perimeters, the licensee shall not be required to obtain a waiver or exception to a regulation that would otherwise prohibit the locking of a perimeter fence or gate.

(k) This section shall become operative only upon the publication in Title 17 of the California Code of Regulations of emergency regulations filed by the State Department of Developmental Services. These regulations shall be developed with stakeholders, including the State Department of Social Services, consumer advocates, and regional centers. The regulations shall establish program standards for homes that include secured perimeters, including requirements and timelines for the completion and updating of a comprehensive assessment of each consumer's needs, including the identification through the individual program plan process of the services and supports needed to transition the consumer to a less restrictive living arrangement, and a timeline for identifying or developing those services and supports. The regulations shall establish a statewide limit on the total number of beds in homes with secured perimeters. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

SEC. 19. Section 4094.7 of the Welfare and Institutions Code is amended to read:

4094.7. (a) A community treatment facility may have both secure and nonsecure beds. However, the State Department of Health Care Services shall limit the total number of beds in community treatment facilities to not more than 400 statewide. The State Department of Health Care Services shall certify community treatment facilities in such a manner as to ensure an adequate dispersal of these facilities within the state. The State Department of Health Care Services shall ensure that there is at least one facility in each of the State Department of Social Services' five regional licensing offices.

(b) The State Department of Health Care Services shall notify the State Department of Social Services when a facility has been certified and has met the program standards pursuant to Section 4094. The State Department of Social Services shall license a community treatment facility for a specified number of secure beds and a specified number of nonsecure beds. The number of secure and nonsecure beds in a facility shall be modified only with the approval of both the State Department of Social Services and the State Department of Health Care Services.

(c) The State Department of Health Care Services shall develop, with the advice of the State Department of Social Services, county representatives, providers, and interested parties, the criteria to be used to determine which programs among applicant providers shall be licensed. The State Department of Health Care Services shall determine which agencies best meet the criteria, certify them in accordance with Section 4094, and refer them to the State Department of Social Services for licensure.

(d) Any community treatment facility proposing to serve seriously emotionally disturbed foster children shall be incorporated as a nonprofit organization.

SEC. 20. Section 5405 of the Welfare and Institutions Code is amended to read:

5405. (a) This section shall apply to each facility licensed by the State Department of Social Services, or its delegated agent, on or after January 1, 2003. For purposes of this section, "facility" means psychiatric health facilities, as defined in Section 1250.2 of the Health and Safety Code, licensed pursuant to Chapter 9 (commencing with Section 77001) of Division 5 of Title 22 of the California Code of Regulations and mental health rehabilitation centers licensed pursuant to Chapter 3.5 (commencing with Section

781.00) of Division 1 of Title 9 of the California Code of Regulations.

(b) (1) (A) Prior to the initial licensure or first renewal of a license on or after January 1, 2003, of any person to operate or manage a facility specified in subdivision (a), the applicant or licensee shall submit fingerprint images and related information pertaining to the applicant or licensee to the Department of Justice for purposes of a criminal record check, as specified in paragraph (2), at the expense of the applicant or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department may take into consideration information obtained from or provided by other government agencies. The department shall determine whether the applicant or licensee has ever been convicted of a crime specified in subdivision (c). The applicant or licensee shall submit fingerprint images and related information each time the position of administrator, manager, program director, or fiscal officer of a facility is filled and prior to actual employment for initial licensure or an individual who is initially hired on or after January 1, 2003. For purposes of this subdivision, "applicant" and "licensee" include the administrator, manager, program director, or fiscal officer of a facility.

(B) Commencing July 1, 2012, upon the employment of, or contract with or for, any direct care staff, the direct care staff person or licensee shall submit fingerprint images and related information pertaining to the direct care staff person to the Department of Justice for purposes of a criminal record check, as specified in paragraph (2), at the expense of the direct care staff person or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department shall determine whether the direct care staff person has ever been convicted of a crime specified in subdivision (c). The department shall notify the licensee of these results. No direct client contact by the trainee or newly hired staff, or by any direct care contractor shall occur prior to clearance by the department unless the trainee, newly hired employee, contractor, or employee of the contractor is constantly supervised.

(C) Commencing July 1, 2012, any contract for services provided directly to patients or residents shall contain provisions to ensure that the direct services contractor submits to the

Department of Justice fingerprint images and related information pertaining to the direct services contractor for submission to the State Department of Social Services for purposes of a criminal record check, as specified in paragraph (2), at the expense of the direct services contractor or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department shall determine whether the direct services contractor has ever been convicted of a crime specified in subdivision (c). The department shall notify the licensee of these results.

(2) If the applicant, licensee, direct care staff person, or direct services contractor specified in paragraph (1) has resided in California for at least the previous seven years, the applicant, licensee, direct care staff person, or direct services contractor shall only submit one set of fingerprint images and related information to the Department of Justice. The Department of Justice shall charge a fee sufficient to cover the reasonable cost of processing the fingerprint submission. Fingerprints and related information submitted pursuant to this subdivision include fingerprint images captured and transmitted electronically. When requested, the Department of Justice shall forward one set of fingerprint images to the Federal Bureau of Investigation for the purpose of obtaining any record of previous convictions or arrests pending adjudication of the applicant, licensee, direct care staff person, or direct services contractor. The results of a criminal record check provided by the Department of Justice shall contain every conviction rendered against an applicant, licensee, direct care staff person, or direct services contractor, and every offense for which the applicant, licensee, direct care staff person, or direct services contractor is presently awaiting trial, whether the person is incarcerated or has been released on bail or on his or her own recognizance pending trial. The department shall request subsequent arrest notification from the Department of Justice pursuant to Section 11105.2 of the Penal Code.

(3) An applicant and any other person specified in this subdivision, as part of the background clearance process, shall provide information as to whether or not the person has any prior criminal convictions, has had any arrests within the past 12-month period, or has any active arrests, and shall certify that, to the best of his or her knowledge, the information provided is true. This

requirement is not intended to duplicate existing requirements for individuals who are required to submit fingerprint images as part of a criminal background clearance process. Every applicant shall provide information on any prior administrative action taken against him or her by any federal, state, or local government agency and shall certify that, to the best of his or her knowledge, the information provided is true. An applicant or other person required to provide information pursuant to this section that knowingly or willfully makes false statements, representations, or omissions may be subject to administrative action, including, but not limited to, denial of his or her application or exemption or revocation of any exemption previously granted.

(c) (1) The State Department of Social Services shall deny any application for any license, suspend or revoke any existing license, and disapprove or revoke any employment or contract for direct services, if the applicant, licensee, employee, or direct services contractor has been convicted of, or incarcerated for, a felony defined in subdivision (c) of Section 667.5 of, or subdivision (c) of Section 1192.7 of, the Penal Code, within the preceding 10 years.

(2) The application for licensure or renewal of any license shall be denied, and any employment or contract to provide direct services shall be disapproved or revoked, if the criminal record of the person includes a conviction in another jurisdiction for an offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses referred to in paragraph (1).

(d) (1) The State Department of Social Services may approve an application for, or renewal of, a license, or continue any employment or contract for direct services, if the person has been convicted of a misdemeanor offense that is not a crime upon the person of another, the nature of which has no bearing upon the duties for which the person will perform as a licensee, direct care staff person, or direct services contractor. In determining whether to approve the application, employment, or contract for direct services, the department shall take into consideration the factors enumerated in paragraph (2).

(2) Notwithstanding subdivision (c), if the criminal record of a person indicates any conviction other than a minor traffic violation, the State Department of Social Services may deny the application

for license or renewal, and may disapprove or revoke any employment or contract for direct services. In determining whether or not to deny the application for licensure or renewal, or to disapprove or revoke any employment or contract for direct services, the department shall take into consideration the following factors:

(A) The nature and seriousness of the offense under consideration and its relationship to the person's employment, duties, and responsibilities.

(B) Activities since conviction, including employment or participation in therapy or education, that would indicate changed behavior.

(C) The time that has elapsed since the commission of the conduct or offense and the number of offenses.

(D) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanction lawfully imposed against the person.

(E) Any rehabilitation evidence, including character references, submitted by the person.

(F) Employment history and current employer recommendations.

(G) Circumstances surrounding the commission of the offense that would demonstrate the unlikelihood of repetition.

(H) The granting by the Governor of a full and unconditional pardon.

(I) A certificate of rehabilitation from a superior court.

(e) Denial, suspension, or revocation of a license, or disapproval or revocation of any employment or contract for direct services specified in subdivision (c) and paragraph (2) of subdivision (d) are not subject to appeal, except as provided in subdivision (f).

(f) After a review of the record, the director may grant an exemption from denial, suspension, or revocation of any license, or disapproval of any employment or contract for direct services, if the crime for which the person was convicted was a property crime that did not involve injury to any person and the director has substantial and convincing evidence to support a reasonable belief that the person is of such good character as to justify issuance or renewal of the license or approval of the employment or contract.

(g) A plea or verdict of guilty, or a conviction following a plea of nolo contendere shall be deemed a conviction within the meaning of this section. The State Department of Social Services

may deny any application, or deny, suspend, or revoke a license, or disapprove or revoke any employment or contract for direct services based on a conviction specified in subdivision (c) when the judgment of conviction is entered or when an order granting probation is made suspending the imposition of sentence.

(h) (1) For purposes of this section, "direct care staff" means any person who is an employee, contractor, or volunteer who has contact with other patients or residents in the provision of services. Administrative and licensed personnel shall be considered direct care staff when directly providing program services to participants.

