

AMENDED IN ASSEMBLY JUNE 8, 2000

AMENDED IN ASSEMBLY MAY 18, 2000

AMENDED IN ASSEMBLY JULY 2, 1999

AMENDED IN SENATE APRIL 5, 1999

**SENATE BILL**

**No. 1087**

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**Introduced by Senator Sher**

February 26, 1999

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~~An act to amend Section 37625 of the Government Code, relating to public health facilities.—An act to amend Section 6217.1 of the Public Resources Code, relating to fish.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1087, as amended, Sher. ~~Municipal hospital governing board: conflicts of interest~~ *Salmon and Steelhead Trout Restoration Account.*

*(1) Existing law provides for the Salmon and Steelhead Trout Restoration Account in the Resources Trust Fund and requires not less than 65% of the money in the account to be used for salmon habitat protection and restoration projects. Of that amount, existing law requires at least 75% to be used for watershed (upslope) and riparian area protection and restoration activities.*

*This bill would specify that those activities may include grants to remove substandard culverts, stream crossings, and bridges that constitute barriers to spawning of salmon and steelhead and passage of fish.*

(2) Existing law requires up to 35% of the money in the account to be allocated for other specified uses, including California Forestry Incentive Program (CFIP) projects that meet CFIP guidelines.

This bill, instead, would include within the specified uses, fish and wildlife habitat improvements, as defined, that are authorized under the CFIP.

~~Existing law provides that a member of a municipal hospital's medical or allied health professional staff who is an officer of the municipal hospital shall not be deemed to be financially interested in designated contracts made by the municipal hospital if specified conditions are satisfied.~~

~~This bill would provide that a contract between a municipal hospital and a member of the municipal hospital's medical or allied health staff who is also an ex officio nonvoting member of the board of the municipal hospital located outside a Standard Metropolitan Statistical Area may include reasonable expenses for recruitment of one or more physicians for the hospital.~~

~~The bill would also provide that a municipal hospital shall not enter into a contract with a member of its board who is also on its medical staff that prevents other physicians and surgeons from pursuing the medical profession in the hospital's service area.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

- 1 ~~SECTION 1. Section 37625 of the Government Code~~
- 2 ~~SECTION 1. Section 6217.1 of the Public Resources~~
- 3 ~~Code is amended to read:~~
- 4 ~~6217.1. (a) For purposes of this section, "project"~~
- 5 ~~means an activity that improves fish habitat in coastal~~
- 6 ~~waters utilized by salmon and anadromous trout species.~~
- 7 ~~(b) (1) The Department of Fish and Game shall grant~~
- 8 ~~funds from the Salmon and Steelhead Trout Restoration~~
- 9 ~~Account created in the Resources Trust Fund pursuant to~~
- 10 ~~subdivision (b) of Section 6217, as follows:~~



1 (A) At least 87.5 percent of the funds shall be allocated  
2 as project grants through the existing grant program  
3 operated by the fisheries management program of the  
4 Department of Fish and Game.

5 (B) ~~Up to~~ *Not more than* 12.5 percent of the funds may  
6 also be used for project contract administration activities  
7 and biological support staff.

8 (2) (A) A project shall require the consent of a willing  
9 landowner, and emphasize the development of  
10 coordinated watershed improvement activities.

11 (B) Projects that restore habitat for salmon and  
12 anadromous trout species that are eligible for protection  
13 as listed or candidate species under state or federal  
14 endangered species acts shall be given top funding  
15 priority.

16 (C) Projects shall be cost-effective and treat causes  
17 and not symptoms of fish habitat degradation. Projects  
18 may implement instream, riparian, water quality, water  
19 quantity, and watershed prescriptions and shall be  
20 designed to restore the structure and function of fish  
21 habitat.

22 (3) Any grant funds allocated to a project ~~which~~ *that*  
23 exceed the actual cost of completing the project shall be  
24 returned to the Salmon and Steelhead Trout Restoration  
25 Account.

