

AMENDED IN ASSEMBLY SEPTEMBER 10, 2015

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 add Sections 75200.2 and 75200.3 to the Public Resources Code~~, 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 California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based*

compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund (the fund) and available for appropriation by the Legislature for purposes related to greenhouse gas reduction.

Existing law continuously appropriates 60% of the annual proceeds of the fund for transit, affordable housing, sustainable communities, and high-speed rail purposes. Existing law, as part of the continuous appropriation from the fund, requires the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives.

This bill would authorize the council to designate a state agency or department to administer the Affordable Housing and Sustainable Communities Program for the disbursement of grants and loans to support the planning and development of sustainable communities. The bill also would authorize the moneys continuously appropriated to the council from the fund to be used by the designated state agency or department for support and local assistance costs.

~~(5)~~

(6) 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)~~

(7) 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)~~

(8) 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:

19 11556. (a) Effective January 1, 1988, an annual salary of
20 sixty-nine thousand seventy-six dollars (\$69,076) shall be paid to
21 each of the following:

- 22 (1) Commissioner of the Board of Parole Hearings.
- 23 (2) Member of the Occupational Safety and Health Appeals
24 Board.

25 (b) The annual compensation provided by this section shall be
26 increased in any fiscal year in which a general salary increase is
27 provided for state employees. The amount of the increase provided

1 by this section shall be comparable to, but shall not exceed, the
2 percentage of the general salary increases provided for state
3 employees during that fiscal year.

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

6 SEC. 3. Section 11565.5 of the Government Code is amended
7 to read:

8 11565.5. Notwithstanding Sections 11553, 11553.5, 11563.7,
9 and 11564, with respect to any salary increase made after January
10 1, 1997, for nonelected members of state boards and commissions
11 specified in Sections 11553, 11553.5, 11563.7, and 11564, the
12 annual compensation provided by these sections shall not
13 automatically increase but may be increased in any fiscal year in
14 which there is a general increase in the salary ranges and rates for
15 state civil service classifications. The amount of the increase, as
16 determined by the Department of Human Resources and subject
17 to the appropriation of funds by the Legislature in the annual
18 Budget Act, shall not exceed the percentage of the general increase
19 in the salary rates and ranges for classifications provided during
20 that fiscal year for state employees designated as managerial.

21 SEC. 4. Section 19825.5 of the Government Code is amended
22 to read:

23 19825.5. (a) Notwithstanding Sections 11550, 11552, 11554,
24 11555, and 11556, the department shall set and adjust, as needed,
25 the annual compensation of the officers and employees listed in
26 Sections 11550, 11552, 11554, 11555, and 11556.

27 (b) When setting or adjusting the annual compensation of the
28 employees described in subdivision (a), the department shall
29 consider the size and scope of the organization, compensation paid
30 to other similar positions in other public jurisdictions, the scope
31 of responsibility of the position, the need to avoid salary
32 compaction, and other factors appropriate to the determination of
33 compensation necessary to recruit and retain qualified employees
34 in leadership positions for the state. The compensation shall not
35 exceed 125 percent (125%) of the compensation recommended to
36 be paid to the Governor of the State of California by the California
37 Citizens Compensation Commission.

38 (c) The department shall notify the Legislature of the
39 compensation level implemented for any of the employees

1 described in subdivision (a) within 30 days of the effective date
2 of the proposed compensation adjustment.

3 SEC. 5. Section 22866 of the Government Code is amended
4 to read:

5 22866. (a) The board shall report to the Legislature and the
6 Director of Finance on or before November 1, 2016, and annually
7 thereafter, regarding the health benefits program. The report shall
8 include, but not be limited to the following:

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

11 (A) Description of health plans and benefits provided, including
12 essential and nonessential benefits as required by state and federal
13 law, member expected out-of-pocket expenses, and actuarial value
14 by metal tier as defined by the federal Patient Protection and
15 Affordable Care Act (Public Law 111-148), as amended by the
16 federal Health Care and Education Reconciliation Act of 2010
17 (Public Law 111-152).

18 (B) Geographic coverage.

