

1 (a) “Dental managed care plan” means a plan that contracts with  
2 the department for the purpose of implementing the Medi-Cal  
3 dental program, which includes, but is not limited to, contracts  
4 authorized pursuant to Sections 14087.46, 14089, and 14104.3  
5 that provide beneficiaries with access to dental plan liaisons to  
6 assist in the coordination of care for enrolled members.

7 (b) “Oral health care” means health care that works toward a  
8 state of being free from chronic mouth and facial pain, oral and  
9 throat cancer, oral sores, birth defects such as cleft lip and palate,  
10 periodontal (gum) disease, tooth decay and tooth loss, and other  
11 diseases and disorders that affect the oral cavity.

12 (c) “Oral hygiene education” means education on the practice  
13 brushing and flossing to keep the mouth clean and to prevent tooth  
14 decay and gum disease.

15 14091.41. The Legislature finds and declares all of the  
16 following:

17 (a) Untreated tooth decay affects more children than any other  
18 chronic infectious disease in the United States, leading to pain and  
19 suffering, loss of school days, and even death, despite being a  
20 largely preventable disease, as noted by the Pediatric Oral Health  
21 Research and Policy Center.

22 (b) Children at increased risk of developing caries often lack  
23 access to dental care and many do not have good home care  
24 prevention practices.

25 (c) According to the California State Auditor’s report of  
26 December 2014, in 2013 less than one-half of the children enrolled  
27 in California’s Medi-Cal dental program, also known as Denti-Cal,  
28 were able to access basic dental care.

29 (d) Recent estimates by the State Department of Health Care  
30 Services indicate that only 25 percent of adults enrolled in  
31 Denti-Cal accessed any dental treatment benefits during 2014,  
32 even though adult benefits were partially restored.

33 (e) The Medi-Cal Dental Services Rate Review, dated July 1,  
34 2015, reflects that California’s reimbursement rates for Denti-Cal  
35 were considerably lower than the comparable states of Florida,  
36 New York, and Texas, and only 31 percent of the national average  
37 for commercial dental insurance.

38 (f) Research has identified associations between chronic oral  
39 infections and diabetes, heart and lung disease, stroke, and poor  
40 birth outcomes.

1 (g) The federal Centers for Medicare and Medicaid Services  
2 (CMS) is encouraging states to emphasize new approaches to  
3 integrated whole-person care, including dental care, as well as  
4 developing innovative payment methods for state Medicaid  
5 programs.

6 (h) Several states have demonstrated successful outcomes with  
7 redesigning their dental programs under Medicaid.

8 (i) Innovative models of health and dental collaboration and  
9 innovative payment methods need to be tested in California to  
10 improve the overall health of Medi-Cal beneficiaries and to ensure  
11 an efficient and effective Denti-Cal program.

12 (j) Documented experience in the Counties of San Bernardino  
13 and Riverside has identified a lack of dentists accepting new  
14 Medi-Cal beneficiaries and difficulty for Medi-Cal beneficiaries  
15 in navigating dental providers.

16 (k) Strategic payment incentive approaches to attract and retain  
17 dentists and effectively drive the timely and appropriate use of  
18 dental services have been effective in several state Medicaid  
19 programs.

20 14091.42. (a) It is the intent of the Legislature to establish the  
21 Dental Health Collaboration Pilot Program to test and examine  
22 the efficacy of using a hybrid collaboration model to provide  
23 comprehensive oral health care, including oral hygiene education,  
24 prevention services, and dental treatment, under the auspices of a  
25 dental managed care plan and in collaboration with a health plan  
26 that is a Medi-Cal managed care health plan that serves the County  
27 of San Bernardino or the County of Riverside, or both of those  
28 counties.

29 (b) It is the intent of the Legislature for the Dental Health  
30 Collaboration Pilot Program to do all of the following, as permitted  
31 by federal law:

32 (1) Design and implement an oral hygiene education  
33 collaborative to provide parents, caregivers, children, and adults  
34 with applicable information and motivation to adopt positive oral  
35 health behaviors.

36 (2) Provide direct linkage between health care and dental care  
37 for Medi-Cal beneficiaries, including an ongoing relationship with  
38 the beneficiary and dental provider.

1 (3) Establish objectives for improving access to comprehensive  
2 oral health care, including access to dental prevention services and  
3 pediatric dentistry.

4 (4) Establish objectives for improving dental utilization, as  
5 medically indicated, for Medi-Cal beneficiaries.

6 (5) Test innovative payment models.

7 (6) Enroll eligible Medi-Cal beneficiaries into the pilot program  
8 on a voluntary basis.

9 (7) Achieve improved health and dental outcomes for enrolled  
10 Medi-Cal beneficiaries.

11 (8) Collect, measure, and analyze data in collaboration with the  
12 department.

13 (9) Conduct ongoing quality improvement to facilitate  
14 attainment of pilot program objectives.

15 14091.43. (a) No sooner than July 1, 2019, and subject to any  
16 necessary federal approvals and in accordance with this article,  
17 the department may authorize a Dental Health Collaboration Pilot  
18 Program for Medi-Cal beneficiaries.

19 (b) The department may authorize implementation of the pilot  
20 program for a period of up to five years.

21 (c) The department may seek any federal approvals as necessary,  
22 including state plan amendments or waivers.

23 (d) The department may provide an innovative payment structure  
24 through the pilot program to specifically facilitate ~~health and dental~~  
25 objectives as identified in the pilot program, including ~~health care~~  
26 savings attributable to improved dental access and the use of  
27 payment incentives to facilitate dental provider participation and  
28 the cost-effective utilization of oral health care services.

29 (e) The department may facilitate and assist in any necessary  
30 exchange of data ~~between the participating health plan and the~~  
31 ~~participating dental managed care plan~~ as needed to implement  
32 the pilot program.

33 (f) The department may provide technical assistance as necessary  
34 to participating health plans and participating dental managed care  
35 plans.

36 ~~(g) The department may develop specific contract language~~  
37 ~~with a participating health plan for the purposes of implementing~~  
38 ~~the Dental Health Collaboration Pilot Program that shall be~~  
39 ~~incorporated into the contracts of each affected health plan.~~

40 (h)

1 (g) The department may develop specific contract language  
2 with a participating dental managed care plan for the purposes of  
3 implementing the Dental Health Collaboration Pilot Program that  
4 shall be incorporated into the contracts of each affected dental  
5 managed care plan.

6 14091.44. (a) A health plan that is a Medi-Cal managed care  
7 plan and that serves the County of San Bernardino or the County  
8 of Riverside, or both of those counties, may choose to participate  
9 in the Dental Health Collaboration Pilot Program in accordance  
10 with this section.

11 (b) A health plan that chooses to participate in the pilot program  
12 ~~shall do all of the following:~~ *may participate as follows:*

13 (1) Engage with the ~~department and the~~ participating dental  
14 managed care plan as deemed appropriate to design and implement  
15 the pilot program for an operating period of up to five years.

16 (2) In collaboration with the department and the participating  
17 dental managed care plan, as deemed appropriate, ~~identify and~~  
18 establish core objectives for improving dental utilization ~~and~~  
19 overall health care for Medi-Cal beneficiaries who opt to participate  
20 in the pilot program.

21 (3) Collaborate with the participating dental managed care plan  
22 to engage in ~~consistent and ongoing~~ outreach to Medi-Cal  
23 beneficiaries for the purpose of ~~obtaining their participation in~~  
24 ~~medically appropriate usage of Denti-Cal and enrollment into~~  
25 *participation in* the pilot program. Outreach activities may include,  
26 but are not limited to, the following:

27 (A) ~~Identifying~~ *At the initial dental screening, as described in*  
28 *paragraph (1) of subdivision (g) of Section 14149.8, identifying*  
29 Medi-Cal beneficiaries who are not utilizing or underutilizing  
30 Denti-Cal program services, as appropriate.

31 (B) Providing notification *to beneficiaries* regarding the pilot  
32 program, as appropriate.

33 (C) Participating in health and dental community-based events.

34 (4) Provide ~~linkage with~~ *linkage, as applicable, between* the  
35 participating dental managed care plan ~~to ensure a warm handoff~~  
36 ~~of identified~~ *and* Medi-Cal beneficiaries who have opted into the  
37 pilot program.

38 (5) ~~Actively engage~~ *Engage* in patient care coordination  
39 functions with the participating dental managed care plans,  
40 including, but not limited to, ~~the following:~~ *advising patients of*

1 *the availability of the Dental Health Collaboration Pilot Program,*  
2 *as applicable.*

3 ~~(A) Identifying, as applicable, patients with special health care~~  
4 ~~and dental care needs.~~

5 ~~(B) Developing an overall health and dental care strategy that~~  
6 ~~meets the patient's medical needs.~~

7 ~~(C) Coordinating and monitoring patient care with the goal of~~  
8 ~~achieving optimum health care and dental care outcomes in an~~  
9 ~~efficient and cost-effective manner.~~

10 ~~(D) Arranging for patient consultations and postreview activities~~  
11 ~~for continued quality improvement and improved patient~~  
12 ~~compliance with the patient's health and dental plan.~~

13 ~~(6) Collect, measure, and analyze data in collaboration~~  
14 ~~Collaborate with the department and participating dental managed~~  
15 ~~care plans to identify lessons learned and pilot program~~  
16 ~~achievements. *The participating dental managed care plan shall*~~  
17 ~~*be the lead entity in this collaboration with the department.*~~

18 14091.45. (a) A dental managed care plan that chooses to  
19 participate in the Dental Health Collaboration Pilot Program in  
20 accordance with this section, and that is under contract with the  
21 department to serve Medi-Cal beneficiaries in the County of San  
22 Bernardino, the County of Riverside, or both of those counties,  
23 shall do all of the following:

24 (1) Engage with the department and the participating health  
25 plan as deemed appropriate to design and implement the pilot  
26 program for an operating period of up to five years.

27 (2) In collaboration with the department and participating health  
28 plans, as deemed appropriate, identify and establish core objectives  
29 for improving dental utilization ~~and overall health care~~ for  
30 Medi-Cal beneficiaries who opt to participate in the pilot program.

31 (3) Collaborate with the participating health ~~plans~~ *plans, as*  
32 *deemed appropriate*, to engage in consistent and ongoing outreach  
33 to Medi-Cal beneficiaries for the purpose of obtaining their  
34 participation in medically appropriate usage of Denti-Cal and  
35 enrollment into the pilot program. Outreach activities may include,  
36 but are not limited to, the following:

37 (A) Identifying Medi-Cal beneficiaries who are not utilizing or  
38 underutilizing Denti-Cal program services.

39 (B) Providing notification regarding the pilot program, as  
40 appropriate.

- 1 (C) Scheduling appointments and providing regular appointment  
2 reminders.
- 3 (D) Providing interpreters.
- 4 (E) Providing transportation.
- 5 (F) Facilitating communication between the Medi-Cal  
6 beneficiary and his or her dental provider.
- 7 (G) Participating in health and dental community-based events.
- 8 (4) Provide culturally appropriate oral hygiene education  
9 programs with special emphasis on underserved children.
- 10 (5) Provide linkage with the participating health ~~plan~~ *plan, as*  
11 *applicable*, to ensure a warm handoff of identified Medi-Cal  
12 beneficiaries who have opted into the pilot program.
- 13 (6) Actively engage in patient care coordination functions with  
14 the participating health plan, *as applicable*, including, but not  
15 limited to, the following:
- 16 (A) Identifying, as applicable, patients with special health care  
17 and dental care needs.
- 18 (B) Engaging with referred patients to ensure that a high level,  
19 integrated, and personalized dental care plan is implemented.
- 20 (C) Developing an overall ~~health and~~ dental care strategy that  
21 meets the patient's medical needs.
- 22 (D) Coordinating and monitoring patient care with the goal of  
23 achieving ~~optimum~~ health care and dental care outcomes in an  
24 efficient and cost-effective manner.
- 25 (E) Arranging for patient consultations and post-review activities  
26 for continued quality improvement and improved patient  
27 compliance with the patient's ~~health and~~ dental plan.
- 28 (7) Monitor dental providers for performance and outcomes,  
29 including ongoing quality improvement as necessary.
- 30 (8) Collect, measure, and analyze data in collaboration with the  
31 department, the participating health ~~plan~~ *plan, as necessary*, and  
32 dental providers to identify lessons learned and pilot program  
33 achievements. *The participating dental managed care plan shall*  
34 *be the lead entity in this collaboration with the department and*  
35 *dental providers.*
- 36 (b) Upon the approval of the department, a participating dental  
37 managed care plan may implement and demonstrate innovative  
38 payment methods designed to provide actuarially sound  
39 reimbursement to dental providers, along with incentive payments  
40 ~~the~~ *that* recognize established outcome measures and objectives.

1 14091.46. A health plan may terminate its participation in the  
2 pilot program by notifying the department at least 120 days before  
3 the termination. The health plan shall give participating Medi-Cal  
4 beneficiaries and dental managed care plans at least 90 days' notice  
5 of termination.

6 14091.47. A dental managed care plan may terminate its  
7 participation in the pilot program by notifying the department at  
8 least 120 days before the termination. The dental managed care  
9 plan shall give participating Medi-Cal beneficiaries and health  
10 plans at least 90 ~~days~~ *days*' notice of termination.

11 14091.48. Contracts entered into pursuant to this article may  
12 be on a bid or nonbid basis, and shall be exempt from Chapter 2  
13 (commencing with Section 10290) of Part 2 of Division 2 of the  
14 Public Contract Code.

15 14091.49. This article shall not be construed to limit or  
16 eliminate services provided by the Medi-Cal program or Denti-Cal.

17 14091.50. This article shall be implemented only to the extent  
18 that federal financial participation is available and any necessary  
19 federal approvals have been obtained.

20 14091.51. Notwithstanding Chapter 3.5 (commencing with  
21 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
22 Code, the department may implement, interpret, or make specific  
23 this article by means of all-county letters, plan letters, plan or  
24 provider bulletins, or similar instructions, without taking regulatory  
25 action.

26 *SEC. 2. Section 14149.8 of the Welfare and Institutions Code*  
27 *is amended to read:*

28 14149.8. (a) The department shall expedite the enrollment of  
29 Medi-Cal dental providers by streamlining the Medi-Cal provider  
30 enrollment process. The department shall pursue and implement  
31 all of the following activities, to the extent permitted by federal  
32 law:

33 (1) Create a dental-specific enrollment form.

34 (2) Pursue an alternative automatic enrollment process for a  
35 provider already commercially credentialed by either a dental  
36 fee-for-service contractor or an administrative services contractor  
37 for the purpose of providing services as a commercial provider.

38 (3) Discontinue requiring providers to resubmit an enrollment  
39 application that has been deemed incomplete if the missing  
40 information is available elsewhere within the application packet.

1 (4) To the extent that the department expedites the enrollment  
2 of Medi-Cal dental providers by streamlining the Medi-Cal  
3 provider enrollment process, the department shall publish the  
4 criteria for those processes in applicable provider bulletins and  
5 manuals.

6 (b) (1) The department shall maintain the provider network on  
7 a monthly basis by deactivating a billing provider who has not,  
8 over a continuous 12-month period, submitted a claim for  
9 reimbursement for services rendered.

10 (2) Prior to deactivating a provider described in paragraph (1),  
11 the department shall send a notice to the provider informing the  
12 provider that the provider shall be deactivated from the dental  
13 program unless the provider requests reactivation within six months  
14 after the date of the notice. The department shall not disenroll a  
15 provider until six months after the date of that notice. This  
16 paragraph shall not be implemented until the date the department  
17 implements and programs the necessary system changes to the  
18 California Dental Medicaid Management Information Systems to  
19 implement this paragraph, or no sooner than July 1, 2017,  
20 whichever is later.

21 (3) In order to improve the quality of the dental provider  
22 network, the department also shall exercise additional measures  
23 as appropriate and permitted by law, including, but not limited to,  
24 temporary suspensions. The parameters and criteria developed by  
25 the department for additional measures for deactivations and  
26 disenrollments shall be published in applicable provider bulletins  
27 and manuals.

28 (c) (1) The department shall monitor access and utilization of  
29 Medi-Cal dental services in the fee-for-service and managed care  
30 delivery systems to assess opportunities to improve access and  
31 utilization, including an annual review of the treatment  
32 authorization review process.

33 (2) The department shall assess opportunities to develop and  
34 implement innovative payment reform proposals within the  
35 Medi-Cal dental programs.

36 (d) The department shall explore additional opportunities to  
37 improve the Medi-Cal Dental Program, in consultation with  
38 stakeholders and as deemed appropriate by the department and to  
39 the extent permitted by federal law, including, but not limited to,  
40 the following:



1 (1) Aligning the provision of dental anesthesia services with  
2 that of medical anesthesia services, including the ability to bill for  
3 applicable facility fees and ancillary services.

4 (2) Adjusting other utilization controls for specialty services,  
5 as appropriate, to promote access to care while still protecting  
6 program integrity.

7 (3) Expanding the scope of beneficiary outreach activities  
8 required by an entity that is contracted with the department to more  
9 broadly address underutilization throughout the state.

10 (e) Prior to implementing an action pursuant to subdivision (d),  
11 the department shall post the proposed action on its Internet Web  
12 site at least 30 days before implementation.

13 (f) The department shall work with dental managed care plans  
14 that contract with the department for the purposes of implementing  
15 the Medi-Cal Dental Program, which includes, but is not limited  
16 to, contracts authorized pursuant to Sections 14087.46, 14089, and  
17 14104.3, to provide beneficiaries with access to dental plan liaisons  
18 to assist in the coordination of care for enrolled members.

19 (g) *A Medi-Cal dental managed care plan shall work with the*  
20 *department to ensure access to, and the provision of, quality dental*  
21 *services to Medi-Cal beneficiaries, and its activities in connection*  
22 *therewith shall include, but not be limited to, all of the following:*

23 (1) *Maintaining licensure pursuant to the Knox-Keene Health*  
24 *Care Service Plan Act of 1975 (Chapter 2.2 (commencing with*  
25 *Section 1340) of Division 2 of the Health and Safety Code).*

26 (2) *Ensuring each enrolled Medi-Cal beneficiary has an*  
27 *available primary care dentist.*

28 (3) *Ensuring each enrolled Medi-Cal beneficiary has access to*  
29 *specialists for medically necessary covered services.*

30 (4) *Implementing and actively maintaining a utilization*  
31 *management program to ensure appropriate processes are used*  
32 *to review and approve the provision of medically necessary dental*  
33 *services as identified in the Manual of Criteria and Schedule of*  
34 *Maximum Allowances contained in the Medi-Cal Dental Program*  
35 *Provider Handbook.*

36 (5) *Maintaining a full-time dentist as dental director pursuant*  
37 *to Section 53913.5 of Title 22 of the California Code of*  
38 *Regulations.*

39 (6) *Complying with Title 28 of the California Code of*  
40 *Regulations, including Sections 1300.67.2 and 1300.70, regarding*

1 *accessibility of services and requirements for ongoing quality*  
2 *assurance systems, respectively.*

3 *(7) Monitoring contracting dental providers using quality*  
4 *improvement thresholds as established by the department.*

5 *(8) Developing and submitting to the department an annual*  
6 *quality improvement report that describes activities undertaken*  
7 *and evaluates areas of success and needed improvements.*

8 *(9) Conducting or participating in quality improvement projects*  
9 *as approved by the department.*

10 ~~(g)~~

11 *(h) A Medi-Cal managed care health plan shall do all of the*  
12 *following:*

13 *(1) Provide dental screenings for every eligible beneficiary as*  
14 *a part of the beneficiary's initial health assessment.*

15 *(2) Ensure that an eligible beneficiary is referred to an*  
16 *appropriate Medi-Cal dental provider.*

17 *(3) Identify plan liaisons available to dental managed care*  
18 *contractors and dental fee-for-service contractors to assist with*  
19 *referrals to health plan covered services.*

20 ~~(h)~~

21 *(i) (1) To increase the efficiency and timeliness of changes,*  
22 *any contract amendment, modification, or change order to any*  
23 *contract entered into by the department for the purposes of*  
24 *implementing the state Medi-Cal Dental Program shall be exempt,*  
25 *except as provided in paragraph (2), from Part 2 (commencing*  
26 *with Section 10100) of Division 2 of the Public Contract Code, as*  
27 *well as Sections 11545 and 11546 of the Government Code, in*  
28 *addition to any policies, procedures, or regulations authorized by*  
29 *those provisions.*

30 *(2) Paragraph (1) shall not exempt the department from*  
31 *establishing a competitive bid process for awarding new contracts*  
32 *pursuant to Section 14104.3, as well as for awarding new dental*  
33 *contracts pursuant to Sections 14087.46 and 14089.*

34 ~~(i)~~

35 *(j) Prior to implementing any change pursuant to this section,*  
36 *the department shall consult with, and provide notification to,*  
37 *stakeholders, including representatives from counties, local dental*  
38 *societies, nonprofit entities, legal aid entities, and other interested*  
39 *parties.*

40 ~~(j)~~

1     (k) (1) Notwithstanding Chapter 3.5 (commencing with Section  
2 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
3 the department, without taking any further regulatory action, shall  
4 implement, interpret, or make specific policies and procedures  
5 pertaining to the dental fee-for-service program and dental managed  
6 care plans, as well as applicable federal waivers and state plan  
7 amendments, including the provisions set forth in this section, by  
8 means of all-county letters, plan letters, plan or provider bulletins,  
9 or similar instructions until regulations are adopted.

10     (2) No later than December 31, 2018, the department shall adopt  
11 regulations in accordance with the requirements of Chapter 3.5  
12 (commencing with Section 11340) of Part 1 of Division 3 of Title  
13 2 of the Government Code. Beginning six months after the effective  
14 date of this section, and notwithstanding Section 10231.5 of the  
15 Government Code, the department shall provide a status report to  
16 the Legislature on a semiannual basis until regulations have been  
17 adopted.

18     ~~(k)~~  
19     (l) This section shall be implemented only to the extent that all  
20 of the following occur:

21     (1) The department obtains any federal approvals necessary to  
22 implement this section.

23     (2) The department obtains federal matching funds to the extent  
24 permitted by federal law.

AMENDED IN SENATE MAY 2, 2017  
AMENDED IN SENATE MARCH 28, 2017

**SENATE BILL**

**No. 649**

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**Introduced by Senator Hueso**  
(Principal coauthor: Assembly Member Quirk)  
(Coauthor: Senator Dodd)

February 17, 2017

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An act to amend Section 65964 of, and to add Section 65964.2 to, the Government Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 649, as amended, Hueso. Wireless telecommunications facilities.

Under existing law, a wireless telecommunications collocation facility, as specified, is subject to a city or county discretionary permit and is required to comply with specified criteria, but a collocation facility, which is the placement or installation of wireless facilities, including antennas and related equipment, on or immediately adjacent to that wireless telecommunications collocation facility, is a permitted use not subject to a city or county discretionary permit.

