## Senate Bill No. 68

CHAPTER 78

An act to amend Section 8263.4 of, and to add Section 8227 to the Education Code, to amend Section 17311 of the Family Code, to add Sections 11798 and 12803.3 to the Government Code, to amend Sections 1522, 1596.871, 11970.4, 128200, 128205, 128210, 128215, 128224, 128225, 128230, and 128235 of, and to add Sections 11970.2 and 128240.1 to, the Health and Safety Code, to amend Section 1611.5 of the Unemployment Insurance Code, to amend Sections 9102, 9654, 9660, 9661, 9662, 9757.5, 10075.6, 10823, 11322.8, 11453, 11462, 12201, 12201.03, 12201.05, 12305.1, and 15204.2 of, to amend the heading of Article 2 (commencing with Section 9660) of Chapter 10.5 of Division 8.5 of, to add Sections 10609.8, 11522, 15204.6, 16500.9, 16501.7, 18355.5, and 18926 to, to repeal Section 10823.1 of, and to repeal and amend Section 15200 of, the Welfare and Institutions Code, and to amend Section 64 of Chapter 229 of the Statutes of 2004, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with Secretary of State July 19, 2005.]

LEGISLATIVE COUNSEL'S DIGEST

SB 68, Committee on Budget and Fiscal Review. Human services.

The Child Care and Developmental Services Act, administered by the State Department of Education, provides that children up to 13 years of age are eligible, with certain requirements, for child care and development services.

Existing law provides for child care alternative payment programs, the purpose of which is to provide for parental choice in child care.

This bill would impose new requirements on the State Department of Education, on the alternative payment program, and on child care providers under alternative payment programs relating to the establishment of waiting lists.

Under existing law, the preferred placement for children who are 11 and 12 years of age and who are otherwise eligible for subsidized child care services is in an after school program.

This bill would instead provide that the preferred placement for these children is in a before or after school program.

The bill would make other revisions to the act pertaining to requiring contractors to provide an option of combining care provided in a before or after school setting program with subsidized child care in another setting, requiring the department to develop a form on which a parent may certify that a before or after school program is not available, requiring savings

generated by the implementation of the bill to remain with each alternative payment program, child development center, or other contractor, with certain exceptions, and requiring each contractor to annually report these savings to the department and the department to annually report these savings to the Legislature.

This bill would require, to the extent that funding is available for this purpose through the annual Budget Act, the alternative payment agency in each county to design, maintain, and administer a system to consolidate local child care waiting lists to establish a countywide centralized eligibility list and would establish a procedure for assigning this responsibility to a lead agency in those counties with more than one alternative payment agency. The bill would provide that to be eligible to enter into an agreement with the department to provide subsidized child care, a provider shall participate and use the centralized eligibility list.

Existing law establishes the Child Support Payment Trust Fund in the State Treasury for the deposit of certain child support payments, for the purpose of processing and providing child support payments. That fund is continuously appropriated for the purpose of distributing child support payments.

This bill would provide that an ongoing loan shall be made available from the General Fund, from funds not otherwise appropriated, to the Child Support Payment Trust Fund, not to exceed $150,000,000, to ensure the timely disbursement of child support payments when funds have not been recorded to the Child Support Payment Fund or due to other fund liabilities, thereby making an appropriation.

Existing law establishes within the California Health and Human Services Agency the California Health and Human Services Agency Data Center.

This bill would transfer to the California Health and Human Services Agency the Systems Integration Division of the California Health and Human Services Agency Data Center, also known as Systems Management Services, which would be known as the Office of Systems Integration.

Existing law requires that data center, among other things, to implement a statewide automated welfare system for 6 public assistance programs and annually report on the system to the appropriate committees of the Legislature.

This bill would transfer to the Office of Systems Integration requirements for this statewide automated system, but would eliminate this reporting requirement.

Existing law establishes in the State Treasury, the California Health and Human Services Agency Data Center Revolving Fund, which is continuously appropriated and consists of, among other moneys, moneys received for electronic data-processing services and other services rendered by the data center.

This bill would establish the Office of Systems Integration Fund, which would consist of the balance of all moneys available for expenditure by

Systems Integration Division and all moneys appropriated to the fund. The fund would, subject to appropriation by the Legislature, be available for expenditure by the office for the office's support. The bill would authorize transfers to the fund from the Health and Human Services Agency Data Center Revolving Fund and the Department of Technology Services Revolving Fund, as determined by the Department of Finance.

