

AMENDED IN SENATE FEBRUARY 22, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 133

Introduced by Committee on Budget (Weber (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Jones-Sawyer, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, Ting, and Williams)

January 9, 2015

~~An act relating to the Budget Act of 2015.~~ *An act to amend the Budget Act of 2015 (Chapters 10 and 11 of the Statutes of 2015), by amending Item 6440-001-0001 of, and adding Items 2660-013-0001, 3970-001-0001, and 9651-001-0001 to, Section 2.00 of, and amending Section 39.00 of, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.*

LEGISLATIVE COUNSEL'S DIGEST

AB 133, as amended, Committee on Budget. Budget Act of 2015.

The Budget Act of 2015 appropriated specified amounts for the support of state government for the 2015–16 fiscal year.

This bill would amend the Budget Act of 2015 by adding and amending items of appropriation.

This bill would declare that it is to take effect immediately as a Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~

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

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

1 SECTION 1. Item 2660-013-0001 is added to Section 2.00 of
2 the Budget Act of 2015, to read:

3
4 2660-013-0001—For transfer by the Controller from the
5 General Fund, to the Traffic Congestion Relief Fund,
6 upon order of the Director of Finance (173,000,000)
7 Provisions:

- 8 1. Notwithstanding existing law, these funds shall be
- 9 transferred and allocated by the Director of Finance
- 10 no later than January 1, 2017, and will affect the
- 11 General Fund reserve in the fiscal year the transfer
- 12 is made. Funds shall be allocated as follows:
- 13 (a) \$148,000,000 for specified local Traffic Conges-
- 14 tion Relief Program projects.
- 15 (b) \$11,000,000 for trade corridor improvements.
- 16 (c) \$9,000,000 for the Transit and Intercity Rail
- 17 Capital Program.
- 18 (d) \$5,000,000 for the State Highway Operations and
- 19 Protection Program.
- 20 2. Notwithstanding any other law, this amount shall be
- 21 repaid from the General Fund pursuant to subdivision
- 22 (c) of Section 20 of Article XVI of the California
- 23 Constitution and applied to debt payments as required
- 24 for the 2016-17 fiscal year.

25
26 SEC. 2. Item 3970-001-0001 is added to Section 2.00 of the
27 Budget Act of 2015, to read:

28
29 3970-001-0001—For support of Department of Resources Re-
30 cycling and Recovery 105,000,000
31 Schedule:

32 (1) 3700-Waste Reduction and Manage-
33 ment..... 105,000,000

34 Provisions:

- 35 1. The funds appropriated in Schedule (1) shall be made
- 36 available for fire recovery and debris removal and
- 37 management costs to mitigate the threat to lives, public
- 38 health, safety, and the environment.

1 2. *Notwithstanding any other law, upon request of the*
 2 *Director of the Department of Resources Recycling*
 3 *and Recovery, the Director of Finance may augment*
 4 *the amount available for expenditure in this item to*
 5 *pay for fire debris removal and management costs to*
 6 *mitigate the threat to lives, public health, safety, and*
 7 *the environment. The augmentation may be made no*
 8 *sooner than 10 days after notification in writing to the*
 9 *chairpersons of the committees in each house of the*
 10 *Legislature that consider appropriations and the*
 11 *Chairperson of the Joint Legislative Budget Commit-*
 12 *tee. The amount of funds augmented pursuant to the*
 13 *authority of this provision shall be consistent with the*
 14 *amount approved by the Director of Finance based*
 15 *on review of the estimated costs.*

16
 17 *SEC. 3. Item 6440-001-0001 of Section 2.00 of the Budget Act*
 18 *of 2015 is amended to read:*

19
 20 6440-001-0001—For support of University of California..... 3,056,138,000
 21 3,057,993,000