This bill would provide that a small cell is a permitted use, ~~not~~ subject *only to a specified permitting process adopted by a city or county discretionary permit, county*, if the small cell meets specified requirements. By imposing new duties on local agencies, this bill would impose a state-mandated local program. The bill would authorize a city or county to require an ~~administrative permit~~ *encroachment permit or a building permit, and any additional ministerial permits*, for a small cell, as specified. The bill would define the term "small cell" for these purposes.

Under existing law, a city or county, as a condition of approval of an application for a permit for construction or reconstruction of a development project for a wireless telecommunications facility, may not require an escrow deposit for removal of a wireless telecommunications facility or any component thereof, unreasonably limit the duration of any permit for a wireless telecommunications facility, or require that all wireless telecommunications facilities be limited to sites owned by particular parties within the jurisdiction of the city or county, as specified.

This bill would require permits for these facilities to be renewed for equivalent durations, as specified.

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.

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

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

1 SECTION 1. The Legislature finds and declares that, to ensure  
2 that communities across the state have access to the most advanced  
3 wireless communications technologies and the transformative  
4 solutions that robust wireless connectivity enables, such as Smart  
5 Communities and the Internet of Things, California should work  
6 in coordination with federal, state, and local officials to create a  
7 statewide framework for the deployment of advanced wireless  
8 communications infrastructure in California that does all of the  
9 following:

10 (a) Reaffirms local governments' historic role and authority  
11 with respect to wireless communications infrastructure siting and  
12 construction generally.

13 (b) Reaffirms that deployment of telecommunications facilities  
14 in the rights-of-way is a matter of statewide concern, subject to a  
15 statewide franchise, and that expeditious deployment of  
16 telecommunications networks generally is a matter of both  
17 statewide and national concern.

18 (c) Recognizes that the impact on local interests from individual  
19 small wireless facilities will be sufficiently minor and that such

1 deployments should be a permitted use statewide and should not  
2 be subject to discretionary zoning review.

3 (d) Requires expiring permits for these facilities to be renewed  
4 so long as the site maintains compliance with use conditions  
5 adopted at the time the site was originally approved.

6 (e) Requires providers to obtain all applicable building or  
7 encroachment permits and comply with all related health, safety,  
8 and objective aesthetic requirements for small wireless facility  
9 deployments on a ministerial basis.

10 (f) Grants providers fair, reasonable, nondiscriminatory, and  
11 nonexclusive access to locally owned utility poles, ~~street lights,~~  
12 *streetlights*, and other suitable host infrastructure located within  
13 the public right-of-way and in other local public places such as  
14 stadiums, parks, campuses, hospitals, transit stations, and public  
15 buildings consistent with all applicable health and safety  
16 requirements, including Public Utilities Commission General Order  
17 95.

18 (g) Provides for full recovery by local governments of the costs  
19 of attaching small wireless facilities to utility poles, ~~street lights,~~  
20 *streetlights*, and other suitable host infrastructure in a manner that  
21 is consistent with existing federal and state laws governing utility  
22 pole attachments generally.

23 (h) Permits local governments to charge wireless permit fees  
24 that are fair, reasonable, nondiscriminatory, and cost based.

25 (i) Advances technological and competitive neutrality while not  
26 adding new requirements on competing providers that do not exist  
27 today.

28 SEC. 2. Section 65964 of the Government Code is amended  
29 to read:

30 65964. As a condition of approval of an application for a permit  
31 for construction or reconstruction for a development project for a  
32 wireless telecommunications facility, as defined in Section 65850.6,  
33 a city or county shall not do any of the following:

34 (a) Require an escrow deposit for removal of a wireless  
35 telecommunications facility or any component thereof. However,  
36 a performance bond or other surety or another form of security  
37 may be required, so long as the amount of the bond security is  
38 rationally related to the cost of removal. In establishing the amount  
39 of the security, the city or county shall take into consideration

1 information provided by the permit applicant regarding the cost  
2 of removal.

3 (b) Unreasonably limit the duration of any permit for a wireless  
4 telecommunications facility. Limits of less than 10 years are  
5 presumed to be unreasonable absent public safety reasons or  
6 substantial land use reasons. However, cities and counties may  
7 establish a build-out period for a site. A permit shall be renewed  
8 for an equivalent duration unless the city or county makes a finding  
9 that the wireless telecommunications facility does not comply with  
10 the codes and permit conditions applicable at the time the permit  
11 was initially approved.

12 (c) Require that all wireless telecommunications facilities be  
13 limited to sites owned by particular parties within the jurisdiction  
14 of the city or county.

15 SEC. 3. Section 65964.2 is added to the Government Code, to  
16 read:

17 65964.2. (a) A small cell shall be a permitted use ~~not~~ subject  
18 *only to a permitting process adopted by a city or county*  
19 ~~discretionary permit pursuant to subdivision (b)~~ if it satisfies the  
20 following requirements:

21 (1) The small cell is located in the public right-of-way in any  
22 zone or in any zone that includes a commercial or industrial use.

23 (2) The small cell complies with all ~~applicable state federal,~~  
24 ~~state, and local health and safety regulations; regulations, including~~  
25 ~~compliance with the federal Americans with Disabilities Act of~~  
26 ~~1990 (42 U.S.C. Sec. 12101 et seq.).~~

27 (3) The small cell is not located on a fire department facility.

28 (b) (1) A city or county may require that the small cell be  
29 approved pursuant to ~~a single administrative permit~~ *a building*  
30 *permit or its functional equivalent in connection with placement*  
31 *outside of the public right-of-way or an encroachment permit or*  
32 *its functional equivalent issued consistent with Sections 7901 and*  
33 *7901.1 of the Public Utilities Code for the placement in public*  
34 *rights-of-way, and any additional ministerial permits, provided*  
35 ~~that the permit is all permits are~~ *issued within the time frames*  
36 *timeframes* required by state and federal law.

37 (2) ~~An administrative permit~~ *Permits issued pursuant to this*  
38 *subdivision* may be subject to the following:

39 (A) The same administrative permit requirements *as for* similar  
40 construction projects *and* applied in a nondiscriminatory manner.

1 (B) ~~The submission of~~ *A requirement to submit additional*  
2 *information showing that the small cell complies with the Federal*  
3 *Communications Commission's regulations concerning radio*  
4 *frequency emissions referenced in Section 332(c)(7)(B)(iv) of*  
5 *Title 47 of the United States Code.*

6 (C) *A condition that the applicable permit may be rescinded if*  
7 *construction is not substantially commenced within one year.*  
8 *Absent a showing of good cause, an applicant under this section*  
9 *may not renew the permit or resubmit an application to develop*  
10 *a small cell at the same location within six months of rescision.*

11 (D) *A condition that small cells no longer used to provide*  
12 *service shall be removed at no cost to the city or county.*

13 (E) *Compliance with building codes, including building code*  
14 *structural requirements.*

15 (F) *A condition that the applicant pay all electricity costs*  
16 *associated with the operation of the small cell.*

17 (G) *A condition to comply with feasible design and collocation*  
18 *standards on a small cell to be installed on property not in the*  
19 *right-of-way.*

20 (3) ~~The administrative permit~~ *Permits issued pursuant to this*  
21 *subdivision shall not be subject to:*

22 (A) *Requirements to provide additional services, directly or*  
23 *indirectly, including, but not limited to, in-kind contributions from*  
24 *the applicant such as reserving fiber, conduit, or pole space.*

25 (B) *The submission of any additional information other than*  
26 *that required of similar construction projects, except as specifically*  
27 *provided in this section.*

28 (C) *Limitations on routine maintenance or the replacement of*  
29 *small cells with small cells that are substantially similar, the same*  
30 *size or smaller.*

31 (D) ~~The regulation of any antennas~~ *micro wireless facilities*  
32 *mounted on cable strands: a span of wire.*

33 (c) *A city or county shall not preclude the leasing or licensing*  
34 *of its vertical infrastructure located in public right-of-way or public*  
35 *utility easements under the terms set forth in this paragraph.*  
36 *Vertical infrastructure shall be made available for the placement*  
37 *of small cells under fair and reasonable fees, terms, and conditions*  
38 ~~and offered on a nondiscriminatory basis for small cells. Fees shall~~  
39 ~~be cost-based, and shall not exceed the lesser of either of the~~  
40 ~~following:~~ *conditions, which may include feasible design and*



1 collocation standards. A city or county may reserve capacity on  
2 vertical infrastructure if the city or county adopts a resolution  
3 finding, based on substantial evidence in the record, that the  
4 capacity is needed for projected city or county uses. Fees shall be  
5 tiered or flat and within a range of \$100 to \$850 per small cell  
6 per year, indexed for inflation from the effective date of this section.

7 ~~(1) The costs of ownership of the percentage of the volume of~~  
8 ~~the capacity of the vertical infrastructure rendered unusable by a~~  
9 ~~small cell.~~

10 ~~(2) The rate produced by applying the formula adopted by the~~  
11 ~~Federal Communications Commission for telecommunications~~  
12 ~~pole attachments in Section 1.1409(e)(2) of Part 47 of the Code~~  
13 ~~of Federal Regulations.~~

14 (d) A city or county shall not unreasonably discriminate in the  
15 leasing or licensing of against the deployment of a small cell on  
16 property owned by the city or county and shall make space  
17 available on property not located in the public right-of-way owned  
18 or operated by the city or county for installation of a small cell. A  
19 city or county shall authorize the installation of a small cell on  
20 property owned or controlled by the city or county not located  
21 within the public right-of-way to the same extent the city or county  
22 permits access to that property for under terms and conditions that  
23 are no less favorable than the terms and conditions under which  
24 the space is made available for comparable commercial projects  
25 or uses. These installations shall be subject to reasonable and  
26 nondiscriminatory rates, terms, and ~~conditions.~~ conditions, which  
27 may include feasible design and collocation standards.

28 (e) Nothing in this section shall be construed to alter, modify,  
29 or amend any franchise or franchise requirements under state or  
30 federal law.

31 ~~(e)~~

32 (f) For purposes of this section, the following terms have the  
33 following meanings:

34 (1) (A) "Small cell" means a wireless telecommunications  
35 facility, as defined in Section 65850.6, using licensed or unlicensed  
36 spectrum that meets the following qualifications:

37 (i) ~~Any individual antenna. All antennas on the structure,~~  
38 ~~excluding the associated equipment, is individually no more than~~  
39 ~~three cubic feet in volume, and all antennas on the structure total~~

1 no more than six cubic feet in volume, whether in a single array  
2 or separate.

3 (ii) (I) The associated equipment on pole structures does not  
4 exceed 21 cubic feet for poles that can support fewer than three  
5 providers or 28 cubic feet for pole collocations that can support at  
6 least three providers, or the associated equipment on nonpole  
7 structures does not exceed 28 cubic feet for collocations that can  
8 support fewer than three providers or 35 cubic feet for collocations  
9 that can support at least three providers. *provided that any*  
10 *individual piece of associated equipment or pole structures do not*  
11 *exceed nine cubic feet.*

12 (II) The following types of associated ancillary equipment are  
13 not included in the calculation of equipment volume:

- 14 (ia) Electric meters and any required pedestal.
- 15 (ib) Concealment elements.
- 16 (ic) Any telecommunications demarcation box.
- 17 (id) Grounding equipment.
- 18 (ie) Power transfer switch.
- 19 (if) ~~Cut-off~~ Cutoff switch.
- 20 (ig) Vertical cable runs for the connection of power and other  
21 services.

22 (B) *“Small cell” includes a micro wireless facility that is no*  
23 *larger than 24 inches long, 15 inches in width, 12 inches in height,*  
24 *and that has an exterior antenna, if any, no longer than 11 inches.*

25 ~~(B)~~

26 (C) *“Small cell” does not include communications infrastructure*  
27 *extending beyond the telecommunications demarcation box. either*  
28 *of the following:*

29 (i) *Coaxial or fiber optic cables that do not exclusively provide*  
30 *service to that small cell.*

31 (ii) *Wireless facilities placed in any historic district listed in*  
32 *the National Park Service Certified State or Local Historic*  
33 *Districts or in any historical district listed on the California*  
34 *Register of Historical Resources or placed in coastal zones subject*  
35 *to the jurisdiction of the California Coastal Commission.*

36 (2) (A) *“Vertical infrastructure” means all poles or similar*  
37 *facilities owned or controlled by a city or county that are in the*  
38 *public right-of-way or public utility easements and meant for, or*  
39 *used in whole or in part for, communications service, electric*  
40 *service, lighting, traffic control, signage, or similar functions.*

1     (B) For purposes of this paragraph, the term “controlled”  
2 means having the right to allow subleases or sublicensing. A city  
3 or county may impose feasible design or collocation standards for  
4 small cells placed on vertical infrastructure, including the  
5 placement of associated equipment on the vertical infrastructure  
6 or the ground.

7     (g) Existing agreements regarding the leasing or licensing of  
8 vertical infrastructure entered into prior to the effective date of  
9 this section remain in effect, subject to applicable termination  
10 provisions. The operator of a small cell may accept the rates of  
11 this section for small cells that are the subject of an application  
12 submitted after the agreement is terminated pursuant to the terms  
13 of the agreement.

14     (h) Nothing in this section shall be construed to impose an  
15 obligation to charge a use fee different than those authorized by  
16 Part 2 (commencing with Section 9510) of Division 4.8 of the  
17 Public Utilities Code on a local publicly owned electric utility.

18     (f)

19     (i) The Legislature finds and declares that small cells, as defined  
20 in this section, have a significant economic impact in California  
21 and are not a municipal affair as that term is used in Section 5 of  
22 Article XI of the California Constitution, but are a matter of  
23 statewide concern.

24     SEC. 4. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 a local agency or school district has the authority to levy service  
27 charges, fees, or assessments sufficient to pay for the program or  
28 level of service mandated by this act, within the meaning of Section  
29 17556 of the Government Code.

AMENDED IN SENATE MARCH 28, 2017

SENATE BILL

No. 729

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Introduced by Senator Stone

February 17, 2017

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An act to amend Section 8685.4 of the Government Code, relating to emergency services.

LEGISLATIVE COUNSEL'S DIGEST

SB 729, as amended, Stone. Local emergencies: ~~state response. applications for state assistance.~~

The California ~~Emergency Services Disaster Assistance Act~~ establishes the ~~Office of Emergency Services~~ headed by *provides for the allocation of funds to local agencies for certain purposes* by the Director of ~~Emergency Services~~ and ~~provides that the office is responsible for the state's emergency and disaster response services for natural, technological, or manmade disasters and emergencies. The act requires the director, during a state of war emergency, a state of emergency, or a local emergency, to coordinate the emergency activities of all state agencies in connection with that emergency and further requires every state agency and officer to cooperate with the director in rendering all possible assistance in carrying out the provisions of the act. Services after the proclamation of a local emergency or state of emergency, as specified. The act sets forth the process by which a local agency may apply for those allocations and, as part of this process, generally provides for completion of a state agency investigation and report to the director on the proposed work within 60 days from the date of the application.~~

This bill would ~~state the intent of the Legislature to enact legislation to establish specific guidelines and timeframes with respect to the state's~~

~~response to a local proclamation of an emergency as set forth in a specified provision of the act. require the director to notify the local agency of all approved costs within 60 days from the date that investigation is completed.~~

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 8685.4 of the Government Code is  
2 amended to read:

3 8685.4. A local agency shall make application to the director  
4 for state financial assistance within 60 days after the date of the  
5 proclamation of a local emergency. The director may extend the  
6 time for this filing only under unusual circumstances. No financial  
7 aid shall be provided until a state agency, upon the request of the  
8 director, has first investigated and reported upon the proposed  
9 work, has estimated the cost of the work, and has filed its report  
10 with the director within 60 days from the date the local agency  
11 made application, unless the director extends the time because of  
12 unusual circumstances. The estimate of cost of the work may  
13 include expenditures made by the local agency for the work prior  
14 to the making of the estimate. If the reporting state agency fails to  
15 report its findings within the 60-day period, and time is not  
16 extended by the director, the director may complete the  
17 investigation and recover a proportionate amount allocated to the  
18 state agency for the balance of the investigation. *The director shall*  
19 *notify the local agency of all approved costs within 60 days from*  
20 *the date the investigation is completed.* "Unusual circumstances,"  
21 as used above, are unavoidable delays that result from recurrence  
22 of a disaster, prolonged severe weather within a one-year period,  
23 or other conditions beyond the control of the applicant. Delays  
24 resulting from administrative procedures are not unusual  
25 circumstances which warrant extensions of time.

26 SECTION 1. ~~It is the intent of the Legislature to enact~~  
27 ~~legislation to establish specific guidelines and timeframes with~~  
28 ~~respect to the state's response to a local proclamation of an~~  
29 ~~emergency as set forth in Section 8588 of the Government Code.~~

O

**Introduced by Senator Morrell**

February 17, 2017

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An act relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 804, as introduced, Morrell. Public records.

Existing law, the California Public Records Act, requires a local agency, as defined, to make public records available for inspection, subject to certain exceptions. In addition to maintaining public records for public inspection during the office hours of the public agency, existing law authorizes a public agency to make a public record available for inspection by posting it on its Internet Web site and, in response to a request for a public record posted on the Internet Web site, directing a member of the public to the location on the Internet Web site where the public record is posted.

This bill would state the intent of the Legislature to subsequently amend this bill to include provisions that would require the exploration and promotion of efficiencies and modernization in the storage of, and public access to, local government documents and recordings.

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

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

- 1 SECTION 1. It is the intent of the Legislature to subsequently
- 2 amend this measure to include provisions that would require the
- 3 exploration and promotion of efficiencies and modernization in

- 1 the storage of, and public access to, local government documents
- 2 and recordings.

O

**Introduced by Senator Mendoza  
(Coauthors: Senators Allen, Bradford, Galgiani, Hertzberg, Hill,  
Hueso, Wiener, and Wilk)**

April 27, 2017

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Senate Constitutional Amendment No. 12—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 4 of, and adding Sections 4.5 and 4.6 to, Article XI thereof, relating to counties.

LEGISLATIVE COUNSEL'S DIGEST

SCA 12, as introduced, Mendoza. Counties: governing body: county executive.

(1) The California Constitution requires that a county charter provide for a governing body of 5 or more members, elected by district, at large, or at large with a requirement that they reside in a district, and provide for the compensation, terms, and removal of members of the governing body. Existing law also requires a general law county to have a board of supervisors consisting of 5 members, and requires, except as provided, each member of the board of supervisors to be elected by the district which the member represents.

This measure would, commencing January 1, 2022, in a county that is found at a decennial United States census, beginning with the 2020 United States census, to have a population of more than 5,000,000, require, and deem any applicable law, including a county charter, to require, a governing body consisting of a sufficient number of members so as to ensure that each member represents a district containing a population equivalent to no more than 2 districts in the United States House of Representatives. The measure would require that the members of the governing body serve for a term of 4 years and limit election to



the governing body to no more than 3 terms. The measure would also provide that, in such a county, the expenditures for the governing body and its staff may not exceed, for any subsequent fiscal year after the release of the census finding that the county has a population of more than 5,000,000, the amount that was allocated for the expenses of the governing body and its staff in the county's adopted budget for the fiscal year in which that same census was conducted, unless adjusted as provided.

(2) The California Constitution additionally requires that a county charter provide for an elected sheriff, an elected district attorney, an elected assessor, and other officers.

This measure would require a county that is found at a decennial United States census, beginning with the 2020 United States census, to have a population of more than 5,000,000, to have an elected county executive. The measure would provide for the election of the county executive to a term of 6 years at a general election, and would limit election to that office to no more than 2 terms. The measure would require the county executive to appoint, supervise, and dismiss any appointed department head, and to appoint the members of county commissions, subject to confirmation by the governing body of the county. The measure would additionally require the county executive to develop and submit the county budget to the governing body, for approval or amendment by that body, and to approve, with or without line-item vetoes, the budget as transmitted back by the governing body.

(3) The California Constitution provides that charter counties are subject to statutes that relate to apportioning population of governing body districts.

This measure would recast this provision to provide that charter counties are subject to federal, state, and local laws that relate to apportioning population of governing body districts.

(4) This measure would also make other technical, nonsubstantive changes.

(5) This measure would declare that its provisions are severable.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

- 1 WHEREAS, California's counties are creations of the state and
- 2 their governance is mandated by the California Constitution, and
- 3 changes to certain aspects of their governance require amendment
- 4 of the California Constitution; and

1 WHEREAS, California's counties are governed by elected  
2 members of a board of supervisors; and

3 WHEREAS, The number of members of the board of supervisors  
4 in most counties has remained unchanged for more than a century  
5 despite enormous increases in the county's population which, in  
6 some cases, are greater than the population of individual states in  
7 the Union; and

8 WHEREAS, It is a well-recognized principle that residents are  
9 more efficiently able to access their representatives for assistance  
10 for services and to hold them better accountable when the ratio of  
11 residents to each elected representative on a governing body is  
12 smaller rather than larger; and

13 WHEREAS, It is important to restrain the costs of governance  
14 by restricting the fiscal impact of any changes in any county's  
15 board of supervisors and the creation of an elected county executive  
16 position; and

17 WHEREAS, It is therefore the intent of the people, in adopting  
18 this measure, to make all of the following changes with regard to  
19 the county board of supervisors in each county having a population  
20 of more than 5,000,000 at each decennial United States census:

21 (a) Increase democratic representation by making an effort to  
22 substantially reduce the population in each supervisorial district  
23 to approximate the combined population of two congressional  
24 districts;

25 (b) Establish smaller supervisorial districts, to provide greater  
26 opportunities for public participation in local government that  
27 provide safety, health, transportation, and other vital services;

28 (c) By creating a county executive position to separate the  
29 legislative and executive functions of the County of Los Angeles,  
30 consistent with the Los Angeles County Civil Grand Jury's July  
31 2016 Report recommending changes for the governance of the  
32 County of Los Angeles given the county's complexity of  
33 populations, demographics, services, and financing sources, among  
34 other matters;

35 (d) To control the costs and size of county government through  
36 restriction of future costs for the board of supervisors and the  
37 proposed elected county executive to current respective budgets;  
38 now, therefore, be it

39 *Resolved by the Senate, the Assembly concurring,* That the  
40 Legislature of the State of California at its 2017-18 Regular

1 Session commencing on the fifth day of December 2016, two-thirds  
2 of the membership of each house concurring, hereby proposes to  
3 the people of the State of California, that the Constitution of the  
4 State be amended as follows:

5 First—That Section 4 of Article XI thereof is amended to read:

6 SEC. 4. County charters shall provide for:

7 (a) ~~A~~ Except as otherwise provided in Section 4.5, a governing  
8 body of ~~5~~ five or more members, elected (1) by district or, (2) at  
9 large, or (3) at large, with a requirement that ~~they~~ each member  
10 reside in a district. Charter counties are subject to ~~statutes~~ federal,  
11 state, and local laws that relate to apportioning population of  
12 governing body districts.