The California Community Care Facilities Act provides for the licensure and regulation of community care facilities by the State Department of Social Services. The department also licenses and regulates child day care centers.

Existing law prohibits the Department of Justice and the State Department of Social Services from charging a fee for the fingerprinting of an applicant for a license or special permit to operate or manage a community care facility or child day care facility, or for obtaining a criminal record of these applicants, except during the 2004-05 fiscal year.

This bill would authorize these departments to also charge these fees during the 2005-06 fiscal year.

The Comprehensive Drug Court Implementation Act of 1999 provides grants to counties under which the county alcohol and drug program administrator and the presiding judge in the county develop and submit a plan for local drug court systems. Existing law repeals the act as of January 1, 2006.

This bill would extend the repeal date of the act to January 1, 2007.

This bill would require the State Department of Social Services, in collaboration with the State Department of Alcohol and Drug Programs and the Judicial Council, to conduct an evaluation of cost avoidance with respect to child welfare services and foster care and provide a report to the Legislature, during the budget hearings for the 2006-07 budget, on the outcomes of dependency drug court programs and the amount of savings realized in foster care out-of-home placement and child welfare services.

Existing law, the Song-Brown Family Physician Training Act, declares the intent of the Legislature to increase the number of students and residents receiving quality education and training in the specialty of family practice and as primary care physician's assistants and primary care nurse practitioners. Existing law establishes, for this purpose, a state medical contract program with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, hospitals, and other health care delivery systems.

This bill would expand this program to include increasing the number of students and residents receiving quality education and training as registered nurses and would include within the state medical contract program, contracts with "programs that train registered nurses," as defined for purposes of the act.

Existing law establishes the California Healthcare Workforce Policy Commission, which is composed of 10 members.

This bill would increase the membership of the commission from 10 to 15 members, to include 3 representatives of practicing registered nurses and 2 representatives of students in a registered nurse training program.

Existing law requires the commission to identify specific areas of the state where unmet priority needs for primary care family physicians exist, establish standards for family practice training programs, family practice residency programs, primary care physician assistants programs, and programs that train primary care nurse practitioners, and review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of those programs that are submitted to the Health Professions Development Program for participation in the contract program established under these provisions.

This bill would require the commission similarly to identify specific areas of the state where unmet priority needs for registered nurses exist, establish standards for registered nurse training programs, and review and make recommendations to the director concerning funding of registered nurse training programs submitted to the Health Professions Development Program.

Existing law requires the Director of the Office of Statewide Health Planning and Development to make determinations as to whether program proposals submitted for participation in the state medical contract program meet the standards established by the commission and to select and contract with entities on behalf of the state for the purpose of training undergraduate medical students and residents in the specialty of family practice.

This bill would also require the director to make these determinations with respect to registered nurse training program proposals, and select and contract on behalf of the state with programs that train registered nurses.

The bill would require the State Department of Health Services to adopt emergency regulations, as necessary to implement the bill's changes to the Song-Brown Family Physician Training Act, no later than September 30, 2005. The bill would require the department to notify the Chair of the Joint Legislative Budget Committee of a delay prior to this deadline.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families.

Existing law authorizes the Legislature to appropriate $56,432,000 in the Budget Act of 2004 from the Employment Training Fund to fund the local assistance portion of welfare-to-work activities under the CalWORKs program.

This bill would authorize the Legislature to appropriate $37,930,000 in the Budget Act of 2005 from the Employment Training Fund to fund the

local assistance portion of welfare-to-work activities under the CalWORKs program.

The Mello-Granlund Older Californians Act establishes the Community-Based Services Network, administered by the California Department of Aging, which among other things, requires the department to enter into contracts with local area agencies on aging to carry out the requirements of various community-based services programs. The act requires the department to maintain a management information and reporting system.

This bill would require the department to annually submit, in conjunction with the management information and reporting system, beginning in the 2006 calendar year, to the budget, fiscal, and appropriate policy committees of the Legislature and the Legislative Analyst, information regarding state and federally funded programs and services administered by the department.

Existing law establishes within the California Department of Aging a senior wellness program called the StayWell Program, which is required to carry out various functions primarily related to promoting a healthy lifestyle and wellness among, and a greater appreciation of, California's seniors.

This bill would delete the name "Stay Well Program" and refer instead to the senior wellness program.