(2) An additional background check shall not be required pursuant to this section if the direct care staff or licensee has received a prior criminal history background check while working in a mental health rehabilitation center or psychiatric health facility licensed by the State Department of Social Services, and provided the department has maintained continuous subsequent arrest notification on the individual from the Department of Justice since the prior criminal background check was initiated.

(3) When an application is denied on the basis of a conviction pursuant to this section, the State Department of Social Services shall provide the individual whose application was denied with notice, in writing, of the specific grounds for the proposed denial.

SEC. 21. Section 6500 of the Welfare and Institutions Code is amended to read:

6500. (a) For purposes of this article, the following definitions shall apply:

(1) "Dangerousness to self or others" shall include, but not be limited to, a finding of incompetence to stand trial pursuant to the provisions of Chapter 6 (commencing with Section 1367) of Title 10 of Part 2 of the Penal Code when the defendant has been charged with murder, mayhem, aggravated mayhem, a violation of Section 207, 209, or 209.5 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, robbery perpetrated by torture or by a person armed with a dangerous or deadly weapon or in which the victim suffers great bodily injury, carjacking perpetrated by torture or by a person armed with a dangerous or deadly weapon or in which the victim suffers great bodily injury, a violation of subdivision (b) of Section 451 of the Penal Code, a violation of paragraph (1) or (2) of subdivision (a) of Section 262 or paragraph (2) or (3) of subdivision (a) of Section 261 of the

Penal Code, a violation of Section 288 of the Penal Code, any of the following acts when committed by force, violence, duress, menace, fear of immediate and unlawful bodily injury on the victim or another person: a violation of paragraph (1) or (2) of subdivision (a) of Section 262 of the Penal Code, a violation of Section 264.1, 286, or 288a of the Penal Code, or a violation of subdivision (a) of Section 289 of the Penal Code; a violation of Section 459 of the Penal Code in the first degree, assault with intent to commit murder, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, a violation of Section 18725, 18740, 18745, 18750, or 18755 of the Penal Code, or if the defendant has been charged with a felony involving death, great bodily injury, or an act which poses a serious threat of bodily harm to another person.

(2) "Developmental disability" shall have the same meaning as defined in subdivision (a) of Section 4512.

(b) (1) A person with a developmental disability shall not be committed to the State Department of Developmental Services pursuant to this article unless he or she is a person described in paragraph (2) or (3) of subdivision (a) of Section 7505 and is dangerous to self or others or the person currently is a resident of a state developmental center or state-operated community facility pursuant to an order of commitment made pursuant to this article prior to July 1, 2012, and is being recommitted pursuant to paragraph (3) of this subdivision.

(2) If the person with a developmental disability is in the care or treatment of a state hospital, developmental center, or other facility at the time a petition for commitment is filed pursuant to this article, proof of a recent overt act while in the care and treatment of a state hospital, developmental center, or other facility is not required in order to find that the person is a danger to self or others.

(3) In the event subsequent petitions are filed with respect to a resident of a state developmental center or a state-operated community facility committed prior to July 1, 2012, the procedures followed and criteria for recommitment shall be the same as with the initial petition for commitment.

(4) In any proceedings conducted under the authority of this article, the person alleged to have a developmental disability shall be informed of his or her right to counsel by the court, and if the

person does not have an attorney for the proceedings, the court shall immediately appoint the public defender or other attorney to represent him or her. The person shall pay the cost for the legal services if he or she is able to do so. At any judicial proceeding under the provisions of this article, allegations that a person has a developmental disability and is dangerous to himself or herself or to others shall be presented by the district attorney for the county unless the board of supervisors, by ordinance or resolution, delegates this authority to the county counsel. The clients' rights advocate for the regional center may attend any judicial proceedings to assist in protecting the individual's rights.

(c) (1) Any order of commitment made pursuant to this article with respect to a person described in paragraph (3) of subdivision (a) of Section 7505 shall expire automatically one year after the order of commitment is made. This section shall not be construed to prohibit any party enumerated in Section 6502 from filing subsequent petitions for additional periods of commitment. In the event subsequent petitions are filed, the procedures followed shall be the same as with an initial petition for commitment.

(2) Any order of commitment made pursuant to this article on or after July *1*, 2012, with respect to the admission to a developmental center of a person described in paragraph (2) of subdivision (a) of Section 7505 shall expire automatically six months after the earlier of the order of commitment pursuant to this section or the order of a placement in a developmental center pursuant to Section 6506, unless the regional center, prior to the expiration of the order of commitment, notifies the court in writing of the need for an extension. The required notice shall state facts demonstrating that the individual continues to be in acute crisis as defined in paragraph (1) of subdivision (d) of Section 4418.7 and the justification for the requested extension, and shall be accompanied by the comprehensive assessment and plan described in subdivision (e) of Section 4418.7. An order granting an extension shall not extend the total period of commitment beyond one year, including any placement in a developmental center pursuant to Section 6506. If, prior to expiration of one year, the regional center notifies the court in writing of facts demonstrating that, due to circumstances beyond the regional center's control, the placement cannot be made prior to expiration of the extension, and the court determines that good cause exists, the court may grant one further

extension of up to 30 days. The court may also issue any orders the court deems appropriate to ensure that necessary steps are taken to ensure that the individual can be safely and appropriately transitioned to the community in a timely manner. The required notice shall state facts demonstrating that the regional center has made significant progress implementing the plan described in subdivision (e) of Section 4418.7 and that extraordinary circumstances exist beyond the regional center's control that have prevented the plan's implementation. Nothing in this paragraph precludes the individual or any person acting on his or her behalf from making a request for release pursuant to Section 4800, or counsel for the individual from filing a petition for habeas corpus pursuant to Section 4801. Notwithstanding subdivision (a) of Section 4801, for purposes of this paragraph, judicial review shall be in the superior court of the county that issued the order of commitment pursuant to this section.

SEC. 22. Section 10101.1 of the Welfare and Institutions Code, as amended by Section 9 of Chapter 69 of the Statutes of 1993, is amended to read:

10101.1. (a) For the 1991–92 fiscal year and each fiscal year thereafter, the state's share of the costs of the county services block grant and the in-home supportive services administration requirements shall be 70 percent of the actual nonfederal expenditures or the amount appropriated by the Legislature for that purpose, whichever is less.

(b) Federal funds received under Title 20 of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for the county services block grant and the in-home supportive services administration shall be considered part of the state share of cost and not part of the federal expenditures for this purpose.

(c) This section shall become operative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 23. Section 10101.1 of the Welfare and Institutions Code, as amended by Section 4 of Chapter 45 of the Statutes of 2012, is amended to read:

10101.1. (a) For the 1991–92 fiscal year and each fiscal year thereafter, the state's share of the costs of the county services block grant and the in-home supportive services administration

requirements shall be 70 percent of the actual nonfederal expenditures or the amount appropriated by the Legislature for that purpose, whichever is less.

(b) Federal funds received under Title 20 of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for the county services block grant and the in-home supportive services administration shall be considered part of the state share of cost and not part of the federal expenditures for this purpose.

(c) For the period during which Section 12306.15 is operative, each county's share of the nonfederal costs of the county services block grant and the in-home supportive services administration requirements as specified in subdivision (a) shall remain, but the County IHSS Maintenance of Effort pursuant to Section 12306.15 shall be in lieu of that share.

(d) This section shall become inoperative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 24. Section 11265.45 of the Welfare and Institutions Code is amended to read:

11265.45. (a) Notwithstanding Sections 11265.1, 11265.2, and 11265.3, a CalWORKs assistance unit that does not include an eligible adult shall not be subject to periodic reporting requirements other than the annual redetermination required in Section 11265. This subdivision shall not apply to a CalWORKs assistance unit in which the only eligible adult is under sanction in accordance with Section 11327.5.

(b) For an assistance unit described in subdivision (a), grant calculations may not be revised to adjust the grant amount during the year except as provided in subdivisions (c), (d), (e), and (f), Section 11265.47 and as otherwise established by the department by regulation.

(c) Notwithstanding subdivision (b), statutes and regulations relating to the 48-month time limit, age limitations for children under Section 11253, and sanctions and financial penalties affecting eligibility or grant amount shall be applicable as provided in those statutes and regulations.

(d) If the county is notified that a child for whom assistance is currently being paid has been placed in a foster care home, the county shall discontinue aid to the child at the end of the month

of placement. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

(e) If the county determines that a recipient is no longer a California resident, pursuant to Section 11100, the recipient shall be discontinued with timely and adequate notice. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

(f) If an overpayment has occurred, the county shall commence any applicable grant adjustment in accordance with Section 11004 as of the first monthly grant after timely and adequate notice is provided.

(g) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or October 1, 2012, whichever is later.

SEC. 25. Section 11265.47 of the Welfare and Institutions Code is amended to read:

11265.47. (a) The department shall establish an income reporting threshold for CalWORKs assistance units described in subdivision (a) of Section 11265.45.

(b) The income reporting threshold described in subdivision (a) shall be the lesser of the following:

(1) Fifty-five percent of the monthly income for a family of three at the federal poverty level, plus the amount of income last used to calculate the recipient's monthly benefits.

(2) The amount likely to render the recipient ineligible for federal Supplemental Nutrition Assistance Program benefits.

(3) The amount likely to render the recipient ineligible for CalWORKs benefits.

(c) A recipient described in subdivision (a) of Section 11265.45 shall report to the county, orally or in writing, within 10 days, when any of the following occurs:

(1) The monthly household income exceeds the threshold established pursuant to this section.

(2) Any change in household composition.

(3) The household address has changed.

(4) A drug felony conviction, as specified in Section 11251.3.

(5) An incidence of an individual fleeing prosecution or custody or confinement, or violating a condition or probation or parole, as specified in Section 11486.5.