13 (b) ~~The~~ Except as otherwise provided in Section 4.5, the  
14 compensation, terms, and removal of members of the governing  
15 body. If a county charter provides for the Legislature to prescribe  
16 the salary of the governing body, ~~such~~ compensation shall be  
17 prescribed by the governing body by ordinance.

18 (c) An elected sheriff, an elected district attorney, an elected  
19 assessor, other officers, their election or appointment,  
20 compensation, ~~terms~~ terms, and ~~removal~~ removal, except as  
21 otherwise provided in Section 4.6.

22 (d) The performance of functions required by statute.

23 (e) The powers and duties of governing bodies and all other  
24 county officers, and for consolidation and segregation of county  
25 officers, and for the manner of filling all vacancies occurring  
26 ~~therein~~ in those offices.

27 (f) The fixing and regulation by governing bodies, by ordinance,  
28 of the appointment and number of assistants, deputies, clerks,  
29 attachés, and other persons to be employed, and for the prescribing  
30 and regulating by such bodies of the powers, duties, qualifications,  
31 and compensation of such persons, the times at which, and terms  
32 for which they shall be appointed, and the manner of their  
33 appointment and removal.

34 (g) Whenever any county has framed and adopted a charter, and  
35 the same shall have been approved by the Legislature as herein  
36 provided, the general laws adopted by the Legislature in pursuance  
37 of ~~Section 1~~ ~~(b)~~ subdivision (b) of Section 1 of this article, shall,  
38 as to such county, be superseded by said charter as to matters for  
39 which, under this section it is competent to make provision in such

1 charter, and for which provision is made therein, except as herein  
2 otherwise expressly provided.

3 (h) Charter counties shall have all the powers that are provided  
4 by this Constitution or by statute for counties.

5 Second—That Section 4.5 is added to Article XI thereof, to  
6 read:

7 SEC. 4.5. (a) Commencing January 1, 2022, in a county that  
8 is found at a decennial United States census, beginning with the  
9 2020 United States census, to have a population of more than  
10 5,000,000, there is required, and any applicable law, including a  
11 county charter, shall be deemed to require, the following:

12 (1) The governing body shall consist of a sufficient number of  
13 members, elected by district, so as to ensure that each member of  
14 the governing body represents, to the extent practicable, a district  
15 containing a population approximately equivalent to no more than  
16 two districts in the United States House of Representatives. Each  
17 member of the governing body shall reside within the district that  
18 he or she represents.

19 (2) (A) Except as provided in subparagraph (B), the  
20 expenditures for the governing body and its staff shall not exceed,  
21 for any subsequent fiscal year after the release of the census finding  
22 a population of more than 5,000,000, the amount that was allocated  
23 for the expenses of the governing body and its staff in the county's  
24 adopted budget for the fiscal year in which that same census was  
25 conducted.

26 (B) Notwithstanding subparagraph (A), the expenditures for the  
27 governing body and its staff may be adjusted for either of the  
28 following reasons:

29 (i) To account for inflation, as reflected in annual changes in  
30 the California Consumer Price Index.

31 (ii) To address contingencies unaccounted for during the fiscal  
32 year in which the census was conducted.

33 (3) Members of the governing body shall serve for terms of four  
34 years. A member of the governing body shall not serve more than  
35 three terms, whether or not those terms are consecutive.

36 (b) Any members of the governing body required by this section  
37 in addition to those required by any other law, including an existing  
38 charter, shall first be elected at a general election occurring on or  
39 after January 1, 2022. Those additional members shall serve for  
40 the same term and subject to the same provisions of the applicable

1 law or charter to the governing body, except that no more than  
2 one-half of the additional members elected on or after January 1,  
3 2022, may serve a shortened term so as to provide for staggered  
4 terms.

5 Third—That Section 4.6 is added to Article XI thereof, to read:

6 SEC. 4.6. (a) (1) A county that is found at a decennial United  
7 States census beginning with the 2020 United States census to  
8 have a population of more than 5,000,000 shall have an elected  
9 county executive who shall serve a term of six years. The county  
10 executive shall not serve more than two terms, whether or not those  
11 terms are consecutive. The election of the county executive shall  
12 occur at a general election.

13 (2) (A) Except as provided in subparagraph (B), the budget for  
14 the county executive for the first fiscal year in which that office  
15 is in existence pursuant to this section shall be based upon the  
16 budget of the chief executive officer or his or her equivalent, if  
17 any, in the fiscal year in which this section was added.

18 (B) Notwithstanding subparagraph (A), the amount of  
19 expenditures for the governing body may be adjusted for any fiscal  
20 year for either of the following reasons:

21 (i) To account for inflation, as reflected in annual changes in  
22 the California Consumer Price Index.

23 (ii) To address contingencies unaccounted for during the first  
24 fiscal year in which this section was added.

25 (C) The salary of the county executive shall be the same as the  
26 salary paid to the presiding judge of the superior court with  
27 jurisdiction over the county and may be adjusted in the same  
28 manner. This subparagraph shall not be construed as a limitation  
29 on the authority of the Legislature to set the compensation for  
30 judges of courts of record pursuant to Section 19 of Article VI.

31 (b) (1) (A) The county executive shall appoint, supervise, and  
32 dismiss any person appointed to the position of department head,  
33 or its equivalent.

34 (B) The governing body of the county may overrule any  
35 appointment or dismissal made pursuant to this paragraph by a  
36 two-thirds vote of its entire membership. The governing body shall  
37 notify the county executive of its intent to overrule and shall take  
38 action within 30 calendar days of the date of notification. During  
39 the 30 calendar days, the county executive's appointment or  
40 dismissal action shall be suspended.

1 (2) The county executive shall appoint the members of any  
2 commission of the county, subject to confirmation by the governing  
3 body of the county.

4 (c) (1) The county executive, within 45 days of the adoption  
5 of the annual state budget pursuant to Section 12 of Article IV,  
6 shall develop and submit to the governing body of the county an  
7 annual budget for the county.

8 (2) Within 90 days of receipt of the budget pursuant to paragraph  
9 (1), the governing body of the county shall review and approve  
10 the budget, with or without amendments, and transmit the budget  
11 to the county executive for review and final approval.

12 (3) (A) Within 15 days of receipt of the budget pursuant to  
13 paragraph (2), the county executive shall either:

14 (i) Approve the budget as transmitted by the board of supervisors  
15 pursuant to paragraph (2).

16 (ii) Approve the budget with any line-item vetoes.

17 (B) Upon taking an action pursuant to clause (i) or (ii), the  
18 county executive shall return the budget to the governing body of  
19 the county along with the action taken.

20 (4) The governing body of the county may, within 15 days of  
21 an approval of a budget with a line-item veto pursuant to clause  
22 (ii) of subparagraph (A) of paragraph (3), override the veto by a  
23 two-thirds vote of its entire membership.

24 (5) An approved budget may be amended as follows:

25 (A) By a proposal of the county executive. The county executive  
26 shall present any proposed amendments to the governing body of  
27 the county. The governing body shall review any proposed  
28 amendment presented by the county executive, and may approve  
29 any amendments by a two-thirds vote of its entire membership.

30 (B) By the governing body, which shall approve any amendment  
31 to an approved budget by a two-thirds vote of its entire  
32 membership.

33 (d) The governing body may override any action of the county  
34 executive by a two-thirds vote of its entire membership.

35 Fourth—The provisions of this measure are severable. If any  
36 provision of this measure or its application is held invalid, that  
37 invalidity shall not affect other provisions or applications that can  
38 be given effect without the invalid provision or application.

O

AMENDED IN ASSEMBLY JUNE 11, 2017

SENATE BILL

No. 90

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Introduced by Committee on Budget and Fiscal Review

January 11, 2017

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*An act relating to the Budget Act of 2017. An act to repeal Section 6531.5 of, to repeal Title 23 (commencing with Section 110000) of, and to repeal and amend Section 6253.2 of, the Government Code, to amend Sections 6051.15, 6051.2, 6201.15, 6201.2, and 7102 of the Revenue and Taxation Code, to amend Sections 5912, 17600.15, 17600.50, 17604, 17605, 17606.20, 17612.1, 17612.2, 17613.1, and 17613.2 of, to amend and repeal Section 12306.15 of, to add Sections 12306.16, 12306.17, 12306.18, and 17600.70 to, to add and repeal Section 12301.61 of, to repeal Sections 12300.5, 12300.6, 12300.7, 12302.21, and 12302.25 of, to repeal and amend Section 10101.1 of, and to repeal and add Sections 12306 and 12306.1 of, the Welfare and Institutions Code, and to amend Section 34 of Chapter 37 of the Statutes of 2013, relating to public social services, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

SB 90, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2017.~~ *Public social services: 1991 Realignment Legislation and IHSS Maintenance of Effort and collective bargaining.*

*(1) Existing law provides for the allocation of funds appropriated from the continuously appropriated Local Revenue Fund for the distribution of sales tax and motor vehicle license fee moneys to local agencies for the administration of various health, mental health, and public social service programs (1991 Realignment funds).*

*Existing law establishes 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 requires the state and counties to share the annual cost of providing in-home supportive services, with the state paying to the county 65% of the nonfederal cost and each county paying 35% of the nonfederal cost. Notwithstanding that provision, existing law requires all counties 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.*

*Existing law permits services to be provided under the IHSS program 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. Under existing law, any public authority created under the IHSS program is deemed to be the employer of in-home support services personnel within the meaning of the Meyers-Milias Brown Act, which governs local employer-employee relations. Existing law also provides that any nonprofit consortium contracting with a county is deemed the employer of in-home supportive services personnel for the purposes of collective bargaining over wages, hours, and other terms and conditions of employment.*

*Existing law establishes the California In-Home Supportive Services Authority, referred to as the Statewide Authority, and requires the Statewide 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, as specified. Existing law establishes the In-Home Supportive Services Fund within the State Treasury. Existing law requires that moneys in the fund be made available, upon appropriation by the Legislature, to the Statewide Authority for the purposes of funding its functions.*

*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 providing in-home supportive services. Under the act, the Statewide Authority is deemed to be the employer of record, for*



*purposes of collective bargaining, of individual providers of in-home supportive services in each county, as specified.*

*This bill would revise and recast provisions relating to 1991 Realignment Legislation and the County IHSS MOE. Among other things, the bill would eliminate the existing County IHSS MOE and instead implement a new costsharing arrangement between the state and counties, as specified. The bill would establish a statewide total County IHSS MOE base for these purposes, as specified, and establish a process for determining each county's share of that amount. The bill would appropriate moneys from the General Fund to offset a portion of IHSS costs incurred by the counties. The bill would further authorize a portion of those costs to be offset from other related 1991 Realignment funds, as specified. Under certain circumstances, the bill would authorize a county to request loans from the state for purposes of implementation. The bill would require the Department of Finance to implement these provisions, as specified. The bill would make conforming changes to related provisions, including to certain 1991 Realignment fund provisions in the Revenue and Taxation Code. The bill would freeze reimbursement rates for certain services under limited circumstances.*

*The bill would also repeal provisions relating to, and thereby eliminate, the Statewide Authority, the IHSS Fund, and the IHSS Employer-Employee Relations Act. The bill would require, until January 1 2020, a specified mediation process to be held if a public authority or nonprofit consortium fails to reach agreement on a bargaining contract with its in-home supportive services workers by January 1, 2018, as prescribed. The bill would make conforming changes to related provisions. By creating new duties for local entities relating to collective bargaining under the IHSS program, the bill would impose a state-mandated local program.*

*(2) Existing law conditions implementation of the Coordinated Care Initiative (CCI), on whether the Director of Finance estimates that the Coordinated Care Initiative will generate net General Fund savings, as specified. Existing law requires these savings to be calculated based, in part, on estimated program costs approved by the federal government.*

*This bill would clarify that the calculation of General Fund savings is based on the estimated costs of the entire CCI program, as defined, and not only those parts of the program subject to federal approval.*

(3) *The bill would authorize the State Department of Social Services to adopt emergency regulations implementing specified provisions of the bill.*

(4) *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 the statutory provisions noted above.*

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2017.~~

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

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

1 SECTION 1. Section 6253.2 of the Government Code, as  
2 amended by Section 1 of Chapter 830 of the Statutes of 2016, is  
3 repealed.

4 ~~6253.2. (a) Notwithstanding any other provision of this chapter~~  
5 ~~to the contrary, information regarding persons paid by the state to~~  
6 ~~provide in-home supportive services pursuant to Article 7~~  
7 ~~(commencing with Section 12300) of Chapter 3 of Part 3 of~~  
8 ~~Division 9 of the Welfare and Institutions Code, or services~~  
9 ~~provided pursuant to Section 14132.95, 14132.952, or 14132.956~~  
10 ~~of the Welfare and Institutions Code, is not subject to public~~  
11 ~~disclosure pursuant to this chapter, except as provided in~~  
12 ~~subdivision (b).~~

13 ~~(b) Copies of names, addresses, home telephone numbers, and~~  
14 ~~personal cellular telephone numbers of persons described in~~  
15 ~~subdivision (a) shall be made available, upon request, to an~~  
16 ~~exclusive bargaining agent and to any labor organization seeking~~  
17 ~~representation rights pursuant to Section 12301.6 or 12302.25 of~~  
18 ~~the Welfare and Institutions Code or the In-Home Supportive~~  
19 ~~Services Employer-Employee Relations Act (Title 23 (commencing~~  
20 ~~with Section 110000)). This information shall not be used by the~~

1 ~~receiving entity for any purpose other than the employee~~  
2 ~~organizing, representation, and assistance activities of the labor~~  
3 ~~organization.~~

4 ~~(c) This section applies solely to individuals who provide~~  
5 ~~services under the In-Home Supportive Services Program (Article~~  
6 ~~7 (commencing with Section 12300) of Chapter 3 of Part 3 of~~  
7 ~~Division 9 of the Welfare and Institutions Code), the Personal Care~~  
8 ~~Services Program pursuant to Section 14132.95 of the Welfare~~  
9 ~~and Institutions Code, the In-Home Supportive Services Plus~~  
10 ~~Option pursuant to Section 14132.952 of the Welfare and~~  
11 ~~Institutions Code, or the Community First Choice Option pursuant~~  
12 ~~to Section 14132.956 of the Welfare and Institutions Code.~~

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

18 ~~(e) This section shall be inoperative if the Coordinated Care~~  
19 ~~Initiative becomes inoperative pursuant to Section 34 of the act~~  
20 ~~that added this subdivision.~~

21 *SEC. 2. Section 6253.2 of the Government Code, as amended*  
22 *by Section 2 of Chapter 830 of the Statutes of 2016, is amended*  
23 *to read:*

24 6253.2. (a) Notwithstanding any other provision of this chapter  
25 to the contrary, information regarding persons paid by the state to  
26 provide in-home supportive services pursuant to Article 7  
27 (commencing with Section 12300) of Chapter 3 of Part 3 of  
28 Division 9 of the Welfare and Institutions Code or personal care  
29 services pursuant to Section 14132.95 of the Welfare and  
30 Institutions Code, is not subject to public disclosure pursuant to  
31 this chapter, except as provided in subdivision (b).

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

1 any purpose other than the employee organizing, representation,  
2 and assistance activities of the labor organization.

3 (c) This section applies solely to individuals who provide  
4 services under the In-Home Supportive Services Program (Article  
5 7 (commencing with Section 12300) of Chapter 3 of Part 3 of  
6 Division 9 of the Welfare and Institutions Code) or the Personal  
7 Care Services Program pursuant to Section 14132.95 of the Welfare  
8 and Institutions Code.

9 (d) Nothing in this section is intended to alter or shall be  
10 interpreted to alter the rights of parties under the  
11 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section  
12 3500) of Division 4) or any other labor relations law.

13 ~~(e) This section shall be operative only if Section 1 of the act  
14 that added this subdivision becomes inoperative pursuant to  
15 subdivision (e) of that section.~~

16 *SEC. 3. Section 6531.5 of the Government Code is repealed.*

17 ~~6531.5. (a) There is hereby created the California In-Home  
18 Supportive Services Authority, hereafter referred to as the  
19 Statewide Authority. Notwithstanding any other law, the Statewide  
20 Authority shall be deemed a joint powers authority created pursuant  
21 to this article and is a public entity separate and apart from the  
22 parties that have appointing power to the Statewide Authority or  
23 the employers of those individuals so appointed. Notwithstanding  
24 the requirements of this article, an agreement shall not be required  
25 to create the Statewide Authority.~~

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

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

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

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

35 ~~(d) The Statewide Authority shall not be subject to Sections  
36 6501, 6505, and 53051.~~

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

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

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

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

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

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

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

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

25 *SEC. 4. Title 23 (commencing with Section 110000) of the*  
26 *Government Code is repealed.*

27 *SEC. 5. Section 6051.15 of the Revenue and Taxation Code is*  
28 *amended to read:*

29 6051.15. (a) Notwithstanding Section 7101 or any other law,  
30 the amount of revenues, net of refunds, collected pursuant to  
31 Section 6051 and attributable to a rate of 1.0625 percent shall,  
32 subject to subdivision (b), be deposited in the State Treasury to  
33 the credit of the Local Revenue Fund 2011, as established pursuant  
34 to Section 30025 of the Government Code, and shall be used  
35 exclusively for the public safety purposes for which that fund is  
36 created.

37 (b) The amount of revenues derived from any tax or tax increase  
38 enacted after July 1, 2011, that is deposited in the Local Revenue  
39 Fund 2011 shall be applied to reduce the amount otherwise required  
40 to be deposited in that fund pursuant to subdivision (a).

1 (c) Notwithstanding subdivisions (a) and (b), if the Director of  
2 Finance determines that the State Board of Equalization has  
3 allocated more revenue to the Local Revenue Fund 2011 than  
4 required by subdivisions (a) and (b) for taxable sales that occurred  
5 during the period of July 1, 2011, to June 30, 2016, inclusive, the  
6 total amount of revenues credited to the Local Revenue Fund 2011  
7 for this period shall be considered to have fulfilled the requirements  
8 of subdivisions (a) and (b), and no allocation adjustment for this  
9 period shall be made.

10 SEC. 6. Section 6051.2 of the Revenue and Taxation Code is  
11 amended to read:

12 6051.2. (a) In addition to the taxes imposed by Section 6051  
13 and any other provision of this part, for the privilege of selling  
14 tangible personal property at retail, a tax is hereby imposed upon  
15 all retailers at the rate of  $\frac{1}{2}$  percent of the gross receipts of any  
16 retailer from the sale of all tangible personal property sold at retail  
17 in this state on and after July 15, 1991.

18 (b) All revenues received pursuant to this section shall be  
19 deposited in the State Treasury to the credit of the Local Revenue  
20 Fund, as established pursuant to Section 17600 of the Welfare and  
21 Institutions Code.

22 (c) This section shall cease to be operative on the first day of  
23 the first month of the calendar quarter following notification to  
24 the board by the Department of Finance of a final judicial  
25 determination by the California Supreme Court or any California  
26 court of appeal that the revenues collected pursuant to this section  
27 and Section 6201.2 that are deposited in the Local Revenue Fund  
28 are either of the following:

29 (1) "General Fund proceeds of taxes appropriated pursuant to  
30 Article XIII B of the California Constitution," as used in  
31 subdivision (b) of Section 8 of Article XVI of the California  
32 Constitution.

33 (2) "Allocated local proceeds of taxes," as used in subdivision  
34 (b) of Section 8 of Article XVI of the California Constitution.

35 (d) Notwithstanding subdivisions (a) and (b), if the Director of  
36 Finance determines that the State Board of Equalization has  
37 allocated more revenue to the Local Revenue Fund than required  
38 by subdivisions (a) and (b) for taxable sales that occurred during  
39 the period of July 1, 2011, to June 30, 2016, inclusive, the total  
40 amount of revenues credited to the Local Revenue Fund for this

1 *period shall be considered to have fulfilled the requirements of*  
2 *subdivisions (a) and (b), and no allocation adjustment for this*  
3 *period shall be made.*

4 *SEC. 7. Section 6201.15 of the Revenue and Taxation Code is*  
5 *amended to read:*

6 6201.15. (a) Notwithstanding Section 7101 or any other law,  
7 the amount of revenues, net of refunds, collected pursuant to  
8 Section 6201 and attributable to a rate of 1.0625 percent shall,  
9 subject to subdivision (b), be deposited in the State Treasury to  
10 the credit of the Local Revenue Fund 2011, as established pursuant  
11 to Section 30025 of the Government Code, and shall be used  
12 exclusively for the public safety purposes for which that fund is  
13 created.

14 (b) The amount of revenues derived from any tax or tax increase  
15 enacted after July 1, 2011, that is deposited in the Local Revenue  
16 Fund 2011 shall be applied to reduce the amount otherwise required  
17 to be deposited in that fund pursuant to subdivision (a).

18 (c) *Notwithstanding subdivisions (a) and (b), if the Director of*  
19 *Finance determines that the State Board of Equalization has*  
20 *allocated more revenue to the Local Revenue Fund 2011 than*  
21 *required by subdivisions (a) and (b) for taxable sales that occurred*  
22 *during the period of July 1, 2011, to June 30, 2016, inclusive, the*  
23 *total amount of revenues credited to the Local Revenue Fund 2011*  
24 *for this period shall be considered to have fulfilled the requirements*  
25 *of subdivisions (a) and (b), and no allocation adjustment for this*  
26 *period shall be made.*

27 *SEC. 8. Section 6201.2 of the Revenue and Taxation Code is*  
28 *amended to read:*

29 6201.2. (a) In addition to the taxes imposed by Section 6201  
30 and any other provision of this part, an excise tax is hereby imposed  
31 on the storage, use, or other consumption in this state of tangible  
32 personal property purchased from any retailer on or after July 15,  
33 1991, for storage, use, or other consumption in this state at the rate  
34 of  $\frac{1}{2}$  percent of the sales price of the property.

35 (b) All revenues received pursuant to this section shall be  
36 deposited in the State Treasury to the credit of the Local Revenue  
37 Fund, as established pursuant to Section 17600 of the Welfare and  
38 Institutions Code.

39 (c) This section shall cease to be operative on the first day of  
40 the first month of the calendar quarter following notification to

1 the board by the Department of Finance of a final judicial  
2 determination by the California Supreme Court or any California  
3 court of appeal that the revenues collected pursuant to this section  
4 and Section 6051.2 and deposited in the Local Revenue Fund are  
5 either of the following:

6 (1) "General Fund proceeds of taxes appropriated pursuant to  
7 Article XIII B of the California Constitution," as used in  
8 subdivision (b) of Section 8 of Article XVI of the California  
9 Constitution.

10 (2) "Allocated local proceeds of taxes," as used in subdivision  
11 (b) of Section 8 of Article XVI of the California Constitution.

