

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY AUGUST 24, 2015

SENATE BILL

No. 102

Introduced by Committee on Budget and Fiscal Review

January 9, 2015

An act to amend Sections 11555, 11556, 11565.5, 19825.5, 22866, and 100505 of the Government Code, to amend Section 1233.10 of the Penal Code, and to amend Sections 17138.3 and 24308.7 of the Revenue and Taxation Code, *and to add Item 4170-101-3098 to Section 2.00 of the Budget Act of 2015*, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 102, as amended, Committee on Budget and Fiscal Review. State government.

(1) Existing law provides for the salaries of the chairperson and commissioners of the Board of Parole Hearings and the chairperson and members of the Occupational Safety and Health Appeals Board, and limits increases to those salaries by, among other restrictions, prohibiting a salary increase exceeding the percentage of the general increase in the salary rates and ranges for classifications provided during that fiscal year for state employees designated as managerial.

This bill would instead authorize the Department of Human Resources to set and adjust, as needed, the annual compensation of these state officers based on specified factors. The bill would prohibit compensation for these state officers from exceeding 125% of the compensation recommended to be paid to the Governor by the California Citizens Compensation Commission, and would require the department to notify

the Legislature of the compensation level implemented within 30 days of the effective date of the proposed compensation adjustment.

(2) The Public Employees' Medical and Hospital Care Act requires, among other things, the Board of Administration of the Public Employees' Retirement System to report to the Legislature and the Director of Finance, on November 1, 2015, and annually thereafter, on specific components of the health benefits program.

This bill would remove the requirement for the board to report on November 1, 2015, and instead require the board to report beginning on November 1, 2016, and annually thereafter.

(3) Existing law established the California Health Benefit Exchange to be governed by an executive board consisting of 5 members who are residents of California. Existing law requires the board to establish and use a competitive process to select participating carriers and any other contractors, and exempts any contract entered into pursuant to these provisions from the State Contract Act.

This bill would make a nonsubstantive change to this provision.

(4) Existing law requires a county board of supervisors, upon an agreement to accept specified funding, to develop and administer a competitive grant program in collaboration with the county's Community Corrections Partnership to fund community recidivism and crime reduction services. Existing law allocates funding to counties from the Budget Act of 2015 pursuant to a specified allocation schedule for this purpose and requires the board of supervisors to grant the funds to community recidivism and crime reduction service providers, as defined. Based on the population of the county, existing law limits the maximum amount of funds that may be awarded to a service provider to between \$10,000 and \$100,000, and further limits the total amount of grants that may be awarded to a single provider by all counties to \$100,000.

This bill would make the above-specified limitation on the maximum amount that may be awarded to a service provider applicable to each Budget Act allocation.

(5) The Personal Income Tax Law and the Corporation Tax Law provide for various exclusions from the calculation of gross income in determining tax liability, and specifically exclude from that calculation, for taxable years beginning on or after July 1, 2015, an amount received as a loan, loan forgiveness, grant, credit, rebate, voucher, or incentive from the California Residential Mitigation Program or the California Earthquake Authority relating to earthquake loss mitigation. These

existing laws define “earthquake loss mitigation” as an activity that reduces seismic risks to a residential structure or its contents, or both, and defines a “residential structure” by reference to another law, relating to policies of residential property insurance.

This bill would remove the reference to a loan from the listing of excluded items, and revise the definition of “residential structure” to also include a residential building of not fewer than 2, but nor more than 10, dwelling units.

(6) The bill would make an appropriation from the State Department of Public Health Licensing and Certification Program Fund of \$400,000 to the Long-Term Care Ombudsman Program for the purposes of Program 3900-Supportive Services, as specified in the Budget Act of 2015.

(7) 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: no.

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

1 SECTION 1. Section 11555 of the Government Code is
2 amended to read:

3 11555. (a) Effective January 1, 1988, an annual salary of
4 seventy-one thousand five hundred eighty-seven dollars (\$71,587)
5 shall be paid to the following:

6 (1) Chairperson of the Board of Parole Hearings.

7 (2) Chairperson of the Occupational Safety and Health Appeals
8 Board.