22 Schedule:
 23 (1) 5440-Support..... 3,056,138,000
 24 3,057,993,000

- 25 Provisions:
 26 1. This appropriation is exempt from Sections 6.00 and
 27 31.00.
 28 2. (a) The Legislature finds and declares all of the fol-
 29 lowing:
 30 (1) The Regents of the University of California
 31 endorsed, on May 21, 2015, the framework
 32 for long-term funding agreed upon by the
 33 Governor and the President of the University,
 34 pursuant to which tuition will not increase in
 35 the 2015–16 and 2016–17 academic years
 36 and the university will implement reforms to
 37 reduce the cost structure of the university and
 38 improve access, quality, and outcomes.
 39 (2) The reforms included in the framework en-
 40 dorsed by the Regents will create capacity

1 for all campuses of the university to serve
 2 more resident students, including by easing
 3 transfer from the community colleges, reduc-
 4 ing the amount of time it takes students to
 5 complete programs, and using technology
 6 and data to improve allocation of available
 7 resources.

8 (3) In addition to the funds included in this ap-
 9 propriation and those described in the
 10 framework, other funds, including existing
 11 resources that can be redirected to higher
 12 priorities, such as those currently being used
 13 to provide financial aid to nonresident stu-
 14 dents, are also available to enable more resi-
 15 dent students to enter the university at all of
 16 its campuses.

17 (4) Furthermore, it is the intent of the Legislature
 18 that those funds generated by an increase in
 19 the number of nonresident students enrolled
 20 in the 2015–16 academic year, compared to
 21 the number of nonresident students enrolled
 22 in the 2014–15 academic year, and increases
 23 in nonresident supplemental tuition, as ap-
 24 proved by the Regents on May 21, 2015, be
 25 used specifically to support an increase in the
 26 number of resident students enrolled.

27 (b) To address immediate needs, the university is
 28 expected to enroll, no later than the 2016–17
 29 academic year, at least 5,000 more resident under-
 30 graduate students than the number enrolled in the
 31 2014–15 academic year.

32 (c) If the Regents provide sufficient evidence to the
 33 Director of Finance on or before May 1, 2016, to
 34 demonstrate that the university will satisfy the
 35 expectation enumerated in subdivision (b), the
 36 Director of Finance shall increase this appropria-
 37 tion by \$25,000,000 and notify the Joint Legisla-
 38 tive Budget Committee.

39 2.1. No later than April 1, 2016, the Regents of the Univer-
 40 sity of California shall report to the Director of Finance

1 and, in conformity with Section 9795 of the Govern-
2 ment Code, to the Legislature on its use of these funds
3 for targeted support services to increase systemwide
4 and campus four-year and six-year graduation rates
5 and two-year and three-year transfer graduation rates
6 of low-income and underrepresented student popula-
7 tions.

8
9 2.2. The Regents of the University of California shall im-
10 prove transparency regarding the university's budget.
11 The Regents shall ensure that information is posted
12 on the website of the Office of the President that de-
13 tails subcategories of personnel within the Managers
14 and Senior Professional personnel category and disag-
15 gregates all personnel categories by fund source.

16 2.3. No later than December 10, 2015, the Regents of the
17 University of California shall report to the Director of
18 Finance and, in conformity with Section 9795 of the
19 Government Code, to the Legislature, all of the follow-
20 ing:

- 21 (a) All university fund sources legally allowable to
22 support costs for undergraduate, graduate academ-
23 ic, and graduate professional education.
- 24 (b) The factors the university considers to determine
25 which funds to use for educational activities and
26 how much of those funds to use.
- 27 (c) The sources of the funds included in the calcula-
28 tion of expenditures reported pursuant to Section
29 92670 of the Education Code.

30 2.4. (a) The Regents of the University of California shall
31 implement further measures to reduce the univer-
32 sity's cost structure.

- 33 (b) The Legislature finds and declares that many state
34 employees hold positions with comparable scope
35 of responsibilities, complexity, breadth of job
36 functions, experience requirements, and other
37 relevant factors to those employees designated to
38 be in the Senior Management Group pursuant to
39 existing Regents policy.