12 (d) *Notwithstanding subdivisions (a) and (b), if the Director of*  
13 *Finance determines that the State Board of Equalization has*  
14 *allocated more revenue to the Local Revenue Fund than required*  
15 *by subdivisions (a) and (b) for taxable sales that occurred during*  
16 *the period of July 1, 2011, to June 30, 2016, inclusive, the total*  
17 *amount of revenues credited to the Local Revenue Fund for this*  
18 *period shall be considered to have fulfilled the requirements of*  
19 *subdivisions (a) and (b), and no allocation adjustment for this*  
20 *period shall be made.*

21 *SEC. 9. Section 7102 of the Revenue and Taxation Code is*  
22 *amended to read:*

23 7102. The money in the fund shall, upon order of the Controller,  
24 be drawn therefrom for refunds under this part, credits or refunds  
25 pursuant to Section 60202, and refunds pursuant to Section 1793.25  
26 of the Civil Code, or be transferred in the following manner:

27 (a) (1) All revenues, less refunds, derived under this part at the  
28 4¾-percent rate, including the imposition of sales and use taxes  
29 with respect to the sale, storage, use, or other consumption of motor  
30 vehicle fuel which would not have been received if the sales and  
31 use tax rate had been 5 percent and if motor vehicle fuel, as defined  
32 for purposes of the Motor Vehicle Fuel License Tax Law (Part 2  
33 (commencing with Section 7301)), had been exempt from sales  
34 and use taxes, shall be estimated by the State Board of  
35 Equalization, with the concurrence of the Department of Finance,  
36 and shall be transferred quarterly to the Public Transportation  
37 Account, a trust fund in the State Transportation Fund, except as  
38 modified as follows:

39 (A) For the 2001–02 fiscal year, those transfers may not be more  
40 than eighty-one million dollars (\$81,000,000) plus one-half of the



1 amount computed pursuant to this paragraph that exceeds  
2 eighty-one million dollars (\$81,000,000).

3 (B) For the 2002–03 fiscal year, those transfers may not be more  
4 than thirty-seven million dollars (\$37,000,000) plus one-half of  
5 the amount computed pursuant to this paragraph that exceeds  
6 thirty-seven million dollars (\$37,000,000).

7 (C) For the 2003–04 fiscal year, no transfers shall be made  
8 pursuant to this paragraph, except that if the amount to be otherwise  
9 transferred pursuant to this paragraph is in excess of eighty-seven  
10 million four hundred fifty thousand dollars (\$87,450,000), then  
11 the amount of that excess shall be transferred.

12 (D) For the 2004–05 fiscal year, no transfers shall be made  
13 pursuant to this paragraph, and of the amount that would otherwise  
14 have been transferred, one hundred forty million dollars  
15 (\$140,000,000) shall instead be transferred to the Traffic  
16 Congestion Relief Fund as partial repayment of amounts owed by  
17 the General Fund pursuant to Item 2600-011-3007 of the Budget  
18 Act of 2002 (Chapter 379 of the Statutes of 2002).

19 (E) For the 2005–06 fiscal year, no transfers shall be made  
20 pursuant to this paragraph.

21 (F) For the 2006–07 fiscal year, the revenues estimated pursuant  
22 to this paragraph shall, notwithstanding any other provision of this  
23 paragraph or any other provision of law, be transferred and  
24 allocated as follows:

25 (i) The first two hundred million dollars (\$200,000,000) shall  
26 be transferred to the Transportation Deferred Investment Fund as  
27 partial repayment of the amounts owed by the General Fund to  
28 that fund pursuant to Section 7106.

29 (ii) The next one hundred twenty-five million dollars  
30 (\$125,000,000) shall be transferred to the Bay Area Toll Account  
31 for expenditure pursuant to Section 188.6 of the Streets and  
32 Highways Code.

33 (iii) Of the remaining revenues, thirty-three million dollars  
34 (\$33,000,000) shall be transferred to the Public Transportation  
35 Account to support appropriations from that account in the Budget  
36 Act of 2006.

37 (iv) The remaining revenues shall be transferred to the Public  
38 Transportation Account for allocation as follows:

39 (I) Twenty percent to the Department of Transportation for  
40 purposes of Section 99315 of the Public Utilities Code.

1 (II) Forty percent to the Controller, for allocation pursuant to  
2 Section 99314 of the Public Utilities Code.

3 (III) Forty percent to the Controller, for allocation pursuant to  
4 Section 99313 of the Public Utilities Code.

5 (G) For the 2007–08 fiscal year, the first one hundred fifty-five  
6 million four hundred ninety-one thousand eight hundred  
7 thirty-seven dollars (\$155,491,837) in revenue estimated pursuant  
8 to this paragraph each quarter shall, notwithstanding any other  
9 provision of this paragraph or any other provision of law, be  
10 transferred quarterly to the Mass Transportation Fund. If revenue  
11 in any quarter is less than that amount, the transfer in the  
12 subsequent quarter or quarters shall be increased so that the total  
13 transferred for the fiscal year is six hundred twenty-one million  
14 nine hundred sixty-seven thousand three hundred forty-eight dollars  
15 (\$621,967,348).

16 (H) For the 2008–09 fiscal year and every fiscal year thereafter,  
17 50 percent of the revenue estimated pursuant to this paragraph  
18 each quarter shall, notwithstanding any other provision of this  
19 paragraph or any other provision of law, and except as provided  
20 in subparagraph (I), be transferred to the Mass Transportation  
21 Fund. Notwithstanding this requirement, for the 2008–09 fiscal  
22 year, the amount of three hundred eight million seven hundred  
23 thirty-five thousand dollars (\$308,735,000) for each of the first  
24 three quarters, and the amount of one hundred fifteen million  
25 twenty-nine thousand dollars (\$115,029,000) for the fourth quarter,  
26 shall be transferred to the Mass Transportation Fund. If revenue  
27 for any quarter is less than the specified amount, the transfer in  
28 the subsequent quarter or quarters shall be increased so that the  
29 total transfer for the fiscal year is one billion forty-one million two  
30 hundred thirty-four thousand dollars (\$1,041,234,000).

31 (I) For the 2009–10 to 2012–13 fiscal years, inclusive, all  
32 revenue estimated pursuant to this paragraph shall, notwithstanding  
33 any other provision of this paragraph or any other provision of  
34 law, be transferred quarterly to the Mass Transportation Fund.

35 (2) All revenues, less refunds, derived under this part at the  
36  $4\frac{3}{4}$ -percent rate, resulting from increasing, after December 31,  
37 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel  
38 License Tax Law on motor vehicle fuel, as defined for purposes  
39 of that law, shall be transferred quarterly to the Public

1 Transportation Account, a trust fund in the State Transportation  
2 Fund.

3 (3) All revenues, less refunds, derived under this part at the  
4 4¾-percent rate from the imposition of sales and use taxes on fuel,  
5 as defined for purposes of the Use Fuel Tax Law (Part 3  
6 (commencing with Section 8601)) and the Diesel Fuel Tax Law  
7 (Part 31 (commencing with Section 60001)), shall be estimated  
8 by the State Board of Equalization, with the concurrence of the  
9 Department of Finance, and shall be transferred quarterly to the  
10 Public Transportation Account, a trust fund in the State  
11 Transportation Fund.

12 (4) (A) All revenues, less refunds, derived under this part from  
13 the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall  
14 be transferred to the Sales Tax Account of the Local Revenue Fund  
15 for allocation to cities and counties as prescribed by statute.

16 (B) *Notwithstanding subparagraph (A), if the Director of*  
17 *Finance determines that the State Board of Equalization has*  
18 *allocated more revenue to the Local Revenue Fund for taxable*  
19 *sales that occurred during the period of July 1, 2011, through June*  
20 *30, 2016, than required by subparagraph (A), the total amount of*  
21 *revenue credited to the Local Revenue Fund for taxable sales that*  
22 *occurred during the period of July 1, 2011, through June 30, 2016,*  
23 *for allocation to cities and counties as prescribed by statute shall*  
24 *be considered to have fulfilled the requirements of subparagraph*  
25 *(A), and no allocation adjustment for this period shall be made.*

26 (5) All revenues, less refunds, derived from the taxes imposed  
27 pursuant to Section 35 of Article XIII of the California Constitution  
28 shall be transferred to the Public Safety Account in the Local Public  
29 Safety Fund created in Section 30051 of the Government Code  
30 for allocation to counties as prescribed by statute.

31 (6) *Notwithstanding paragraph (5), if the Director of Finance*  
32 *determines that the State Board of Equalization has allocated more*  
33 *revenue to the Public Safety Account for taxable sales that occurred*  
34 *during the period of July 1, 2011, through June 30, 2016, than*  
35 *required by paragraph (5), the total amount of revenue credited*  
36 *to the Public Safety Account for taxable sales that occurred during*  
37 *the period of July 1, 2011, through June 30, 2016, shall be*  
38 *considered to have fulfilled the requirements of paragraph (5),*  
39 *and no allocation adjustment for this period shall be made.*

40 (b) The balance shall be transferred to the General Fund.

1 (c) The estimates required by subdivision (a) shall be based on  
2 taxable transactions occurring during a calendar year, and the  
3 transfers required by subdivision (a) shall be made during the fiscal  
4 year that commences during that same calendar year. Transfers  
5 required by paragraphs (1), (2), and (3) of subdivision (a) shall be  
6 estimated by the State Board of Equalization, with the concurrence  
7 of the Department of Finance, and shall be made quarterly.

8 (d) Notwithstanding the designation of the Public Transportation  
9 Account as a trust fund pursuant to subdivision (a), the Controller  
10 may use the Public Transportation Account for loans to the General  
11 Fund as provided in Sections 16310 and 16381 of the Government  
12 Code. The loans shall be repaid with interest from the General  
13 Fund at the Pooled Money Investment Account rate.

14 (e) The Legislature may amend this section, by statute passed  
15 in each house of the Legislature by rollcall vote entered in the  
16 journal, two-thirds of the membership concurring, if the statute is  
17 consistent with, and furthers the purposes of this section.

18 *SEC. 10. Section 5912 of the Welfare and Institutions Code is*  
19 *amended to read:*

20 5912. (a) As long as contracts require institutions for mental  
21 disease to continue to be licensed and certified as skilled nursing  
22 facilities by the State Department of Public Health, they shall be  
23 reimbursed for basic services at the rate established by the State  
24 Department of Health Care Services. Effective July 1, 2014, the  
25 reimbursement rate for institutions for mental disease shall increase  
26 by 3.5 percent annually.

27 (b) It is the intent of the Legislature that the annual rate increases  
28 provided in subdivision (a) be utilized by the institutions for mental  
29 disease to meet direct service costs and, to the extent possible,  
30 improve the quality of care rendered to residents in the facilities.

31 (c) *Notwithstanding subdivision (a), beginning July 1, 2017, in*  
32 *any year that the Mental Health Subaccount of the Local Revenue*  
33 *Fund does not receive full vehicle license fee growth funds from*  
34 *the General Growth Subaccount in the Vehicle License Fee Growth*  
35 *Account pursuant to Section 17604 and subdivisions (a) and (b)*  
36 *of Section 17606.20, the reimbursement rate for services in*  
37 *institutions for mental disease that are licensed and certified as*  
38 *skilled nursing facilities shall be the same as the rates in effect in*  
39 *the prior year.*

1     *SEC. 11. Section 10101.1 of the Welfare and Institutions Code,*  
2 *as amended by Section 5 of Chapter 37 of the Statutes of 2013, is*  
3 *repealed.*

4     ~~10101.1. (a) For the 1991–92 fiscal year and each fiscal year~~  
5 ~~thereafter, the state’s share of the costs of the county services block~~  
6 ~~grant and the in-home supportive services administration~~  
7 ~~requirements shall be 70 percent of the actual nonfederal~~  
8 ~~expenditures or the amount appropriated by the Legislature for~~  
9 ~~that purpose, whichever is less.~~

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

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

22     ~~(d) This section shall be inoperative if the Coordinated Care~~  
23 ~~Initiative becomes inoperative pursuant to Section 34 of the act~~  
24 ~~that added this subdivision.~~

25     *SEC. 12. Section 10101.1 of the Welfare and Institutions Code,*  
26 *as amended by Section 6 of Chapter 37 of the Statutes of 2013, is*  
27 *amended to read:*

28     10101.1. (a) For the 1991–92 fiscal year and each fiscal year  
29 thereafter, the state’s share of the costs of the county services block  
30 grant and the in-home supportive services administration  
31 requirements shall be 70 percent of the actual nonfederal  
32 expenditures or the amount appropriated by the Legislature for  
33 that purpose, whichever is less.

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

1 ~~(e) This section shall be operative only if Section 5 of the act~~  
2 ~~that added this subdivision becomes inoperative pursuant to~~  
3 ~~subdivision (d) of that Section 5.~~

4 ~~(c) Notwithstanding subdivisions (a) and (b), commencing in~~  
5 ~~the 2017-18 fiscal year and each fiscal year thereafter, each~~  
6 ~~county's share of the nonfederal costs of the county services block~~  
7 ~~grant and the in-home supportive services administration~~  
8 ~~requirements shall be the County IHSS Maintenance of Effort~~  
9 ~~pursuant to Section 12306.16.~~

10 ~~SEC. 13. Section 12300.5 of the Welfare and Institutions Code~~  
11 ~~is repealed.~~

12 ~~12300.5. (a) The California In-Home Supportive Services~~  
13 ~~Authority, hereafter referred to as the Statewide Authority,~~  
14 ~~established pursuant to Section 6531.5 of the Government Code,~~  
15 ~~shall be the entity authorized to meet and confer in good faith~~  
16 ~~regarding wages, benefits, and other terms and conditions of~~  
17 ~~employment in accordance with Title 23 (commencing with Section~~  
18 ~~110000) of the Government Code, with representatives of~~  
19 ~~recognized employee organizations for any individual provider~~  
20 ~~who is employed by a recipient of in-home supportive services~~  
21 ~~described in Section 12300 after the county implementation date~~  
22 ~~as described in subdivision (a) of Section 12300.7.~~

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

30 ~~(c) The state, the Statewide Authority, or any county that has~~  
31 ~~met the conditions in Section 12300.7 shall not be deemed to be~~  
32 ~~the employer of any individual provider who is employed by a~~  
33 ~~recipient of in-home supportive services as described in Section~~  
34 ~~12300 for purposes of liability due to the negligence or intentional~~  
35 ~~torts of the individual provider.~~

36 ~~SEC. 14. Section 12300.6 of the Welfare and Institutions Code~~  
37 ~~is repealed.~~

38 ~~12300.6. There is hereby created the In-Home Supportive~~  
39 ~~Services Fund in the State Treasury. Moneys in the fund shall be~~  
40 ~~made available, upon appropriation by the Legislature, to the~~

1 ~~California In-Home Supportive Services Authority, for the purposes~~  
2 ~~of funding the functions of the Statewide Authority.~~

3 *SEC. 15. Section 12300.7 of the Welfare and Institutions Code*  
4 *is repealed.*

5 ~~12300.7. (a) No sooner than March 1, 2013, the California~~  
6 ~~In-Home Supportive Services Authority shall assume the~~  
7 ~~responsibilities set forth in Title 23 (commencing with Section~~  
8 ~~110000) of the Government Code in a county or city and county~~  
9 ~~upon notification by the Director of Health Care Services that the~~  
10 ~~enrollment of eligible Medi-Cal beneficiaries described in Section~~  
11 ~~14132.275 or 14182.16, or Article 5.7 (commencing with Section~~  
12 ~~14186) of Chapter 7 has been completed in that county or city and~~  
13 ~~county.~~

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

17 ~~(1) Have the entity that performed functions set forth in the~~  
18 ~~county ordinance or contract in effect at the time of the notification~~  
19 ~~pursuant to subdivision (a) and established pursuant to Section~~  
20 ~~12301.6 continue to perform those functions, excluding subdivision~~  
21 ~~(c) of that section.~~

22 ~~(2) Assume the functions performed by the entity, at the time~~  
23 ~~of the notification pursuant to subdivision (a), pursuant to Section~~  
24 ~~12301.6, excluding subdivision (c) of that section.~~

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

29 *SEC. 16. Section 12301.61 is added to the Welfare and*  
30 *Institutions Code, to read:*

31 *12301.61. (a) If a public authority or nonprofit consortium*  
32 *established pursuant to Section 12301.6, acting as the employer*  
33 *of record, fails to reach agreement on a bargaining contract with*  
34 *its in-home supportive services workers by January 1, 2018, either*  
35 *party may request mediation, pursuant to Section 3505.2 of the*  
36 *Government Code, which shall be mandatory. If the parties fail to*  
37 *agree on a mediator, the Public Employment Relations Board shall*  
38 *appoint one from the pool described in subdivision (c). The*  
39 *mediation shall be held no more than 15 business days from the*  
40 *date requested by either party.*

1 (b) If the parties are unable to effect settlement through  
2 mediation as described in subdivision (a), the parties shall then  
3 submit their differences to factfinding, pursuant to Section 3505  
4 and 3505.4 of the Government Code. Alternatively, if both parties  
5 agree, the parties may bypass the mediation process in subdivision  
6 (a) and move directly to factfinding.

7 (1) The factfinding panel shall make findings of fact and  
8 recommend terms of settlement, which shall be advisory only,  
9 within 30 days after the panel is appointed by the Public  
10 Employment Relations Board.

11 (2) Within 15 days after the factfinding panel has released its  
12 findings of fact and recommended settlement terms, either party  
13 may request post-factfinding mediation consistent with Section  
14 3505.2 of the Government Code, which shall be mandatory. If the  
15 parties fail to agree on a mediator, the Public Employment  
16 Relations Board shall appoint one from the pool described in  
17 subdivision (c).

18 (3) If either party elects post-factfinding mediation, the findings  
19 of fact and recommended settlement terms, shall not be made public  
20 until the mediation has concluded.

21 (4) Mediation shall be held no more than 15 days from the date  
22 requested, and may include, at the mediator's discretion, the  
23 factfinding panel and representatives of both parties. The director,  
24 or his or her designee, shall be available to provide information  
25 and expertise, as necessary.

26 (c) The Public Employment Relations Board shall designate a  
27 pool of no more than five qualified individuals to serve as  
28 mediators or on a factfinding panel. The pool shall consist of  
29 individuals with relevant subject matter expertise. The board shall  
30 select individuals for the pool in consultation with the department  
31 and the affected employers and employee organizations. Priority  
32 shall be given to individuals with knowledge of the In-Home  
33 Supportive Services program. The board may designate the  
34 mediator to serve as the neutral member of the factfinding panel.

35 (d) The costs for the services of the factfinding panel and the  
36 mediator shall be equally divided between the employer and the  
37 employee organization, and shall include per diem fees, if any,  
38 and actual and necessary travel and subsistence expenses.



1 (e) By April 1, 2018, the department shall report to the fiscal  
2 committees of the Legislature on the status of all in-home  
3 supportive services bargaining contracts in each county.

4 (f) If no individual is available to serve as a mediator or  
5 factfinder within the timelines specified in this section, the timelines  
6 shall be extended until the next mediator or factfinder is available.

7 (g) This section shall remain in effect only until January 1, 2020,  
8 and as of that date is repealed.

9 SEC. 17. Section 12302.21 of the Welfare and Institutions  
10 Code, as amended by Section 33 of Chapter 439 of the Statutes of  
11 2012, is repealed.

12 ~~12302.21. (a) For purposes of providing cost-efficient workers'~~  
13 ~~compensation coverage for in-home supportive services providers~~  
14 ~~under this article and paragraph (2) of subdivision (c) of Section~~  
15 ~~14186.35, the department shall assume responsibility for providing~~  
16 ~~workers' compensation coverage for employees of nonprofit~~  
17 ~~agencies and proprietary agencies who provide in-home supportive~~  
18 ~~services pursuant to contracts with counties and managed care~~  
19 ~~health plans. The workers' compensation coverage provided for~~  
20 ~~these employees shall be provided on the same terms as provided~~  
21 ~~to providers under Section 12302.2 and 12302.5.~~

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

28 SEC. 18. Section 12302.25 of the Welfare and Institutions  
29 Code, as amended by Section 34 of Chapter 439 of the Statutes of  
30 2012, is repealed.

31 ~~12302.25. (a) On or before January 1, 2003, each county shall~~  
32 ~~act as, or establish, an employer for in-home supportive service~~  
33 ~~providers under Section 12302.2 for the purposes of Chapter 10~~  
34 ~~(commencing with Section 3500) of Division 4 of Title 1 of the~~  
35 ~~Government Code and other applicable state or federal laws, except~~  
36 ~~as provided in Title 23 (commencing with Section 110000) of the~~  
37 ~~Government Code. Each county may utilize a public authority or~~  
38 ~~nonprofit consortium as authorized under Section 12301.6, the~~  
39 ~~contract mode as authorized under Sections 12302 and 12302.1,~~  
40 ~~county administration of the individual provider mode as authorized~~

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

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

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

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

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

38 (f) In implementing and administering this section, no county,  
39 public authority, nonprofit consortium, contractor, or a combination  
40 thereof, that delivers in-home supportive services shall reduce the

1 hours of service for any recipient below the amount determined  
2 to be necessary under the uniform assessment guidelines  
3 established by the department.

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

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

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

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

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

22 (4) A county board of supervisors' resolution resolving that the  
23 county has chosen to act as the employer required by subdivision  
24 (a) either by utilizing county employees, as authorized by Section  
25 12302, to provide in-home supportive services or through county  
26 administration of individual providers.

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

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

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

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

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

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

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

16 ~~(l) Any county deemed by operation of law, pursuant to~~  
17 ~~subdivision (j) or (k), to be the employer of IHSS individual~~  
18 ~~providers for purposes of Chapter 10 (commencing with Section~~  
19 ~~3500) of Division 4 of Title 1 of the Government Code shall~~  
20 ~~continue to act in that capacity until the county notifies the~~  
21 ~~department that it has established another employer as permitted~~  
22 ~~by this section, and has provided the department with the~~  
23 ~~documentation required under subdivision (h) demonstrating the~~  
24 ~~change.~~

25 *SEC. 19. Section 12306 of the Welfare and Institutions Code,*  
26 *as amended by Section 8 of Chapter 37 of the Statutes of 2013, is*  
27 *repealed.*

28 ~~12306. (a) The state and counties shall share the annual cost~~  
29 ~~of providing services under this article as specified in this section.~~

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

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

1 ~~services under this article, and each county shall pay 35 percent~~  
2 ~~of the nonfederal cost of providing those services.~~

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

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

21 ~~(e) For the period during which Section 12306.15 is operative,~~  
22 ~~each county's share of the costs of providing services pursuant to~~  
23 ~~this article specified in subdivisions (b) and (c) shall remain, but~~  
24 ~~the County IHSS Maintenance of Effort pursuant to Section~~  
25 ~~12306.15 shall be in lieu of that share.~~

26 ~~(f) This section shall be inoperative if the Coordinated Care~~  
27 ~~Initiative becomes inoperative pursuant to Section 34 of the act~~  
28 ~~that added this subdivision.~~

29 *SEC. 20. Section 12306 of the Welfare and Institutions Code,*  
30 *as amended by Section 9 of Chapter 37 of the Statutes of 2013, is*  
31 *repealed.*

32 ~~12306. (a) The state and counties shall share the annual cost~~  
33 ~~of providing services under this article as specified in this section.~~

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

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

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

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

26 ~~(e) This section shall be operative only if Section 8 of the act~~  
27 ~~that added this subdivision becomes inoperative pursuant to~~  
28 ~~subdivision (f) of that Section 8.~~

29 *SEC. 21. Section 12306 is added to the Welfare and Institutions*  
30 *Code, to read:*

31 *12306. (a) When enacted, 1991 Realignment Legislation*  
32 *implemented changes to the state and county cost-sharing ratios*  
33 *for services provided under this article. These provisions*  
34 *established the counties' share of costs for the nonfederal portion*  
35 *of these services at 35 percent, with the state responsible for the*  
36 *remaining 65 percent of these costs. This cost-sharing ratio was*  
37 *the basis for determining the counties' and the state's share of*  
38 *costs for these services in the 2017-18 fiscal year.*

1 (b) Beginning in the 2017–18 fiscal year and each fiscal year  
2 thereafter, the state and counties shall share the annual cost of  
3 providing services under this article as specified in this section.

