

AMENDED IN SENATE APRIL 6, 2017

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**SENATE BILL**

**No. 132**

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**Introduced by Committee on Budget and Fiscal Review**

January 11, 2017

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An act to amend the Budget Act of 2016 (Chapter 23 of the Statutes of 2016) by amending Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of, and adding Items 2660-109-0042, 2660-109-0046, 2660-110-0042, and 3900-101-3291 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

SB 132, as amended, Committee on Budget and Fiscal Review. Budget Act of 2016.

The Budget Act of 2016 made appropriations for the support of state government for the 2016–17 fiscal year.

This bill would amend the Budget Act of 2016 by amending and adding items of appropriation and making other changes.

*This bill would become operative only if SB 496 of the 2017–18 Regular Session is enacted and becomes operative.*

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

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

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

1 SECTION 1. Item 2660-109-0042 is added to Section 2.00 of  
2 the Budget Act of 2016, to read:

3  
4 2660-109-0042—For local assistance, Department of Transporta-  
5 tion, payable from the State Highway Account, State  
6 Transportation Fund ..... 100,000,000

7 Schedule:  
8 (1) 1835020-Local Assistance..... 100,000,000

9 Provisions:  
10 1. The funds appropriated in this item are for the Univer-  
11 sity of California, Merced Campus Parkway Project  
12 and shall be available for encumbrance and liquidation  
13 until June 30, 2023.

14  
15 SEC. 2. Item 2660-109-0046 is added to Section 2.00 of the  
16 Budget Act of 2016, to read:

17  
18 2660-109-0046—For local assistance, Department of Transporta-  
19 tion, payable from the Public Transportation Account, State  
20 Transportation Fund ..... 400,000,000

21 Schedule:  
22 (1) 1835020-Local Assistance..... 400,000,000

23 Provisions:  
24 1. The funds appropriated in this item shall be used for  
25 the extension of the Altamont Corridor Express to  
26 Ceres and Merced, including associated system im-  
27 provements.  
28 2. Notwithstanding any other law restricting the alloca-  
29 tion of program funds, this appropriation is for the  
30 Altamont Corridor Express from the Transit and Inter-  
31 city Rail Capital Program and shall be available for  
32 encumbrance and liquidation until June 30, 2027.

33  
34 *SEC. 3. Item 2660-110-0042 is added to Section 2.00 of the*  
35 *Budget Act of 2016, to read:*

1  
2 2660-110-0042—For local assistance for the Riverside County  
3 Transportation Efficiency Corridor, Department of  
4 Transportation, payable from the State Highway Account,  
5 State Transportation Fund ..... 427,172,000  
6 Schedule:  
7 (1) 91 Toll Connector to Interstate 15  
8 North..... 180,000,000  
9 (2) Hammer Bridge Widening..... 6,322,000  
10 (3) McKinley Grade Separation..... 84,450,000  
11 (4) Jurupa Avenue Grade Separation..... 108,400,000  
12 (5) Interstate 15/Limonite Interchange..... 48,000,000  
13 Provisions:  
14 1. The funds appropriated in this item shall be available  
15 for encumbrance and liquidation until June 30, 2023.  
16 2. The Secretary of Transportation shall convene a task  
17 force of state, local, and private sector experts to de-  
18 velop recommendations to accelerate the schedule of  
19 delivery of these and other projects in the region. Any  
20 recommendations that require statutory changes  
21 should be included in the May Revision to the 2017–18  
22 Governor’s Budget.

~~SEC. 3.~~

24  
25 SEC. 4. Item 3900-101-3291 is added to Section 2.00 of the  
26 Budget Act of 2016, to read:

27  
28 3900-101-3291—For local assistance, State Air Resources  
29 Board, payable from the Trade Corridor Enhancement  
30 Account ..... 50,000,000  
31 Schedule:  
32 (1) 3525-The Zero/Near-Zero Emission  
33 Warehouse Program..... 50,000,000  
34 Provisions:  
35 1. The funds appropriated in this item are available for  
36 encumbrance or expenditure until June 30, 2019.  
37 2. The funds appropriated in this item are for a competi-  
38 tive funding program to advance implementation of  
39 zero/near zero emission warehouses and technology.