19 (C) Historic enrollment information by basic and Medicare
20 plans, by state and contract agencies, by active and retired
21 membership, and by subscriber and dependent tier.

22 (D) Historic expenditures by basic and Medicare plans, by state
23 and contract agencies, by active and retired membership, and by
24 subscriber and dependent tier.

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

27 (A) Description of benefit design and benefit changes, including
28 prescription drug coverage, by plan. The description shall detail
29 whether benefit changes were required by statutory mandate,
30 federal law, or an exercise of the board's discretion, the costs or
31 savings of the benefit change, and the impact of how the changes
32 fit into a broader strategy.

33 (B) Discussion of risk.

34 (C) Description of medical trend changes in aggregate service
35 categories for each plan. The aggregate service categories used
36 shall include the standard categories of information collected by
37 the board, consisting of the following: inpatient, emergency room,
38 ambulatory surgery, office, ambulatory radiology, ambulatory lab,
39 mental health and substance abuse, other professional,
40 prescriptions, and all other service categories.

- 1 (D) Reconciliation of past year premiums against actual
- 2 enrollments, revenues, and accounts receivables.
- 3 (3) Overall member health as reflected by data on chronic
- 4 conditions.
- 5 (4) The impact of federal subsidies or contributions to the health
- 6 care of members, including Medicare Part A, Part B, Part C, or
- 7 Part D, low-income subsidies, or other federal program.
- 8 (5) The cost of benefits beyond Medicare contained in the
- 9 board's Medicare supplemental plans.
- 10 (6) A description of plan quality performance and member
- 11 satisfaction, including, but not limited to, the following:
- 12 (A) The Healthcare Effectiveness Data and Information Set,
- 13 referred to as HEDIS.
- 14 (B) The Medicare star rating for Medicare supplemental plans.
- 15 (C) The degree of satisfaction of members and annuitants with
- 16 the health benefit plans and with the quality of the care provided,
- 17 to the extent the board surveys participants.
- 18 (D) The level of accessibility to preferred providers for rural
- 19 members who do not have access to health maintenance
- 20 organizations.
- 21 (E) Other applicable quality measurements collected by the
- 22 board as part of the board's health plan contracts.
- 23 (7) A description of risk assessment and risk mitigation policy
- 24 related to the board's self-funded and flex-funded plan offerings,
- 25 including, but not limited to the following:
- 26 (A) Reserve levels and their adequacy to mitigate plan risk.
- 27 (B) The expected change in reserve levels and the factors leading
- 28 to this change.
- 29 (C) Policies to reduce excess reserves or rebuild inadequate
- 30 reserves.
- 31 (D) Decisions to lower premiums with excess reserves.
- 32 (E) The use of reinsurance and other alternatives to maintaining
- 33 reserves.
- 34 (8) Description and reconciliation of administrative
- 35 expenditures, including, but not limited to, the following:
- 36 (A) Organization and staffing levels, including salaries, wages,
- 37 and benefits.
- 38 (B) Operating expenses and equipment expenditure items,
- 39 including, but not limited to, internal and external consulting and
- 40 intradepartmental transfers.

1 (C) Funding sources.

2 (D) Investment strategies, historic investment performance, and
3 expected investment returns of the Public Employees' Contingency
4 Reserve Fund and the Public Employees' Health Care Fund.

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

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

8 SEC. 6. Section 100505 of the Government Code is amended
9 to read:

10 100505. (a) The board shall establish and use a competitive
11 process to select participating carriers and any other contractors
12 under this title. Any contract entered into pursuant to this title shall
13 be exempt from Part 2 (commencing with Section 10100) of
14 Division 2 of the Public Contract Code, and shall be exempt from
15 the review or approval of any division of the Department of General
16 Services. The board shall adopt a Health Benefit Exchange
17 Contracting Manual incorporating procurement and contracting
18 policies and procedures that shall be followed by the Exchange.
19 The policies and procedures in the manual shall be substantially
20 similar to the provisions contained in the State Contracting Manual.