4 (c) The county share of cost of providing these services shall  
5 be the County IHSS Maintenance of Effort pursuant to Section  
6 12306.16.

7 (d) (1) Except as provided in paragraph (2), the state shall pay  
8 to each county, from the General Fund and any federal funds  
9 received under Title XX of the federal Social Security Act available  
10 for that purpose, the difference between the actual total cost of  
11 providing services under this article that exceeds the county share  
12 as specified in subdivision (c).

13 (2) For services eligible for federal funding pursuant to Title  
14 XIX of the federal Social Security Act under the Medi-Cal program,  
15 the state shall pay to each county, from the General Fund and any  
16 funds available for that purpose the difference between the actual  
17 nonfederal cost of providing services under this article that exceeds  
18 the county share as specified in subdivision (c).

19 SEC. 22. Section 12306.1 of the Welfare and Institutions Code,  
20 as amended by Section 10 of Chapter 37 of the Statutes of 2013,  
21 is repealed.

22 12306.1. (a) ~~When any increase in provider wages or benefits~~  
23 ~~is negotiated or agreed to by a public authority or nonprofit~~  
24 ~~consortium under Section 12301.6, then the county shall use~~  
25 ~~county-only funds to fund both the county share and the state share,~~  
26 ~~including employment taxes, of any increase in the cost of the~~  
27 ~~program, unless otherwise provided for in the annual Budget Act~~  
28 ~~or appropriated by statute. No increase in wages or benefits~~  
29 ~~negotiated or agreed to pursuant to this section shall take effect~~  
30 ~~unless and until, prior to its implementation, the department has~~  
31 ~~obtained the approval of the State Department of Health Care~~  
32 ~~Services for the increase pursuant to a determination that it is~~  
33 ~~consistent with federal law and to ensure federal financial~~  
34 ~~participation for the services under Title XIX of the federal Social~~  
35 ~~Security Act, and unless and until all of the following conditions~~  
36 ~~have been met:~~

37 (1) ~~Each county has provided the department with~~  
38 ~~documentation of the approval of the county board of supervisors~~  
39 ~~of the proposed public authority or nonprofit consortium rate,~~  
40 ~~including wages and related expenditures. The documentation shall~~

1 be received by the department before the department and the State  
2 Department of Health Care Services may approve the increase.

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

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

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

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

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

35 ~~(3) The state shall participate as provided in subdivision (c) in~~  
36 ~~a total of wages and individual health benefits up to ten dollars~~  
37 ~~and ten cents (\$10.10) per hour, if wages have reached at least~~  
38 ~~seven dollars and fifty cents (\$7.50) per hour. Counties shall~~  
39 ~~determine, pursuant to the collective bargaining process provided~~  
40 ~~for in subdivision (c) of Section 12301.6, what portion of the ten~~



1 dollars and ten cents (\$10.10) per hour shall be used to fund wage  
2 increases above seven dollars and fifty cents (\$7.50) per hour or  
3 individual health benefit increases, or both. This paragraph shall  
4 be operative commencing with the next state fiscal year for which  
5 the May Revision forecast of General Fund revenue, excluding  
6 transfers, exceeds by at least 5 percent, the most current estimate  
7 of revenue, excluding transfers, for the year in which paragraph  
8 (2) became operative.

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

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

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

1 Legislature, and the department that the condition for each  
2 subdivision to become operative has been met.

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

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

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

24 (h) This section shall be inoperative if the Coordinated Care  
25 Initiative becomes inoperative pursuant to Section 34 of the act  
26 that added this subdivision.

27 *SEC. 23. Section 12306.1 of the Welfare and Institutions Code,*  
28 *as amended by Section 11 of Chapter 37 of the Statutes of 2013,*  
29 *is repealed.*

30 12306.1. (a) When any increase in provider wages or benefits  
31 is negotiated or agreed to by a public authority or nonprofit  
32 consortium under Section 12301.6, then the county shall use  
33 county-only funds to fund both the county share and the state share,  
34 including employment taxes, of any increase in the cost of the  
35 program, unless otherwise provided for in the annual Budget Act  
36 or appropriated by statute. No increase in wages or benefits  
37 negotiated or agreed to pursuant to this section shall take effect  
38 unless and until, prior to its implementation, the department has  
39 obtained the approval of the State Department of Health Care  
40 Services for the increase pursuant to a determination that it is

1 consistent with federal law and to ensure federal financial  
2 participation for the services under Title XIX of the federal Social  
3 Security Act, and unless and until all of the following conditions  
4 have been met:

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

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

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

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

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

32 (2) The state shall participate as provided in subdivision (c) in  
33 a total of wages and individual health benefits up to nine dollars  
34 and ten cents (\$9.10) per hour, if wages have reached at least seven  
35 dollars and fifty cents (\$7.50) per hour. Counties shall determine,  
36 pursuant to the collective bargaining process provided for in  
37 subdivision (e) of Section 12301.6, what portion of the nine dollars  
38 and ten cents (\$9.10) per hour shall be used to fund wage increases  
39 above seven dollars and fifty cents (\$7.50) per hour or individual  
40 health benefit increases, or both. This paragraph shall be operative

1 for the 2001-02 fiscal year and each fiscal year thereafter, unless  
2 otherwise provided in paragraphs (3), (4), and (5).

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

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

30 (5) The state shall participate as provided in subdivision (c) in  
31 a total cost of wages and individual health benefits up to twelve  
32 dollars and ten cents (\$12.10) per hour, if wages have reached at  
33 least seven dollars and fifty cents (\$7.50) per hour. Counties shall  
34 determine, pursuant to the collective bargaining process provided  
35 for in subdivision (c) of Section 12301.6, what portion of the  
36 twelve dollars and ten cents (\$12.10) per hour shall be used to fund  
37 wage increases above seven dollars and fifty cents (\$7.50) per hour  
38 or individual health benefit increases, or both. This paragraph shall  
39 be operative commencing with the next state fiscal year for which  
40 the May Revision forecast of General Fund revenue, excluding

1 transfers, exceeds by at least 5 percent, the most current estimate  
2 of revenues, excluding transfers, for the year in which paragraph  
3 (4) became operative.

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

10 (2) ~~For purposes of certifications under paragraph (1), the~~  
11 ~~General Fund revenue forecast, excluding transfers, that is used~~  
12 ~~for the relevant fiscal year shall be calculated in a manner that is~~  
13 ~~consistent with the definition of General Fund revenues, excluding~~  
14 ~~transfers, that was used by the Department of Finance in the~~  
15 ~~2000-01 Governor's Budget revenue forecast as reflected on~~  
16 ~~Schedule 8 of the Governor's Budget.~~

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

26 (g) ~~This section shall be operative only if Section 10 of the act~~  
27 ~~that added this subdivision becomes inoperative pursuant to~~  
28 ~~subdivision (h) of that Section 10.~~

29 *SEC. 24. Section 12306.1 is added to the Welfare and*  
30 *Institutions Code, to read:*

31 *12306.1. (a) When any increase in provider wages or benefits*  
32 *is locally negotiated, mediated, or imposed by a county, public*  
33 *authority, or nonprofit consortium, or any increase in provider*  
34 *wages or benefits is adopted by ordinance pursuant to Article 1*  
35 *(commencing with Section 9100) of Chapter 2 of Division 9 of the*  
36 *Elections Code, then the county shall use county-only funds to*  
37 *fund both the county share and the state share, including*  
38 *employment taxes, of any increase in the cost of the program,*  
39 *unless otherwise provided for in the annual Budget Act or*  
40 *appropriated by statute. No increase in wages or benefits locally*

1 *negotiated, mediated, imposed, or adopted by ordinance pursuant*  
2 *to this section shall take effect unless and until, prior to its*  
3 *implementation, the department has obtained the approval of the*  
4 *State Department of Health Care Services for the increase pursuant*  
5 *to a determination that it is consistent with federal law and to*  
6 *ensure federal financial participation for the services under Title*  
7 *XIX of the federal Social Security Act, and unless and until all of*  
8 *the following conditions have been met:*

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

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

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

24 (c) *The state shall pay 65 percent, and each county shall pay*  
25 *35 percent, of the nonfederal share of wage and benefit increases*  
26 *pursuant to subdivision (a) and associated employment taxes, only*  
27 *in accordance with subdivision (d).*

28 (d) (1) *The state shall participate in a total of wages and*  
29 *individual health benefits up to twelve dollars and ten cents*  
30 *(\$12.10) per hour until the amount specified in paragraph (1) of*  
31 *subdivision (b) of Section 1182.12 of the Labor Code reaches*  
32 *twelve dollars (\$12.00) per hour at which point the state shall*  
33 *participate as provided in paragraph (2).*

34 (2) *For any increase in wages or individual health benefits*  
35 *locally negotiated, mediated, or imposed by a county, public*  
36 *authority, or nonprofit consortium, and approved by the*  
37 *department, or any increase in provider wages or benefits adopted*  
38 *by ordinance pursuant to Article 1 (commencing with Section*  
39 *9100) of Chapter 2 of Division 9 of the Elections Code, the state*  
40 *shall participate as provided in subdivision (c) in a total of wages*

1 *and individual health benefits up to one dollar and ten cents (\$1.10)*  
2 *per hour above the amount per hour specified for the*  
3 *corresponding year in paragraph (1) of subdivision (b) of,*  
4 *subdivision (c) of, and subdivision (d) of, Section 1182.12 of the*  
5 *Labor Code.*

6 (3) (A) *For a county that is at or above twelve dollars and ten*  
7 *cents (\$12.10) per hour in combined wages and individual health*  
8 *benefits, the state shall participate as provided in subdivision (c)*  
9 *in a cumulative total of up to 10 percent within a three-year period*  
10 *in the sum of the combined total of changes in wages or individual*  
11 *health benefits, or both.*

12 (B) *The state shall participate as provided in subparagraph (A)*  
13 *for no more than two three-year periods, after which point the*  
14 *county shall pay the entire nonfederal share of any future increases*  
15 *in wages and individual health benefits that exceed the amount*  
16 *specified in paragraphs (1) and (2).*

17 (C) *A three-year period is defined as three consecutive years.*  
18 *A new three-year period can only begin after the last year of the*  
19 *previous three-year period.*

20 (D) *To be eligible for state participation, a 10-percent increase*  
21 *described in this paragraph is required to be commenced prior to*  
22 *the date that the minimum wage reaches the amount specified in*  
23 *subparagraph (F) of paragraph (1) of subdivision (b) of Section*  
24 *1182.12 of the Labor Code.*

25 (4) *Paragraphs (2) and (3) do not apply to contracts executed,*  
26 *or to increases in wages or individual health benefits, locally*  
27 *negotiated, mediated, imposed, or adopted by ordinance, prior to*  
28 *July 1, 2017.*

29 *SEC. 25. Section 12306.15 of the Welfare and Institutions Code*  
30 *is amended to read:*

31 12306.15. (a) *Commencing July 1, 2012, all counties shall*  
32 *have a County IHSS Maintenance of Effort (MOE). In lieu of*  
33 *paying the nonfederal share of IHSS costs as specified in Sections*  
34 *10101.1, 12306, and 12306.1, counties shall pay the County IHSS*  
35 *MOE.*

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

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

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

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

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

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

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

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

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

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

36 (1) (A) If the department approves the rates and other economic  
37 terms for a locally negotiated, mediated, or imposed increase in  
38 the provider wages, health benefits, or other economic terms  
39 pursuant to Section 12306.1 and paragraph (3), the state shall pay  
40 65 percent, and the affected county shall pay 35 percent, of the



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

3 (B) With respect to any increase in provider wages or health  
4 benefits approved after July 1, 2012, pursuant to subparagraph  
5 (A), the state shall participate in that increase as provided in  
6 subparagraph (A) up to the amount specified in subdivision (d) of  
7 Section 12306.1.

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

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

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

27 (3) In addition to the rate approval requirements in Section  
28 12306.1, it shall be presumed by the department that locally  
29 negotiated rates and other economic terms within the following  
30 limits are approved:

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

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

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

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

8 (g) *This section shall remain in effect only until July 1, 2017,*  
9 *and as of that date is repealed.*

10 SEC. 26. *Section 12306.16 is added to the Welfare and*  
11 *Institutions Code, to read:*

12 12306.16. (a) *Commencing July 1, 2017, all counties shall*  
13 *have a County IHSS Maintenance of Effort (MOE).*

14 (b) (1) (A) *The statewide total County IHSS MOE base for the*  
15 *2017–18 fiscal year shall be established at one billion seven*  
16 *hundred sixty-nine million four hundred forty-three thousand*  
17 *dollars (\$1,769,443,000). This amount reflects the estimated county*  
18 *share of IHSS program base costs calculated pursuant to Sections*  
19 *10101.1 and 12306, as those sections read on June 1, 2017, and*  
20 *reflected in the department's 2017 May Revision local assistance*  
21 *subvention table for the 2017–18 fiscal year.*

22 (B) *If actual IHSS program base costs, as determined by the*  
23 *Department of Finance on or before May 14, 2018, attributable*  
24 *to the 2017–18 fiscal year are lower than the costs assumed in the*  
25 *2017 May Revision local assistance subvention table, the statewide*  
26 *total County IHSS MOE base for the 2017–18 fiscal year shall be*  
27 *adjusted accordingly pursuant to Sections 10101.1 and 12306, as*  
28 *those sections read on June 1, 2017.*

29 (2) *The Department of Finance shall consult with the California*  
30 *State Association of Counties to determine each county's share of*  
31 *the statewide total County IHSS MOE base amount. The County*  
32 *IHSS MOE base shall be unique to each individual county.*

33 (3) (A) *Administration expenditures are included in the County*  
34 *IHSS MOE and shall include both county administration, including*  
35 *costs associated with the IHSS case management, information,*  
36 *and payrolling system, and public authority administration.*

37 (B) *The amount of General Fund moneys available for county*  
38 *administration and public authority administration is limited to*  
39 *the amount of General Fund moneys appropriated for those specific*

1 *purposes in the annual Budget Act, and increases to this amount*  
2 *do not impact the County IHSS MOE.*

3 *(C) To be eligible to receive its share of General Fund moneys*  
4 *appropriated in a fiscal year for county administration and public*  
5 *authority administration costs, the county is only required to*  
6 *expend the full amount of its County IHSS MOE that is attributable*  
7 *to county and public authority administration for that fiscal year*  
8 *and no additional county share of cost shall be required. The*  
9 *department shall consult with the California State Association of*  
10 *Counties to determine the county-by-county distribution of the*  
11 *amount of General Fund moneys appropriated in the annual*  
12 *Budget Act for county administration and public authority*  
13 *administration.*

14 *(D) Amounts expended by a county or public authority on*  
15 *administration in excess of the amount described in subparagraphs*  
16 *(A) and (B) shall not be attributed towards the county meeting its*  
17 *County IHSS MOE requirement.*

18 *(E) As part of the preparation of the 2018–19 Governor’s*  
19 *Budget, the department shall work with the California State*  
20 *Association of Counties, County Welfare Directors Association of*  
21 *California, and the Department of Finance to examine the*  
22 *workload and budget assumptions related to administration of the*  
23 *IHSS program for the 2017–18 and 2018–19 fiscal years.*

24 *(c) (1) On July 1, 2018, the County IHSS MOE base as specified*  
25 *in subdivision (b) shall be adjusted by an inflation factor of 5*  
26 *percent.*

27 *(2) Beginning on July 1, 2019, and annually thereafter, the*  
28 *County IHSS MOE from the previous year shall be adjusted by an*  
29 *inflation factor of 7 percent.*

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

35 *(B) Notwithstanding paragraphs (1) and (2), in fiscal years*  
36 *when the total of 1991 realignment revenues received pursuant to*  
37 *Sections 6051.2 and 6201.2 of the Revenue and Taxation Code,*  
38 *for the prior fiscal year is equal to or up to 2 percent greater than*  
39 *the total received for the next prior fiscal year, the inflation factor*

1 shall be one-half of the amount specified in either paragraph (1)  
2 or (2).

3 (C) The Department of Finance shall provide notification to the  
4 appropriate fiscal committees of the Legislature and the California  
5 State Association of Counties by May 14 of each year of the  
6 inflation factor that will apply for the following fiscal year, based  
7 on the calculation in subparagraph (A) and (B).

8 (d) In addition to the adjustment in subdivision (c), the County  
9 IHSS MOE shall be adjusted for the annualized cost of increases  
10 in provider wages or health benefits that are locally negotiated,  
11 mediated, or imposed, on or after July 1, 2017, including any  
12 increases in provider wages or health benefits adopted by  
13 ordinance pursuant to Article 1 (commencing with Section 9100)  
14 of Chapter 2 of Division 9 of the Elections Code.

15 (1) (A) If the department approves an increase in provider  
16 wages or health benefits that are locally negotiated, mediated,  
17 imposed, or adopted by ordinance pursuant to Section 12306.1,  
18 the state shall pay 65 percent, and the affected county shall pay  
19 35 percent, of the nonfederal share of the cost increase in  
20 accordance with subparagraph (B).

21 (B) With respect to any increase in provider wages or health  
22 benefits approved on or after July 1, 2017, pursuant to  
23 subparagraph (A), the state shall participate in that increase as  
24 provided in subparagraph (A) up to the amount specified in  
25 paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1.  
26 The county shall pay the entire nonfederal share of any cost  
27 increase exceeding the amount specified in paragraphs (1), (2),  
28 and (3) of subdivision (d) of Section 12306.1.

29 (C) With respect to an increase in benefits, other than individual  
30 health benefits, locally negotiated, mediated, or imposed by a  
31 county, public authority, or nonprofit consortium, or adopted by  
32 ordinance, the county's County IHSS MOE shall include a one-time  
33 adjustment equal to 35 percent of the nonfederal share of the  
34 increased benefit costs.

35 (D) The county share of increased expenditures pursuant to  
36 subparagraphs (A) to (C), inclusive, shall be included in the County  
37 IHSS MOE, in addition to the amount established under  
38 subdivisions (b) and (c). For any increase in provider wages or  
39 health benefits, or increase in other benefits pursuant to  
40 subparagraph (C), that becomes effective on a date other than

1 July 1, the Department of Finance shall adjust the county's County  
2 IHSS MOE to reflect the annualized cost of the county's share of  
3 the nonfederal cost of the wage or health benefit increase. This  
4 adjustment shall be calculated based on the county's 2017–18  
5 paid IHSS hours and the appropriate cost-sharing ratio as grown  
6 by the applicable number of inflation factors pursuant to  
7 subdivision (c) that have occurred up to and including the fiscal  
8 year in which the increase becomes effective.

9 (2) (A) If the department does not approve the increase in  
10 provider wages or health benefits, or increase in other benefits  
11 pursuant to subparagraph (C) of paragraph (1), that are locally  
12 negotiated, mediated, imposed, or adopted by ordinance pursuant  
13 to Section 12306.1 or paragraph (3), the county shall pay the entire  
14 nonfederal share of the cost increases.

15 (B) The county share of increased expenditures pursuant to  
16 subparagraph (A) shall be included in the County IHSS MOE, in  
17 addition to the amount established under subdivisions (b) and (c).  
18 For any increase in provider wages or health benefits that becomes  
19 effective on a date other than July 1, the Department of Finance  
20 shall adjust the county's County IHSS MOE to reflect the  
21 annualized cost of the county's share of the nonfederal cost of the  
22 wage or health benefit increase. This adjustment shall be calculated  
23 based on the county's 2017–18 paid IHSS hours and the  
24 appropriate county sharing ratio as grown by the appropriate  
25 number of applicable inflation factors pursuant to subdivision (c)  
26 that have occurred up to and including the fiscal year in which  
27 the increase becomes effective.

28 (3) In addition to the rate approval requirements specified in  
29 subdivisions (a) to (c), inclusive, of Section 12306.1, it shall be  
30 presumed by the department that rates and other economic terms  
31 that are locally negotiated, mediated, imposed, or adopted by  
32 ordinance are approved.

33 (4) (A) With respect to any rate increases to existing contracts  
34 that a county has already entered into pursuant to Section 12302,  
35 the state shall pay 65 percent, and the affected county shall pay  
36 35 percent, of the nonfederal share of the amount of the rate  
37 increase up to the maximum amounts established pursuant to  
38 Sections 12302.1 and 12303. The county shall pay the entire  
39 nonfederal share of any portion of the rate increase exceeding the  
40 maximum amount established pursuant to Sections 12302.1 and

1 12303. This adjustment shall be calculated based on the county's  
2 2017–18 paid IHSS contract hours, or the paid contract hours in  
3 the fiscal year in which the contract becomes effective if the  
4 contract becomes effective on or after July 1, 2017, using the  
5 appropriate cost-sharing ratio as grown by the applicable number  
6 of inflation factors pursuant to subdivision (c) that have occurred  
7 up to and including the fiscal year in which the increase becomes  
8 effective.

9 (B) With respect to rates for new contracts entered into by a  
10 county pursuant to Section 12302 on or after July 1, 2017, the  
11 state shall pay 65 percent, and the affected county shall pay 35  
12 percent, of the nonfederal share of the difference between the  
13 locally negotiated, mediated, imposed, or adopted by ordinance,  
14 provider wage and the contract rate for all of the hours of service  
15 to IHSS recipients to be provided under the contract up to the  
16 maximum amounts established pursuant to Sections 12302.1 and  
17 12303. The county shall pay the entire nonfederal share of any  
18 portion of the contract rate exceeding the maximum amount  
19 established pursuant to Sections 12302.1 and 12303. This  
20 adjustment shall be calculated based on the county's paid contract  
21 hours in the fiscal year in which the contract becomes effective  
22 using the appropriate cost-sharing ratio.