1 The funds will be combined with a one-to-one match  
2 resulting in \$100,000,000 for projects.

3  
4 ~~SEC. 4.~~

5 SEC. 5. Item 9800-001-0001 of Section 2.00 of the Budget Act  
6 of 2016, as amended by Section 1 of Chapter 2 of the Statutes of  
7 2017, is amended to read:

8  
9 9800-001-0001—For Augmentation for Employee Compensa-  
10 tion..... 549,624,000

11 Schedule:

12 (1) 7800-Employee Compensation Pro-  
13 gram..... 549,624,000

14 Provisions:

- 15 1. The amount appropriated in this item shall not be
- 16 construed to control or influence collective bargaining
- 17 between the state employer and employee representa-
- 18 tives.
- 19 2. The funds appropriated in this item are for compensa-
- 20 tion increases and increases in benefits related thereto
- 21 of employees whose compensation, or portion thereof,
- 22 is chargeable to the General Fund, to be allocated by
- 23 budget executive order by the Director of Finance to
- 24 the several state offices, departments, boards, bureaus,
- 25 commissions, and other state agencies, in augmentation
- 26 of their respective appropriations or allocations, in
- 27 accordance with approved memoranda of understand-
- 28 ing or, for employees excluded from collective bargain-
- 29 ing, in accordance with salary and benefit schedules
- 30 established by the Department of Human Resources.
- 31 3. It is the intent of the Legislature that all proposed
- 32 augmentations for increased employee compensation
- 33 costs, including, but not limited to, base salary increas-
- 34 es, pay increases to bring one group of employees into
- 35 a pay equity position with another group of public
- 36 employees, and recruitment and retention differentials,
- 37 be budgeted and considered on a comprehensive,
- 38 statewide basis. Therefore, the Legislature declares its
- 39 intent to reject any proposed augmentations that are
- 40 not included in Items 9800-001-0001, 9800-001-0494,

- 1 and 9800-001-0988, given that these are the items  
2 where the funds to implement comprehensive  
3 statewide compensation policies, including those  
4 adopted pursuant to collective bargaining, are consid-  
5 ered. This provision shall not apply to augmentations  
6 for increased employee compensation costs resulting  
7 from mandatory judicial orders to raise pay for any  
8 group of employees or augmentations for increased  
9 compensation costs, or approvals for departments to  
10 provide increased employee compensation levels, that  
11 are included in bills separate from the Budget Act.
- 12 4. This item contains funds estimated to be necessary to  
13 implement side letters, appendices, or other addenda  
14 to a memorandum of understanding (collectively re-  
15 ferred to as “pending agreements”) that have been  
16 determined by the Joint Legislative Budget Committee  
17 to require legislative approval prior to their implemen-  
18 tation, but which may not have been approved in sep-  
19 arate legislation as of the date of the passage of this  
20 act. In the event that the Legislature does not approve  
21 separate legislation to authorize implementation of  
22 any of the pending agreements, the Director of Finance  
23 shall not allocate any funds related to those pending  
24 agreements pursuant to Provision 2, and the expendi-  
25 ture of funds for those pending agreements shall not  
26 be deemed to have been approved by the Legislature.
- 27 5. As of July 31, 2017, the unencumbered balances of  
28 the above appropriation shall revert to the General  
29 Fund.
- 30 6. The Director of Finance may adjust this item of appro-  
31 priation to reflect the health benefit premiums ap-  
32 proved by the Board of Administration of the Public  
33 Employees’ Retirement System or dental benefit pre-  
34 miums approved by the Department of Human Re-  
35 sources for the 2017 calendar year. Within 30 days of  
36 making any adjustment pursuant to this provision, the  
37 Director of Finance shall report the adjustment in  
38 writing to the Chairperson of the Joint Legislative  
39 Budget Committee and the chairpersons of the com-