- 1 (c) (1) Therefore, at a minimum, the Regents shall,
- 2 when considering compensation for any em-
- 3 ployee designated to be in the Senior Manage-
- 4 ment Group, use a market reference zone that
- 5 includes state employees.
- 6 (2) At a minimum, the Regents shall identify all
- 7 comparable positions from the lists included
- 8 in subdivision (l) of Section 8 of Article III
- 9 of the California Constitution and Article 1
- 10 (commencing with Section 11550) of Chapter
- 11 6 of Part 1 of Division 3 of Title 2 of the
- 12 Government Code.
- 13 3. (a) The Regents of the University of California shall
- 14 approve a plan that includes at least all of the
- 15 following:
- 16 (1) Projections of available resources in the
- 17 2016–17, 2017–18, and 2018–19 fiscal years.
- 18 In projecting General Fund appropriations
- 19 and student tuition and fee revenues, the
- 20 university shall use any assumptions provided
- 21 by the Department of Finance. The Depart-
- 22 ment of Finance shall provide any assump-
- 23 tions no later than August 1, 2015.
- 24 (2) Projections of expenditures in the 2016–17,
- 25 2017–18, and 2018–19 fiscal years and de-
- 26 scriptions of any changes to current opera-
- 27 tions necessary to ensure that expenditures
- 28 in each of those years are not greater than the
- 29 available resources projected for each of
- 30 those years pursuant to paragraph (1).
- 31 (3) Projections of resident and nonresident enroll-
- 32 ment in the 2016–17, 2017–18, and 2018–19
- 33 academic years, assuming implementation
- 34 of any changes described in paragraph (2).
- 35 (4) The university’s goals for each of the mea-
- 36 sures listed in subdivision (b) of Section
- 37 92675 of the Education Code for the
- 38 2016–17, 2017–18, and 2018–19 academic
- 39 years, assuming implementation of any
- 40 changes described in paragraph (2). It is the

1 intent of the Legislature that these goals be
2 challenging and quantifiable, address
3 achievement gaps for underrepresented pop-
4 ulations, and align the educational attainment
5 of California’s adult population to the work-
6 force and economic needs of the state, pur-
7 suant to the legislative intent expressed in
8 Section 66010.93 of the Education Code.

9 (b) The plan approved pursuant to subdivision (a)
10 shall be submitted no later than November 30,
11 2015, to the Director of Finance, the chairpersons
12 of the committees in each house of the Legislature
13 that consider the State Budget, the chairpersons
14 of the budget subcommittees in each house of the
15 Legislature that consider appropriations for the
16 University of California, the chairpersons of the
17 committees in each house of the Legislature that
18 consider appropriations, and the chairpersons of
19 the policy committees in each house of the Legis-
20 lature with jurisdiction over bills relating to the
21 university.

22 4. (a) The University of California shall allocate from
23 this appropriation the amount necessary to pay in
24 full the fees anticipated to become due and
25 payable during the fiscal year associated with
26 lease-revenue bonds issued by the State Public
27 Works Board on its behalf and the amount of
28 general obligation bond debt service attributable
29 to the university.

30 (b) The Controller shall transfer funds from this ap-
31 propriation upon receipt of the following reports:

32 (1) The State Public Works Board shall report
33 to the Controller the fees anticipated to be-
34 come due and payable in the fiscal year asso-
35 ciated with any lease-revenue bonds that were
36 issued on behalf of the university.

37 (2) The Department of Finance shall report to
38 the Controller the amount of general obliga-
39 tion bond debt service anticipated to become