23 (C) The county share of these expenditures shall be included in  
24 the County IHSS MOE, in addition to the amounts established  
25 under subdivisions (b) and (c). For any rate increases for existing  
26 contracts or rates for new contracts, entered into by a county  
27 pursuant to Section 12302 on or after July 1, 2017, that become  
28 effective on a date other than July 1, the Department of Finance  
29 shall adjust the county's County IHSS MOE to reflect the  
30 annualized cost of the county's share of the nonfederal cost of the  
31 increase or rate for new contracts. This adjustment shall be  
32 calculated as follows:

33 (i) For a contract described in subparagraph (A), the first-year  
34 cost of the amount of the rate increase calculated using the pro  
35 rata share of the number of hours of service provided in the  
36 contract for the fiscal year in which the increase became effective.

37 (ii) For a contract described in subparagraph (B), the first-year  
38 cost of the difference between the locally negotiated, mediated,  
39 imposed, or adopted by ordinance, provider wage and the contract  
40 rate for all of the hours of service to IHSS recipients calculated

1 using the pro rata share of the number of hours of service provided  
2 in the contract for the fiscal year in which the contract became  
3 effective.

4 (5) In the event the state ceases to receive enhanced federal  
5 financial participation for the provision of services pursuant to  
6 Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec.  
7 1396n(k)), the County IHSS MOE shall be adjusted one time to  
8 reflect a 35-percent share of the enhanced federal financial  
9 participation that would have been received pursuant to Section  
10 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k))  
11 for the fiscal year in which the state ceases to receive the enhanced  
12 federal financial participation.

13 (6) The County IHSS MOE shall not be adjusted for increases  
14 in provider wages that are locally negotiated when the increase  
15 has been specifically negotiated to be contingent upon state  
16 minimum wage increases.

17 (7) If a county negotiates a wage supplement that is applied to  
18 the type of wage increase specified in paragraph (6), the county's  
19 County IHSS MOE shall include a one-time adjustment by the  
20 amount of the increase, as specified in subparagraphs (A), (B),  
21 and (C) of paragraph (1).

22 (8) The Department of Finance shall consult with the California  
23 State Association of Counties to develop the computations for the  
24 annualized amounts pursuant to this subdivision.

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

27 (f) A county's County IHSS MOE costs paid to the state shall  
28 be reduced by the amount of any General Fund offset provided to  
29 the county pursuant to Section 12306.17.

30 SEC. 27. Section 12306.17 is added to the Welfare and  
31 Institutions Code, to read:

32 12306.17. (a) A portion of IHSS costs that are the counties'  
33 responsibility shall be offset using a combination of General Fund  
34 moneys appropriated in the annual Budget Act and redirected  
35 1991 Realignment Vehicle License Fee growth revenues pursuant  
36 to subdivision (c) of Section 17606.20, as follows:

37 (1) (A) There is hereby appropriated three hundred sixty-three  
38 million nine hundred ninety-eight thousand dollars (\$363,998,000)  
39 from the General Fund for the 2017-18 fiscal year to offset a  
40 portion of IHSS costs incurred by counties. This amount reflects

1 the difference between the combined estimated amounts of 2016–17  
2 and 2017–18 Vehicle License Fee growth revenues that would  
3 have been deposited into the Family Support Subaccount of the  
4 Vehicle License Fee Account of the Local Revenue Fund pursuant  
5 to Section 17600.50 and four hundred million dollars  
6 (\$400,000,000).

7 (B) The amount of General Fund moneys appropriated in the  
8 2017–18 fiscal year pursuant to subparagraph (A) shall be  
9 increased or decreased by the Department of Finance based on  
10 revised 2016–17 and 2017–18 Vehicle License Fee growth revenue  
11 estimates included in the 2018–19 Governor's Budget and  
12 subsequent May Revision, such that the total offset equals four  
13 hundred million dollars (\$400,000,000).

14 (C) The amount of General Fund moneys appropriated in the  
15 2017–18 fiscal year for the In-Home Supportive Services program  
16 pursuant to subparagraphs (A) and (B) shall be available for  
17 encumbrance or expenditure until June 30, 2018.

18 (2) For the 2018–19 fiscal year, the amount of the General Fund  
19 offset provided shall be the difference between the amount of  
20 2018–19 Vehicle License Fee growth revenues that would have  
21 been deposited into the Family Support Subaccount of the Vehicle  
22 License Fee Account of the Local Revenue Fund pursuant to  
23 Section 17600.50 and three hundred thirty million dollars  
24 (\$330,000,000).

25 (3) For the 2019–20 fiscal year, the amount of the General Fund  
26 offset provided shall be the difference between the amount of  
27 2019–20 Vehicle License Fee growth revenues that would have  
28 been deposited into the Family Support Subaccount of the Vehicle  
29 License Fee Account of the Local Revenue Fund pursuant to  
30 Section 17600.50 and two hundred million dollars (\$200,000,000).

31 (4) For the 2020–21 fiscal year, the amount of the General Fund  
32 offset provided shall be the difference between the amount of  
33 2020–21 Vehicle License Fee growth revenues that would have  
34 been deposited into the Family Support Subaccount of the Vehicle  
35 License Fee Account of the Local Revenue Fund pursuant to  
36 Section 17600.50 and one hundred fifty million dollars  
37 (\$150,000,000).

38 (5) For the 2021–22 fiscal year and every fiscal year thereafter,  
39 the amount of the General Fund offset provided shall be one  
40 hundred fifty million dollars (\$150,000,000).



1     **(b)** *The Department of Finance shall consult with the California*  
2 *State Association of Counties to determine the distribution of*  
3 *General Fund moneys available for offset of each county's IHSS*  
4 *costs in each fiscal year as specified in subdivision (a).*

5     **SEC. 28.** *Section 12306.18 is added to the Welfare and*  
6 *Institutions Code, to read:*

7     **12306.18.** *(a) Notwithstanding any other law, the Director of*  
8 *Finance may authorize a loan from the General Fund to any county*  
9 *in an amount not to exceed the net cost to the county resulting*  
10 *from the County's IHSS MOE pursuant to Sections 12306.16,*  
11 *12306.17, and 17606.20.*

12     **(b)** *To be considered for a loan, the county shall submit a*  
13 *request, after approval by the county board of supervisors, to the*  
14 *Director of Finance that includes all of the following:*

15     **(1)** *Information that demonstrates that the county is experiencing*  
16 *significant financial hardship.*

17     **(2)** *The amount of funding requested.*

18     **(3)** *The duration of the loan, not to exceed three years.*

19     **(c)** *The Director of Finance shall respond to a request in writing*  
20 *within 45 days. If approved, the written notice shall include the*  
21 *repayment schedule as determined by the Director of Finance, in*  
22 *consultation with the county, and the interest rate, which shall not*  
23 *exceed the rate earned by the Pooled Money Investment Account*  
24 *at the time of the loan. The Director of Finance may waive interest*  
25 *charges at any time.*

26     **(d)** *The Director of Finance, in consultation with the county,*  
27 *shall provide a schedule to the Controller for the disbursement of*  
28 *the loan amount for each county that receives a loan under this*  
29 *section. The Controller shall pay the county per the schedule within*  
30 *14 days of receipt.*

31     **(e)** *Loans shall be available in the 2017–18, 2018–19, and*  
32 *2019–20 fiscal years. The sum of all loans approved during any*  
33 *fiscal year pursuant to this section shall not exceed twenty-five*  
34 *million dollars (\$25,000,000).*

35     **(f)** *The county shall submit loan installment payments to the*  
36 *Controller as specified in subdivision (c) and notify the Director*  
37 *of Finance when each payment is made.*

38     **SEC. 29.** *Section 17600.15 of the Welfare and Institutions Code*  
39 *is amended to read:*

1 17600.15. (a) Of the sales tax proceeds from revenues collected  
2 in the 1991–92 fiscal year which are deposited to the credit of the  
3 Local Revenue Fund, 51.91 percent shall be credited to the Mental  
4 Health Subaccount, 36.17 percent shall be credited to the Social  
5 Services Subaccount, and 11.92 percent shall be credited to the  
6 Health Subaccount of the Sales Tax Account.

7 (b) For the 1992–93 fiscal year to the 2011–12 fiscal year,  
8 inclusive, of the sales tax proceeds from revenues deposited to the  
9 credit of the Local Revenue Fund, the Controller shall make  
10 monthly deposits to the Mental Health Subaccount, the Social  
11 Services Subaccount, and the Health Subaccount of the Sales Tax  
12 Account until the deposits equal the amounts that were allocated  
13 to counties', cities', and cities and counties' mental health accounts,  
14 social services accounts, and health accounts, respectively, of the  
15 local health and welfare trust funds in the prior fiscal year pursuant  
16 to this chapter from the Sales Tax Account and the Sales Tax  
17 Growth Account. Any excess sales tax revenues received pursuant  
18 to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code  
19 shall be deposited in the Sales Tax Growth Account of the Local  
20 Revenue Fund.

21 (c) (1) For the 2012–13 fiscal year, of the sales tax proceeds  
22 from revenues deposited to the credit of the Local Revenue Fund,  
23 the Controller shall make monthly deposits to the Social Services  
24 Subaccount and the Health Subaccount of the Sales Tax Account  
25 until the deposits equal the amounts that were allocated to  
26 counties', cities', and cities and counties' social services accounts  
27 and health accounts, respectively, of the local health and welfare  
28 trust funds in the prior fiscal year pursuant to this chapter from the  
29 Sales Tax Account and the Sales Tax Growth Account.

30 (2) For the 2012–13 fiscal year, of the sales tax proceeds from  
31 revenues deposited to the credit of the Local Revenue Fund, the  
32 Controller shall make monthly deposits to the Mental Health  
33 Subaccount of the Sales Tax Account until the deposits equal the  
34 amounts that were allocated to counties', cities', and cities and  
35 counties' CalWORKs Maintenance of Effort Subaccounts pursuant  
36 to subdivision (a) of Section 17601.25, and any additional amounts  
37 above the amount specified in subdivision (a) of Section 17601.25,  
38 of the local health and welfare trust funds in the prior fiscal year  
39 pursuant to this chapter from the Sales Tax Account and the Sales  
40 Tax Growth Account. The Controller shall not include in this

1 calculation any funding deposited in the Mental Health Subaccount  
2 from the Support Services Growth Subaccount pursuant to Section  
3 30027.9 of the Government Code or funds described in subdivision  
4 (c) of Section 17601.25.

5 (3) Any excess sales tax revenues received pursuant to Sections  
6 6051.2 and 6201.2 of the Revenue and Taxation Code after the  
7 allocations required by paragraphs (1) and (2) are made shall be  
8 deposited in the Sales Tax Growth Account of the Local Revenue  
9 Fund.

10 (d) (1) For the 2013–14 fiscal year, of the sales tax proceeds  
11 from revenues deposited to the credit of the Local Revenue Fund,  
12 the Controller shall make monthly deposits pursuant to a schedule  
13 provided by the Department of Finance, which shall provide  
14 deposits to the Social Services Subaccount and the Health  
15 Subaccount of the Sales Tax Account until the deposits equal the  
16 amounts that were allocated to counties', cities', and cities and  
17 counties' social services accounts and health accounts, respectively,  
18 of the local health and welfare trust funds in the prior fiscal year  
19 pursuant to this chapter from the Sales Tax Account and the Sales  
20 Tax Growth Account.

21 (2) For the 2013–14 fiscal year, of the sales tax proceeds from  
22 revenues deposited to the credit of the Local Revenue Fund, the  
23 Controller shall make monthly deposits to the Mental Health  
24 Subaccount of the Sales Tax Account until the deposits equal the  
25 amounts that were allocated to counties', cities', and cities and  
26 counties' CalWORKs Maintenance of Effort Subaccounts pursuant  
27 to subdivision (a) of Section 17601.25, and any additional amounts  
28 above the amount specified in subdivision (a) of Section 17601.25,  
29 of the local health and welfare trust funds in the prior fiscal year  
30 pursuant to this chapter from the Sales Tax Account and the Sales  
31 Tax Growth Account. The Controller shall not include in this  
32 calculation any funding deposited in the Mental Health Subaccount  
33 from the Support Services Growth Subaccount pursuant to Section  
34 30027.9 of the Government Code or funds described in subdivision  
35 (c) of Section 17601.25.

36 (3) Any excess sales tax revenues received pursuant to Sections  
37 6051.2 and 6201.2 of the Revenue and Taxation Code after the  
38 allocations required by paragraphs (1) and (2) are made shall be  
39 deposited in the Sales Tax Growth Account of the Local Revenue  
40 Fund.

1 (4) On a monthly basis, pursuant to a schedule provided by the  
2 Department of Finance, the Controller shall transfer funds from  
3 the Social Services Subaccount to the Health Subaccount in an  
4 amount that shall not exceed three hundred million dollars  
5 (\$300,000,000) for the 2013–14 fiscal year. The funds so  
6 transferred shall not be used in calculating future year deposits to  
7 the Social Services Subaccount or the Health Subaccount.

8 (e) For the 2014–15 fiscal year ~~and fiscal years thereafter,~~  
9 *through the 2016–17 fiscal year*, except as specified in paragraph  
10 (5), of the sales tax proceeds from revenues deposited to the credit  
11 of the Local Revenue Fund, the Controller shall make the following  
12 monthly deposits:

13 (1) To the Social Services Subaccount of the Sales Tax Account,  
14 until the deposits equal the total amount that was deposited to the  
15 Social Services Subaccount in the prior fiscal year pursuant to this  
16 section, in addition to the amounts that were allocated to the social  
17 services accounts of the local health and welfare trust funds in the  
18 prior fiscal year pursuant to this chapter from the Sales Tax Growth  
19 Account.

20 (2) To the Health Subaccount of the Sales Tax Account, until  
21 the deposits equal the total amount that was deposited to the Health  
22 Subaccount in the prior year from the Sales Tax Account in  
23 addition to the amounts that were allocated to the health accounts  
24 of the local health and welfare trust funds in the prior fiscal year  
25 pursuant to this chapter from the Sales Tax Growth Account.

26 (3) To the Child Poverty and Family Supplemental Support  
27 Subaccount until the deposits equal the amounts that were  
28 deposited in the prior fiscal year from the Sales Tax Account and  
29 the Sales Tax Growth Account.

30 (4) To the Mental Health Subaccount of the Sales Tax Account  
31 until the deposits equal the amounts that were allocated to  
32 counties', cities', and cities and counties' CalWORKs Maintenance  
33 of Effort Subaccounts pursuant to subdivision (a) of Section  
34 17601.25, and any additional amounts above the amount specified  
35 in subdivision (a) of Section 17601.25 of the local health and  
36 welfare trust funds in the prior fiscal year pursuant to this chapter  
37 from the Sales Tax Account and the Sales Tax Growth Account.  
38 The Controller shall not include in this calculation any funding  
39 deposited in the Mental Health Subaccount from the Support  
40 Services Growth Subaccount pursuant to Section 30027.9 of the

1 Government Code or funds described in subdivision (c) of Section  
2 17601.25.

3 (5) (A) Any excess sales tax revenues received pursuant to  
4 Sections 6051.2 and 6201.2 of the Revenue and Taxation Code  
5 after the allocations required by paragraphs (1) to (4), inclusive,  
6 are made shall be deposited in the Sales Tax Growth Account of  
7 the Local Revenue Fund. This subparagraph shall only apply to  
8 allocations made for the 2014–15 fiscal year.

9 (B) For the 2015–16 fiscal year and ~~for every fiscal year~~  
10 ~~thereafter, the 2016–17 fiscal year~~, any excess sales tax revenues  
11 received pursuant to Sections 6051.2 and 6201.2 of the Revenue  
12 and Taxation Code after the allocations required by paragraphs  
13 (1) to (4), inclusive, and subdivision ~~(f)~~ (h) are made shall be  
14 deposited in the Sales Tax Growth Account of the Local Revenue  
15 Fund.

16 (6) For the 2014–15 fiscal year, on a monthly basis, pursuant  
17 to a schedule provided by the Department of Finance, the  
18 Controller shall transfer funds from the Social Services Subaccount  
19 to the Health Subaccount in an amount that shall not exceed one  
20 billion dollars (\$1,000,000,000). The transfer schedule shall be  
21 based on the amounts that each county is receiving in vehicle  
22 license fees pursuant to this chapter. The funds so transferred shall  
23 not be used in calculating future year deposits to the Social Services  
24 Subaccount or the Health Subaccount.

25 (f) *For the 2017–18 fiscal year and for every fiscal year*  
26 *thereafter, of the sales tax proceeds from revenues deposited to*  
27 *the credit of the Local Revenue Fund, the Controller shall make*  
28 *the following monthly deposits pursuant to a schedule developed*  
29 *by the Department of Finance:*

30 (1) *To the Health Subaccount of the Sales Tax Account, until*  
31 *the deposits equal the total amount that was deposited to the Health*  
32 *Subaccount in the prior year from the Sales Tax Account in*  
33 *addition to the amounts that were allocated to the health accounts*  
34 *of the local health and welfare trust funds in the prior fiscal year*  
35 *pursuant to this chapter from the Sales Tax Growth Account.*

36 (2) *To the Mental Health Subaccount of the Sales Tax Account*  
37 *until the deposits equal the amounts that were allocated to*  
38 *counties', cities', and cities and counties' CalWORKs Maintenance*  
39 *of Effort Subaccounts pursuant to subdivision (a) of Section*  
40 *17601.25, and any additional amounts above the amount specified*

1 in subdivision (a) of Section 17601.25 of the local health and  
2 welfare trust funds in the prior fiscal year pursuant to this chapter  
3 from the Sales Tax Account and the Sales Tax Growth Account.  
4 The Controller shall not include in this calculation any funding  
5 deposited in the Mental Health Subaccount from the Support  
6 Services Growth Subaccount pursuant to Section 30027.9 of the  
7 Government Code or funds described in subdivision (c) of Section  
8 17601.25.

9 (3) To the Social Services Subaccount of the Sales Tax Account,  
10 until the deposits equal the sum of the following:

11 (A) The total amount that was deposited to the Social Services  
12 Subaccount in the prior fiscal year pursuant to this section, in  
13 addition to the amounts that were allocated to the social services  
14 accounts of the local health and welfare trust funds in the prior  
15 fiscal year pursuant to this chapter from the Sales Tax Growth  
16 Account.

17 (B) The increased amount of the County IHSS MOE for the  
18 current fiscal year pursuant to Sections 12306.16 and 12306.17  
19 as determined by July 1 of that fiscal year over the County IHSS  
20 MOE for the prior fiscal year subject to the determination made  
21 in subdivision (g).

22 (4) To the Child Poverty and Family Supplemental Support  
23 Subaccount until the deposits equal the amounts that were  
24 deposited in the prior fiscal year from the Sales Tax Account and  
25 the Sales Tax Growth Account.

26 (5) Any excess sales tax revenues received pursuant to Sections  
27 6051.2 and 6201.2 of the Revenue and Taxation Code after the  
28 allocations required by paragraphs (1) to (4), inclusive, and  
29 subdivision (h) are made shall be deposited in the Sales Tax  
30 Growth Account of the Local Revenue Fund.

31 (g) On or before January 10 and on or before May 14, the  
32 Department of Finance shall do all of the following:

33 (1) Estimate the amount of sales tax revenues to be received  
34 pursuant to Sections 6051.2 and 6201.2 of the Revenue and  
35 Taxation Code to be received in the current fiscal year compared  
36 to the total amount of sales tax revenues necessary to fully fund  
37 the current fiscal year bases of the County Medical Services  
38 Program Subaccount, as determined by paragraph (2) of  
39 subdivision (h), and the Health Subaccount, the Mental Health  
40 Subaccount, the Social Services Subaccount, and the Child Poverty

1 *and Family Supplemental Support Subaccount of the Sales Tax*  
2 *Account as determined in paragraphs (1), (2), and (4) of, and*  
3 *subparagraph (A) of paragraph (3) of, subdivision (f).*

4 (2) *If it is determined pursuant to paragraph (1) that there will*  
5 *be sufficient sales tax revenues in the current fiscal year to fully*  
6 *fund the current fiscal year bases, then the schedule developed by*  
7 *the Department of Finance pursuant to subdivision (f) will fund*  
8 *on a monthly basis as much of the increased Social Services*  
9 *Subaccount base identified in subparagraph (B) of paragraph (3)*  
10 *of subdivision (f) as the excess sales tax revenues will permit.*

11 (3) *If it is determined pursuant to paragraph (1) that there will*  
12 *be insufficient sales tax revenues in the current fiscal year to fully*  
13 *fund the current fiscal year bases, then the schedule developed by*  
14 *the Department of Finance pursuant to subdivision (f) will not*  
15 *fund the increased Social Services Subaccount base identified in*  
16 *subparagraph (B) of paragraph (3) of subdivision (f), and shall*  
17 *ensure that the County Medical Program Services Subaccount,*  
18 *the Health Subaccount, the Mental Health Subaccount, the Social*  
19 *Services Subaccount, and the Child Poverty and Family*  
20 *Supplemental Support Subaccount of the Sales Tax Account shall*  
21 *receive sales tax revenues proportionate to their current year bases*  
22 *as determined by paragraph (2) of subdivision (h) and paragraphs*  
23 *(1), (2), and (4) of, and subparagraph (A) of paragraph (3) of,*  
24 *subdivision (f).*

25 (4) *In no fiscal year where there is sufficient sales tax revenues*  
26 *received pursuant to Sections 6051.2 and 6201.2 of the Revenue*  
27 *and Taxation Code to fully fund the bases of the County Medical*  
28 *Services Program Subaccount as determined by paragraph (2) of*  
29 *subdivision (h), and the Health Subaccount, the Mental Health*  
30 *Subaccount, the Social Services Subaccount, and the Child Poverty*  
31 *and Family Supplemental Support Subaccount, of the Sales Tax*  
32 *Account, as determined by paragraphs (1), (2), and (4) of, and*  
33 *subparagraph (A) of paragraph (3) of, subdivision (f), shall those*  
34 *subaccounts receive less than those amounts.*

35 (5) *Sales tax revenues allocated pursuant to this subdivision*  
36 *each fiscal year shall be adjusted by the Department of Finance,*  
37 *pursuant to a schedule provided to the Controller, in consultation*  
38 *with the California State Association of Counties, as needed but*  
39 *no later than August 30 of each year, to reflect the actual sales*  
40 *tax revenues received for that fiscal year.*

1 (f)

2 (h) (1) For the 2015–16 fiscal year, the allocations to the County  
3 Medical Services Program Subaccount shall equal the amounts  
4 received in the prior fiscal year by the County Medical Services  
5 Program from the Sales Tax Account and the County Medical  
6 Services Program Subaccount of the Sales Tax Growth Account  
7 of the Local Revenue Fund, as adjusted by the calculations required  
8 under subdivision (a) of Section 17600.50.