9 (b) The annual compensation provided by this section shall be
10 increased in any fiscal year in which a general salary increase is
11 provided for state employees. The amount of the increase provided
12 by this section shall be comparable to, but shall not exceed, the
13 percentage of the general salary increases provided for state
14 employees during that fiscal year.

15 (c) Notwithstanding subdivision (b), any salary increase is
16 subject to Section 19825.5.

17 SEC. 2. Section 11556 of the Government Code is amended
18 to read:

1 11556. (a) Effective January 1, 1988, an annual salary of
2 sixty-nine thousand seventy-six dollars (\$69,076) shall be paid to
3 each of the following:

4 (1) Commissioner of the Board of Parole Hearings.

5 (2) Member of the Occupational Safety and Health Appeals
6 Board.

7 (b) The annual compensation provided by this section shall be
8 increased in any fiscal year in which a general salary increase is
9 provided for state employees. The amount of the increase provided
10 by this section shall be comparable to, but shall not exceed, the
11 percentage of the general salary increases provided for state
12 employees during that fiscal year.

13 (c) Notwithstanding subdivision (b), any salary increase is
14 subject to Section 19825.5.

15 SEC. 3. Section 11565.5 of the Government Code is amended
16 to read:

17 11565.5. Notwithstanding Sections 11553, 11553.5, 11563.7,
18 and 11564, with respect to any salary increase made after January
19 1, 1997, for nonelected members of state boards and commissions
20 specified in Sections 11553, 11553.5, 11563.7, and 11564, the
21 annual compensation provided by these sections shall not
22 automatically increase but may be increased in any fiscal year in
23 which there is a general increase in the salary ranges and rates for
24 state civil service classifications. The amount of the increase, as
25 determined by the Department of Human Resources and subject
26 to the appropriation of funds by the Legislature in the annual
27 Budget Act, shall not exceed the percentage of the general increase
28 in the salary rates and ranges for classifications provided during
29 that fiscal year for state employees designated as managerial.

30 SEC. 4. Section 19825.5 of the Government Code is amended
31 to read:

32 19825.5. (a) Notwithstanding Sections 11550, 11552, 11554,
33 11555, and 11556, the department shall set and adjust, as needed,
34 the annual compensation of the officers and employees listed in
35 Sections 11550, 11552, 11554, 11555, and 11556.

36 (b) When setting or adjusting the annual compensation of the
37 employees described in subdivision (a), the department shall
38 consider the size and scope of the organization, compensation paid
39 to other similar positions in other public jurisdictions, the scope
40 of responsibility of the position, the need to avoid salary

1 compaction, and other factors appropriate to the determination of
2 compensation necessary to recruit and retain qualified employees
3 in leadership positions for the state. The compensation shall not
4 exceed 125 percent (125%) of the compensation recommended to
5 be paid to the Governor of the State of California by the California
6 Citizens Compensation Commission.

7 (c) The department shall notify the Legislature of the
8 compensation level implemented for any of the employees
9 described in subdivision (a) within 30 days of the effective date
10 of the proposed compensation adjustment.

11 SEC. 5. Section 22866 of the Government Code is amended
12 to read:

13 22866. (a) The board shall report to the Legislature and the
14 Director of Finance on or before November 1, 2016, and annually
15 thereafter, regarding the health benefits program. The report shall
16 include, but not be limited to the following:

17 (1) General overview of the health benefits program, including,
18 but not limited to, the following:

19 (A) Description of health plans and benefits provided, including
20 essential and nonessential benefits as required by state and federal
21 law, member expected out-of-pocket expenses, and actuarial value
22 by metal tier as defined by the federal Patient Protection and
23 Affordable Care Act (Public Law 111-148), as amended by the
24 federal Health Care and Education Reconciliation Act of 2010
25 (Public Law 111-152).

26 (B) Geographic coverage.

27 (C) Historic enrollment information by basic and Medicare
28 plans, by state and contract agencies, by active and retired
29 membership, and by subscriber and dependent tier.

30 (D) Historic expenditures by basic and Medicare plans, by state
31 and contract agencies, by active and retired membership, and by
32 subscriber and dependent tier.