26 (c) (1) A citizen's advisory committee shall be  
27 appointed by the Director of Fish and Game, to give  
28 advice on the grant program.

29 (2) The advisory committee shall consist of five  
30 representatives from the California Advisory Committee  
31 on Salmon and Steelhead Trout, one representative from  
32 the agriculture industry, one representative from the  
33 timber industry, one academic or research scientist with  
34 expertise in anadromous fisheries restoration, and two  
35 county supervisors from coastal counties in which  
36 anadromous trout exist. The county supervisor members  
37 shall be recommended by the California State Association  
38 of Counties.

39 (3) The advisory committee shall provide oversight of,  
40 and recommend priorities for, grant funding under this



1 section. In making funding decisions, the Department of  
2 Fish and Game shall consider the project selection  
3 priorities established by the advisory committee.

4 (4) Members of the advisory committee shall be  
5 reimbursed for travel and incidental expenses related to  
6 the performance of their duties under this section.  
7 Reimbursement shall be made from the funds designated  
8 in subparagraph (B) of paragraph (1) of subdivision (b).

9 (d) Except as provided in subdivision (e), the money  
10 in the Salmon and Steelhead Trout Restoration Account  
11 shall be allocated as follows:

12 (1) Not less than 65 percent of the money shall be used  
13 for salmon habitat protection and restoration projects. Of  
14 that amount, at least 75 percent shall be used for  
15 watershed (upslope) and riparian area protection and  
16 restoration activities. *These activities may include, but*  
17 *are not limited to, grants to remove substandard culverts,*  
18 *stream crossings, and bridges that constitute barriers to*  
19 *spawning of salmon and steelhead and passage of fish.*

20 (2) Up to 35 percent of the money shall be allocated for  
21 any of the following uses:

22 (A) Watershed evaluation, assessment, and planning  
23 necessary to develop a site-specific and clearly prioritized  
24 plan to implement watershed improvements.

25 (B) Multiyear grants for watershed planning and  
26 project monitoring and evaluations.

27 (C) Watershed organization support and assistance.

28 (D) Project maintenance and monitoring after the  
29 project implementations are complete.

30 (E) Public school watershed and fishery conservation  
31 education projects.

32 (F) Private sector technical training and education  
33 project grants, including teaching private landowners  
34 about practical means of improving land and water  
35 management practices that, if implemented, will  
36 contribute to the protection and restoration of salmon  
37 stream habitat; scholarship funding for workshops and  
38 conferences that teach restoration techniques; operation  
39 of nonprofit restoration technical schools; and production



1 of restoration training and education workshops and  
2 conferences.

3 (G) *Fish and wildlife habitat improvements, as*  
4 *defined by Section 4793, and authorized under the*  
5 *California Forestry Incentive Program (CFIP)—projects*  
6 ~~that meet CFIP guidelines.~~

7 (H) The salmon restoration project of the California  
8 Conservation Corps.

9 (I) The state's share of the federal Watershed  
10 Stewards Program.

11 (e) The advisory committee may, in any fiscal year,  
12 make a recommendation to the Department of Fish and  
13 Game to allocate money from the Salmon and Steelhead  
14 Trout Restoration Account for the purposes stated in  
15 subdivision (d), but in different percentage  
16 requirements than the 65/35 split stated in paragraphs  
17 (1) and (2) of that subdivision. Following that  
18 recommendation, the Director of Fish and Game may  
19 suspend the percentage requirements stated in  
20 paragraphs (1) and (2) of subdivision (d) for that fiscal  
21 year only.