21 (b) The adoption, amendment, or repeal of a regulation by the
22 board to implement this section, including the adoption of a manual
23 pursuant to subdivision (a) and any procurement process conducted
24 by the Exchange in accordance with the manual, is exempt from
25 the rulemaking provisions of the Administrative Procedure Act
26 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
27 Division 3 of Title 2).

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

29 1233.10. (a) Upon agreement to accept funding from the
30 Recidivism Reduction Fund, created in Section 1233.9, a county
31 board of supervisors, in collaboration with the county's Community
32 Corrections Partnership, shall develop, administer, and collect and
33 submit data to the Board of State and Community Corrections
34 regarding a competitive grant program intended to fund community
35 recidivism and crime reduction services, including, but not limited
36 to, delinquency prevention, homelessness prevention, and reentry
37 services.

38 (1) Commencing with the 2014–15 fiscal year, the funding shall
39 be allocated to counties by the State Controller's Office from Item

1 5227-101-3259 of Section 2.00 of the Budget Act of 2014
2 according to the following schedule:

3		
4	Alameda	\$ 250,000
5	Alpine	\$ 10,000
6	Amador	\$ 10,000
7	Butte	\$ 50,000
8	Calaveras	\$ 10,000
9	Colusa	\$ 10,000
10	Contra Costa	\$ 250,000
11	Del Norte	\$ 10,000
12	El Dorado	\$ 50,000
13	Fresno	\$ 250,000
14	Glenn	\$ 10,000
15	Humboldt	\$ 50,000
16	Imperial	\$ 50,000
17	Inyo	\$ 10,000
18	Kern	\$ 250,000
19	Kings	\$ 50,000
20	Lake	\$ 25,000
21	Lassen	\$ 10,000
22	Los Angeles	\$ 1,600,000
23	Madera	\$ 50,000
24	Marin	\$ 50,000
25	Mariposa	\$ 10,000
26	Mendocino	\$ 25,000
27	Merced	\$ 50,000
28	Modoc	\$ 10,000
29	Mono	\$ 10,000
30	Monterey	\$ 100,000
31	Napa	\$ 50,000
32	Nevada	\$ 25,000
33	Orange	\$ 500,000
34	Placer	\$ 50,000
35	Plumas	\$ 10,000
36	Riverside	\$ 500,000
37	Sacramento	\$ 250,000
38	San Benito	\$ 25,000
39	San Bernardino	\$ 500,000
40	San Diego	\$ 500,000

1	San Francisco	\$ 250,000
2	San Joaquin	\$ 250,000
3	San Luis Obispo	\$ 50,000
4	San Mateo	\$ 250,000
5	Santa Barbara	\$ 100,000
6	Santa Clara	\$ 500,000
7	Santa Cruz	\$ 50,000
8	Shasta	\$ 50,000
9	Sierra	\$ 10,000
10	Siskiyou	\$ 10,000
11	Solano	\$ 100,000
12	Sonoma	\$ 100,000
13	Stanislaus	\$ 100,000
14	Sutter	\$ 25,000
15	Tehama	\$ 25,000
16	Trinity	\$ 10,000
17	Tulare	\$ 100,000
18	Tuolumne	\$ 25,000
19	Ventura	\$ 250,000
20	Yolo	\$ 50,000
21	Yuba	\$ 25,000

22

23 (2) Commencing with the 2015–16 fiscal year, the funding shall
 24 be allocated to counties by the State Controller’s Office from Item
 25 5227-101-3259 of Section 2.00 of the Budget Act of 2015
 26 according to the following schedule:

27

28	Alameda	\$ 125,000
29	Alpine	\$ 5,000
30	Amador	\$ 5,000
31	Butte	\$ 25,000
32	Calaveras	\$ 5,000
33	Colusa	\$ 5,000
34	Contra Costa	\$ 125,000
35	Del Norte	\$ 5,000
36	El Dorado	\$ 25,000
37	Fresno	\$ 125,000
38	Glenn	\$ 5,000
39	Humboldt	\$ 25,000
40	Imperial	\$ 25,000