(d) When a recipient described in subdivision (a) of Section 11265.45 reports income or a household composition change pursuant to subdivision (c), the county shall redetermine eligibility and grant amounts as follows:

(1) If the recipient reports an increase in income or household composition change for the first through 11th months of a year, the county shall verify the report and determine the recipient's financial eligibility and grant amount.

(A) If the recipient is determined to be financially ineligible based on the increase in income or household composition change, the county shall discontinue the recipient with timely and adequate notice, effective at the end of the month in which the change occurred.

(B) If it is determined that the recipient's grant amount should decrease based on the increase in income, or increase or decrease based on a change in household composition, the county shall increase or reduce the recipient's grant amount for the remainder of the year with timely and adequate notice, effective the first of the month following the month in which the change occurred.

(2) If the recipient reports an increase in income for the 12th month of a grant year, the county shall verify this report and consider this income in redetermining eligibility and the grant amount for the following year.

(e) During the year, a recipient described in subdivision (a) of Section 11265.45 may report to the county, orally or in writing, any changes in income that may increase the recipient's grant. Increases in the grant that result from reported changes in income shall be effective for the entire month in which the change is reported and any remaining months in the year. If the reported change in income results in an increase in benefits, the county shall issue the increased benefit amount within 10 days of receiving required verification.

(f) During the year, a recipient described in subdivision (a) of Section 11265.45 may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request is verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's request is in writing, the county shall discontinue benefits effective the end of the month in which the

request is made, and simultaneously shall issue a notice informing the recipient of the discontinuance.

(g) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or October 1, 2012, whichever is later.

SEC. 26. Section 11322.8 of the Welfare and Institutions Code, as added by Section 16 of Chapter 47 of the Statutes of 2012, is amended to read:

11322.8. (a) For a recipient required to participate in accordance with paragraph (1) of subdivision (a) of Section 11322.85, unless the recipient is otherwise exempt, the following shall apply:

(1) (A) An adult recipient in a one-parent assistance unit that does not include a child under six years of age shall participate in welfare-to-work activities for 30 hours each week.

(B) An adult recipient in a one-parent assistance unit that includes a child under six years of age shall participate in welfare-to-work activities for 20 hours each week.

(2) An adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in at least 35 hours of welfare-to-work activities each week. However, both parents in a two-parent assistance unit may contribute to the 35 hours.

(b) For a recipient required to participate in accordance with paragraph (3) of subdivision (a) of Section 11322.85, the following shall apply:

(1) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 30 hours per week, subject to the special rules and limitations described in Section 607(c)(1)(A) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(2) Unless otherwise exempt, an adult recipient in a one-parent assistance unit that includes a child under six years of age shall participate in welfare-to-work activities for 20 hours each week, as described in Section 607 (c)(2)(B) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(3) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in welfare-to-work activities for 35 hours per week, subject to the

special rules and limitations described in Section 607(c)(1)(B) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(c) This section shall become operative on January 1, 2013.

SEC. 27. Section 11325.21 of the Welfare and Institutions Code is amended to read:

11325.21. (a) Any individual who is required to participate in welfare-to-work activities pursuant to this article shall enter into a written welfare-to-work plan with the county welfare department after assessment as required by subdivision (b) of Section 11320.1, but no more than 90 days after the date that a recipient's eligibility for aid is determined or the date the recipient is required to participate in welfare-to-work activities pursuant to Section 11320.3. The recipient and the county may enter into a welfare-to-work plan as late as 90 days after the completion of the job search activity, as defined in subdivision (a) of Section 11320.1, if the job search activity is initiated within 30 days after the recipient's eligibility for aid is determined. The plan shall include the activities and services that will move the individual into employment.

(b) The county shall allow the participant three working days after completion of the plan or subsequent amendments to the plan in which to evaluate and request changes to the terms of the plan.

(c) The plan shall be written in clear and understandable language, and have a simple and easy-to-read format.

(d) The plan shall contain at least all of the following general information:

(1) A general description of the program provided for in this article, including available program components and supportive services.

(2) A general description of the rights, duties, and responsibilities of program participants, including a list of the exemptions from the required participation under this article, the consequences of a refusal to participate in program components, and criteria for successful completion of the program.

(3) A description of the grace period required in paragraph (5) of subdivision (b) of Section 11325.22.

(e) The plan shall specify, and shall be amended to reflect changes in, the participant's welfare-to-work activity, a description of services to be provided in accordance with Sections 11322.6,

11322.8, and 11322.85, as needed, and specific requirements for successful completion of assigned activities including required hours of participation.

The plan shall also include a general description of supportive services pursuant to Section 11323.2 that are to be provided as necessary for the participant to complete assigned program activities.

(f) Any assignment to a program component shall be reflected in the plan or an amendment to the plan. The participant shall maintain satisfactory progress toward employment through the methods set forth in the plan, and the county shall provide the services pursuant to Section 11323.2.

(g) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 28. Section 11325.23 of the Welfare and Institutions Code is amended to read:

11325.23. (a) (1) Except as provided in paragraph (2), any student who, at the time he or she is required to participate under this article pursuant to Section 11320.3, is enrolled in any undergraduate degree or certificate program that leads to employment may continue in that program if he or she is making satisfactory progress in that program, the county determines that continuing in the program is likely to lead to self-supporting employment for that recipient, and the welfare-to-work plan reflects that determination.

(2) Any individual who possesses a baccalaureate degree shall not be eligible to participate under this section unless the individual is pursuing a California regular classroom teaching credential in a college or university with an approved teacher credential preparation program.

(3) (A) Subject to the limitation provided in subdivision (f), a program shall be determined to lead to employment if it is on a list of programs that the county welfare department and local education agencies or providers agree lead to employment. The list shall be agreed to annually, with the first list completed no later than January 31, 1998. By January 1, 2000, all educational providers shall report data regarding programs on the list for the purposes of the report card established under Section 15037.1 of

the Unemployment Insurance Code for the programs to remain on the list.

(B) For students not in a program on the list prepared under subparagraph (A), the county shall determine if the program leads to employment. The recipient shall be allowed to continue in the program if the recipient demonstrates to the county that the program will lead to self-supporting employment for that recipient and the documentation is included in the welfare-to-work plan.

(C) If participation in educational or vocational training, as determined by the number of hours required for classroom, laboratory, or internship activities, is not at least 30 hours, or if subparagraph (B) of paragraph (1) of subdivision (a) of Section 11322.8 applies, 20 hours, the county shall require concurrent participation in work activities pursuant to subdivisions (a) to (j), inclusive, of Section 11322.6 and Section 11325.22.

(b) Participation in the self-initiated education or vocational training program shall be reflected in the welfare-to-work plan required by Section 11325.21. The welfare-to-work plan shall provide that whenever an individual ceases to participate in, refuses to attend regularly, or does not maintain satisfactory progress in the self-initiated program, the individual shall participate under this article in accordance with Section 11325.22.

(c) Any person whose previously approved self-initiated education or training program is interrupted for reasons that meet the good cause criteria specified in subdivision (f) of Section 11320.3 may resume participation in the same program if the participant maintained good standing in the program while participating and the self-initiated program continues to meet the approval criteria.

(d) Supportive services reimbursement shall be provided for any participant in a self-initiated training or education program approved under this subdivision. This reimbursement shall be provided if no other source of funding for those costs is available. Any offset to supportive services payments shall be made in accordance with subdivision (e) of Section 11323.4.

(e) Any student who, at the time he or she is required to participate under this article pursuant to Section 11320.3, has been enrolled and is making satisfactory progress in a degree or certificate program, but does not meet the criteria set forth in subdivision (a), shall have until the beginning of the next

educational semester or quarter break to continue his or her educational program if he or she continues to make satisfactory progress. At the time the educational break occurs, the individual is required to participate pursuant to Section 11320.1. A recipient not expected to complete the program by the next break may continue his or her education, provided he or she transfers at the end of the current quarter or semester to a program that qualifies under that subdivision, the county determines that participation is likely to lead to self-supporting employment of the recipient, and the welfare-to-work plan reflects that determination.

(f) Any degree, certificate, or vocational program offered by a private postsecondary training provider shall not be approved under this section unless the program is either approved or exempted by the appropriate state regulatory agency and the program is in compliance with all other provisions of law.

SEC. 29. Section 11334.8 of the Welfare and Institutions Code is amended to read:

11334.8. (a) Notwithstanding any other law, this article shall be fully operative commencing April 1, 2013. For the period of July 1, 2012, to March 31, 2013, inclusive, this article shall be operative in accordance with the provisions described in subdivision (b).

(b) Commencing July 1, 2012, until March 31, 2013, all of the following shall apply:

(1) For the 2012–13 fiscal year, counties shall be provided with full or partial year funding, depending on the pace of their phase-in to full implementation of the program by April 1, 2013, as determined by the department, in collaboration with county welfare directors.

(2) Recipients of aid, as defined in Section 11331.5, shall be required to participate in Cal-Learn Program intensive case management services, as defined in subdivision (a) of Section 11332.5, only in counties where those services are available.

(3) Notwithstanding subdivision (b) of Section 11450, for the transitional phase-in period of July 1, 2012, to March 31, 2013, inclusive, aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) of Section 11450 at any time after verification of pregnancy if the pregnant woman is eligible for, or would be eligible for, the Cal-Learn Program described in Article

3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(c) Each recipient who qualifies for benefits under this article shall be entitled to benefits to the degree that they are provided by the recipient's county.

(d) This section shall remain in effect only until April 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before April 1, 2013, deletes or extends that date.