22 is amended to read:

23 ~~37625. (a) A member of a municipal hospital's~~  
24 ~~medical or allied health professional staff who is an officer~~  
25 ~~of the municipal hospital shall not be deemed to be~~  
26 ~~"financially interested," for purposes of Section 1090, in~~  
27 ~~any of the contracts set forth in subdivision (b) made by~~  
28 ~~any municipal hospital body or board of which the officer~~  
29 ~~is a member if all of the following conditions are satisfied:~~

30 ~~(1) The officer abstains from any participation in the~~  
31 ~~making of the contract.~~

32 ~~(2) The officer's relationship to the contract is~~  
33 ~~disclosed to the body or board and noted in its official~~  
34 ~~records.~~

35 ~~(3) If paragraphs (1) and (2) are satisfied, the body or~~  
36 ~~board does both of the following, without any~~  
37 ~~participation by the officer:~~

38 ~~(A) Finds that the contract is fair to the municipal~~  
39 ~~hospital and in its best interest.~~

40 ~~(B) Authorizes the contract in good faith.~~



1 ~~(b) Subdivision (a) shall apply to the following~~  
2 ~~contracts:~~

3 ~~(1) A contract between the municipal hospital and the~~  
4 ~~officer for the officer to provide professional services to~~  
5 ~~the hospital's patients, employees, or medical staff~~  
6 ~~members and their respective dependents, provided that~~  
7 ~~similar contracts exist with other staff members and the~~  
8 ~~amounts payable under the contract are no greater than~~  
9 ~~the amounts payable under similar contracts covering the~~  
10 ~~same or similar services. A contract between a municipal~~  
11 ~~hospital and a member of a municipal hospital's medical~~  
12 ~~or allied health staff who is also an ex officio nonvoting~~  
13 ~~member of the board of the municipal hospital that is~~  
14 ~~outside of a Standard Metropolitan Statistical Area, as~~  
15 ~~defined by the federal Office of Management and~~  
16 ~~Budget, may also include reasonable expenses for~~  
17 ~~recruitment of one or more physicians and surgeons to~~  
18 ~~serve on the hospital's medical staff.~~

19 ~~A municipal hospital shall not enter into an individual~~  
20 ~~contract with a member of its board who is also a member~~  
21 ~~of the hospital's medical staff that prevents other~~  
22 ~~physicians and surgeons from pursuing the profession of~~  
23 ~~medicine in the hospital's service area. Prior to entering~~  
24 ~~into a contract with a member of its board who is also a~~  
25 ~~member of the medical staff, a municipal hospital board~~  
26 ~~shall make a good faith effort to identify other qualified~~  
27 ~~physicians and surgeons in the hospital's service area~~  
28 ~~capable of fulfilling the terms of such a contract.~~

29 ~~(2) A contract to provide services to covered persons~~  
30 ~~between the municipal hospital and any insurance~~  
31 ~~company, health care service plan, employer, or other~~  
32 ~~entity which provides health care coverage, and which~~  
33 ~~also has a contract with the officer to provide professional~~  
34 ~~services to its covered persons.~~

35 ~~(3) A contract in which the municipal hospital and the~~  
36 ~~officer are both parties if other members of the municipal~~  
37 ~~hospital's medical or allied health professional staff are~~  
38 ~~also parties, directly or through their professional~~  
39 ~~corporations or other practice entities, provided the~~  
40 ~~officer is offered terms no more favorable than those~~



1 ~~offered any other party who is a member of the municipal~~  
2 ~~hospital's medical or allied health professional staff.~~

3 ~~(c) This section does not permit an otherwise~~  
4 ~~prohibited individual to be a member of the board of~~  
5 ~~trustees of a municipal hospital, including, but not limited~~  
6 ~~to, individuals described in Section 53227. Nothing in this~~  
7 ~~section shall authorize a contract that would otherwise be~~  
8 ~~prohibited by Section 2400 of the Business and Professions~~  
9 ~~Code.~~

10 ~~(d) For purposes of this section, a contract entered~~  
11 ~~into by a professional corporation or other practice entity~~  
12 ~~in which the officer has an interest shall be deemed the~~  
13 ~~same as a contract entered into by the officer directly.~~

