

AMENDED IN ASSEMBLY FEBRUARY 15, 2008

AMENDED IN ASSEMBLY FEBRUARY 7, 2008

CALIFORNIA LEGISLATURE—2007–08 THIRD EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 8

Introduced by Committee on Budget (Laird (Chair), Arambula, Beall, Berg, Brownley, De La Torre, Evans, Feuer, Hayashi, Hernandez, Jones, Krekorian, Mullin, Ruskin, Swanson, and Wolk)

February 4, 2008

~~An act relating to the Budget Act of 2007.~~ *An act to amend Section 22954 of the Education Code, to amend Sections 17522, 17560, and 17568 of, and to add Section 69614.3 to, the Government Code, relating to state operations, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 8, as amended, Committee on Budget. ~~Budget Act of 2007.~~ *State operations.*

(1) Under the Teachers' Retirement Law, a continuous appropriation equal to 2.5% of total creditable compensation, as specified, is annually made from the General Fund for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund to fund purchase power protection payments to retired members of the Defined Benefit Program of the State Teachers' Retirement System.

This bill would provide that transfers made from the General Fund to the Supplemental Benefit Maintenance Account, pursuant to these provisions, for the 2008–09 fiscal year, shall be made on November 1, 2008.

(2) *The California Constitution provides that whenever the Legislature or any state agency mandates a new program or higher level of service on any local agency or school district, the state shall reimburse the local agency or school district for the cost of implementing the mandate. Statutory provisions establish procedures for filing a reimbursement claim with the Commission on State Mandates, including the option of filing an estimated reimbursement claim during the fiscal year in which costs are incurred, or a claim for reimbursement of actual costs after they are incurred.*

This bill would eliminate the option of filing an estimated reimbursement claim and make conforming changes.

(3) *Existing law specifies the number of judges for the superior court of each county. Existing law authorizes 50 additional judges upon appropriation by the Legislature in the 2006–07 fiscal year, and 50 additional judges upon appropriation by the Legislature in the 2007–08 fiscal year, to be allocated to the various county superior courts, pursuant to uniform criteria approved by the Judicial Council.*

This bill would specify the appointment schedule, upon appropriation by the Legislature, for the allocation of the 100 additional new judges provided for in the above provisions.

(4) *The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 10, 2008.*

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 10, 2008, pursuant to the California Constitution.

(5) *This bill would declare that it is to take effect immediately as an urgency statute.*

~~This bill would express the intent of the Legislature to make changes relating to the Budget Act of 2007.~~

Vote: ~~majority~~^{2/3}. 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 22954 of the Education Code is amended
2 to read:

1 22954. (a) Notwithstanding Section 13340 of the Government
2 Code, ~~commencing July 1, 2003~~, a continuous appropriation is
3 hereby annually made from the General Fund to the Controller,
4 pursuant to this section, for transfer to the Supplemental Benefit
5 Maintenance Account in the Teachers' Retirement Fund.

6 (b) The total amount of the appropriation for each year shall be
7 equal to 2.5 percent of the total of the creditable compensation of
8 the fiscal year ending in the immediately preceding calendar year
9 upon which members' contributions are based for purposes of
10 funding the supplemental payments authorized by Section 24415.
11 ~~However, for the 2003-04 fiscal year only, that appropriation is~~
12 ~~reduced by five hundred million dollars (\$500,000,000).~~

13 (c) *Transfers made to the Supplemental Benefit Maintenance*
14 *Account, pursuant to subdivision (a), for the 2008-09 fiscal year,*
15 *shall be made on November 1, 2008.*

16 (e)

17 (d) The board may deduct from the annual appropriation made
18 pursuant to this section an amount necessary for the administrative
19 expenses of Section 24415.

20 (d)

21 (e) It is the intent of the Legislature in enacting this section to
22 establish the supplemental payments pursuant to Section 24415
23 as vested benefits pursuant to a contractually enforceable promise
24 to make annual contributions from the General Fund to the
25 Supplemental Benefit Maintenance Account in the Teachers'
26 Retirement Fund in order to provide a continuous annual source
27 of revenue for the purposes of making the supplemental payments
28 under Section 24415.

29 ~~(e) This section shall become operative on July 1, 2003, if the~~
30 ~~revenue limit cost-of-living adjustment computed by the~~
31 ~~Superintendent of Public Instruction for the 2001-02 fiscal year~~
32 ~~is equal to or greater than 3.5 percent. Otherwise this section shall~~
33 ~~become operative on July 1, 2004.~~

34 *SEC. 2. Section 17522 of the Government Code is amended to*
35 *read:*

36 17522. (a) "Initial reimbursement claim" means a claim filed
37 with the Controller by a local agency or school district for costs
38 to be reimbursed for the fiscal years specified in the first claiming
39 instructions issued by the Controller pursuant to subdivision (b)
40 of Section 17558.