9 (2) For the 2016–17 fiscal year and for every fiscal year  
10 thereafter, the allocations to the County Medical Services Program  
11 Subaccount shall equal the amounts received in the prior fiscal  
12 year by the County Medical Services Program Subaccount of the  
13 Sales Tax Account and the County Medical Services Program  
14 Growth Subaccount of the Sales Tax Growth Account of the Local  
15 Revenue Fund, as adjusted by the calculations required under  
16 subdivision (a) of Section 17600.50.

17 *SEC. 30. Section 17600.50 of the Welfare and Institutions Code*  
18 *is amended to read:*

19 17600.50. (a) A county that participated in the County Medical  
20 Services Program in the 2011–12 fiscal year, including the Counties  
21 of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El  
22 Dorado, Glenn, Humboldt, Imperial, Inyo, Kings, Lake, Lassen,  
23 Madera, Marin, Mariposa, Mendocino, Modoc, Mono, Napa,  
24 Nevada, Plumas, San Benito, Shasta, Sierra, Siskiyou, Solano,  
25 Sonoma, Sutter, Tehama, Trinity, Tuolumne, and Yuba and the  
26 Governing Board of the County Medical Services Program, shall  
27 adopt resolutions by January 22, 2014, that confirm acceptance  
28 for the following approach to determining payments to the Family  
29 Support Subaccount:

30 (1) The amount of payments to the Family Support Subaccount  
31 shall be equal to 60 percent of the sum of the following:

32 (A) The 1991 health realignment funds that would have  
33 otherwise been allocated to the counties listed above pursuant to  
34 ~~Sections 17603, 17604, and 17606.20~~ *Section 17603* and the  
35 maintenance of effort in subdivision (a) of Section 17608.10 for  
36 these counties, as those sections read on January 1, 2012, *Sections*  
37 *17604 and 17606.20 as those sections read on August 1, 2017,*  
38 and Section 17606.10 as it read on July 1, 2013.

39 (B) The 1991 health realignment funds that would have  
40 otherwise been allocated to the County Medical Services Program



1 pursuant to Sections ~~17603, 17604, 17605.07, and 17606.20~~, 17603  
2 and 17605.07, as those sections read on January 1, ~~2012~~, 2012,  
3 and Sections 17604 and 17606.20 as those sections read on August  
4 1, 2017.

5 (2) The payment computed in paragraph (1) shall be achieved  
6 through the following:

7 (A) Each county listed in subdivision (a) shall pay the amounts  
8 otherwise payable to the County Medical Services Program  
9 pursuant to subparagraph (B) of paragraph (2) of subdivision (j)  
10 of Section 16809 to the Family Support Subaccount.

11 (B) The County Medical Services Program shall pay the  
12 difference between the total computed in paragraph (1) and the  
13 amount calculated in subparagraph (A) from funds provided  
14 pursuant to the Welfare and Institutions Code.

15 (b) The Counties of Fresno, Merced, Orange, Placer,  
16 Sacramento, San Diego, San Luis Obispo, Santa Barbara, Santa  
17 Cruz, Stanislaus, Tulare, and Yolo shall each tentatively inform  
18 the state by November 1, 2013, which of the following options it  
19 selects for determining its payments to the Family Support  
20 Subaccount. On or before January 22, 2014, the board of  
21 supervisors of each county and city and county may adopt a  
22 resolution informing the state of the county's or city and county's  
23 final selection of the option for determining its payments to the  
24 Family Support Subaccount:

25 (1) The formula detailed in Article 13 (commencing with Section  
26 17613.1).

27 (2) (A) A calculation of 60 percent of the total of 1991 health  
28 realignment funds that would have otherwise been allocated to  
29 that county or city and county pursuant to ~~Sections 17603, 17604,~~  
30 ~~and 17606.20~~, as those sections *Section 17603 as it* read on January  
31 1, 2012, *Sections 17604 and 17606.20 as those sections* read on  
32 *August 1, 2017*, and Section 17606.10, as it read on July 1, 2013,  
33 and 60 percent of the maintenance of effort in subdivision (a) of  
34 Section 17608.10, as it read on January 1, 2012.

35 (B) If a county's maintenance of effort in subdivision (a) of  
36 Section 17608.10 is greater than 14.6 percent of the total value of  
37 the county's 2010–11 allocation pursuant to Sections 17603, 17604,  
38 17606.10, and 17606.20 and subdivision (a) of Section 17608.10,  
39 the value of the maintenance of effort used in the calculation in  
40 subparagraph (A) shall be limited to 14.6 percent.

1 (c) The Counties of Alameda, Contra Costa, Kern, Los Angeles,  
2 Monterey, Riverside, San Bernardino, San Francisco, San Joaquin,  
3 San Mateo, Santa Clara, and Ventura shall each tentatively inform  
4 the state by November 1, 2013, which of the following options it  
5 selects for determining its payments to the Family Support  
6 Subaccount. On or before January 22, 2014, the board of  
7 supervisors of each county and city and county may adopt a  
8 resolution informing the state of the county's or city and county's  
9 final selection of the option for determining its payments to the  
10 Family Support Subaccount:

11 (1) The formula detailed in Article 12 (commencing with Section  
12 17612.1).

13 (2) (A) A calculation of 60 percent of the total of 1991 health  
14 realignment funds that would have otherwise been allocated to  
15 that county or city and county pursuant to ~~Sections 17603, 17604,~~  
16 ~~and 17606.20, as those sections~~ *Section 17603 as it read on January*  
17 *1, 2012, Sections 17604 and 17606.20 as those sections read on*  
18 *August 1, 2017,* and Section 17606.10, as it read on July 1, 2013,  
19 and 60 percent of the maintenance of effort in subdivision (a) of  
20 Section 17608.10, as it read on January 1, 2012.

21 (B) If a county's maintenance of effort in subdivision (a) of  
22 Section 17608.10 is greater than 25.9 percent of the total value of  
23 the county's 2010–11 fiscal year allocation pursuant to Sections  
24 17603, 17604, 17606.10, and 17606.20, and subdivision (a) of  
25 Section 17608.10, the value of the maintenance of effort used in  
26 the calculation in subparagraph (A) shall be limited to 25.9 percent.

27 (d) (1) If the board of supervisors of a county or city and county  
28 fails to adopt a resolution pursuant to subdivision (b) or (c), as  
29 applicable, or fails to inform the Director of Health Care Services  
30 of the city and county or county's final selection, by January 22,  
31 2014, the calculation shall be 62.5 percent of the total of 1991  
32 health realignment funds that would have otherwise been allocated  
33 to that county or city and county pursuant to Sections 17603,  
34 17604, and 17606.20, as those sections read on January 1, 2012,  
35 and Section 17606.10, as it read on July 1, 2013, and 62.5 percent  
36 of the maintenance of effort in subdivision (a) of Section 17608.10,  
37 as it read on January 1, 2012.

38 (2) If the County Medical Services Program governing board  
39 or the board of supervisors of a county that participates in the  
40 County Medical Services Program fails to adopt a resolution

1 pursuant to subdivision (a), or fails to inform the Director of Health  
2 Care Services of the county's final selection, by January 22, 2014,  
3 then paragraphs (1) and (2) of subdivision (a) apply to the  
4 applicable counties and to the County Medical Services Program.

5 *SEC. 31. Section 17600.70 is added to the Welfare and*  
6 *Institutions Code, to read:*

7 *17600.70. (a) As part of the development of the 2019-20*  
8 *budget, the Department of Finance, in consultation with the*  
9 *California State Association of Counties and other affected parties,*  
10 *shall reexamine the funding structure within 1991 Realignment.*

11 *Pursuant to subdivision (b), the Department of Finance shall report*  
12 *findings and recommendations regarding the In-Home Supportive*  
13 *Services Maintenance of Effort created in Section 12306.16 and*  
14 *other impacts on other 1991 Realignment programs, including,*  
15 *but not limited to, the following:*

16 *(1) The extent to which revenues available for 1991 Realignment*  
17 *are sufficient to meet program costs that were realigned.*

18 *(2) Whether the In-Home Supportive Services program and*  
19 *administrative costs are growing by a rate that is higher, lower,*  
20 *or approximately the same as the maintenance of effort, including*  
21 *the inflation factor.*

22 *(3) The fiscal and programmatic impacts of the In-Home*  
23 *Supportive Services Maintenance of Effort on the funding available*  
24 *for the Health Subaccount, the Mental Health Subaccount, the*  
25 *County Medical Services Program Subaccount, and other social*  
26 *services programs included in 1991 Realignment.*

27 *(4) The status of collective bargaining for the In-Home*  
28 *Supportive Services program in each county.*

29 *(b) Findings and recommendations shall be reported to the*  
30 *Legislature no later than January 10, 2019.*

31 *SEC. 32. Section 17604 of the Welfare and Institutions Code*  
32 *is amended to read:*

33 *17604. (a) All motor vehicle license fee revenues collected in*  
34 *the 1991-92 fiscal year that are deposited to the credit of the Local*  
35 *Revenue Fund shall be credited to the Vehicle License Fee Account*  
36 *of that fund.*

37 *(b) (1) For the 1992-93 fiscal year through the 2014-15 fiscal*  
38 *year, inclusive, from vehicle license fee proceeds from revenues*  
39 *deposited to the credit of the Local Revenue Fund, the Controller*  
40 *shall make monthly deposits to the Vehicle License Fee Account*

1 of the Local Revenue Fund until the deposits equal the amounts  
 2 that were allocated to counties, cities, and cities and counties in  
 3 the prior fiscal year pursuant to this chapter from the Vehicle  
 4 License Fee Account in the Local Revenue Fund and the Vehicle  
 5 License Fee Account and the Vehicle License Fee Growth Account  
 6 in the Local Revenue Fund.

7 (2) Any excess vehicle fee revenues deposited into the Local  
 8 Revenue Fund pursuant to Section 11001.5 of the Revenue and  
 9 Taxation Code shall be deposited in the Vehicle License Fee  
 10 Growth Account of the Local Revenue Fund.

11 (3) The Controller shall calculate the difference between the  
 12 total amount of vehicle license fee proceeds deposited to the credit  
 13 of the Local Revenue Fund, pursuant to paragraph (1) of  
 14 subdivision (a) of Section 11001.5 of the Revenue and Taxation  
 15 Code, and deposited into the Vehicle License Fee Account for the  
 16 period of July 16, 2009, to July 15, 2010, inclusive, and the amount  
 17 deposited for the period of July 16, 2010, to July 15, 2011,  
 18 inclusive.

19 (4) Of vehicle license fee proceeds deposited to the Vehicle  
 20 License Fee Account after July 15, 2011, an amount equal to the  
 21 difference calculated in paragraph (3) shall be deemed to have  
 22 been deposited during the period of July 16, 2010, to July 15, 2011,  
 23 inclusive, and allocated to cities, counties, and a city and county  
 24 as if those proceeds had been received during the 2010–11 fiscal  
 25 year.

26 (c) (1) On or before the 27th day of each month, the Controller  
 27 shall allocate to each county, city, or city and county, the amounts  
 28 deposited and remaining unexpended and unreserved on the 15th  
 29 day of the month in the Vehicle License Fee Account of the Local  
 30 Revenue Fund, in accordance with paragraphs (2) and (3).

31 (2) For the 1991–92 fiscal year, allocations shall be made in  
 32 accordance with the following schedule:

Jurisdiction	Allocation Percentage
34	
35 Alameda .....	4.5046
36 Alpine .....	0.0137
37 Amador .....	0.1512
38 Butte .....	0.8131
39 Calaveras .....	0.1367
40	

1	Colusa.....	0.1195
2	Contra Costa .....	2.2386
3	Del Norte .....	0.1340
4	El Dorado .....	0.5228
5	Fresno .....	2.3531
6	Glenn .....	0.1391
7	Humboldt .....	0.8929
8	Imperial .....	0.8237
9	Inyo .....	0.1869
10	Kern .....	1.6362
11	Kings .....	0.4084
12	Lake .....	0.1752
13	Lassen .....	0.1525
14	Los Angeles .....	37.2606
15	Madera .....	0.3656
16	Marin.....	1.0785
17	Mariposa .....	0.0815
18	Mendocino .....	0.2586
19	Merced .....	0.4094
20	Modoc .....	0.0923
21	Mono .....	0.1342
22	Monterey .....	0.8975
23	Napa .....	0.4466
24	Nevada .....	0.2734
25	Orange .....	5.4304
26	Placer .....	0.2806
27	Plumas .....	0.1145
28	Riverside .....	2.7867
29	Sacramento .....	2.7497
30	San Benito .....	0.1701
31	San Bernardino.....	2.4709
32	San Diego .....	4.7771
33	San Francisco .....	7.1450
34	San Joaquin .....	1.0810
35	San Luis Obispo .....	0.4811
36	San Mateo .....	1.5937
37	Santa Barbara .....	0.9418
38	Santa Clara .....	3.6238
39	Santa Cruz .....	0.6714
40	Shasta .....	0.6732

1	Sierra .....	0.0340
2	Siskiyou.....	0.2246
3	Solano .....	0.9377
4	Sonoma .....	1.6687
5	Stanislaus .....	1.0509
6	Sutter .....	0.4460
7	Tehama .....	0.2986
8	Trinity .....	0.1388
9	Tulare .....	0.7485
10	Tuolumne .....	0.2357
11	Ventura .....	1.3658
12	Yolo .....	0.3522
13	Yuba .....	0.3076
14	Berkeley .....	0.0692
15	Long Beach .....	0.2918
16	Pasadena .....	0.1385

17

18 (3) For the 1992–93, 1993–94, and 1994–95 fiscal years and  
 19 fiscal years thereafter, allocations shall be made in the same  
 20 amounts as were distributed from the Vehicle License Fee Account  
 21 and the Vehicle License Fee Growth Account in the prior fiscal  
 22 year.

23 (4) For the 1995–96 fiscal year, allocations shall be made in the  
 24 same amounts as distributed in the 1994–95 fiscal year from the  
 25 Vehicle License Fee Account and the Vehicle License Fee Growth  
 26 Account after adjusting the allocation amounts by the amounts  
 27 specified for the following counties:

28

29	Alpine .....	\$(11,296)
30	Amador .....	25,417
31	Calaveras .....	49,892
32	Del Norte .....	39,537
33	Glenn .....	(12,238)
34	Lassen .....	17,886
35	Mariposa .....	(6,950)
36	Modoc .....	(29,182)
37	Mono .....	(6,950)
38	San Benito .....	20,710
39	Sierra .....	(39,537)
40	Trinity .....	(48,009)

1 (5) (A) For the 1996–97 fiscal year and fiscal years thereafter,  
2 allocations shall be made in the same amounts as were distributed  
3 from the Vehicle License Fee Account and the Vehicle License  
4 Fee Growth Account in the prior fiscal year.

5 (B) Initial proceeds deposited in the Vehicle License Fee  
6 Account in the 2003–04 fiscal year in the amount that would  
7 otherwise have been transferred pursuant to former Section 10754  
8 of the Revenue and Taxation Code for the period June 20, 2003,  
9 to July 15, 2003, inclusive, shall be deemed to have been deposited  
10 during the period June 16, 2003, to July 15, 2003, inclusive, and  
11 allocated to cities, counties, and a city and county during the  
12 2002–03 fiscal year.

13 (d) The Controller shall make monthly allocations from the  
14 amount deposited in the Vehicle License Collection Account of  
15 the Local Revenue Fund to each county in accordance with a  
16 schedule to be developed by the State Department of Health Care  
17 Services in consultation with the County Behavioral Health  
18 Directors Association of California, which is compatible with the  
19 intent of the Legislature expressed in the act adding this  
20 subdivision.

21 (e) For the 2013–14 and 2014–15 fiscal years, before making  
22 the monthly allocations in accordance with paragraph (5) of  
23 subdivision (c) and subdivision (d), and pursuant to a schedule  
24 provided by the Department of Finance, the Controller shall adjust  
25 the monthly distributions from the Vehicle License Fee Account  
26 to reflect an equal exchange of sales and use tax funds from the  
27 Social Services Subaccount to the Health Subaccount, as required  
28 by subdivisions (d) and (e) of Section 17600.15, and of Vehicle  
29 License Fee funds from the Health Account to the Social Services  
30 Account. Adjustments made to the Vehicle License Fee  
31 distributions pursuant to this subdivision shall not be used in  
32 calculating future year allocations to the Vehicle License Fee  
33 Account.

34 (f) For the 2015–16 fiscal year, of the vehicle license fee  
35 proceeds from revenues deposited to the credit of the Local  
36 Revenue Fund, the Controller shall make the following monthly  
37 deposits:

38 (1) To the Social Services Subaccount of the Vehicle License  
39 Fee Account, until the deposits equal the total amount that was  
40 allocated to the social services accounts of the local health and

1 welfare trust funds in the prior fiscal year pursuant to this chapter  
2 from the Vehicle License Fee Account.

3 (2) To the Health Subaccount of the Vehicle License Fee  
4 Account, until the deposits equal the total amount that was  
5 allocated to the health accounts of the local health and welfare  
6 trust funds in the prior fiscal year pursuant to this chapter from the  
7 Vehicle License Fee Account and the Vehicle License Fee Growth  
8 Account.

9 (3) To the County Medical Services Program Subaccount of the  
10 Vehicle License Fee Account, until the deposits equal the total  
11 amount that was allocated to the County Medical Services Program  
12 in the prior fiscal year pursuant to this chapter from the Vehicle  
13 License Fee Account and the Vehicle License Fee Growth Account.

14 (4) To the Child Poverty and Family Supplemental Support  
15 Subaccount until the deposits equal the amounts that were  
16 deposited in the prior fiscal year from the Vehicle License Fee  
17 Account and the Vehicle License Fee Growth Account.

18 (5) To the Mental Health Subaccount of the Vehicle License  
19 Fee Account until the deposits equal the amounts that were  
20 allocated to counties', cities', and cities and counties' CalWORKs  
21 Maintenance of Effort Subaccounts pursuant to subdivision (a) of  
22 Section 17601.25, and any additional amounts above the amount  
23 specified in subdivision (a) of Section 17601.25 of the local health  
24 and welfare trust funds in the prior fiscal year pursuant to this  
25 chapter from the Vehicle License Fee Account and the Vehicle  
26 License Fee Growth Account. The Controller shall not include in  
27 this calculation any funding deposited in the Mental Health  
28 Subaccount from the Support Services Growth Subaccount  
29 pursuant to Section 30027.9 of the Government Code or funds  
30 described in subdivision (c) of Section 17601.25.

31 (6) Any excess vehicle license fee revenues received pursuant  
32 to Section 11001.5 of the Revenue and Taxation Code after the  
33 allocations required by paragraphs (1) to (5), inclusive, are made  
34 shall be deposited in the Vehicle License Fee Growth Account of  
35 the Local Revenue Fund.

36 (g) For the 2016–17 fiscal year and fiscal years thereafter, of  
37 the vehicle license fee proceeds from revenues deposited to the  
38 credit of the Local Revenue Fund, the Controller shall make the  
39 following monthly deposits:



1 (1) To the Social Services Subaccount until the deposits equal  
2 the amount that was deposited to the Social Services Subaccount  
3 in the prior fiscal year from the Vehicle License Fee *Account and*  
4 *the Vehicle License Fee Growth Account.*

5 (2) To the Health Subaccount until the deposits equal the total  
6 amounts that were deposited to the Health Subaccount in the prior  
7 fiscal year from the Vehicle License Fee Account and the Vehicle  
8 License Fee Growth Account.

9 (3) To the County Medical Services Program Subaccount until  
10 the deposits equal the total amounts that were deposited in the  
11 prior fiscal year to the County Medical Services Program  
12 Subaccount of the Vehicle License Fee Account and the County  
13 Medical Services Program Growth Subaccount of the Vehicle  
14 License Fee Growth Account.

15 (4) To the Child Poverty and Family Supplemental Support  
16 Subaccount until the deposits equal the amounts that were  
17 deposited to the Child Poverty and Family Supplemental Support  
18 Subaccount in the prior fiscal year from the Vehicle License Fee  
19 Account and the Vehicle License Fee Growth Account.

20 (5) To the Mental Health Subaccount of the Vehicle License  
21 Fee Account until the deposits equal the amounts that were  
22 allocated to counties', cities', and cities and counties' CalWORKs  
23 Maintenance of Effort Subaccounts pursuant to subdivision (a) of  
24 Section 17601.25, and any additional amounts above the amount  
25 specified in subdivision (a) of Section 17601.25 of the local health  
26 and welfare trust funds in the prior fiscal year pursuant to this  
27 chapter from the Vehicle License Fee Account and the Vehicle  
28 License Fee Growth Account. The Controller shall not include in  
29 this calculation any funding deposited in the Mental Health  
30 Subaccount from the Support Services Growth Subaccount  
31 pursuant to Section 30027.9 of the Government Code or funds  
32 described in subdivision (c) of Section 17601.25.

33 (6) Any excess vehicle license fee revenues received pursuant  
34 to Section 11001.5 of the Revenue and Taxation Code after the  
35 allocations required by paragraphs (1) to (5), inclusive, are made  
36 shall be deposited in the Vehicle License Fee Growth Account of  
37 the Local Revenue Fund.

38 *SEC. 33. Section 17605 of the Welfare and Institutions Code*  
39 *is amended to read:*

1 17605. (a) For the 1992–93 fiscal year, the Controller shall  
2 deposit into the Caseload Subaccount of the Sales Tax Growth  
3 Account of the Local Revenue Fund, from revenues deposited into  
4 the Sales Tax Growth Account, an amount to be determined by  
5 the Department of Finance, that represents the sum of the shortfalls  
6 between the actual realignment revenues received by each county  
7 and each city and county from the Social Services Subaccount of  
8 the Local Revenue Fund in the 1991–92 fiscal year and the net  
9 costs incurred by each of those counties and cities and counties in  
10 the fiscal year for the programs described in Sections 10101,  
11 10101.1, 11322, 11322.2, and 12306, subdivisions (a), (b), (c),  
12 and (d) of Section 15200, and Sections 15204.2 and 18906.5. The  
13 Department of Finance shall provide the Controller with an  
14 allocation schedule on or before August 15, 1993, that shall be  
15 used by the Controller to allocate funds deposited to the Caseload  
16 Subaccount under this subdivision. The Controller shall allocate  
17 these funds no later than August 27, 1993.

18 (b) (1) (A) For the 1993–94 fiscal year and fiscal years  
19 thereafter, the Controller shall deposit into the Caseload  
20 Subaccount of the Sales Tax Growth Account of the Local Revenue  
21 Fund, from revenues deposited into the Sales Tax Growth Account,  
22 an amount determined by the Department of Finance, in  
23 consultation with the appropriate state departments and the  
24 California State Association of Counties, that is sufficient to fund  
25 the net cost for the realigned portion of the county or city and  
26 county share of growth in social services caseloads, as specified  
27 in paragraph (2), and any share of growth from the previous year  
28 or years for which sufficient revenues were not available in the  
29 Caseload Subaccount. The Department of Finance shall provide  
30 the Controller with an allocations schedule on or before March 15  
31 of each year. The schedule shall be used by the Controller to  
32 allocate funds deposited into the Caseload Subaccount under this  
33 subdivision.

