

Assembly Bill No. 133

Passed the Assembly February 29, 2016

Chief Clerk of the Assembly

Passed the Senate February 29, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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.

Appropriation: yes.

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

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

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

1. Notwithstanding existing law, these funds shall be transferred and allocated by the Director of Finance no later than January 1, 2017, and will affect the General Fund reserve in the fiscal year the transfer is made. Funds shall be allocated as follows:
 - (a) \$148,000,000 for specified local Traffic Congestion Relief Program projects.
 - (b) \$11,000,000 for trade corridor improvements.
 - (c) \$9,000,000 for the Transit and Intercity Rail Capital Program.

- (d) \$5,000,000 for the State Highway Operations and Protection Program.
- 2. Notwithstanding any other law, this amount shall be repaid from the General Fund pursuant to subdivision (c) of Section 20 of Article XVI of the California Constitution and applied to debt payments as required for the 2016–17 fiscal year.

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

3970-001-0001—For support of Department of Resources Recycling and Recovery 105,000,000

Schedule:

(1) 3700-Waste Reduction and Management..... 105,000,000

Provisions:

- 1. The funds appropriated in Schedule (1) shall be made available for fire recovery and debris removal and management costs to mitigate the threat to lives, public health, safety, and the environment.
- 2. Notwithstanding any other law, upon request of the Director of the Department of Resources Recycling and Recovery, the Director of Finance may augment the amount available for expenditure in this item to pay for fire debris removal and management costs to mitigate the threat to lives, public health, safety, and the environment. The augmentation may be made no sooner than 10 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee. The amount of funds augmented pursuant to the authority of this provision shall be consistent with the amount approved by the Director of Finance based on review of the estimated costs.

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

6440-001-0001—For support of University of California..... 3,057,993,000

Schedule:

(1) 5440-Support..... 3,057,993,000

Provisions:

1. This appropriation is exempt from Sections 6.00 and 31.00.
2. (a) The Legislature finds and declares all of the following:
 - (1) The Regents of the University of California endorsed, on May 21, 2015, the framework for long-term funding agreed upon by the Governor and the President of the University, pursuant to which tuition will not increase in the 2015–16 and 2016–17 academic years and the university will implement reforms to reduce the cost structure of the university and improve access, quality, and outcomes.
 - (2) The reforms included in the framework endorsed by the Regents will create capacity for all campuses of the university to serve more resident students, including by easing transfer from the community colleges, reducing the amount of time it takes students to complete programs, and using technology and data to improve allocation of available resources.
 - (3) In addition to the funds included in this appropriation and those described in the framework, other funds, including existing resources that can be redirected to higher priorities, such as those currently being used to provide financial aid to nonresident students, are also available to enable more resident students to enter the university at all of its campuses.
 - (4) Furthermore, it is the intent of the Legislature that those funds generated by an increase in the number of nonresident students enrolled in the 2015–16 academic year, compared to the number of nonresident students enrolled

in the 2014–15 academic year, and increases in nonresident supplemental tuition, as approved by the Regents on May 21, 2015, be used specifically to support an increase in the number of resident students enrolled.

- (b) To address immediate needs, the university is expected to enroll, no later than the 2016–17 academic year, at least 5,000 more resident undergraduate students than the number enrolled in the 2014–15 academic year.
 - (c) If the Regents provide sufficient evidence to the Director of Finance on or before May 1, 2016, to demonstrate that the university will satisfy the expectation enumerated in subdivision (b), the Director of Finance shall increase this appropriation by \$25,000,000 and notify the Joint Legislative Budget Committee.
- 2.1. No later than April 1, 2016, the Regents of the University of California shall report to the Director of Finance and, in conformity with Section 9795 of the Government Code, to the Legislature on its use of these funds for targeted support services to increase systemwide and campus four-year and six-year graduation rates and two-year and three-year transfer graduation rates of low-income and underrepresented student populations.
- 2.2. The Regents of the University of California shall improve transparency regarding the university's budget. The Regents shall ensure that information is posted on the website of the Office of the President that details subcategories of personnel within the Managers and Senior Professional personnel category and disaggregates all personnel categories by fund source.
- 2.3. No later than December 10, 2015, the Regents of the University of California shall report to the Director of Finance and, in conformity with Section 9795 of the Government Code, to the Legislature, all of the following:

- (a) All university fund sources legally allowable to support costs for undergraduate, graduate academic, and graduate professional education.
 - (b) The factors the university considers to determine which funds to use for educational activities and how much of those funds to use.
 - (c) The sources of the funds included in the calculation of expenditures reported pursuant to Section 92670 of the Education Code.
- 2.4. (a) The Regents of the University of California shall implement further measures to reduce the university's cost structure.
- (b) The Legislature finds and declares that many state employees hold positions with comparable scope of responsibilities, complexity, breadth of job functions, experience requirements, and other relevant factors to those employees designated to be in the Senior Management Group pursuant to existing Regents policy.
 - (c) (1) Therefore, at a minimum, the Regents shall, when considering compensation for any employee designated to be in the Senior Management Group, use a market reference zone that includes state employees.
 - (2) At a minimum, the Regents shall identify all comparable positions from the lists included in subdivision (l) of Section 8 of Article III of the California Constitution and Article 1 (commencing with Section 11550) of Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code.
3. (a) The Regents of the University of California shall approve a plan that includes at least all of the following:
- (1) Projections of available resources in the 2016–17, 2017–18, and 2018–19 fiscal years. In projecting General Fund appropriations and student tuition and fee revenues, the university shall use any assumptions provided by the Department of Finance. The Depart-

- ment of Finance shall provide any assumptions no later than August 1, 2015.
- (2) Projections of expenditures in the 2016–17, 2017–18, and 2018–19 fiscal years and descriptions of any changes to current operations necessary to ensure that expenditures in each of those years are not greater than the available resources projected for each of those years pursuant to paragraph (1).
 - (3) Projections of resident and nonresident enrollment in the 2016–17, 2017–18, and 2018–19 academic years, assuming implementation of any changes described in paragraph (2).
 - (4) The university’s goals for each of the measures listed in subdivision (b) of Section 92675 of the Education Code for the 2016–17, 2017–18, and 2018–19 academic years, assuming implementation of any changes described in paragraph (2). It is the intent of the Legislature that these goals be challenging and quantifiable, address achievement gaps for underrepresented populations, and align the educational attainment of California’s adult population to the workforce and economic needs of the state, pursuant to the legislative intent expressed in Section 66010.93 of the Education Code.
- (b) The plan approved pursuant to subdivision (a) shall be submitted no later than November 30, 2015, to the Director of Finance, the chairpersons of the committees in each house of the Legislature that consider the State Budget, the chairpersons of the budget subcommittees in each house of the Legislature that consider appropriations for the University of California, the chairpersons of the committees in each house of the Legislature that consider appropriations, and the chairpersons of the policy committees in each house of the Legislature with jurisdiction over bills relating to the university.

4. (a) The University of California shall allocate from this appropriation the amount necessary to pay in full the fees anticipated to become due and payable during the fiscal year associated with lease-revenue bonds issued by the State Public Works Board on its behalf and the amount of general obligation bond debt service attributable to the university.
- (b) The Controller shall transfer funds from this appropriation upon receipt of the following reports:
 - (1) The State Public Works Board shall report to the Controller the fees anticipated to become due and payable in the fiscal year associated with any lease-revenue bonds that were issued on behalf of the university.
 - (2) The Department of Finance shall report to the Controller the amount of general obligation bond debt service anticipated to become due and payable in the fiscal year attributable to the university.
 - (3) The State Public Works Board or the Department of Finance shall submit a revised report if either entity determines that an amount previously reported to the Controller is inaccurate. If necessary pursuant to any revised reports, the Controller shall return funds to this appropriation.
- 4.5. Of the funds appropriated in this item:
 - (a) \$6,000,000 shall be allocated to the centers for labor research and education at the Berkeley and Los Angeles campuses.
 - (b) \$1,000,000 shall be allocated to the Wildlife Health Center at the Davis campus and used for grants to local marine mammal stranding networks. These funds are provided on a one-time basis.
 - (c) \$770,000 shall be allocated for the Statewide Database.
 - (d) \$1,855,000 shall be allocated for the San Joaquin Valley Medical Program. The program shall enroll

48 students. These funds shall be available for expenditure through June 30, 2017.

- 4.6. The University of California shall continue planning for a School of Medicine at the Merced campus in accordance with the action approved by the Regents of the University of California on May 14, 2008, and shall allocate up to \$1,000,000 from this appropriation or other funds available to the university for this purpose.
- 4.7. This item includes funds for the California DREAM Loan Program.
5. Payments made by the state to the University of California for each month from July through April shall not exceed one-twelfth of the amount appropriated in this item, less the amount that is specified in Provision 2 and the amount that is allocated pursuant to subdivision (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 prefunding 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.

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

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

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

Approved _____, 2016

Governor