SEC. 30. Section 11451.5 of the Welfare and Institutions Code, as added by Section 26 of Chapter 47 of the Statutes of 2012, is amended to read:

11451.5. (a) The following income shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars ($225), both of the following amounts:

(A) All disability-based unearned income, plus any amount of not otherwise exempt earned income equal to the amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars ($225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars ($225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars ($225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer-provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.

(2) Disability-based unearned income means state disability insurance benefits, private disability insurance benefits, temporary workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

(c) This section shall become operative on October 1, 2013.

SEC. 31. Section 12300.5 of the Welfare and Institutions Code is amended to read:

12300.5. (a) The California In-Home Supportive Services Authority, hereafter referred to as the Statewide Authority, established pursuant to Section 6531.5 of the Government Code, shall be the entity authorized to meet and confer in good faith regarding wages, benefits, and other terms and conditions of employment in accordance with Title 23 (commencing with Section 110000) of the Government Code, with representatives of recognized employee organizations for any individual provider who is employed by a recipient of in-home supportive services described in Section 12300 after the county implementation date as described in subdivision (a) of Section 12300.7.

(b) The Statewide Authority and the Department of Human Resources and other state departments may enter into a memorandum of understanding or other agreement to have the Department of Human Resources meet and confer on behalf of the Statewide Authority for the purposes described in subdivision (a) or to provide the Statewide Authority with other services, including, but not limited to, administrative and legal services.

(c) The state, the Statewide Authority, or any county that has met the conditions in Section 12300.7 shall not be deemed to be the employer of any individual provider who is employed by a recipient of in-home supportive services as described in Section 12300 for purposes of liability due to the negligence or intentional torts of the individual provider.

SEC. 32. Section 12300.7 of the Welfare and Institutions Code is amended to read:

12300.7. (a) No sooner than March 1, 2013, the California In-Home Supportive Services Authority shall assume the responsibilities set forth in Title 23 (commencing with Section 110000) of the Government Code in a county or city and county upon notification by the Director of Health Care Services that the enrollment of eligible Medi-Cal beneficiaries described in Sections 14132.275, 14182.16, and 14182.17 has been completed in that county or city and county.

(b) A county or city and county, subject to subdivision (a) and upon notification from the Director of Health Care Services, shall do one or both of the following:

(1) Have the entity that performed functions set forth in the county ordinance or contract in effect at the time of the notification pursuant to subdivision (a) and established pursuant to Section 12301.6 continue to perform those functions, excluding subdivision (c) of that section.

(2) Assume the functions performed by the entity, at the time of the notification pursuant to subdivision (a), pursuant to Section 12301.6, excluding subdivision (c) of that section.

(c) If a county or city and county assumes the functions described in paragraph (2) of subdivision (b), it may establish or contract with an entity for the performance of any or all of the functions assumed.

SEC. 33. Section 12302.21 of the Welfare and Institutions Code is amended to read:

12302.21. (a) For purposes of providing cost-efficient workers' compensation coverage for in-home supportive services providers under this article and paragraph (2) of subdivision (e) of Section 14186.35, the department shall assume responsibility for providing workers' compensation coverage for employees of nonprofit agencies and proprietary agencies who provide in-home supportive services pursuant to contracts with counties and managed care health plans. The workers' compensation coverage provided for these employees shall be provided on the same terms as provided to providers under Section 12302.2 and 12302.5.

(b) A county that has existing contracts with nonprofit agencies or proprietary agencies whose employees will be provided workers' compensation coverage by the department pursuant to subdivision (a), shall reduce the contract hourly rate by fifty cents ($0.50) per hour, effective on the date that the department implements this section.

SEC. 34. Section 12302.25 of the Welfare and Institutions Code is amended to read:

12302.25. (a) On or before January 1, 2003, each county shall act as, or establish, an employer for in-home supportive service providers under Section 12302.2 for the purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code and other applicable state or federal laws, except as provided in Title 23 (commencing with Section 110000) of the Government Code. Each county may utilize a public authority or nonprofit consortium as authorized under Section 12301.6, the

contract mode as authorized under Sections 12302 and 12302.1, county administration of the individual provider mode as authorized under Sections 12302 and 12302.2 for purposes of acting as, or providing, an employer under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code, county civil service personnel as authorized under Section 12302, or mixed modes of service authorized pursuant to this article and may establish regional agreements in establishing an employer for purposes of this subdivision for providers of in-home supportive services. Within 30 days of the effective date of this section, the department shall develop a timetable for implementation of this subdivision to ensure orderly compliance by counties. Recipients of in-home supportive services shall retain the right to choose the individuals that provide their care and to recruit, select, train, reject, or change any provider under the contract mode or to hire, fire, train, and supervise any provider under any other mode of service. Upon request of a recipient, and in addition to a county's selected method of establishing an employer for in-home supportive service providers pursuant to this subdivision, counties with an IHSS caseload of more than 500 shall be required to offer an individual provider employer option.

(b) Nothing in this section shall prohibit any negotiations or agreement regarding collective bargaining or any wage and benefit enhancements.

(c) Nothing in this section shall be construed to affect the state's responsibility with respect to the state payroll system, unemployment insurance, or workers' compensation and other provisions of Section 12302.2 for providers of in-home supportive services.

(d) Prior to implementing subdivision (a), a county may establish an advisory committee as authorized by Section 12301.3 and solicit recommendations from the advisory committee on the preferred mode or modes of service to be utilized in the county for in-home supportive services.

(e) If a county establishes an in-home supportive services advisory committee pursuant to Section 12301.3, the county shall take into account the advice and recommendations of the committee prior to making policy and funding decisions about the program on an ongoing basis.

(f) In implementing and administering this section, no county, public authority, nonprofit consortium, contractor, or a combination thereof, that delivers in-home supportive services shall reduce the hours of service for any recipient below the amount determined to be necessary under the uniform assessment guidelines established by the department.

(g) Any agreement between a county and an entity acting as an employer under subdivision (a) shall include a provision that requires that funds appropriated by the state for wage increases for in-home supportive services providers be used exclusively for that purpose. Counties or the state may undertake audits of the entities acting as employers under the terms of subdivision (a) to verify compliance with this subdivision.

(h) On or before January 15, 2003, each county shall provide the department with documentation that demonstrates compliance with the January 1, 2003, deadline specified in subdivision (a). The documentation shall include, but is not limited to, any of the following:

(1) The public authority ordinance and employee relations procedures.

(2) The invitations to bid and requests for proposal for contract services for the contract mode.

(3) An invitation to bid and request for proposal for the operation of a nonprofit consortium.

(4) A county board of supervisors' resolution resolving that the county has chosen to act as the employer required by subdivision (a) either by utilizing county employees, as authorized by Section 12302, to provide in-home supportive services or through county administration of individual providers.

(5) Any combination of the documentation required under paragraphs (1) to (4), inclusive, that reflects the decision of a county to provide mixed modes of service as authorized under subdivision (a).

(i) Any county that is unable to provide the documentation required by subdivision (h) by January 15, 2003, may provide, on or before that date, a written notice to the department that does all of the following:

(1) Explains the county's failure to provide the required documentation.

(2) Describes the county's plan for coming into compliance with the requirements of this section.

(3) Includes a timetable for the county to come into compliance with this section, but in no case shall the timetable extend beyond March 31, 2003.

(j) Any county that fails to provide the documentation required by subdivision (h) and also fails to provide the written notice as allowed under subdivision (i), shall be deemed by operation of law to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code as of January 15, 2003.

(k) Any county that provides a written notice as allowed under subdivision (i), but fails to provide the documentation required under subdivision (h) by March 31, 2003, shall be deemed by operation of law to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code as of April 1, 2003.

(*l*) Any county deemed by operation of law, pursuant to subdivision (j) or (k), to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code shall continue to act in that capacity until the county notifies the department that it has established another employer as permitted by this section, and has provided the department with the documentation required under subdivision (h) demonstrating the change.

SEC. 35. Section 12302.6 of the Welfare and Institutions Code is amended to read:

12302.6. (a) A managed care health plan may enter into contracts pursuant to paragraph (14) of subdivision (a) of Section 14186.35 solely in the manner prescribed in this section.

(b) For purposes of this section:

(1) "Agency" means a city, county, city and county agency, local health district, proprietary agency, or an entity that has or seeks a contract to provide in-home supportive services pursuant to Section 12301.6 or 12302 or this article.

(2) "Contract provider" means any person employed by an agency for the provision of services listed in this section.

(3) "County" means a political unit, unless otherwise indicated.

(4) “Department” means the State Department of Social Services.

(5) “Individual provider” means any person authorized to provide in-home supportive services under this article and Sections 14132.95, 14132.952, and 14132.956, pursuant to the individual provider mode referenced in Section 12302.2. As used in this paragraph, “individual provider” shall not include any person providing in-home supportive services pursuant to a county-employed homemaker mode or a contract provider.

(6) “Individual provider rate” means the combined total rate for wages and benefits for individual providers, as approved by the Statewide Authority or its delegate.

(7) “Managed care health plan” shall have the same meaning as set forth in Section 14186.1.

(8) “Qualified agency” means an agency that has been certified by the department.

(9) “Responsible party” means an officer or director of the applicant, a shareholder with a beneficial interest in the applicant exceeding 10 percent, or the person who will be primarily responsible for any contract with the managed care health plan.

(10) “Statewide Authority” means the California In-Home Supportive Services Authority established pursuant to Section 6531.5 of the Government Code.

(c) Managed care health plans shall assume the authority granted to counties pursuant to Section 12302 to contract for the provision of in-home supportive services with an agency.