34 (B) It is the intent of the Legislature that counties shall receive  
35 allocations from the Caseload Subaccount as soon as possible after  
36 funds are received in the Sales Tax Growth Account. The  
37 Department of Finance shall recommend to the Legislature, by  
38 January 10, 2005, a procedure to expedite the preparation and  
39 provision of the allocations schedule described in subparagraph  
40 (A) and the allocation of funds by the Controller.

1 (2) (A) For purposes of this subdivision, “growth” means the  
2 increase in the actual caseload expenditures for the prior fiscal  
3 year over the actual caseload expenditures for the fiscal year  
4 preceding the prior fiscal year for the programs described in Section  
5 12306, subdivisions (a), (b), (c), and (d) of Section 15200, and  
6 Sections 10101, 15204.2 and 18906.5 of this code, and for which  
7 funds are allocated pursuant to subdivision (b) of Section 123940  
8 of the Health and Safety Code.

9 (B) Commencing with the caseload growth calculation for the  
10 2017–18 fiscal year and each fiscal year thereafter, in addition to  
11 subparagraph (A), “growth” shall also include the following:

12 (i) The additional County IHSS MOE costs to counties pursuant  
13 to Section 12306.16 for the current fiscal year over the County  
14 IHSS MOE costs to counties for the prior fiscal year, less the  
15 amount of sales tax revenues received pursuant to subdivision (g)  
16 of Section 17600.15 to fund the amount specified in subparagraph  
17 (B) of paragraph (3) of subdivision (f) of Section 17600.15.

18 (ii) Any additional County IHSS MOE costs to counties pursuant  
19 to Section 12306.16 for the prior fiscal year over the County IHSS  
20 MOE costs to counties for the preceding prior fiscal year that were  
21 not included in caseload growth calculation pursuant to clause  
22 (i).

23 (3) ~~The~~ (A) For the 1993–94 fiscal year through the 2016–17  
24 fiscal year, the difference in caseload expenditures between the  
25 fiscal years shall be multiplied by the factors that represent the  
26 change in county or city and county shares of the realigned  
27 programs. These products shall then be added or subtracted, taking  
28 into account whether the county’s or city and county’s share of  
29 costs was increased or decreased as a result of realignment, to yield  
30 each county’s or city and county’s allocation for caseload growth.  
31 Allocations for counties or cities and counties with allocations of  
32 less than zero shall be set at zero.

33 (B) Commencing with the 2017–18 fiscal year and each fiscal  
34 year thereafter, the difference in caseload expenditures between  
35 the fiscal years as determined by subparagraph (A) of paragraph  
36 (2) shall be multiplied by the factors that represent the change in  
37 county or city and county shares of the realignment programs.  
38 These products shall then be added or subtracted, taking into  
39 account whether the county’s or city and county’s share of costs  
40 was increased or decreased as a result of realignment, and added

1 to the amounts determined pursuant to subparagraph (B) of  
2 paragraph (2) to yield each county's or city and county's allocation  
3 for caseload growth. Allocations for counties or cities and counties  
4 with allocations of less than zero shall be set at zero.

5 (c) Annually, the Controller shall allocate, to the local health  
6 and welfare trust fund social services account, the amounts  
7 deposited and remaining unexpended and unreserved in the  
8 Caseload Subaccount, pursuant to the schedules of allocations of  
9 caseload growth described in subdivision (b), within 45 days of  
10 receiving those schedules from the Department of Finance. If there  
11 are insufficient funds to fully satisfy all caseload growth  
12 obligations, each county's or city and county's allocation for each  
13 program specified in subdivision (d) shall be prorated.

14 (d) Prior to allocating funds pursuant to subdivision (b), to the  
15 extent that funds are available from funds deposited in the Caseload  
16 Subaccount in the Sales Tax Growth Account in the Local Revenue  
17 Fund, the Controller shall allocate moneys to counties or cities  
18 and counties to correct any inequity or inequities in the computation  
19 of the child welfare services portion of the schedule required by  
20 subdivision (a) of Section 17602.

21 (e) (1) For the 2003–04 fiscal year, no Sales Tax Growth  
22 Account funds shall be allocated pursuant to this chapter until the  
23 caseload portion of the base of each county's social services  
24 account in the county's health and welfare trust fund is funded to  
25 the level of the 2001–02 fiscal year. Funds to meet this requirement  
26 shall be allocated from the Sales Tax Account of the Local Revenue  
27 Fund. If sufficient funds are not available in the Sales Tax Account  
28 of the Local Revenue Fund to achieve that funding level in the  
29 2003–04 fiscal year, this requirement shall be funded in each  
30 succeeding fiscal year in which there are sufficient funds in the  
31 Sales Tax Account of the Local Revenue Fund until the caseload  
32 base funding level for which each county would have otherwise  
33 been eligible in accordance with subdivision (e) of Section 17602  
34 for that year.

35 (2) The caseload portion of each county's social services account  
36 base shall be determined by subtracting its noncaseload portion of  
37 the base, as determined by the Department of Finance in its annual  
38 calculation of General Growth Account allocations, from the total  
39 base of each county's social services account for the 2001–02  
40 fiscal year.

1     *SEC. 34. Section 17606.20 of the Welfare and Institutions Code*  
2     *is amended to read:*

3     17606.20. (a) Annually, the Controller shall allocate money  
4     to each county, city, and city and county, from revenues deposited  
5     in the Vehicle License Fee Growth Account in the Local Revenue  
6     Fund in amounts that are proportional to each county's, city's, or  
7     city and county's total allocation from the Sales Tax Growth  
8     Account, except amounts provided pursuant to Section 17605.

9     (b) Notwithstanding subdivision (a), for the 1998–99 fiscal year  
10    and fiscal years thereafter, if, after meeting the requirements of  
11    Section 17605, there are no funds remaining in the Sales Tax  
12    Growth Account to allocate to each county, city, and city and  
13    county pursuant to paragraph (1) of subdivision (a) of, or paragraph  
14    (1) of subdivision (b) of, Section 17605.07, or Section 17605.10,  
15    the Controller shall allocate the revenues deposited in the Vehicle  
16    License Fee Growth Account to each county, city, and city and  
17    county, in the following manner:

18    (1) The Controller shall determine the amount of sales tax  
19    growth in the 1996–97 fiscal year which exceeded the requirements  
20    of Section 17605 in the 1996–97 fiscal year.

21    (2) The Controller shall determine the amount of sales tax  
22    growth allocated in the 1996–97 fiscal year to the County Medical  
23    Services Program Subaccount pursuant to paragraph (1) of  
24    subdivision (a) of Section 17605.07, and to the Indigent Health  
25    Equity, Community Health Equity, Mental Health Equity, State  
26    Hospital Mental Health Equity, General Growth, and Special  
27    Equity Subaccounts pursuant to Section 17605.10, as that section  
28    read on January 1, 2015.

29    (3) The Controller shall compute percentages by dividing the  
30    amounts determined in paragraph (2) by the amount determined  
31    in paragraph (1).

32    (4) For calculation purposes related to paragraph (5), the  
33    Controller shall apply the percentages determined in paragraph  
34    (3) to revenues in the Vehicle License Fee Growth Account to  
35    determine the amount of vehicle license fee growth revenues  
36    attributable to the County Medical Services Program Growth,  
37    Indigent Health Equity, Community Health Equity, Mental Health  
38    Equity, State Hospital Mental Health Equity, General Growth, and  
39    Special Equity Subaccounts. This paragraph shall not require the  
40    Controller to deposit vehicle license fee growth revenues into the

1 subaccounts specified in this paragraph, and is solely for  
2 determining the distribution of vehicle license growth revenues to  
3 each county, city, and city and county.

4 (5) Annually, the Controller shall allocate money to each county,  
5 city, and city and county, from revenues deposited in the Vehicle  
6 License Fee Growth Account in the Local Revenue Fund. These  
7 allocations shall be determined based on schedules developed by  
8 the Department of Finance pursuant to Section 17606.10, in  
9 consultation with the California State Association of Counties.  
10 The Controller shall allocate these funds within 45 days of  
11 receiving the schedules from the Department of Finance.

12 ~~(e) This section shall become operative on August 1, 2015.~~

13 (c) *Notwithstanding subdivisions (a) and (b), for the 2016–17*  
14 *fiscal year and through the 2020–21 fiscal year, the Controller*  
15 *shall allocate funds in the following amounts from the Vehicle*  
16 *License Fee Growth Account to the social services account of each*  
17 *county or city and county based on a schedule provided by the*  
18 *Department of Finance developed in consultation with the*  
19 *California Association of Counties:*

20 (1) (A) *For the 2016–17, 2017–18, and 2018–19 fiscal years,*  
21 *100 percent of the funding from the Vehicle License Fee Growth*  
22 *Account that would have been allocated to the mental health*  
23 *account and health account of each county or city and county*  
24 *pursuant to calculations specified in subdivision (b) of this section*  
25 *or paragraphs (1) and (2) of subdivision (f) of Section 17606.10.*

26 (B) *For the 2016–17, 2017–18, and 2018–19 fiscal years, 100*  
27 *percent of the funding from the Vehicle License Fee Growth*  
28 *Account that would have been allocated to the County Medical*  
29 *Services Program Growth Subaccount.*

30 (2) (A) *For the 2019–20 and 2020–21 fiscal years, 50 percent*  
31 *of the funding from the Vehicle License Fee Growth Account that*  
32 *would have been allocated to the mental health account and health*  
33 *account of each county or city and county pursuant to calculations*  
34 *specified in subdivision (b) of this section or paragraphs (1) and*  
35 *(2) of subdivision (f) of Section 17606.10.*

36 (B) *For the 2019–20 and 2020–21 fiscal years, 50 percent of*  
37 *the funding from the Vehicle License Fee Growth Account that*  
38 *would have been allocated to the County Medical Services*  
39 *Program Growth Subaccount.*

1 (3) (A) *The funding from the Vehicle License Fee Growth*  
2 *Account to be allocated to the social services account of each*  
3 *county or city and county pursuant to subparagraph (B) of*  
4 *paragraph (1) and subparagraph (B) of paragraph (2) in each*  
5 *fiscal year, shall only be available for allocation to the counties*  
6 *that participate in the County Medical Services Program in that*  
7 *fiscal year.*

8 (B) *If in any fiscal year in which the funds specified in*  
9 *subparagraph (A) are not fully allocated to the counties that*  
10 *participate in the County Medical Services Program, the remaining*  
11 *funds shall be available for allocation to counties that participate*  
12 *in the County Medical Services Program in the following fiscal*  
13 *year.*

14 (4) *The redirection of funds in the Vehicle License Fee Growth*  
15 *Account to the social services subaccount described in paragraphs*  
16 *(1) and (2) shall not apply to the amount of Vehicle License Fee*  
17 *growth available for deposit into the Health and Mental Health*  
18 *Subaccounts for the Cities of Berkeley, Pasadena, Tri-City, and*  
19 *Long Beach.*

20 (5) *The Controller shall allocate these funds within 14 days of*  
21 *receiving the schedules from the Department of Finance.*

22 (d) *For the 2017–18 fiscal year through the 2021–22 fiscal*  
23 *years, the State Controller shall annually post a calculation of the*  
24 *Vehicle License Fee growth revenue that the Health, Mental*  
25 *Health, and County Medical Services Program Subaccounts would*  
26 *have otherwise received if subdivision (c) were not in effect.*

27 SEC. 35. *Section 17612.1 of the Welfare and Institutions Code*  
28 *is amended to read:*

29 17612.1. (a) *For the 2013–14 fiscal year and each fiscal year*  
30 *thereafter, for each public hospital health system county that*  
31 *selected the option in paragraph (1) of subdivision (c) of Section*  
32 *17600.50, the total amount that would be payable for the fiscal*  
33 *year from 1991 Health Realignment funds under Sections 17603,*  
34 *17604, and Section 17603, as it read on January 1, 2012, Sections*  
35 *17604 and 17606.20, as those sections read on January 1, 2012,*  
36 *August 1, 2017, and Section 17606.10, as it read on July 1, 2013,*  
37 *and deposited by the Controller into the local health and welfare*  
38 *trust fund health account of the county in the absence of this section*  
39 *shall be determined.*

1 (b) The redirected amount determined for the public hospital  
2 health system county pursuant to Section 17612.3 shall be divided  
3 by the total determined in subdivision (a), except that, with respect  
4 to the County of Los Angeles, the redirected amount shall be  
5 determined by taking into account the adjustments required in  
6 Section 17612.5.

7 (c) The resulting fraction determined in subdivision (b) shall  
8 be the percentage of 1991 Health Realignment funds under ~~Sections~~  
9 ~~17603, 17604, Section 17603, as it read on January 1, 2012,~~  
10 ~~Sections 17604 and 17606.20, as those sections read on January~~  
11 ~~1, 2012, August 1, 2017, and Section 17606.10, as it read on July~~  
12 1, 2013, to be deposited each month into the Family Support  
13 Subaccount.

14 (d) The total amount deposited into the Family Support  
15 Subaccount under subdivision (c) with respect to a public hospital  
16 health system county for a fiscal year shall not exceed the  
17 redirected amount determined pursuant to Section 17612.3, and  
18 shall be subject to the appeal processes, and judicial review as  
19 described in subdivision (d) of Section 17612.3.

20 (e) The Legislature finds and declares that this article is not  
21 intended to change the local obligation pursuant to Section 17000.

22 *SEC. 36. Section 17612.2 of the Welfare and Institutions Code*  
23 *is amended to read:*

24 17612.2. For purposes of this article, the following definitions  
25 shall apply:

26 (a) "Adjusted patient day" means a county public hospital health  
27 system's total number of patient census days, as defined by the  
28 Office of Statewide Health Planning and Development, multiplied  
29 by the following fraction: the numerator that is the sum of the  
30 county public hospital health system's total gross revenue for all  
31 services provided to all patients, including nonhospital services,  
32 and the denominator that is the sum of the county public hospital  
33 health system's gross inpatient revenue. The adjusted patient days  
34 shall pertain to those services that are provided by the county public  
35 hospital health system and shall exclude services that are provided  
36 by contract or out-of-network clinics or hospitals.

37 (b) "Base year" means the fiscal year ending three years prior  
38 to the fiscal year for which the redirected amount is calculated.

39 (c) "Blended CPI trend factor" means the blended percent  
40 change applicable for the fiscal year that is derived from the



1 nonseasonally adjusted Consumer Price Index for All Urban  
2 Consumers (CPI-U), United States City Average, for Hospital and  
3 Related Services, weighted at 75 percent, and for Medical Care  
4 Services, weighted at 25 percent, all as published by the United  
5 States Bureau of Labor Statistics, computed as follows:

6 (1) For each prior fiscal year within the period to be trended  
7 through the current fiscal year, the annual average of the monthly  
8 index amounts shall be determined separately for the Hospital and  
9 Related Services Index and the Medical Care Services Index.

10 (2) The year-to-year percentage changes in the annual averages  
11 determined in paragraph (1) for each of the Hospital and Related  
12 Services Index and the Medical Care Services Index shall be  
13 calculated.

14 (3) A weighted average annual percentage change for each  
15 year-to-year period shall be calculated from the determinations  
16 made in paragraph (2), with the percentage changes in the Hospital  
17 and Related Services Index weighted at 75 percent, and the  
18 percentage changes in the Medical Care Services Index weighted  
19 at 25 percent. The resulting average annual percentage changes  
20 shall be expressed as a fraction, and increased by 1.00.

21 (4) The product of the successive year-to-year amounts  
22 determined in paragraph (3) shall be the blended CPI trend factor.

23 (d) “Cost containment limit” means the public hospital health  
24 system county’s Medi-Cal costs and uninsured costs determined  
25 for the 2014–15 fiscal year and each subsequent fiscal year,  
26 adjusted as follows:

27 (1) Notwithstanding paragraphs (2) to (4), inclusive, at the public  
28 hospital health system county’s option it shall be deemed to comply  
29 with the cost containment limit if the county demonstrates that its  
30 total health care costs, including nursing facility, mental health,  
31 and substance use disorder services, that are not limited to  
32 Medi-Cal and uninsured patients, for the fiscal year did not exceed  
33 its total health care costs in the base year, multiplied by the blended  
34 CPI trend factor for the fiscal year. A county electing this option  
35 shall elect by November 1 following the end of the fiscal year, and  
36 submit its supporting reports for meeting this requirement,  
37 including the annual report of financial transactions required to be  
38 submitted to the Controller pursuant to Section 53891 of the  
39 Government Code.

1 (2) (A) The public hospital health system county's Medi-Cal  
2 costs, uninsured costs, and other entity intergovernmental transfer  
3 amounts for the fiscal year shall be added together. Medi-Cal costs,  
4 uninsured costs, and other entity intergovernmental transfer  
5 amounts for purposes of this paragraph are as defined in  
6 subdivisions (q), (t), and (y) for the relevant fiscal period.

7 (B) The public hospital health system county's Medi-Cal costs,  
8 uninsured costs, and imputed other entity intergovernmental  
9 transfer amounts for the base year shall be added together and  
10 multiplied by the blended CPI trend factor. The base year costs  
11 used shall not reflect any adjustments under this subdivision.

12 (C) The fiscal year amount determined in subparagraph (A)  
13 shall be compared to the trended amount in subparagraph (B). If  
14 the amount in subparagraph (B) exceeds the amount in  
15 subparagraph (A), the public hospital health system county shall  
16 be deemed to have satisfied the cost containment limit. If the  
17 amount in subparagraph (A) exceeds the amount in subparagraph  
18 (B), the calculation in paragraph (3) shall be performed.

19 (3) (A) If the number of adjusted patient days of service  
20 provided by the county public hospital health system for the fiscal  
21 year exceeds its number of adjusted patient days of service rendered  
22 in the base year by at least 10 percent, the excess adjusted patient  
23 days above the base year for the fiscal year shall be multiplied by  
24 the cost per adjusted patient day of the county public hospital  
25 health system for the base year. The result shall be added to the  
26 trended base year amount determined in subparagraph (B) of  
27 paragraph (2), yielding the applicable cost containment limit,  
28 subject to paragraph (4).

29 (B) If the number of adjusted patient days of service provided  
30 by a county's public hospital health system for the fiscal year does  
31 not exceed its number of adjusted patient days of service rendered  
32 in the base year by 10 percent, the applicable cost containment  
33 limit is the trended base year amount determined in subparagraph  
34 (B) of paragraph (2), subject to paragraph (4).

35 (4) If a public hospital health system county's costs, as  
36 determined in subparagraph (A) of paragraph (2), exceeds the  
37 amount determined in subparagraph (B) of paragraph (2) as  
38 adjusted by paragraph (3), the portion of the following cost  
39 increases incurred in providing services to Medi-Cal beneficiaries

1 and uninsured patients shall be added to and reflected in any cost  
2 containment limit:

3 (A) Electronic health records and related implementation and  
4 infrastructure costs.

5 (B) Costs related to state or federally mandated activities,  
6 requirements, or benefit changes.

7 (C) Costs resulting from a court order or settlement.

8 (D) Costs incurred in response to seismic concerns, including  
9 costs necessary to meet facility seismic standards.

10 (E) Costs incurred as a result of a natural disaster or act of  
11 terrorism.

12 (5) If a public hospital health system county's costs, as  
13 determined in subparagraph (A) of paragraph (2), exceeds the  
14 amount determined in subparagraph (B) of paragraph (2) as  
15 adjusted by paragraphs (3) and (4), the county may request that  
16 the department consider other costs as adjustments to the cost  
17 containment limit, including, but not limited to, transfer amounts  
18 in excess of the imputed other entity intergovernmental transfer  
19 amount trended by the blended CPI trend factor, costs related to  
20 case mix index increases, pension costs, expanded medical  
21 education programs, increased costs in response to delivery system  
22 changes in the local community, and system expansions, including  
23 capital expenditures necessary to ensure access to and the quality  
24 of health care. Costs approved by the department shall be added  
25 to and reflected in any cost containment limit.

26 (e) "County indigent care health realignment amount" means  
27 the product of the health realignment amount times the health  
28 realignment indigent care percentage, as computed on a  
29 county-specific basis.

30 (f) "County public hospital health system" means a designated  
31 public hospital identified in paragraphs (6) to (20), inclusive, and  
32 paragraph (22) of subdivision (d) of Section 14166.1, and its  
33 affiliated governmental entity clinics, practices, and other health  
34 care providers that do not provide predominantly public health  
35 services. A county public hospital health system does not include  
36 a health care service plan, as defined in subdivision (f) of Section  
37 1345 of the Health and Safety Code. The Alameda Health System  
38 and County of Alameda shall be considered affiliated governmental  
39 entities.

1 (g) “Department” means the State Department of Health Care  
2 Services.

3 (h) “Health realignment amount” means the amount that, in the  
4 absence of this article, would be payable to a public hospital health  
5 system county under ~~Sections 17603, 17604, Section 17603 as it~~  
6 ~~read on January 1, 2012, Sections 17604 and 17606.20~~, as those  
7 sections read on ~~January 1, 2012, August 1, 2017~~, and Section  
8 17606.10, as it read on July 1, 2013, for the fiscal year that is  
9 deposited by the Controller into the local health and welfare trust  
10 fund health account of the public hospital health system county.

11 (i) “Health realignment indigent care percentage” means the  
12 county-specific percentage determined in accordance with the  
13 following, and established in accordance with the procedures  
14 described in subdivision (c) of Section 17612.3.

15 (1) Each public hospital health system county shall identify the  
16 portion of that county’s health realignment amount that was used  
17 to provide health services to the indigent, including Medi-Cal  
18 beneficiaries and the uninsured, for each of the historical fiscal  
19 years along with verifiable data in support thereof.

20 (2) The amounts identified in paragraph (1) shall be expressed  
21 as a percentage of the health realignment amount of that county  
22 for each historical fiscal year.

23 (3) The average of the percentages determined in paragraph (2)  
24 shall be the county’s health realignment indigent care percentage.

25 (4) To the extent a county does not provide the information  
26 required in paragraph (1) or the department determines that the  
27 information provided is insufficient, the amount under this  
28 subdivision shall be 85 percent.

29 (j) “Historical fiscal years” means the state 2008–09 to 2011–12,  
30 inclusive, fiscal years.

31 (k) “Hospital fee direct grants” means the direct grants described  
32 in Section 14169.7 that are funded by the Private Hospital Quality  
33 Assurance Fee Act of 2011 (Article 5.229 (commencing with  
34 Section 14169.31) of Chapter 7 of Part 3), or direct grants made  
35 in support of health care expenditures funded by a successor  
36 statewide hospital fee program.

37 (l) “Imputed county low-income health amount” means the  
38 predetermined, county-specific amount of county general purpose  
39 funds assumed, for purposes of the calculation in Section 17612.3,  
40 to be available to the county public hospital health system for