- 1           mittees in each house of the Legislature that consider  
2           appropriations.
- 3       7. Notwithstanding Sections 3517.6 and 3517.63 of the  
4       Government Code, the Department of Finance shall  
5       provide written notification to the Joint Legislative  
6       Budget Committee regarding any expenditure of funds  
7       resulting from any side letter, appendix, or other ad-  
8       dendum to a properly ratified memorandum of under-  
9       standing.
- 10      8. Notice provided pursuant to Provision 7 shall include  
11      a copy of the side letter, appendix, or other addendum  
12      (collectively addendum) and a fiscal summary of any  
13      expenditure of funds resulting from the agreement in  
14      the 2016–17 fiscal year and future fiscal years. The  
15      notice shall indicate whether the Department of Fi-  
16      nance determines that an agreement does or does not  
17      require legislative action to ratify the addendum before  
18      implementation, pursuant to subdivision (a), (b), or  
19      (c) of this provision.
- 20      (a) An addendum to a properly ratified memorandum  
21      of understanding may be implemented without  
22      legislative action not less than 30 calendar days  
23      after notice has been provided to the Joint Legisla-  
24      tive Budget Committee, or not sooner than what-  
25      ever lesser time after that notification the Chair-  
26      person of the Joint Legislative Budget Committee,  
27      or his or her designee, may in each instance deter-  
28      mine, if all of the following apply:
- 29          (1) The agreement results in total net costs of  
30          less than \$1,000,000 (all funds) during the  
31          2016–17 fiscal year.
- 32          (2) Any cost resulting from the agreement can  
33          be absorbed within the 2016–17 fiscal year  
34          appropriation authority of impacted depart-  
35          ments.
- 36          (3) The addendum does not present substantial  
37          additions that are reasonably outside the pa-  
38          rameters of the original memorandum of un-  
39          derstanding.

- 1 (b) An addendum to a properly ratified memorandum
- 2 of understanding that results in any expenditure
- 3 of funds may be implemented not less than 30
- 4 calendar days after notice has been provided to
- 5 the Joint Legislative Budget Committee, or not
- 6 sooner than whatever lesser time after that notifi-
- 7 cation the Chairperson of the Joint Legislative
- 8 Budget Committee, or his or her designee, may
- 9 in each instance determine, if, during the legisla-
- 10 tive consideration of the 2016–17 Governor’s
- 11 Budget, the Department of Finance identified to
- 12 the Legislature both of the following:
- 13 (1) The administration anticipated that the adden-
- 14 dum would be signed during the 2016–17
- 15 fiscal year.
- 16 (2) Any costs resulting from the addendum are
- 17 included in the 2016–17 Governor’s Budget
- 18 or another piece of legislation.
- 19 (c) An addendum to a properly ratified memorandum
- 20 of understanding that results in any expenditure
- 21 of funds requires legislative action before imple-
- 22 mentation if any of the following apply:
- 23 (1) The agreement results in total net costs
- 24 greater than \$1,000,000 (all funds) during
- 25 the 2016–17 fiscal year.
- 26 (2) The agreement results in costs that cannot be
- 27 absorbed within the 2016–17 fiscal year ap-
- 28 propriation authority of impacted depart-
- 29 ments.
- 30 (3) The addendum presents substantial additions
- 31 that are not reasonably within the parameters
- 32 of the original memorandum of understand-
- 33 ing.
- 34 9. Notwithstanding Sections 3517.6 and 3517.63 of the
- 35 Government Code, any addendum to a properly ratified
- 36 memorandum of understanding that is implemented
- 37 in the 2016–17 fiscal year, pursuant to subdivision (a)
- 38 of Provision 8 and requires the expenditure of funds
- 39 beyond the 2016–17 fiscal year that was not approved
- 40 as part of the Budget Act of 2016, shall be approved

1 by the Legislature as part of the Budget Act of 2017  
 2 or through another piece of legislation.  
 3 10. The Department of Human Resources shall promptly  
 4 post on its public Internet Web site all signed addenda.  
 5 Each addendum shall be posted in its entirety, includ-  
 6 ing any attachments or schedules that are part of the  
 7 agreement, along with the fiscal summary documents  
 8 of the agreement.  
 9

10 ~~SEC. 5.~~

11 *SEC. 6.* Item 9800-001-0494 of Section 2.00 of the Budget Act  
 12 of 2016, as amended by Section 2 of Chapter 2 of the Statutes of  
 13 2017, is amended to read:

14  
 15 9800-001-0494—For Augmentation for Employee Compensa-  
 16 tion, payable from other unallocated special funds..... 313,108,000

17 Schedule:

18 (1) 7800-Employee Compensation Pro-  
 19 gram..... 313,108,000

20 Provisions:

- 21 1. The amount appropriated in this item shall not be  
 22 construed to control or influence collective bargaining  
 23 between the state employer and employee representa-  
 24 tives.  
 25 2. The funds appropriated in this item are for compensa-  
 26 tion increases and increases in benefits related thereto  
 27 of employees whose compensation, or portion thereof,  
 28 is chargeable to special funds, to be allocated by bud-  
 29 get executive order by the Director of Finance to the  
 30 several state offices, departments, boards, bureaus,  
 31 commissions, and other state agencies, in augmentation  
 32 of their respective appropriations or allocations, in  
 33 accordance with approved memoranda of understand-  
 34 ing or, for employees excluded from collective bargain-  
 35 ing, in accordance with salary and benefit schedules  
 36 established by the Department of Human Resources.  
 37 3. Notwithstanding any other provision of law, upon ap-  
 38 proval of the Director of Finance, expenditure author-  
 39 ity may be transferred between this item and Item  
 40 9800-001-0988 as necessary to fund costs for approved