(1) (A) Managed care health plans shall assume the authority as described in subdivision (a) only upon the integration of the In-Home Supportive Services Program into Medi-Cal managed care pursuant to Article 5.7 (commencing with Section 14186) of Chapter 7 in the counties participating in the demonstration project authorized under Section 14132.275. For individuals exempt from the provisions of Article 5.7 (commencing with Section 14186) of Chapter 7, as specified in subdivision (c) of Section 14186.2, this section shall not apply, and Section 12302 shall apply.

(B) If, at the time a managed care health plan assumes contracting authority pursuant to this subdivision with respect to a particular geographic area, there is an existing contract between the county and an agency for the provision of in-home supportive services, the managed care health plan shall enter into a contract

with the county to continue providing the services, and the county shall maintain its existing contract with the agency for the provision of in-home supportive services until such time as that contract is due to expire. Agencies that have these existing contracts with a county at the time a managed care health plan assumes contracting authority pursuant to this subdivision shall automatically be certified as qualified agencies.

(2) An agency that is a county, or has an existing contract with a county, as of the date that the managed care health plan in the corresponding geographic area assumes contracting authority with respect to agencies, shall be deemed to be certified as a qualified agency with respect to the geographic area in which the agency has a contract to provide in-home supportive services with respect to the type of in-home supportive services provided pursuant to that contract. Where a county has an existing contract with an agency, the certification provided for in this subdivision shall remain in effect until the triennial deadline established by paragraph (3) of subdivision (d) that occurs no less than one year after the expiration of the contract in effect at the time that the managed care health plan assumes contracting authority with respect to agencies. However, if an agency that is party to such a contract seeks to expand the geographic area in which it is certified to provide services or seeks to expand the types of services for which it is certified, it must submit an application in accordance with subdivision (d).

(d) An agency contracting with a managed care health plan for the provision of in-home supportive services shall be certified as a qualified agency by the department in consultation with the State Department of Health Care Services.

(1) The certification of an agency as a qualified agency shall be with respect to a specific geographic area and an identified category of services.

(2) The department shall develop an application form and establish the conditions to be met for certification as a qualified agency.

(3) An agency seeking certification as a qualified agency shall submit to the department a verified application showing that it satisfies the conditions established by the department, pursuant to this subdivision, and shall provide the information specified, which shall include all of the following:

(A) The three most recent audited financial statements or other independently verified documentation showing that the applicant maintains liquid assets sufficient to cover 180 days of in-home supportive services' operating expenses. A nonprofit or public entity applicant may instead satisfy this requirement by providing a letter of support signed by a representative of the public entity or managed care organization responsible for the majority of the applicant's revenue stating its intent to continue to provide funding for IHSS in the event there is a disruption in the applicant's revenue.

(B) Evidence of liability and workers' compensation insurance.

(C) Evidence that the applicant has not been the subject of bankruptcy proceedings in the last five years.

(4) The department shall establish an annual deadline for submitting applications for certification pursuant to this subdivision. The department shall also establish a triennial deadline for submitting renewals of certification pursuant to this subdivision. The department shall process and approve or deny applications within 120 days of receipt of a completed application.

(5) In determining whether an agency may be certified as a qualified agency, the department, in consultation with the State Department of Health Care Services, shall consider documents and evidence to ensure that, among other things identified by the department, the agency:

(A) Guarantees the continuity and reliability of services to recipients.

(B) Guarantees the supervision of contract providers.

(C) Guarantees that each contract provider has been screened in accordance with Sections 12305.81 and 12305.87.

(D) Guarantees that each contract provider is capable of and is providing the service authorized.

(E) Complies with applicable rules and regulations regarding civil rights.

(F) Is capable of providing high-quality and reliable in-home supportive services.

(G) Is capable of complying with this section, any rules or regulations promulgated under this section, and any applicable federal rules and regulations.

(H) Has not demonstrated a pattern and practice of violations of state or federal laws and regulations based on any available information.

(6) An application for certification under this subdivision may be denied by the department if the department determines that the applying agency or a responsible party has violated a law or regulation that is substantially related to the qualifications or duties of the applying agency or is substantially related to the functions of the business for which certification was, or is to be, issued, or on the ground that an applying agency knowingly made a false statement of fact required to be revealed in an application for certification.

(7) The department shall develop a written appeal process for any agency dissatisfied with the decision of the department regarding certification.

(e) (1) A qualified agency shall submit verified cost reports to the department documenting that the qualified agency is in compliance with subdivision (i). The cost reports shall be verified by the responsible party and by a representative of a certified public accounting firm.

(2) The verified cost reports required by paragraph (1) shall be submitted within 90 calendar days after the end of each year and within 60 calendar days after any change in compensation negotiated by the Statewide Authority for individual providers has gone into effect.

(f) A managed care health plan that has entered into a contract in the manner prescribed in this section shall notify the department within 30 days if the contract between the managed care health plan and the qualified agency is suspended or terminated for any reason.

(g) A recipient of in-home supportive services may only be referred to a qualified agency by the county, managed care health plan, or care coordination teams. Qualified agencies, counties, and managed care health plans shall establish procedures to ensure contract limitations on caseload specified in subdivision (k) are being met and there is coordination of information between managed care health plans, qualified agencies, counties, and the department. When a recipient has been referred by the managed care health plan, the qualified agency may provide services in the following circumstances:

(1) It has been determined that the recipient is unable to function as the employer of the provider due to dementia, cognitive impairment, or other similar issues.

(2) The recipient has been identified to need services under this mode by the care coordination team created pursuant to paragraph (3) of subdivision (b) of Section 14186.

(3) The recipient is unable to retain a provider due to geographic isolation and distance, authorized hours, or other reasons.

(h) When a recipient who is severely impaired, as described in subdivision (b) of Section 12303.4, is referred to a qualified agency by a managed care health plan, the county, or the care coordination team, the qualified agency may provide emergency backup services, as needed, when a provider is unavailable due to vacation, illness, or other extraordinary circumstances, or the recipient is in the process of hiring or replacing a provider. Qualified agencies shall establish procedures to ensure contract limitations on caseload are being met and there is coordination of information between managed care health plans, qualified agencies, counties, and the department.

(i) Service hours provided under this section shall be deducted from the in-home supportive services recipient's current authorized hours of services and on an hour-to-hour basis coordinated with the county and the department to ensure hours are accurately captured and not duplicated per in-home supportive services program requirements.

(j) Wages and benefits for contract providers for their provision of in-home supportive services shall not be less than the individual provider rate negotiated by the Statewide Authority for the county where services are provided.

(k) Any contract entered into between a managed care health plan and a qualified agency shall provide for a minimum amount of service utilization and shall be approved by the department. In no case, however, shall in-home supportive services recipients referred for services exceed 5 percent of the in-home supportive services caseload in the county where services are provided.

(*l*) The department shall establish reasonable fees to be paid by agencies and qualified agencies for administering the provisions of this section, including, but not limited to, fees associated with processing applications for certification and renewals of certification, and fees associated with monitoring and enforcing

compliance, including any fees reflecting the costs associated with investigating complaints, to the extent permissible by law. These fees shall be sufficient to cover the department's reasonable costs incurred in administering the provisions of this section.

(m) The state shall be immune from liability resulting from the state's implementation of this section or from the negligence or intentional torts of a contract provider providing services pursuant to this section.

(n) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement, interpret, or make specific this section by means of all-county letters, or similar instructions, without taking regulatory action. Prior to issuing any letter or similar instrument authorized pursuant to this section, the department shall notify and consult with stakeholders, including beneficiaries, providers, and advocates.

SEC. 36. Section 12306 of the Welfare and Institutions Code, as amended by Section 4 of Chapter 939 of the Statutes of 1992, is amended to read:

12306. (a) The state and counties shall share the annual cost of providing services under this article as specified in this section.

(b) Except as provided in subdivisions (c) and (d), the state shall pay to each county, from the General Fund and any federal funds received under Title XX of the federal Social Security Act available for that purpose, 65 percent of the cost of providing services under this article, and each county shall pay 35 percent of the cost of providing those services.

(c) For services eligible for federal funding pursuant to Title XIX of the federal Social Security Act under the Medi-Cal program and, except as provided in subdivisions (b) and (d) the state shall pay to each county, from the General Fund and any funds available for that purpose 65 percent of the nonfederal cost of providing services under this article, and each county shall pay 35 percent of the nonfederal cost of providing those services.

(d) (1) For the period of July 1, 1992, to June 30, 1994, inclusive, the state's share of the cost of providing services under this article shall be limited to the amount appropriated for that purpose in the annual Budget Act.

(2) The department shall restore the funding reductions required by subdivision (c) of Section 12301, fully or in part, as soon as administratively practicable, if the amount appropriated from the General Fund for the 1992–93 fiscal year under this article is projected to exceed the sum of the General Fund expenditures under Section 14132.95 and the actual General Fund expenditures under this article for the 1992–93 fiscal year. The entire amount of the excess shall be applied to the restoration. Services shall not be restored under this paragraph until the Department of Finance has determined that the restoration of services would result in no additional costs to the state or to the counties relative to the combined state appropriation and county matching funds for in-home supportive services under this article in the 1992–93 fiscal year.

(e) This section shall become operative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 37. Section 12306 of the Welfare and Institutions Code, as amended by Section 9 of Chapter 45 of the Statutes of 2012, is amended to read:

12306. (a) The state and counties shall share the annual cost of providing services under this article as specified in this section.

(b) Except as provided in subdivisions (c) and (d), the state shall pay to each county, from the General Fund and any federal funds received under Title XX of the federal Social Security Act available for that purpose, 65 percent of the cost of providing services under this article, and each county shall pay 35 percent of the cost of providing those services.