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

1	Tulare	\$ 50,000
2	Tuolumne	\$ 12,500
3	Ventura	\$ 125,000
4	Yolo	\$ 25,000
5	Yuba	\$ 12,500

6

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

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

21 (2) A community recidivism and crime reduction service
 22 provider shall provide services that are designed to enable persons
 23 to whom the services are provided to refrain from engaging in
 24 crime, reconnect with their family members, and contribute to their
 25 communities. Community recidivism and crime reduction services
 26 may include all of the following:

- 27 (A) Self-help groups.
- 28 (B) Individual or group assistance with basic life skills.
- 29 (C) Mentoring programs.
- 30 (D) Academic and educational services, including, but not
 31 limited to, services to enable the recipient to earn his or her high
 32 school diploma.
- 33 (E) Job training skills and employment.
- 34 (F) Truancy prevention programs.
- 35 (G) Literacy programs.
- 36 (H) Any other service that advances community recidivism and
 37 crime reduction efforts, as identified by the county board of
 38 supervisors and the Community Corrections Partnership.
- 39 (I) Individual or group assistance with referrals for any of the
 40 following:

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

1 (g) A community recidivism and crime reduction service
2 provider that receives a grant under this section shall report to the
3 county board of supervisors or the Community Corrections
4 Partnership on the number of individuals served and the types of
5 services provided, consistent with paragraph (2) of subdivision
6 (c). The board of supervisors or the Community Corrections
7 Partnership shall report to the Board of State and Community
8 Corrections any information received under this subdivision from
9 grant recipients.

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

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

17 *SEC. 8. Section 75200.2 is added to the Public Resources Code,*
18 *to read:*

19 *75200.2. The council may designate a state agency or*
20 *department to administer the program for the disbursement of*
21 *grants and loans to support the planning and development of*
22 *sustainable communities consistent with this part and Section*
23 *39719 of the Health and Safety Code.*

24 *SEC. 9. Section 75200.3 is added to the Public Resources Code,*
25 *to read:*

26 *75200.3. Moneys appropriated to the council pursuant to*
27 *Section 39719 of the Health and Safety Code may be used by a*
28 *state agency or department designated by the council pursuant to*
29 *Section 75200.2 for that state agency's or department's support*
30 *and local assistance costs.*

31 ~~SEC. 8.~~

32 *SEC. 10. Section 17138.3 of the Revenue and Taxation Code*
33 *is amended to read:*

34 17138.3. (a) For each taxable year beginning on or after July
35 1, 2015, gross income does not include an amount received as a
36 loan forgiveness, grant, credit, rebate, voucher, or other financial
37 incentive issued by the California Residential Mitigation Program
38 or the California Earthquake Authority to assist a residential
39 property owner or occupant with expenses paid, or obligations
40 incurred, for earthquake loss mitigation.

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

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

7 (2) A residential building of not fewer than 2, but not more than
8 10, dwelling units.

9 ~~SEC. 9.~~

10 *SEC. 11.* Section 24308.7 of the Revenue and Taxation Code
11 is amended to read:

12 24308.7. (a) For each taxable year beginning on or after July
13 1, 2015, gross income does not include an amount received as a
14 loan forgiveness, grant, credit, rebate, voucher, or other financial
15 incentive issued by the California Residential Mitigation Program
16 or the California Earthquake Authority to assist a residential
17 property owner or occupant with expenses paid, or obligations
18 incurred, for earthquake loss mitigation.

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

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

25 (2) A residential building of not fewer than 2, but not more than
26 10, dwelling units.

27 ~~SEC. 10.~~

28 *SEC. 12.* Item 4170-101-3098 is added to Section 2.00 of the
29 Budget Act of 2015, and the amount of four hundred thousand
30 dollars (\$400,000) is hereby appropriated from the State
31 Department of Public Health Licensing and Certification Program
32 Fund to this item for Program 3900-Supportive Services, for the
33 Long-Term Care Ombudsman Program.

34 ~~SEC. 11.~~

35 *SEC. 13.* This act is a bill providing for appropriations related
36 to the Budget Bill within the meaning of subdivision (e) of Section
37 12 of Article IV of the California Constitution, has been identified

- 1 as related to the budget in the Budget Bill, and shall take effect
- 2 immediately.

O