1 (b) “Annual reimbursement claim” means a claim for actual
 2 costs incurred in a prior fiscal year filed with the Controller by a
 3 local agency or school district for which appropriations are made
 4 to the Controller for this purpose.

5 ~~(e) “Estimated reimbursement claim” means a claim filed with
 6 the Controller by a local agency or school district in conjunction
 7 with an initial reimbursement claim, annual reimbursement claim,
 8 or at other times, for estimated costs to be reimbursed during the
 9 current or future fiscal years, for which appropriations are made
 10 to the Controller for this purpose.~~

11 ~~(d)~~
 12 (c) “Entitlement claim” means a claim filed by a local agency
 13 or school district with the Controller for the purpose of establishing
 14 or adjusting a base year entitlement. All entitlement claims are
 15 subject to Section 17616.

16 *SEC. 3. Section 17560 of the Government Code is amended to*
 17 *read:*

18 17560. Reimbursement for state-mandated costs may be
 19 claimed as follows:

20 ~~(a) A local agency or school district may file an estimated
 21 reimbursement claim by February 15 of the fiscal year in which
 22 costs are to be incurred, and, by February 15 following that fiscal
 23 year shall file an annual reimbursement claim that details the costs
 24 actually incurred for that fiscal year; or it may comply with the
 25 provisions of subdivision (b).~~

26 ~~(b)~~
 27 (a) A local agency or school district may, by February 15
 28 following the fiscal year in which costs are incurred, file an annual
 29 reimbursement claim that details the costs actually incurred for
 30 that fiscal year.

31 ~~(e)~~
 32 (b) In the event revised claiming instructions are issued by the
 33 Controller pursuant to subdivision (c) of Section 17558 between
 34 November 15 and February 15, a local agency or school district
 35 filing an annual reimbursement claim shall have 120 days following
 36 the issuance date of the revised claiming instructions to file a claim.

37 *SEC. 4. Section 17568 of the Government Code is amended to*
 38 *read:*

39 17568. If a local agency or school district submits an otherwise
 40 valid reimbursement claim to the Controller after the deadline

1 specified in Section 17560, the Controller shall reduce the
2 reimbursement claim in an amount equal to 10 percent of the
3 amount—~~which~~ *that* would have been allowed had the
4 reimbursement claim been timely filed, provided that the amount
5 of this reduction shall not exceed ten thousand dollars (\$10,000).
6 In no case shall a reimbursement claim be paid—~~which~~ *that* is
7 submitted more than one year after the deadline specified in Section
8 17560. ~~Estimated claims which were filed by the deadline specified~~
9 ~~in that section shall be paid in full before payments are made on~~
10 ~~estimated claims filed after the deadline. In the event the amount~~
11 ~~appropriated to the Controller for reimbursement purposes is not~~
12 ~~sufficient to pay the estimated claims approved by the Controller,~~
13 ~~the Controller shall prorate those claims in proportion to the dollar~~
14 ~~amount of approved claims filed after the deadline and shall report~~
15 ~~to the Legislature in the same manner as described in Section 17567~~
16 ~~in order to assure appropriation of funds sufficient to pay those~~
17 ~~claims.~~

18 *SEC. 5. Section 69614.3 is added to the Government Code, to*
19 *read:*

20 *69614.3. Upon appropriation by the Legislature, the 100*
21 *additional new judges provided for in Sections 69614 and 69614.2*
22 *shall be allocated to the various county superior courts, pursuant*
23 *to the following appointment schedule:*

24 *(a) On or before June 30, 2008, 40 additional judges shall be*
25 *appointed.*

26 *(b) On or after July 1, 2008, 10 additional judges shall be*
27 *appointed.*

28 *(c) On or after June 1, 2009, 50 additional judges shall be*
29 *appointed.*

30 *SEC. 6. This act addresses the fiscal emergency declared by*
31 *the Governor by proclamation on January 10, 2008, pursuant to*
32 *subdivision (f) of Section 10 of Article IV of the California*
33 *Constitution.*

34 *SEC. 7. This act is an urgency statute necessary for the*
35 *immediate preservation of the public peace, health, or safety within*
36 *the meaning of Article IV of the Constitution and shall go into*
37 *immediate effect. The facts constituting the necessity are:*

38 *In order for the revisions made by this act to the administration*
39 *of the state's operations to occur as soon as possible, it is*
40 *necessary that this act take effect immediately.*

1 SECTION 1. ~~It is the intent of the Legislature to make changes~~
2 ~~relating to the Budget Act of 2007.~~

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