Existing law requires the California Department of Aging to assess annually a fee of not less than $0.70, but not more than $1.20, on a health care service plan for each person enrolled in a health care service plan as of December 31 of the previous year under a prepaid Medicare Program that serves Medicare eligible beneficiaries within the state, and on a health care service plan for each enrollee under a Medicare supplement contract, including a Medicare Select contract, as of December 31 of the previous year, to offset the cost of counseling Medicare eligible beneficiaries on health maintenance organizations instead of the traditional Medicare provider system. Existing law requires all fees collected to be deposited into the State HICAP Fund for the implementation of the Health Insurance Counseling and Advocacy Program (HICAP). Existing law declares the Legislature's intent in funding HICAP to maintain a ratio of $2 collected from the Insurance Fund to every $1 collected pursuant to the above annual fee.

This bill would change the fees that department is required to assess annually to not less than $1.40, but not more than $1.65. The bill would declare the Legislature's intent that, starting in the 2005-06 fiscal year, $2,000,000 of additional funding shall be made available to local HICAP programs, to be derived from an increase in the HICAP fee and the corresponding Insurance Fund match. The bill would require the additional funding to be used only for local HICAP funding and would prohibit the use of that funding for department or local area agencies on aging administration. The bill would require the department to issue a

supplemental billing during the 2005-06 fiscal year to generate additional revenue as authorized under these provisions.

Existing law requires the State Department of Social Services to contract with an appropriate and qualified entity to conduct an evaluation of the adequacy of the child welfare services budgeting methodology and make recommendations for revising the budgeting methodology.

This bill would require the department, on an annual basis, at the time of budget hearings, to provide information to the budget committees of the Legislature comparing the Governor's proposed statewide budget for the child welfare services program to the caseload standards recommended by the evaluation required under these provisions.

Existing law provides for the CalWORKs program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals. Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

Existing law, with certain exemptions, requires a prescribed sequence of employment-related activities by participants in the CalWORKs program, including job search, assessment, work, and community services activities. Existing law establishes requirements for participation in core welfare-to-work activities.

This bill would revise the standards applicable to activities that count toward satisfying core activity requirements, thereby imposing a state-mandated local program.

By enabling certain individuals to remain eligible to receive benefits under the CalWORKs program under additional circumstances, this bill would result in an appropriation.

Under existing law, cash assistance under the CalWORKs program is provided by each county through a combination of county, state, and federal funds. State funds are continuously appropriated to pay for a share of CalWORKs program aid grant costs.

Under existing law, with specified exceptions, an annual cost-of-living adjustment is required to be provided in maximum aid payment amounts prescribed under the CalWORKs program.

This bill would provide that no adjustment to the maximum aid payment shall be made under this provision for the purpose of increasing benefits under CalWORKs for the 2005-06 and 2006-07 fiscal years.

Existing law, pursuant to the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, requires that foster care providers licensed as group homes have rates established by classifying each group home program and applying the standardized schedule of rates. Existing law establishes a standardized schedule of rates for the 2002-03, 2003-04, and 2004-05 fiscal years.

This bill would extend the standardized schedule of rates to the 2005-06 fiscal year.

Existing law requires the State Department of Social Services to ensure that a comprehensive, independent statewide evaluation of the CalWORKs

program is undertaken and that accurate evaluative information is made available to the Legislature in a timely fashion.

This bill would require the department, in conjunction with representatives of counties and the Legislature, to develop approaches to improving data collection and management information reporting in the CalWORKs program.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement supplemental security income (SSI) payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under the SSP program are calculated by establishing the maximum level of nonexempt income and federal (SSI) and state (SSP) benefits for each category of eligible recipient. The state SSP payment is the amount, when added to the nonexempt income and SSI benefits available to the recipient, that would be required to provide the maximum benefit payment.

Existing state law provides, except in certain calendar years, for the annual adjustment of the total level of combined state and federal benefits as established by statutory schedule to reflect changes in the cost of living, as defined.

Existing law provides that, for the 2004 calendar year, no cost-of-living adjustment shall be made to the state portion of SSI/SSP benefits.

This bill would provide that, for the 2006 and 2007 calendar years, no cost-of-living adjustment shall be made to the state portion of SSI/SSP benefits.

Existing law has provided that, with respect to certain calendar years, there shall be no cost-of-living adjustment to the payment schedules, but that with respect to those calendar years, there shall be a pass along of the increase in federal SSI benefits. Existing law provides that, commencing with the 2004 calendar year and thereafter, in any calendar year in which no cost-of-living adjustment is made to the payment schedules, there shall be a pass along of any cost-of-living increases in federal SSI benefits.