- 1 memoranda of understanding or, for employees exclud-  
2 ed from collective bargaining, in accordance with  
3 salary and benefit schedules established by the Depart-  
4 ment of Human Resources.
- 5 4. It is the intent of the Legislature that all proposed  
6 augmentations for increased employee compensation  
7 costs, including, but not limited to, base salary increas-  
8 es, pay increases to bring one group of employees into  
9 a pay equity position with another group of public  
10 employees, and recruitment and retention differentials,  
11 be budgeted and considered on a comprehensive,  
12 statewide basis. Therefore, the Legislature declares its  
13 intent to reject any proposed augmentations that are  
14 not included in Items 9800-001-0001, 9800-001-0494,  
15 and 9800-001-0988, given that these are the items  
16 where the funds to implement comprehensive  
17 statewide compensation policies, including those  
18 adopted pursuant to collective bargaining, are consid-  
19 ered. This provision does not apply to augmentations  
20 for increased employee compensation costs resulting  
21 from mandatory judicial orders to raise pay for any  
22 group of employees or augmentations for increased  
23 compensation costs, or approvals for departments to  
24 provide increased employee compensation levels, that  
25 are included in bills separate from the Budget Act.
- 26 5. This item contains funds estimated to be necessary to  
27 implement side letters, appendices, or other addenda  
28 to a memorandum of understanding (collectively re-  
29 ferred to as “pending agreements”) that have been  
30 determined by the Joint Legislative Budget Committee  
31 to require legislative approval prior to their implemen-  
32 tation, but which may not have been approved in sep-  
33 arate legislation as of the date of the passage of this  
34 act. In the event that the Legislature does not approve  
35 separate legislation to authorize implementation of  
36 any of the pending agreements, the Director of Finance  
37 shall not allocate any funds related to those pending  
38 agreements pursuant to Provision 2, and the expendi-  
39 ture of funds for those pending agreements shall not  
40 be deemed to have been approved by the Legislature.

- 1       6. As of July 31, 2017, the unencumbered balances of  
2       the above appropriation shall no longer be available  
3       for expenditure.
- 4       7. The Director of Finance may adjust this item of appro-  
5       priation to reflect the health benefit premiums ap-  
6       proved by the Board of Administration of the Public  
7       Employees' Retirement System or dental benefit pre-  
8       miums approved by the Department of Human Re-  
9       sources for the 2017 calendar year. Within 30 days of  
10      making any adjustment pursuant to this provision, the  
11      Director of Finance shall report the adjustment in  
12      writing to the Chairperson of the Joint Legislative  
13      Budget Committee and the chairpersons of the com-  
14      mittees in each house of the Legislature that consider  
15      appropriations.
- 16      8. Notwithstanding Sections 3517.6 and 3517.63 of the  
17      Government Code, the Department of Finance shall  
18      provide written notification to the Joint Legislative  
19      Budget Committee regarding any expenditure of funds  
20      resulting from any side letter, appendix, or other ad-  
21      dendum to a properly ratified memorandum of under-  
22      standing.
- 23      9. Notice provided pursuant to Provision 8 shall include  
24      a copy of the side letter, appendix, or other addendum  
25      (collectively addendum) and a fiscal summary of any  
26      expenditure of funds resulting from the agreement in  
27      the 2016–17 fiscal year and future fiscal years. The  
28      notice shall indicate whether the Department of Fi-  
29      nance determines that an agreement does or does not  
30      require legislative action to ratify the addendum before  
31      implementation, pursuant to subdivision (a), (b), or  
32      (c) of this provision.
  - 33      (a) An addendum to a properly ratified memorandum  
34      of understanding may be implemented without  
35      legislative action not less than 30 calendar days  
36      after notice has been provided to the Joint Legisla-  
37      tive Budget Committee, or not sooner than what-  
38      ever lesser time after that notification the Chair-  
39      person of the Joint Legislative Budget Committee,