33 (2) Reconciliation of premium increases or decreases from the
34 prior plan year, and the reasons for those changes.

35 (A) Description of benefit design and benefit changes, including
36 prescription drug coverage, by plan. The description shall detail
37 whether benefit changes were required by statutory mandate,
38 federal law, or an exercise of the board's discretion, the costs or
39 savings of the benefit change, and the impact of how the changes
40 fit into a broader strategy.

1 (B) Discussion of risk.

2 (C) Description of medical trend changes in aggregate service
3 categories for each plan. The aggregate service categories used
4 shall include the standard categories of information collected by
5 the board, consisting of the following: inpatient, emergency room,
6 ambulatory surgery, office, ambulatory radiology, ambulatory lab,
7 mental health and substance abuse, other professional,
8 prescriptions, and all other service categories.

9 (D) Reconciliation of past year premiums against actual
10 enrollments, revenues, and accounts receivables.

11 (3) Overall member health as reflected by data on chronic
12 conditions.

13 (4) The impact of federal subsidies or contributions to the health
14 care of members, including Medicare Part A, Part B, Part C, or
15 Part D, low-income subsidies, or other federal program.

16 (5) The cost of benefits beyond Medicare contained in the
17 board's Medicare supplemental plans.

18 (6) A description of plan quality performance and member
19 satisfaction, including, but not limited to, the following:

20 (A) The Healthcare Effectiveness Data and Information Set,
21 referred to as HEDIS.

22 (B) The Medicare star rating for Medicare supplemental plans.

23 (C) The degree of satisfaction of members and annuitants with
24 the health benefit plans and with the quality of the care provided,
25 to the extent the board surveys participants.

26 (D) The level of accessibility to preferred providers for rural
27 members who do not have access to health maintenance
28 organizations.

29 (E) Other applicable quality measurements collected by the
30 board as part of the board's health plan contracts.

31 (7) A description of risk assessment and risk mitigation policy
32 related to the board's self-funded and flex-funded plan offerings,
33 including, but not limited to the following:

34 (A) Reserve levels and their adequacy to mitigate plan risk.

35 (B) The expected change in reserve levels and the factors leading
36 to this change.

37 (C) Policies to reduce excess reserves or rebuild inadequate
38 reserves.

39 (D) Decisions to lower premiums with excess reserves.

1 (E) The use of reinsurance and other alternatives to maintaining
2 reserves.

3 (8) Description and reconciliation of administrative
4 expenditures, including, but not limited to, the following:

5 (A) Organization and staffing levels, including salaries, wages,
6 and benefits.

7 (B) Operating expenses and equipment expenditure items,
8 including, but not limited to, internal and external consulting and
9 intradepartmental transfers.

10 (C) Funding sources.

11 (D) Investment strategies, historic investment performance, and
12 expected investment returns of the Public Employees' Contingency
13 Reserve Fund and the Public Employees' Health Care Fund.

14 (9) Changes in strategic direction and major policy initiatives.

15 (b) A report submitted pursuant to subdivision (a) shall be
16 provided in compliance with Section 9795.

17 SEC. 6. Section 100505 of the Government Code is amended
18 to read:

19 100505. (a) The board shall establish and use a competitive
20 process to select participating carriers and any other contractors
21 under this title. Any contract entered into pursuant to this title shall
22 be exempt from Part 2 (commencing with Section 10100) of
23 Division 2 of the Public Contract Code, and shall be exempt from
24 the review or approval of any division of the Department of General
25 Services. The board shall adopt a Health Benefit Exchange
26 Contracting Manual incorporating procurement and contracting
27 policies and procedures that shall be followed by the Exchange.
28 The policies and procedures in the manual shall be substantially
29 similar to the provisions contained in the State Contracting Manual.

30 (b) The adoption, amendment, or repeal of a regulation by the
31 board to implement this section, including the adoption of a manual
32 pursuant to subdivision (a) and any procurement process conducted
33 by the Exchange in accordance with the manual, is exempt from
34 the rulemaking provisions of the Administrative Procedure Act
35 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
36 Division 3 of Title 2).