(c) For services eligible for federal funding pursuant to Title XIX of the federal Social Security Act under the Medi-Cal program and, except as provided in subdivisions (b) and (d) the state shall pay to each county, from the General Fund and any funds available for that purpose 65 percent of the nonfederal cost of providing services under this article, and each county shall pay 35 percent of the nonfederal cost of providing those services.

(d) (1) For the period of July 1, 1992, to June 30, 1994, inclusive, the state's share of the cost of providing services under this article shall be limited to the amount appropriated for that purpose in the annual Budget Act.

(2) The department shall restore the funding reductions required by subdivision (c) of Section 12301, fully or in part, as soon as administratively practicable, if the amount appropriated from the General Fund for the 1992–93 fiscal year under this article is projected to exceed the sum of the General Fund expenditures under Section 14132.95 and the actual General Fund expenditures under this article for the 1992–93 fiscal year. The entire amount of the excess shall be applied to the restoration. Services shall not be restored under this paragraph until the Department of Finance has determined that the restoration of services would result in no additional costs to the state or to the counties relative to the combined state appropriation and county matching funds for in-home supportive services under this article in the 1992–93 fiscal year.

(e) For the period during which Section 12306.15 is operative, each county's share of the costs of providing services pursuant to this article specified in subdivisions (b) and (c) shall remain, but the County IHSS Maintenance of Effort pursuant to Section 12306.15 shall be in lieu of that share.

(f) This section shall become inoperative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 38. Section 12306.1 of the Welfare and Institutions Code, as amended by Section 25 of Chapter 725 of the Statutes of 2010, is amended to read:

12306.1. (a) When any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium under Section 12301.6, then the county shall use county-only funds to fund both the county share and the state share, including employment taxes, of any increase in the cost of the program, unless otherwise provided for in the annual Budget Act or appropriated by statute. No increase in wages or benefits negotiated or agreed to pursuant to this section shall take effect unless and until, prior to its implementation, the department has obtained the approval of the State Department of Health Care Services for the increase pursuant to a determination that it is consistent with federal law and to ensure federal financial participation for the services under Title XIX of the federal Social Security Act, and unless and until all of the following conditions have been met:

(1) Each county has provided the department with documentation of the approval of the county board of supervisors of the proposed public authority or nonprofit consortium rate, including wages and related expenditures. The documentation shall be received by the department before the department and the State Department of Health Care Services may approve the increase.

(2) Each county has met department guidelines and regulatory requirements as a condition of receiving state participation in the rate.

(b) Any rate approved pursuant to subdivision (a) shall take effect commencing on the first day of the month subsequent to the month in which final approval is received from the department. The department may grant approval on a conditional basis, subject to the availability of funding.

(c) The state shall pay 65 percent, and each county shall pay 35 percent, of the nonfederal share of wage and benefit increases negotiated by a public authority or nonprofit consortium pursuant to Section 12301.6 and associated employment taxes, only in accordance with subdivisions (d) to (f), inclusive.

(d) (1) The state shall participate as provided in subdivision (c) in wages up to seven dollars and fifty cents ($7.50) per hour and individual health benefits up to sixty cents ($0.60) per hour for all public authority or nonprofit consortium providers. This paragraph shall be operative for the 2000–01 fiscal year and each year thereafter unless otherwise provided in paragraphs (2), (3), (4), and (5), and without regard to when the wage and benefit increase becomes effective.

(2) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to nine dollars and ten cents ($9.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the nine dollars and ten cents ($9.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative for the 2001–02 fiscal year and each fiscal year thereafter, unless otherwise provided in paragraphs (3), (4), and (5).

(3) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to ten dollars

and ten cents ($10.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the ten dollars and ten cents ($10.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenue, excluding transfers, for the year in which paragraph (2) became operative.

(4) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to eleven dollars and ten cents ($11.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the eleven dollars and ten cents ($11.10) per hour shall be used to fund wage increases or individual health benefits, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (3) became operative.

(5) The state shall participate as provided in subdivision (c) in a total cost of wages and individual health benefits up to twelve dollars and ten cents ($12.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the twelve dollars and ten cents ($12.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (4) became operative.

(6) Notwithstanding paragraphs (2) to (5), inclusive, the state shall participate as provided in subdivision (c) in a total cost of wages up to nine dollars and fifty cents ($9.50) per hour and in individual health benefits up to sixty cents ($0.60) per hour. This paragraph shall become operative on July 1, 2009.

(7) (A) The Legislature finds and declares that injunctions issued by the courts have prevented the state from implementing the changes described in paragraph (6) during the pendency of litigation. To avoid confusion for providers, recipients, and other stakeholders, it is therefore the intent of the Legislature to temporarily suspend the reductions described in that paragraph until July 1, 2012, to allow the litigation to reach a final result.

(B) Paragraph (6) shall not be implemented until July 1, 2012, and as of that date shall only be implemented if a court of competent jurisdiction has issued an order, that is not subject to appeal or for which the time to appeal has expired, upholding its validity.

(e) (1) On or before May 14 immediately prior to the fiscal year for which state participation is provided under paragraphs (2) to (5), inclusive, of subdivision (d), the Director of Finance shall certify to the Governor, the appropriate committees of the Legislature, and the department that the condition for each subdivision to become operative has been met.

(2) For purposes of certifications under paragraph (1), the General Fund revenue forecast, excluding transfers, that is used for the relevant fiscal year shall be calculated in a manner that is consistent with the definition of General Fund revenues, excluding transfers, that was used by the Department of Finance in the 2000–01 Governor's Budget revenue forecast as reflected on Schedule 8 of the Governor's Budget.

(f) Any increase in overall state participation in wage and benefit increases under paragraphs (2) to (5), inclusive, of subdivision (d), shall be limited to a wage and benefit increase of one dollar ($1) per hour with respect to any fiscal year. With respect to actual changes in specific wages and health benefits negotiated through the collective bargaining process, the state shall participate in the costs, as approved in subdivision (c), up to the maximum levels as provided under paragraphs (2) to (6), inclusive, of subdivision (d).

(g) This section shall become operative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 39. Section 12306.1 of the Welfare and Institutions Code, as amended by Section 10 of Chapter 45 of the Statutes of 2012, is amended to read:

12306.1. (a) When any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium under Section 12301.6, then the county shall use county-only funds to fund both the county share and the state share, including employment taxes, of any increase in the cost of the program, unless otherwise provided for in the annual Budget Act or appropriated by statute. No increase in wages or benefits negotiated or agreed to pursuant to this section shall take effect unless and until, prior to its implementation, the department has obtained the approval of the State Department of Health Care Services for the increase pursuant to a determination that it is consistent with federal law and to ensure federal financial participation for the services under Title XIX of the federal Social Security Act, and unless and until all of the following conditions have been met:

(1) Each county has provided the department with documentation of the approval of the county board of supervisors of the proposed public authority or nonprofit consortium rate, including wages and related expenditures. The documentation shall be received by the department before the department and the State Department of Health Care Services may approve the increase.

(2) Each county has met department guidelines and regulatory requirements as a condition of receiving state participation in the rate.

(b) Any rate approved pursuant to subdivision (a) shall take effect commencing on the first day of the month subsequent to the month in which final approval is received from the department. The department may grant approval on a conditional basis, subject to the availability of funding.

(c) The state shall pay 65 percent, and each county shall pay 35 percent, of the nonfederal share of wage and benefit increases negotiated by a public authority or nonprofit consortium pursuant to Section 12301.6 and associated employment taxes, only in accordance with subdivisions (d) to (f), inclusive.

(d) (1) The state shall participate as provided in subdivision (c) in wages up to seven dollars and fifty cents ($7.50) per hour and individual health benefits up to sixty cents ($0.60) per hour for all public authority or nonprofit consortium providers. This paragraph shall be operative for the 2000–01 fiscal year and each year thereafter unless otherwise provided in paragraphs (2), (3), (4), and (5), and without regard to when the wage and benefit increase becomes effective.

(2) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to nine dollars and ten cents ($9.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the nine dollars and ten cents ($9.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative for the 2001–02 fiscal year and each fiscal year thereafter, unless otherwise provided in paragraphs (3), (4), and (5).

(3) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to ten dollars and ten cents ($10.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the ten dollars and ten cents ($10.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenue, excluding transfers, for the year in which paragraph (2) became operative.

(4) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to eleven dollars and ten cents ($11.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the eleven dollars and ten cents ($11.10) per hour shall be used to fund wage

increases or individual health benefits, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (3) became operative.

(5) The state shall participate as provided in subdivision (c) in a total cost of wages and individual health benefits up to twelve dollars and ten cents ($12.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the twelve dollars and ten cents ($12.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (4) became operative.

(6) Notwithstanding paragraphs (2) to (5), inclusive, the state shall participate as provided in subdivision (c) in a total cost of wages up to nine dollars and fifty cents ($9.50) per hour and in individual health benefits up to sixty cents ($0.60) per hour. This paragraph shall become operative on July 1, 2009.

(7) (A) The Legislature finds and declares that injunctions issued by the courts have prevented the state from implementing the changes described in paragraph (6) during the pendency of litigation. To avoid confusion for providers, recipients, and other stakeholders, it is therefore the intent of the Legislature to temporarily suspend the reductions described in that paragraph until July 1, 2012, to allow the litigation to reach a final result.

(B) Paragraph (6) shall not be implemented until July 1, 2012, and as of that date shall only be implemented if a court of competent jurisdiction has issued an order, that is not subject to appeal or for which the time to appeal has expired, upholding its validity.