- 1 or his or her designee, may in each instance deter-  
2 mine, if all of the following apply:
- 3 (1) The agreement results in total net costs of  
4 less than \$1,000,000 (all funds) during the  
5 2016–17 fiscal year.
- 6 (2) Any cost resulting from the agreement can  
7 be absorbed within the 2016–17 fiscal year  
8 appropriation authority of impacted depart-  
9 ments.
- 10 (3) The addendum does not present substantial  
11 additions that are reasonably outside the pa-  
12 rameters of the original memorandum of un-  
13 derstanding.
- 14 (b) An addendum to a properly ratified memorandum  
15 of understanding that results in any expenditure  
16 of funds may be implemented not less than 30  
17 calendar days after notice has been provided to  
18 the Joint Legislative Budget Committee, or not  
19 sooner than whatever lesser time after that notifi-  
20 cation the Chairperson of the Joint Legislative  
21 Budget Committee, or his or her designee, may  
22 in each instance determine, if, during the legisla-  
23 tive consideration of the 2016–17 Governor’s  
24 Budget, the Department of Finance identified to  
25 the Legislature both of the following:
- 26 (1) The administration anticipated that the adden-  
27 dum would be signed during the 2016–17  
28 fiscal year.
- 29 (2) Any costs resulting from the addendum are  
30 included in the 2016–17 Governor’s Budget  
31 or another piece of legislation.
- 32 (c) An addendum to a properly ratified memorandum  
33 of understanding that results in any expenditure  
34 of funds requires legislative action before imple-  
35 mentation if any of the following apply:
- 36 (1) The agreement results in total net costs  
37 greater than \$1,000,000 (all funds) during  
38 the 2016–17 fiscal year.
- 39 (2) The agreement results in costs that cannot be  
40 absorbed within the 2016–17 fiscal year ap-

- 1                   appropriation authority of impacted depart-
- 2                   ments.
- 3           (3) The addendum presents substantial additions
- 4           that are not reasonably within the parameters
- 5           of the original memorandum of understand-
- 6           ing.
- 7   10. Notwithstanding Sections 3517.6 and 3517.63 of the
- 8       Government Code, any addendum to a properly ratified
- 9       memorandum of understanding that is implemented
- 10      in the 2016–17 fiscal year, pursuant to subdivision (a)
- 11      of Provision 9 and requires the expenditure of funds
- 12      beyond the 2016–17 fiscal year that was not approved
- 13      as part of the Budget Act of 2016, shall be approved
- 14      by the Legislature as part of the Budget Act of 2017
- 15      or through another piece of legislation.
- 16   11. The Department of Human Resources shall promptly
- 17      post on its public Internet Web site all signed addenda.
- 18      Each addendum shall be posted in its entirety, includ-
- 19      ing any attachments or schedules that are part of the
- 20      agreement, along with the fiscal summary documents
- 21      of the agreement.

22  
23   ~~SEC. 6.~~

24   SEC. 7. Item 9800-001-0988 of Section 2.00 of the Budget Act  
25 of 2016, as amended by Section 3 of Chapter 2 of the Statutes of  
26 2017, is amended to read:

27  
28   9800-001-0988—For Augmentation for Employee Compensa-  
29      tion, payable from other unallocated nongovernmental cost  
30      funds..... 161,144,000

31   Schedule:

32   (1) 7800-Employee Compensation Pro-  
33      gram..... 161,144,000

34   Provisions:

- 35   1. The amount appropriated in this item shall not be
- 36      construed to control or influence collective bargaining
- 37      between the state employer and employee representa-
- 38      tives.
- 39   2. The funds appropriated in this item are for employee
- 40      compensation increases, and increases in benefits re-

