

AMENDED IN ASSEMBLY JUNE 16, 2010

SENATE BILL

No. 947

Introduced by Senator Wiggins Leno
(Principal coauthor: Assembly Member Yamada)
(Coauthor: Assembly Member Bradford)

February 4, 2010

~~An act to amend Section 69.9 of the Military and Veterans Code, relating to veterans. An act to add Article 6.5 (commencing with Section 860) to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, relating to electrical and gas corporations.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 947, as amended, ~~Wiggins Leno. Department of Veterans Affairs: veterans' homes: yearly fiscal estimate package. Electrical and gas corporations: political expenditures.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined.

The federal Public Utility Regulatory Policies Act of 1978 requires every state regulatory authority with respect to each electric utility, as defined, for which it has ratemaking authority, to determine whether to adopt certain federal standards if consistent with otherwise applicable state law. The federal standards prohibit an electric utility from recovering from any person other than the shareholders or other owners of the utility, any direct or indirect expenditure by the electric utility for promotional or political advertising, as defined.

This bill would prohibit an electrical and gas corporation that serves more than 3,000,000 customers from spending funds received from ratepayers as authorized revenues on political and public affairs, as

defined, related to state or local governments. The bill would require each electrical and gas corporation that serves more than 3,000,000 customers to annually report to the commission all political and public affairs spending for the preceding year and would require the commission to ensure that all political and public affairs spending identified in the annual report is not included in rates paid by the ratepayers of the electrical and gas corporation.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and require action by the commission to implement its requirements, the bill would impose a state-mandated local program by creating a new crime.

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 no reimbursement is required by this act for a specified reason.

~~Existing law requires the Department of Veterans Affairs, on or before January 10, 2009, and each January 10 thereafter, to provide a fiscal estimate package to the fiscal committees of the Legislature that contains specified information regarding the costs of administering state veterans' homes. Existing law also requires the department to provide an updated fiscal estimate package on or before May 15 of each year.~~

~~This bill would require the department to additionally provide the fiscal estimate package and updated fiscal estimate package each year to the legislative representatives whose districts include the state veterans' homes.~~

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

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

- 1 SECTION 1. Article 6.5 (commencing with Section 860) is
- 2 added to Chapter 4 of Part 1 of Division 1 of the Public Utilities
- 3 Code, to read:

1 Article 6.5. Political and Public Affairs Expenditures

2
3 860. (a) An electrical and gas corporation that serves more
4 than 3,000,000 customers shall not spend funds received from
5 ratepayers as authorized revenues on political and public affairs
6 related to state or local governments. For purposes of this section,
7 political and public affairs spending includes any activities
8 involving, directly or indirectly, advocacy of the election or defeat
9 of political candidates and of the adoption or defeat of ballot
10 measures, through the actions of the corporation or through a
11 third party. Political and public affairs spending prohibited by
12 this section does not include spending on contacts with state agency
13 officials or local officials required as part of licensing or
14 regulatory proceedings or to optimize utility operations.

15 (b) Each electrical and gas corporation that serves more than
16 3,000,000 customers shall annually report to the commission all
17 political and public affairs spending for the preceding year,
18 including, but not limited to, any amounts reported pursuant to
19 the Political Reform Act of 1974 (Title 9 (commencing with Section
20 81000) of the Government Code) to the Secretary of State, the Fair
21 Political Practices Commission, or any local election official by
22 any affiliate of the electrical and gas corporation, and including
23 any amounts contributed by the utility, or any affiliate, to a
24 reporting entity. The commission shall approve the form of the
25 report and shall determine the annual date by which the report is
26 to be filed by each electrical and gas corporation that serves more
27 than 3,000,000 customers.

28 (c) The commission shall ensure that all political and public
29 affairs spending identified in the annual report pursuant to
30 subdivision (b) is not included in rates paid by the ratepayers of
31 an electrical and gas corporation that serves more than 3,000,000
32 customers by disallowing the reported amounts from revenues
33 authorized to be collected from ratepayers and reducing the
34 corporation's rates.

35 (d) Subdivisions (a) and (c) are applicable to all ratemaking
36 proceedings that are pending on or after January 1, 2011.

37 ~~SECTION 1. Section 69.9 of the Military and Veterans Code~~
38 ~~is amended to read:~~

39 ~~69.9. (a) (1) On or before January 10, 2009, and on or before~~
40 ~~January 10 of each year thereafter, the department shall provide~~

1 the fiscal committees of both houses of the Legislature with a fiscal
2 estimate package containing the anticipated budget year costs of
3 carrying out the current year's level of service as authorized by
4 the Legislature for the state veterans homes.

5 (2) On or before January 10, 2011, and on or before January 10
6 of each year thereafter, the department shall provide the legislative
7 representatives whose districts include state veterans' homes with
8 the fiscal estimate package described in paragraph (1):

9 (b) (1) The fiscal estimate package shall include, but not be
10 limited to, the following information, which shall be provided for
11 each veterans home:

12 (A) An annual resident census by level of care.

13 (B) An annual position summary by level of care and nonlevel
14 of care.

15 (C) Operating and equipment expenses, including, but not
16 limited to, the following:

17 (i) Cost adjustments specific to the adjustment in the number
18 of residents by level of care.

19 (ii) Any staff adjustments, whether level of care or nonlevel of
20 care.

21 (D) A fiscal display of any moneys budgeted by the department
22 as revenues or recoveries to the General Fund.

23 (2) Each fiscal estimate package shall include, in addition to
24 the information provided pursuant to paragraph (1), a description
25 of the assumptions and methodologies used for calculating the
26 resident level of care factors, all staffing costs, and operating and
27 equipment expenses. Fiscal bridge charts shall be included that
28 display the year-to-year changes in funding levels by funding
29 source.

30 (3) The department may provide any additional information as
31 deemed appropriate to provide a comprehensive fiscal perspective
32 to the Legislature for the analysis and deliberations for purposes
33 of appropriation.

34 (e) (1) On or before May 15, 2009, and on or before May 15
35 of each year thereafter, the department shall provide the fiscal
36 committees of both houses of the Legislature with an updated fiscal
37 estimate package that shall include, but is not limited to, an updated
38 fiscal display of any moneys budgeted by the department as
39 revenues or recoveries to the General Fund and updated fiscal

1 bridge charts that display the year-to-year changes in funding levels
2 by funding source.
3 ~~(2) On or before May 15, 2011, and on or before May 15 of~~
4 ~~each year thereafter, the department shall provide the legislative~~
5 ~~representatives whose districts include state veterans' homes with~~
6 ~~the updated fiscal estimate package described in paragraph (1).~~

O