

Introduced by Senator EmmersonFebruary 24, 2012

An act to amend Section 6500 of the Government Code and to amend Sections 11785 and 11873 of the Insurance Code, relating to the State Compensation Insurance Fund.

LEGISLATIVE COUNSEL'S DIGEST

SB 1406, as introduced, Emmerson. State Compensation Insurance Fund: joint powers authority: executive appointments.

Existing law provides for the existence of the State Compensation Insurance Fund (SCIF) to be administered by a board of directors for the purpose of transacting workers' compensation insurance, and insurance against the expense of defending any suit for serious and willful misconduct, against an employer or his or her agent, and insurance to employees and other persons of the compensation fixed by the workers' compensation laws for employees and their dependents.

Existing law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers.

This bill would include SCIF as a public agency that may enter into a joint powers agreement, and would make conforming changes.

Existing law authorizes the board of directors of SCIF to appoint a president, a chief financial officer, a chief operating officer, a chief information technology officer, a chief investment officer, a chief risk officer, and a general counsel.

This bill would additionally authorize the board of directors of SCIF to appoint other key executive positions as determined by the board.

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

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

1 SECTION 1. Section 6500 of the Government Code is amended
2 to read:

3 6500. As used in this article, “public agency” includes, but is
4 not limited to, the federal government or any federal department
5 or agency, this state, another state or any state department or
6 agency, *the State Compensation Insurance Fund*, a county, county
7 board of education, county superintendent of schools, city, public
8 corporation, public district, regional transportation commission of
9 this state or another state, a federally recognized Indian tribe, or
10 any joint powers authority formed pursuant to this article by any
11 of these agencies.

12 SEC. 2. Section 11785 of the Insurance Code is amended to
13 read:

14 11785. (a) The board of directors shall appoint a president, a
15 chief financial officer, a chief operating officer, a chief information
16 technology officer, a chief investment officer, a chief risk officer,
17 ~~and~~ a general counsel, *and other key executive positions, as*
18 *determined by the board*. The board of directors shall set the salary
19 for each position. These positions shall not be subject to otherwise
20 applicable provisions of the Government Code and the Public
21 Contract Code, and for those purposes the fund shall not be
22 considered a state agency or other public entity. The president
23 shall manage and conduct the business and affairs of the fund under
24 the general direction and subject to the approval of the board of
25 directors, and shall perform other duties as the board of directors
26 prescribes.

27 (b) Section 87406 of the Government Code, the Milton Marks
28 Postgovernment Employment Restrictions Act of 1990, shall apply
29 to the fund. Members of the board, the president, the chief financial
30 officer, the chief operating officer, the general counsel, and any
31 other person designated by the fund shall be deemed to be
32 designated employees for the purpose of that act.

33 (c) Both the Bagley-Keene Open Meeting Act (Article 9
34 (commencing with Section 11120) of Chapter 1 of Part 1 of
35 Division 3 of Title 2 of the Government Code) and the California
36 Public Records Act (Chapter 3.5 (commencing with Section 6250)
37 of Division 7 of Title 1 of the Government Code) shall apply to
38 the fund.

1 SEC. 3. Section 11873 of the Insurance Code is amended to
2 read:

3 11873. (a) Except as provided by subdivision (b), the fund
4 shall not be subject to the provisions of the Government Code
5 made applicable to state agencies generally or collectively, unless
6 the section specifically names the fund as an agency to which the
7 provision applies.

8 (b) The fund shall be subject to the provisions of Chapter 10.3
9 (commencing with Section 3512) of Division 4 of Title 1 of,
10 Chapter 3.5 (commencing with Section 6250) and Chapter 5
11 (commencing with Section 6500) of Division 7 of Title 1 of,
12 Chapter 6.5 (commencing with Section 8543) of Division 1 of
13 Title 2 of, Article 9 (commencing with Section 11120) of Chapter
14 1 of Part 1 of Division 3 of Title 2 of, the Government Code, and
15 Division 5 (commencing with Section 18000) of Title 2 of the
16 Government Code, with the exception of all of the following
17 provisions of that division:

18 (1) Article 1 (commencing with Section 19820) and Article 2
19 (commencing with Section 19823) of Chapter 2 of Part 2.6 of
20 Division 5.

21 (2) Sections 19849.2, 19849.3, 19849.4, and 19849.5.

22 (3) Chapter 4.5 (commencing with Section 19993.1) of Part 2.6
23 of Division 5.

24 (c) Notwithstanding any provision of the Government Code or
25 any other provision of law, the positions funded by the State
26 Compensation Insurance Fund are exempt from any hiring freezes
27 and staff cutbacks otherwise required by law. This subdivision is
28 declaratory of existing law.