(e) (1) On or before May 14 immediately prior to the fiscal year for which state participation is provided under paragraphs (2) to (5), inclusive, of subdivision (d), the Director of Finance shall

certify to the Governor, the appropriate committees of the Legislature, and the department that the condition for each subdivision to become operative has been met.

(2) For purposes of certifications under paragraph (1), the General Fund revenue forecast, excluding transfers, that is used for the relevant fiscal year shall be calculated in a manner that is consistent with the definition of General Fund revenues, excluding transfers, that was used by the Department of Finance in the 2000–01 Governor's Budget revenue forecast as reflected on Schedule 8 of the Governor's Budget.

(f) Any increase in overall state participation in wage and benefit increases under paragraphs (2) to (5), inclusive, of subdivision (d), shall be limited to a wage and benefit increase of one dollar ($1) per hour with respect to any fiscal year. With respect to actual changes in specific wages and health benefits negotiated through the collective bargaining process, the state shall participate in the costs, as approved in subdivision (c), up to the maximum levels as provided under paragraphs (2) to (6), inclusive, of subdivision (d).

(g) For the period during which Section 12306.15 is operative, each county's share of the costs of negotiated wage and benefit increases specified in subdivision (c) shall remain, but the County IHSS Maintenance of Effort pursuant to Section 12306.15 shall be in lieu of that share.

(h) This section shall become inoperative only if Chapter 45 of the Statutes of 2012 is deemed inoperative pursuant to Section 15 of that chapter.

SEC. 40. Section 12306.15 of the Welfare and Institutions Code is amended to read:

12306.15. (a) Commencing July 1, 2012, all counties shall have a County IHSS Maintenance of Effort (MOE). In lieu of paying the nonfederal share of IHSS costs as specified in Sections 10101.1, 12306, and 12306.1, counties shall pay the County IHSS MOE.

(b) (1) The County IHSS MOE base year shall be the 2011–12 state fiscal year. The County IHSS MOE base shall be defined as the amount actually expended by each county on IHSS services and administration in the County IHSS MOE base year, as reported by each county to the department, except that for administration,

the County IHSS MOE base shall include no more or no less than the full match for the county's allocation from the state.

(2) Administration expenditures shall include both county administration and public authority administration. The County IHSS MOE base shall be unique to each individual county.

(3) For a county that made 14 months of health benefit payments for IHSS providers in the 2011–12 fiscal year, the Department of Finance shall adjust that county's County IHSS MOE base calculation.

(4) The County IHSS MOE base for each county shall be no less than each county's 2011–12 expenditures for the Personal Care Services Program and IHSS used in the caseload growth calculation pursuant to Section 17605.

(c) (1) On July 1, 2014, the County IHSS MOE base shall be adjusted by an inflation factor of 3.5 percent.

(2) Beginning on July 1, 2015, and annually thereafter, the County IHSS MOE from the previous year shall be adjusted by an inflation factor of 3.5 percent.

(3) (A) Notwithstanding paragraphs (1) and (2), in fiscal years when the combined total of 1991 realignment revenues received pursuant to Sections 11001.5, 6051.2, and 6201.2 of the Revenue and Taxation Code, for the prior fiscal year is less than the combined total received for the next prior fiscal year, the inflation factor shall be zero.

(B) The Department of Finance shall provide notification to the appropriate legislative fiscal committees and the California State Association of Counties by May 14 of each year whether the inflation factor will apply for the following fiscal year, based on the calculation in subparagraph (A).

(d) In addition to the adjustment in subdivision (c), the County IHSS MOE shall be adjusted for the annualized cost of increases in provider wages or health benefits that are locally negotiated, mediated, or imposed before the Statewide Authority assumes the responsibilities set forth in Section 110011 of the Government Code for a given county as provided in Section 12300.7.

(1) (A) If the department approves the rates and other economic terms for a locally negotiated, mediated, or imposed increase in the provider wages, health benefits, or other economic terms pursuant to Section 12306.1 and paragraph (3), the state shall pay 65 percent, and the affected county shall pay 35 percent, of the

nonfederal share of the cost increase in accordance with subparagraph (B).

(B) With respect to any increase in provider wages or health benefits ~~submitted to the department for approval~~ *approved* after July 1, 2012, *pursuant to subparagraph (A),* the state shall participate in that increase as provided in subparagraph (A) ~~in a total of wages and individual health benefits~~ up to the amount specified in subdivision (d) of Section 12306.1.

(C) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase.

(2) (A) If the department does not approve the rates and other economic terms for a locally negotiated, mediated, or imposed increase in the provider wages, health benefits, or other economic terms pursuant to Section 12306.1 or paragraph (3), the county shall pay the entire nonfederal share of the cost increase.

(B) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase.

(3) In addition to the rate approval requirements in Section 12306.1, it shall be presumed by the department that locally negotiated rates and other economic terms within the following limits are approved:

(A) A net increase in the combined total of wages and health benefits of up to 10 percent per year above the current combined total of wages and health benefits paid in that county.

(B) A cumulative total of up to 20 percent in the sum of the combined total of changes in wages or health benefits, or both, until the Statewide Authority assumes the responsibilities set forth in Section 110011 of the Government Code for a given county as provided in Section 12300.7.

(e) The County IHSS MOE shall only be adjusted pursuant to subdivisions (c) and (d).

(f) The Department of Finance shall consult with the California State Association of Counties to implement the County IHSS MOE, which shall include, but not be limited to, determining each county's County IHSS MOE base pursuant to subdivision (b), developing the computation for the annualized amount pursuant to subdivision (d), and the process by which it will be determined that each county has met its County IHSS MOE each year.

(g) If the demonstration project and the responsibilities of the Statewide Authority become inoperative pursuant to Section 15, 16, or 17 of the act adding this section on a date other than July 1, this section shall become inoperative on the first day of the following state fiscal year.

SEC. 41. Section 12330 of the Welfare and Institutions Code is amended to read:

12330. (a) No later than January 1, 2014, the department, in consultation with the State Department of Health Care Services, and in collaboration with stakeholders including, but not limited to, IHSS recipients and recognized employee representatives, shall develop a training curriculum for IHSS providers that shall address issues of consistency, accountability, and increased quality of care for IHSS recipients.

(b) Participation in the training developed pursuant to subdivision (a) shall be voluntary.

(c) Nothing in this section shall require that training be funded by the state.

(d) This section shall not be construed to preclude a managed care health plan, as part of the care coordination team, from developing recipient-specific voluntary training curriculum for an IHSS provider who has been integrated into a beneficiary's care coordination team.

(e) The IHSS recipient shall continue to have the right to train his or her individual provider.

SEC. 42. Section 14186.35 of the Welfare and Institutions Code is amended to read:

14186.35. (a) Not sooner than March 1, 2013, in-home supportive services (IHSS) shall be a Medi-Cal benefit available through managed care health plans in a county where this article is effective. Managed care health plans shall cover IHSS in

accordance with the standards and requirements set forth in Article 7 (commencing with Section 12300) of Chapter 3. Specifically, managed care health plans shall do all of the following:

(1) Ensure access to, provision of, and payment for IHSS for individuals who meet the eligibility criteria for IHSS.

(2) Ensure recipients retain the right to be the employer, to select, engage, direct, supervise, schedule, and terminate IHSS providers in accordance with Section 12301.6.

(3) Assume all financial liability for payment of IHSS services for recipients receiving said services pursuant to managed care.

(4) Create a care coordination team, as needed, unless the consumer objects. If the consumer is an IHSS recipient, his or her participation and the participation of his or her provider shall be at the recipient's option. The care coordination team shall include the consumer, his or her authorized representative, managed care health plan, county social services agency, Community Based Adult Services (CBAS) case manager for CBAS clients, Multipurpose Senior Services Program (MSSP) case manager for MSSP clients, and may include others as identified by the consumer.

(5) Maintain the paramedical role and function of providers as authorized pursuant to Sections 12300 and 12301.

(6) Ensure compliance with all requirements set forth in Section 14132.956 and any resulting state plan amendments.

(7) Adhere to quality assurance provisions and individual data and other standards and requirements as specified by the State Department of Social Services including state and federal quality assurance requirements.

(8) Share confidential beneficiary data with the contractors specified in this section to improve care coordination, promote shared understanding of the consumer's needs, and ensure appropriate access to IHSS and other long-term services and supports.

(9) (A) Enter into a memorandum of understanding with a county agency and the county's public authority or nonprofit consortium pursuant to Section 12301.6 to continue to perform their respective functions and responsibilities pursuant to the existing ordinance or contract until the Director of Health Care Services provides notification pursuant to subdivision (a) of Section 12300.7 for that county.

(B) Following the notification pursuant to subdivision (a) of Section 12300.7, enter into a memorandum of understanding with the county agencies to perform the following activities:

(i) Assess, approve, and authorize each recipient's initial and continuing need for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3. County agency assessments shall be shared with the care coordination teams established under paragraph (4), when applicable, and the county agency thereafter may receive and consider additional input from the care coordination team.

(ii) Plans may contract with counties for additional assessments for purposes of paragraph (6) of subdivision (b) of Section 14186.

(iii) Enroll providers, conduct provider orientation, and retain enrollment documentation pursuant to Sections 12301.24 and 12305.81.

(iv) Conduct criminal background checks on all potential providers and exclude providers consistent with the provisions set forth in Sections 12305.81, 12305.86, and 12305.87.

(v) Provide assistance to IHSS recipients in finding eligible providers through the establishment of a provider registry as well as provide training for providers and recipients as set forth in Section 12301.6.