- 1           lated thereto, whose compensation or portion thereof  
2           is chargeable to nongovernmental cost funds, to be  
3           allocated by budget executive order by the Director  
4           of Finance to the several state offices, departments,  
5           boards, bureaus, commissions, and other state agen-  
6           cies, in augmentation of their respective appropriations  
7           or allocations, in accordance with approved memoran-  
8           da of understanding or, for employees excluded from  
9           collective bargaining, in accordance with salary and  
10          benefit schedules established by the Department of  
11          Human Resources.
- 12          3. Notwithstanding any other provision of law, upon ap-  
13          proval of the Director of Finance, expenditure author-  
14          ity may be transferred between Item 9800-001-0494  
15          and this item as necessary to fund costs for approved  
16          memoranda of understanding or, for employees exclud-  
17          ed from collective bargaining, in accordance with  
18          salary and benefit schedules established by the Depart-  
19          ment of Human Resources.
- 20          4. It is the intent of the Legislature that all proposed  
21          augmentations for increased employee compensation  
22          costs, including, but not limited to, base salary increas-  
23          es, pay increases to bring one group of employees into  
24          a pay equity position with another group of public  
25          employees, and recruitment and retention differentials,  
26          be budgeted and considered on a comprehensive,  
27          statewide basis. Therefore, the Legislature declares its  
28          intent to reject any proposed augmentations that are  
29          not included in Items 9800-001-0001, 9800-001-0494,  
30          and 9800-001-0988, given that these are the items  
31          where the funds to implement comprehensive  
32          statewide compensation policies, including those  
33          adopted pursuant to collective bargaining, are consid-  
34          ered. This provision shall not apply to augmentations  
35          for increased employee compensation costs resulting  
36          from mandatory judicial orders to raise pay for any  
37          group of employees or augmentations for increased  
38          compensation costs, or approvals for departments to  
39          provide increased employee compensation levels, that  
40          are included in bills separate from the Budget Act.

- 1       5. This item contains funds estimated to be necessary to  
2       implement side letters, appendices, or other addenda  
3       to a memorandum of understanding (collectively re-  
4       ferred to as “pending agreements”) that have been  
5       determined by the Joint Legislative Budget Committee  
6       to require legislative approval prior to their implemen-  
7       tation, but which may not have been approved in sep-  
8       arate legislation as of the date of the passage of this  
9       act. In the event that the Legislature does not approve  
10      separate legislation to authorize implementation of  
11      any of the pending agreements, the Director of Finance  
12      shall not allocate any funds related to those pending  
13      agreements pursuant to Provision 2, and the expendi-  
14      ture of funds for those pending agreements shall not  
15      be deemed to have been approved by the Legislature.
- 16      6. As of July 31, 2017, the unencumbered balances of  
17      the above appropriation shall no longer be available  
18      for expenditure.
- 19      7. The Director of Finance may adjust this item of appro-  
20      priation to reflect the health benefit premiums ap-  
21      proved by the Board of Administration of the Public  
22      Employees’ Retirement System or dental benefit pre-  
23      miums approved by the Department of Human Re-  
24      sources for the 2017 calendar year. Within 30 days of  
25      making any adjustment pursuant to this provision, the  
26      Director of Finance shall report the adjustment in  
27      writing to the Chairperson of the Joint Legislative  
28      Budget Committee and the chairpersons of the com-  
29      mittees in each house of the Legislature that consider  
30      appropriations.
- 31      8. Notwithstanding Sections 3517.6 and 3517.63 of the  
32      Government Code, the Department of Finance shall  
33      provide written notification to the Joint Legislative  
34      Budget Committee regarding any expenditure of funds  
35      resulting from any side letter, appendix, or other ad-  
36      dendum to a properly ratified memorandum of under-  
37      standing.
- 38      9. Notice provided pursuant to Provision 8 shall include  
39      a copy of the side letter, appendix, or other addendum  
40      (collectively addendum) and a fiscal summary of any

1 expenditure of funds resulting from the agreement in  
2 the 2016–17 fiscal year and future fiscal years. The  
3 notice shall indicate whether the Department of Fi-  
4 nance determines that an agreement does or does not  
5 require legislative action to ratify the addendum before  
6 implementation, pursuant to subdivision (a), (b), or  
7 (c) of this provision.

8 (a) An addendum to a properly ratified memorandum  
9 of understanding may be implemented without  
10 legislative action not less than 30 calendar days  
11 after notice has been provided to the Joint Legisla-  
12 tive Budget Committee, or not sooner than what-  
13 ever lesser time after that notification the Chair-  
14 person of the Joint Legislative Budget Committee,  
15 or his or her designee, may in each instance deter-  
16 mine, if all of the following apply:

- 17 (1) The agreement results in total net costs of  
18 less than \$1,000,000 (all funds) during the  
19 2016–17 fiscal year.
- 20 (2) Any cost resulting from the agreement can  
21 be absorbed within the 2016–17 fiscal year  
22 appropriation authority of impacted depart-  
23 ments.
- 24 (3) The addendum does not present substantial  
25 additions that are reasonably outside the pa-  
26 rameters of the original memorandum of un-  
27 derstanding.