37 SEC. 7. Section 1233.10 of the Penal Code is amended to read:

38 1233.10. (a) Upon agreement to accept funding from the
39 Recidivism Reduction Fund, created in Section 1233.9, a county
40 board of supervisors, in collaboration with the county's Community

1 Corrections Partnership, shall develop, administer, and collect and
 2 submit data to the Board of State and Community Corrections
 3 regarding a competitive grant program intended to fund community
 4 recidivism and crime reduction services, including, but not limited
 5 to, delinquency prevention, homelessness prevention, and reentry
 6 services.

7 (1) Commencing with the 2014–15 fiscal year, the funding shall
 8 be allocated to counties by the State Controller’s Office from Item
 9 5227-101-3259 of Section 2.00 of the Budget Act of 2014
 10 according to the following schedule:

11		
12	Alameda	\$ 250,000
13	Alpine	\$ 10,000
14	Amador	\$ 10,000
15	Butte	\$ 50,000
16	Calaveras	\$ 10,000
17	Colusa	\$ 10,000
18	Contra Costa	\$ 250,000
19	Del Norte	\$ 10,000
20	El Dorado	\$ 50,000
21	Fresno	\$ 250,000
22	Glenn	\$ 10,000
23	Humboldt	\$ 50,000
24	Imperial	\$ 50,000
25	Inyo	\$ 10,000
26	Kern	\$ 250,000
27	Kings	\$ 50,000
28	Lake	\$ 25,000
29	Lassen	\$ 10,000
30	Los Angeles	\$ 1,600,000
31	Madera	\$ 50,000
32	Marin	\$ 50,000
33	Mariposa	\$ 10,000
34	Mendocino	\$ 25,000
35	Merced	\$ 50,000
36	Modoc	\$ 10,000
37	Mono	\$ 10,000
38	Monterey	\$ 100,000
39	Napa	\$ 50,000
40	Nevada	\$ 25,000

1	Orange	\$ 500,000
2	Placer	\$ 50,000
3	Plumas	\$ 10,000
4	Riverside	\$ 500,000
5	Sacramento	\$ 250,000
6	San Benito	\$ 25,000
7	San Bernardino	\$ 500,000
8	San Diego	\$ 500,000
9	San Francisco	\$ 250,000
10	San Joaquin	\$ 250,000
11	San Luis Obispo	\$ 50,000
12	San Mateo	\$ 250,000
13	Santa Barbara	\$ 100,000
14	Santa Clara	\$ 500,000
15	Santa Cruz	\$ 50,000
16	Shasta	\$ 50,000
17	Sierra	\$ 10,000
18	Siskiyou	\$ 10,000
19	Solano	\$ 100,000
20	Sonoma	\$ 100,000
21	Stanislaus	\$ 100,000
22	Sutter	\$ 25,000
23	Tehama	\$ 25,000
24	Trinity	\$ 10,000
25	Tulare	\$ 100,000
26	Tuolumne	\$ 25,000
27	Ventura	\$ 250,000
28	Yolo	\$ 50,000
29	Yuba	\$ 25,000

30

31 (2) Commencing with the 2015–16 fiscal year, the funding shall
32 be allocated to counties by the State Controller’s Office from Item
33 5227-101-3259 of Section 2.00 of the Budget Act of 2015
34 according to the following schedule:

35

36	Alameda	\$ 125,000
37	Alpine	\$ 5,000
38	Amador	\$ 5,000
39	Butte	\$ 25,000
40	Calaveras	\$ 5,000

1	Colusa	\$ 5,000
2	Contra Costa	\$ 125,000
3	Del Norte	\$ 5,000
4	El Dorado	\$ 25,000
5	Fresno	\$ 125,000
6	Glenn	\$ 5,000
7	Humboldt	\$ 25,000
8	Imperial	\$ 25,000
9	Inyo	\$ 5,000
10	Kern	\$ 125,000
11	Kings	\$ 25,000
12	Lake	\$ 12,500
13	Lassen	\$ 5,000
14	Los Angeles	\$ 800,000
15	Madera	\$ 25,000
16	Marin	\$ 25,000
17	Mariposa	\$ 5,000
18	Mendocino	\$ 12,500
19	Merced	\$ 25,000
20	Modoc	\$ 5,000
21	Mono	\$ 5,000
22	Monterey	\$ 50,000
23	Napa	\$ 25,000
24	Nevada	\$ 12,500
25	Orange	\$ 250,000
26	Placer	\$ 25,000
27	Plumas	\$ 5,000
28	Riverside	\$ 250,000
29	Sacramento	\$ 125,000
30	San Benito	\$ 12,500
31	San Bernardino	\$ 250,000
32	San Diego	\$ 250,000
33	San Francisco	\$ 125,000
34	San Joaquin	\$ 125,000
35	San Luis Obispo	\$ 25,000
36	San Mateo	\$ 125,000
37	Santa Barbara	\$ 50,000
38	Santa Clara	\$ 250,000
39	Santa Cruz	\$ 25,000
40	Shasta	\$ 25,000

1	Sierra	\$	5,000
2	Siskiyou	\$	5,000
3	Solano	\$	50,000
4	Sonoma	\$	50,000
5	Stanislaus	\$	50,000
6	Sutter	\$	12,500
7	Tehama	\$	12,500
8	Trinity	\$	5,000
9	Tulare	\$	50,000
10	Tuolumne	\$	12,500
11	Ventura	\$	125,000
12	Yolo	\$	25,000
13	Yuba	\$	12,500

14

15 (b) For purposes of this section, “community recidivism and
16 crime reduction service provider” means a nongovernmental entity
17 or a consortium or coalition of nongovernmental entities, that
18 provides community recidivism and crime reduction services, as
19 described in paragraph (2) of subdivision (c), to persons who have
20 been released from the state prison, a county jail, a juvenile
21 detention facility, who are under the supervision of a parole or
22 probation department, or any other person at risk of becoming
23 involved in criminal activities.

24 (c) (1) A community recidivism and crime reduction service
25 provider shall have a demonstrated history of providing services,
26 as described in paragraph (2), to the target population during the
27 five years immediately prior to the application for a grant awarded
28 pursuant to this section.

29 (2) A community recidivism and crime reduction service
30 provider shall provide services that are designed to enable persons
31 to whom the services are provided to refrain from engaging in
32 crime, reconnect with their family members, and contribute to their
33 communities. Community recidivism and crime reduction services
34 may include all of the following:

35 (A) Self-help groups.

36 (B) Individual or group assistance with basic life skills.

37 (C) Mentoring programs.

38 (D) Academic and educational services, including, but not
39 limited to, services to enable the recipient to earn his or her high
40 school diploma.

- 1 (E) Job training skills and employment.
- 2 (F) Truancy prevention programs.
- 3 (G) Literacy programs.
- 4 (H) Any other service that advances community recidivism and
- 5 crime reduction efforts, as identified by the county board of
- 6 supervisors and the Community Corrections Partnership.
- 7 (I) Individual or group assistance with referrals for any of the
- 8 following:
 - 9 (i) Mental and physical health assessments.
 - 10 (ii) Counseling services.
 - 11 (iii) Education and vocational programs.
 - 12 (iv) Employment opportunities.
 - 13 (v) Alcohol and drug treatment.
 - 14 (vi) Health, wellness, fitness, and nutrition programs and
 - 15 services.
 - 16 (vii) Personal finance and consumer skills programs and
 - 17 services.
 - 18 (viii) Other personal growth and development programs to
 - 19 reduce recidivism.
 - 20 (ix) Housing assistance.
- 21 (d) Pursuant to this section and upon agreement to accept
- 22 funding from the Recidivism Reduction Fund, the board of
- 23 supervisors, in collaboration with the county's Community
- 24 Corrections Partnership, shall grant funds allocated to the county,
- 25 as described in subdivision (a), to community recidivism and crime
- 26 reduction service providers based on the needs of their community.
- 27 (e) (1) The amount awarded to each community recidivism and
- 28 crime reduction service provider by a county shall be based on the
- 29 population of the county, as projected by the Department of
- 30 Finance, and shall not exceed the following for each Budget Act
- 31 allocation:
 - 32 (A) One hundred thousand dollars (\$100,000) in a county with
 - 33 a population of over 4,000,000 people.
 - 34 (B) Fifty thousand dollars (\$50,000) in a county with a
 - 35 population of 700,000 or more people but less than 4,000,000
 - 36 people.
 - 37 (C) Twenty five thousand dollars (\$25,000) in a county with a
 - 38 population of 400,000 or more people but less than 700,000 people.
 - 39 (D) Ten thousand dollars (\$10,000) in a county with a population
 - 40 of less than 400,000 people.