(vi) Refer all providers to the California In-Home Supportive Services Authority or nonprofit consortium for the purposes of wages, benefits, and other terms and conditions of employment in accordance with subdivision (a) of Section 12300.7 and Title 23 (commencing with Section 110000) of the Government Code.

(vii) Pursue overpayment recovery pursuant to Section 12305.83.

(viii) Perform quality assurance activities including routine case reviews, home visits, and detecting and reporting suspected fraud pursuant to Section 12305.71.

(ix) Share confidential data necessary to implement the provisions of this section.

(x) Appoint an advisory committee of not more than 11 people, and no less than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance paid for through public or private funds or recipients of IHSS services.

(xi) Continue to perform other functions necessary for the administration of the IHSS program pursuant to Article 7

(commencing with Section 12300) of Chapter 3 and regulations promulgated by the State Department of Social Services pursuant to that article.

(C) A county may contract with an entity or may establish a public authority pursuant to Section 12301.6 for the performance of any or all of the activities set forth in a contract with a managed care health plan pursuant to this section.

(10) Enter into a contract with the State Department of Social Services to perform the following activities:

(A) Pay wages and benefits to IHSS providers in accordance with the wages and benefits negotiated pursuant to Title 23 (commencing with Section 110000) of the Government Code.

(B) Perform obligations on behalf of the IHSS recipient as the employer of his or her provider, including unemployment compensation, disability benefits, applicable federal and state taxes, and federal old age survivor's and disability insurance through the state's payroll system for IHSS in accordance with Sections 12302.2 and 12317.

(C) Provide technical assistance and support for all payroll-related activities involving the state's payroll system for IHSS, including, but not limited to, the monthly restaurant allowance as set forth in Section 12303.7, the monthly cash payment in advance as set forth in Section 12304, and the direct deposit program as set forth in Section 12304.4.

(D) Share recipient and provider data with managed care health plans for members who are receiving IHSS to support care coordination.

(E) Provide an option for managed care health plans to participate in quality monitoring activities conducted by the State Department of Social Services pursuant to subdivision (f) of Section 12305.7 for recipients who are plan members.

(11) In concert with the department, timely reimburse the state for payroll and other obligations of the beneficiary as the employer, including unemployment compensation, disability benefits, applicable federal and state taxes, and federal old age survivors and disability insurance benefits through the state's payroll system.

(12) In a county where services are provided in the homemaker mode, enter into a contract with the county to implement the provision of services pursuant to the homemaker mode as set forth in Section 12302.

(13) Retain the IHSS individual provider mode as a choice available to beneficiaries in all participating managed care health plans in each county.

(14) In a county where services are provided pursuant to a contract, and as needed, enter into a contract with a city, county, or city and county agency, a local health district, a voluntary nonprofit agency, or a proprietary agency as set forth in Section 12302 and in accordance with Section 12302.6.

(15) Assume the financial risk associated with the cost of payroll and associated activities set forth in paragraph (10).

(b) IHSS recipients receiving services through managed care health plans shall retain all of the following:

(1) The responsibilities as the employer of the IHSS provider for the purposes of hiring, firing, and supervising their provider of choice as set forth in Section 12301.6.

(2) The ability to appeal any action relating to his or her application for or receipt of services pursuant to Article 7 (commencing with Section 12300) of Chapter 3.

(3) The right to employ a provider applicant who has been convicted of an offense specified in Section 12305.87 by submitting a waiver of the exclusion.

(4) The ability to request a reassessment pursuant to Section 12301.1.

(c) The department and the State Department of Social Services, along with the counties, managed care health plans, consumers, advocates, and other stakeholders, shall develop a referral process and informational materials for the appeals process that is applicable to home- and community-based services plan benefits authorized by a managed care health plan. The process established by this paragraph shall ensure ease of access for consumers.

(d) For services provided through managed care health plans, the IHSS provider shall continue to adhere to the requirements set forth in subdivision (b) of Section 12301.24, subdivision (a) of Section 12301.25, subdivision (a) of Section 12305.81, and subdivision (a) of Section 12306.5.

(e) In accordance with Section 14186.2, as the provision of IHSS transitions to managed care health plans in a phased-in approach, the State Department of Social Services shall do all of the following:

(1) Retain program administration functions, in coordination with the department, including policy development, provider appeals and general exceptions, and quality assurance and program integrity for the IHSS program in accordance with Article 7 (commencing with Section 12300) of Chapter 3.

(2) Perform the obligations on behalf of the recipient as employer relating to workers' compensation as set forth in Section 12302.2 and Section 12302.21 for those entities that have entered into a contract with a managed care health plan pursuant to Section 12302.6.

(3) Retain responsibilities related to the hearing process for IHSS recipient appeals as set forth in Chapter 7 (commencing with Section 10950) of Part 2.

(4) Continue to have access to and provide confidential recipient data necessary for the administration of the program.

(f) A managed care health plan shall not be deemed *to* be the employer of an individual in-home supportive services provider referred to recipients under this section for purposes of liability due to the negligence or intentional torts of the individual provider.

SEC. 43. Section 18906.55 of the Welfare and Institutions Code is amended to read:

18906.55. (a) Notwithstanding Section 18906.5 or any other law, as a result of the substantial fiscal pressures on counties created by the unprecedented and unanticipated CalFresh caseload growth associated with the economic downturn beginning in 2008, and in order to provide fiscal relief to counties as a result of this growth, a county that meets the maintenance of effort requirement pursuant to Section 15204.4 entirely through expenditures for the administration of CalFresh in state fiscal years 2010–11, 2011–12, and 2012–13 shall receive the full General Fund allocation for administration of CalFresh without paying the county's share of the nonfederal costs for the amount above the maintenance of effort required by Section 15204.4.

(b) The full General Fund allocation for administration of CalFresh pursuant to subdivision (a) shall equal 35 percent of the total federal and nonfederal projected funding need for administration of CalFresh. The methodology used for calculating those projections shall remain the same as it was for the 2009–10 fiscal year for as long as this section remains in effect.

(c) No relief to the county share of administrative costs authorized by this section shall result in any increased cost to the General Fund as determined in subdivision (b).

(d) Subdivision (a) shall not be interpreted to prevent a county from expending funds in excess of the amount required to meet the maintenance of effort required by Section 15204.4.

(e) This section shall become inoperative on July 1, 2013, and, as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 44. Section 18987.7 of the Welfare and Institutions Code is amended to read:

18987.7. (a) The State Department of Social Services shall convene a workgroup of public and private nonprofit stakeholders that shall develop a plan for transforming the current system of group care for foster children or youth, and for children with serious emotional disorders (SED), into a system of residentially based services. The stakeholders may include, but not be limited to, representatives of the department, the State Department of Education, the State Department of Health Care Services, the State Department of Alcohol and Drug Programs, and the Department of Corrections and Rehabilitation; county child welfare, probation, mental health, and alcohol and drug programs; local education authorities; current and former foster youth, parents of foster children or youth, and children or youth with SED; private nonprofit agencies operating group homes; children's advocates; and other interested parties.

(b) The plan developed pursuant to this chapter shall utilize the reports delivered to the Legislature pursuant to Section 75 of Chapter 311 of the Statutes of 1998 by the Steering Committee for the Reexamination of the Role of Group Care in a Family-Based System of Care in June 2001 and August 2002, and the "Framework for a New System for Residentially-Based Services in California" published in March 2006.

(c) In the development, implementation, and subsequent revisions of the plan developed pursuant to subdivision (a), the knowledge and experience gained by counties and private nonprofit agencies through the operation of their residentially based services programs created under voluntary agreements made pursuant to Section 18987.72, including, but not limited to, the results of

evaluations prepared pursuant to paragraph (3) of subdivision (c) of Section 18987.72 shall be utilized.

(d) The workgroup described in subdivision (a) shall be the workgroup described in Section 11461.2. The responsibilities described in subdivisions (b) and (c) shall be assumed by the workgroup and the recommendations shall be submitted as set forth in subdivision (f) of Section 11461.2.

SEC. 45. Section 17 of Chapter 45 of the Statutes of 2012 is amended to read:

Sec. 17. In the event the director decides to entirely forego the provision of services as specified in Section 14186.4 of the Welfare and Institutions Code, Section 6531.5 and Title 23 (commencing with Section 110000) of the Government Code and Sections 12300.5, 12300.6, and 12300.7 of the Welfare and Institutions Code as added by this act shall cease to be implemented except as follows:

(a) For an agreement that has been negotiated and approved by the Statewide Authority, the Statewide Authority shall continue to retain its authority pursuant to Section 6531.5 and Title 23 (commencing with Section 110000) of the Government Code and Sections 12300.5, 12300.6, 12300.7, and 12302.6 of the Welfare and Institutions Code as added by this act, and remain the employer of record for all individual providers covered by the agreement until the agreement expires or is subject to renegotiation, whereby the authority of the Statewide Authority shall terminate and the county shall be the employer of record in accordance with Section 12302.25 of the Welfare and Institutions Code and may establish an employer of record pursuant to Section 12301.6 of the Welfare and Institutions Code.

(b) For an agreement that has been assumed by the Statewide Authority that was negotiated and approved by a predecessor agency, the Statewide Authority shall cease being the employer of record and the county shall be reestablished as the employer of record for purposes of bargaining and in accordance with Section 12302.25 of the Welfare and Institutions Code, and may establish an employer of record pursuant to Section 12301.6 of the Welfare and Institutions Code.

SEC. 46. The sum of one thousand dollars ($1,000) is hereby appropriated from the General Fund to the California Health and Human Services Agency, for administration.

SEC. 47. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 48. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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