28 (b) An addendum to a properly ratified memorandum  
29 of understanding that results in any expenditure  
30 of funds may be implemented not less than 30  
31 calendar days after notice has been provided to  
32 the Joint Legislative Budget Committee, or not  
33 sooner than whatever lesser time after that notifi-  
34 cation the Chairperson of the Joint Legislative  
35 Budget Committee, or his or her designee, may  
36 in each instance determine, if, during the legisla-  
37 tive consideration of the 2016–17 Governor’s  
38 Budget, the Department of Finance identified to  
39 the Legislature both of the following:

- 1           (1) The administration anticipated that the addendum  
2           would be signed during the 2016–17  
3           fiscal year.
- 4           (2) Any costs resulting from the addendum are  
5           included in the 2016–17 Governor’s Budget  
6           or another piece of legislation.
- 7           (c) An addendum to a properly ratified memorandum  
8           of understanding that results in any expenditure  
9           of funds requires legislative action before implementation  
10          if any of the following apply:
  - 11           (1) The agreement results in total net costs  
12           greater than \$1,000,000 (all funds) during  
13           the 2016–17 fiscal year.
  - 14           (2) The agreement results in costs that cannot be  
15           absorbed within the 2016–17 fiscal year appropriation  
16           authority of impacted departments.
  - 17           (3) The addendum presents substantial additions  
18           that are not reasonably within the parameters  
19           of the original memorandum of understanding.  
20
  - 21
- 22          10. Notwithstanding Sections 3517.6 and 3517.63 of the  
23          Government Code, any addendum to a properly ratified  
24          memorandum of understanding that is implemented  
25          in the 2016–17 fiscal year, pursuant to subdivision (a)  
26          of Provision 9, and requires the expenditure of funds  
27          beyond the 2016–17 fiscal year that was not approved  
28          as part of the Budget Act of 2016, shall be approved  
29          by the Legislature as part of the Budget Act of 2017  
30          or through another piece of legislation.
- 31          11. The Department of Human Resources shall promptly  
32          post on its public Internet Web site all addenda. Each  
33          addendum shall be posted in its entirety, including any  
34          attachments or schedules that are part of the agreement,  
35          along with the fiscal summary documents of the  
36          agreement.  
37



1 ~~SEC. 7.~~

2 *SEC. 8.* Section 39.00 of the Budget Act of 2016, as amended  
3 by Section 4 of Chapter 2 of the Statutes of 2017, is amended to  
4 read:

5 *SEC. 39.00.* The Legislature hereby finds and declares that the  
6 following bills are other bills providing for appropriations related  
7 to the Budget Bill within the meaning of subdivision (e) of Section  
8 12 of Article IV of the California Constitution: AB 1600, AB 1601,  
9 AB 1602, AB 1603, AB 1604, AB 1605, AB 1606, AB 1607, AB  
10 1608, AB 1609, AB 1610, AB 1611, AB 1612, AB 1614, AB 1615,  
11 AB 1616, AB 1617, AB 1618, AB 1619, AB 1620, AB 1621, AB  
12 1624, AB 1625, AB 1626, AB 1627, AB 1628, AB 1629, AB 1630,  
13 AB 1632, AB 1633, AB 1634, AB 1635, AB 1636, SB 828, SB  
14 829, SB 831, SB 832, SB 833, SB 834, SB 835, SB 836, SB 837,  
15 SB 838, SB 839, SB 840, SB 841, SB 842, SB 843, SB 844, SB  
16 845, SB 846, SB 847, SB 848, SB 849, SB 850, SB 851, SB 852,  
17 SB 854, SB 855, SB 856, SB 857, SB 858, SB 859, SB 860, SB  
18 861, SB 862, SB 863, SB 864, and SB 865 of the 2015–16 Regular  
19 Session and AB 48, SB 28, SB 48, SB 49, SB 50, SB 51, SB 127,  
20 SB 128, SB 129, SB 130, and SB 131 of the 2017–18 Regular  
21 Session.

22 ~~SEC. 8.~~

23 *SEC. 9.* This act shall become operative only if Senate Bill 496  
24 of the 2017–18 Regular Session is enacted and becomes operative.

25 ~~SEC. 9.~~

26 *SEC. 10.* This act is a Budget Bill within the meaning of  
27 subdivision (e) of Section 12 of Article IV of the California  
28 Constitution and shall take effect immediately.