1 (2) The total amount of grants awarded to a single community
2 recidivism and crime reduction service provider by all counties
3 pursuant to this section shall not exceed one hundred thousand
4 dollars (\$100,000) per Budget Act allocation.

5 (f) The board of supervisors, in collaboration with the county's
6 Community Corrections Partnership, shall establish minimum
7 requirements, funding criteria, and procedures for the counties to
8 award grants consistent with the criteria established in this section.

9 (g) A community recidivism and crime reduction service
10 provider that receives a grant under this section shall report to the
11 county board of supervisors or the Community Corrections
12 Partnership on the number of individuals served and the types of
13 services provided, consistent with paragraph (2) of subdivision
14 (c). The board of supervisors or the Community Corrections
15 Partnership shall report to the Board of State and Community
16 Corrections any information received under this subdivision from
17 grant recipients.

18 (h) Of the total amount granted to a county, up to 5 percent may
19 be withheld by the board of supervisors or the Community
20 Corrections Partnership for the payment of administrative costs.

21 (i) Any funds allocated to a county under this section shall be
22 available for expenditure for a period of four years and any
23 unexpended funds shall revert to the state General Fund at the end
24 of the four-year period.

25 SEC. 8. Section 17138.3 of the Revenue and Taxation Code
26 is amended to read:

27 17138.3. (a) For each taxable year beginning on or after July
28 1, 2015, gross income does not include an amount received as a
29 loan forgiveness, grant, credit, rebate, voucher, or other financial
30 incentive issued by the California Residential Mitigation Program
31 or the California Earthquake Authority to assist a residential
32 property owner or occupant with expenses paid, or obligations
33 incurred, for earthquake loss mitigation.

34 (b) For the purposes of this section, "earthquake loss mitigation"
35 means an activity that reduces seismic risks to a residential
36 structure or its contents, or both. For purposes of structural seismic
37 risk mitigation, a residential structure is either of the following:

38 (1) A structure described in subdivision (a) of Section 10087
39 of the Insurance Code.

1 (2) A residential building of not fewer than 2, but not more than
2 10, dwelling units.

3 SEC. 9. Section 24308.7 of the Revenue and Taxation Code
4 is amended to read:

5 24308.7. (a) For each taxable year beginning on or after July
6 1, 2015, gross income does not include an amount received as a
7 loan forgiveness, grant, credit, rebate, voucher, or other financial
8 incentive issued by the California Residential Mitigation Program
9 or the California Earthquake Authority to assist a residential
10 property owner or occupant with expenses paid, or obligations
11 incurred, for earthquake loss mitigation.

12 (b) For the purposes of this section, “earthquake loss mitigation”
13 means an activity that reduces seismic risks to a residential
14 structure or its contents, or both. For purposes of structural seismic
15 risk mitigation, a residential structure is either of the following:

16 (1) A structure described in subdivision (a) of Section 10087
17 of the Insurance Code.

18 (2) A residential building of not fewer than 2, but not more than
19 10, dwelling units.

20 SEC. 10. Item 4170-101-3098 is added to Section 2.00 of the
21 Budget Act of 2015, and the amount of four hundred thousand
22 dollars (\$400,000) is hereby appropriated from the State
23 Department of Public Health Licensing and Certification Program
24 Fund to this item for Program 3900-Supportive Services, for the
25 Long-Term Care Ombudsman Program.

26 SEC. 11. This act is a bill providing for appropriations related
27 to the Budget Bill within the meaning of subdivision (e) of Section
28 12 of Article IV of the California Constitution, has been identified
29 as related to the budget in the Budget Bill, and shall take effect
30 immediately.