- 1 due and payable in the fiscal year attributable
- 2 to the university.
- 3 (3) The State Public Works Board or the Depart-
- 4 ment of Finance shall submit a revised report
- 5 if either entity determines that an amount
- 6 previously reported to the Controller is inac-
- 7 curate. If necessary pursuant to any revised
- 8 reports, the Controller shall return funds to
- 9 this appropriation.
- 10 4.5. Of the funds appropriated in this item:
- 11 (a) \$6,000,000 shall be allocated to the centers for
- 12 labor research and education at the Berkeley and
- 13 Los Angeles campuses.
- 14 (b) \$1,000,000 shall be allocated to the Wildlife
- 15 Health Center at the Davis campus and used for
- 16 grants to local marine mammal stranding net-
- 17 works. These funds are provided on a one-time
- 18 basis.
- 19 (c) \$770,000 shall be allocated for the Statewide
- 20 Database.
- 21 (d) *\$1,855,000 shall be allocated for the San Joaquin*
- 22 *Valley Medical Program. The program shall en-*
- 23 *roll 48 students. These funds shall be available*
- 24 *for expenditure through June 30, 2017.*
- 25 4.6. The University of California shall continue planning
- 26 for a School of Medicine at the Merced campus in
- 27 accordance with the action approved by the Regents
- 28 of the University of California on May 14, 2008, and
- 29 shall allocate up to \$1,000,000 from this appropriation
- 30 or other funds available to the university for this pur-
- 31 pose.
- 32 4.7. This item includes funds for the California DREAM
- 33 Loan Program.
- 34 5. Payments made by the state to the University of Cali-
- 35 fornia for each month from July through April shall
- 36 not exceed one-twelfth of the amount appropriated in
- 37 this item, less the amount that is specified in Provision
- 38 2 and the amount that is allocated pursuant to subdivi-
- 39 sion (a) of Provision 4. Transfers of funds pursuant to

subdivision (b) of Provision 4 shall not be considered payments made by the state to the university.

- 6. The funds appropriated in this item shall not be available to support auxiliary enterprises or intercollegiate athletic programs.

SEC. 4. Item 9651-001-0001 is added to Section 2.00 of the Budget Act of 2015, to read:

9651-001-0001—For support of Prefunding of Health and Dental Benefits for Annuitants 240,000,000

Schedule:

(1) 7755—Prefunding Health and Dental

Benefits..... 240,000,000

Provisions:

- 1. *The amount appropriated in this item is to supplement, and not supplant, funding that would otherwise be made available to pay for the employer share of pre-funding health and dental benefits identified in memoranda of understanding, or for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources..*
- 2. *No later than November 1, 2016, the Director of Finance shall certify the memoranda of understanding that include employer and employee contributions for prefunding health and dental benefits, and have been approved by the Legislature and the bargaining unit membership. Upon certification, the Director of Finance shall determine the proportionate share of this appropriation based on the actuarially determined liabilities of other postemployment benefits for each bargaining unit included in the certification, and notify the Controller’s office, which shall provide the amount specified by the Director of Finance to the designated state subaccount of the Annuitants’ Health Care Coverage Fund, as defined in Section 22940 of the Government Code.*
- 3. *This appropriation is available for expenditure or encumbrance until June 30, 2017.*

1

2 *SEC. 5. Section 39.00 of the Budget Act of 2015 is amended*
3 *to read:*

4 Sec. 39.00. The Legislature hereby finds and declares that the
5 following bills are other bills providing for appropriations related
6 to the Budget Bill within the meaning of subdivision (e) of Section
7 12 of Article IV of the California Constitution: AB 94, AB 95, AB
8 104, AB 105, AB 106, AB 107, AB 108, AB 109, AB 110, AB
9 111, AB 112, AB 113, AB 114, AB 115, AB 116, AB 117, AB
10 118, AB 119, AB 120, AB 121, AB 122, AB 123, AB 124, AB
11 125, AB 127, AB 128, AB 129, AB 130, AB 131, AB 132, ~~AB~~
12 ~~133~~, AB 134, AB 135, AB 136, AB 137, AB 138, SB 70, SB 71,
13 SB 72, SB 73, SB 74, SB 75, SB 76, SB 77, SB 78, SB 79, SB 80,
14 SB 81, SB 82, SB 83, SB 84, SB 85, SB 86, SB 87, SB 88, SB 89,
15 SB 90, SB 91, SB 92, SB 93, SB 94, SB 95, SB 96, SB 98, SB 99,
16 SB 100, SB 102, SB 103, SB 104, SB 105, SB 106, SB 107, SB
17 108, and SB 109, in the form that these bills existed at the time
18 that the act amending this section of the Budget Act of 2015 took
19 effect.

20 *SEC. 6. This act is a Budget Bill within the meaning of*
21 *subdivision (c) of Section 12 of Article IV of the California*
22 *Constitution and shall take effect immediately.*

23 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
24 ~~changes relating to the Budget Act of 2015.~~

O