This bill would provide, with certain exceptions, that for the 2006 calendar year, the federal pass along shall not become effective until April 1, 2006, and for the 2007 calendar year, the federal pass along shall not become effective until April 1, 2007.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization.

Existing law establishes the federal Medicaid Program, which is administered by each state. California's version of this program is the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits.

Existing law provides for the payment of a supplementary benefit under the IHSS program to any eligible aged, blind, or disabled person who is receiving Medi-Cal personal care services and who would otherwise be deemed a categorically needy recipient under the IHSS program.

This bill would extend application of this provision to any aged, blind, or disabled person who is receiving Medi-Cal benefits and eligible for services under a federal waiver program known as the IHSS Plus waiver, and who would otherwise be deemed a categorically needy recipient under the IHSS program.

Existing law declares the intent of the Legislature to appropriate funds in a single allocation to counties for the support of county administration activities to provide benefit payments under the CalWORKs program. Existing law requires the State Department of Social Services to estimate the amount of unspent funds appropriated in the 2003-04 fiscal year in the CalWORKs single allocation and provides for the reappropriation of the unspent amount, not to exceed $40,000,000 to be provided to the counties in a planning allocation. Existing law requires the department, in consultation with the County Welfare Directors Association, to develop an allocation methodology for purposes of these provisions.

This bill would require the State Department of Social Services, no later than 30 days after the enactment of the Budget Act of 2005, to estimate the amount of unspent funds in the CalWORKs single allocation. The bill would require the unspent amount, not to exceed $50,000,000, to be reappropriated to, and in augmentation of, a specified item in the annual Budget Act, and provided to the counties in a planning allocation no later than 30 days after the enactment of the Budget Act of 2004. The bill would require the department, in consultation with the County Welfare Directors Association, to develop an allocation methodology for purposes of these provisions. The bill would require the department to work with the County Welfare Directors Association to develop an estimate for the cost of eligibility activities and the impact of quarterly reporting/prospective budgeting on county workload.

This bill would establish a Pay for Performance Program to provide additional funding for counties that meet specified standards in implementing welfare-to-work programs under the CalWORKs program that would apply to the 2006-07, 2007-08, and 2008-09 fiscal years and would be contingent upon a Budget Act appropriation.

Existing law requires the state, through the State Department of Social Services and county welfare departments, to establish and support a public system of statewide child welfare services.

Existing federal law, the Indian Child Welfare Act, governs the proceedings for determining the placement of an Indian child when that child is removed from the custody of his or her parent or guardian.

This bill would require the department to establish one full-time position, within the office of the director, to assist counties in complying with the provisions of the Indian Child Welfare Act and related state laws, regulations, and rules of court.

Existing law requires the department to implement a single statewide Child Welfare Services Case Management System in order to protect children and effectively administer and evaluate California's Child Welfare Services and foster care programs.

This bill would require the department, on or before December 1, 2005, to develop, and provide to the Chairperson of the Joint Legislative Budget Committee, a Child Welfare Services/Case Management System system performance commitments plan. The bill would require the department to develop the plan in conjunction with the Office of System Integration, Department of Technology Services, and County Welfare Directors Association.

Existing law provides for payment for out-of-home care for seriously emotionally disturbed children who have been placed in out-of-home care as part of the child's individualized education plan. Existing law also provides for the reimbursement of local agencies for state-mandated local programs.

This bill would preclude a county from claiming reimbursement under the state-mandated local program provisions for costs paid for under the 24-hour out-of-home care reimbursement provisions.

Existing law provides for the federal Food Stamp Program, under which each county distributes food stamps provided by the federal government to eligible households. Existing federal regulations limit participation in the Food Stamp Program for certain participants to 3 months during any 3-year period, unless a designated exemption, waiver, or other exception applies.

This bill would require the State Department of Social Services to seek a waiver from this limitation on participation in the Food Stamp Program. The bill would authorize any county to decline to participate in this waiver upon submitting documentation from its board of supervisors to that effect.

Because counties administer the Food Stamp Program, this bill would increase county duties by potentially extending the period of eligibility for certain recipients, and would thereby impose a state-mandated local program.

Existing law, the Substance Abuse and Crime Prevention Act of 2000 (Proposition 36), an initiative measure approved by the electorate, November 7, 2000, requires parolees and persons convicted of nonviolent drug possession offenses to participate in and complete an appropriate drug treatment program as a condition of receiving probation, under certain circumstances.

The bill would require the State Department of Alcohol and Drug Programs to conduct and submit to the Legislature a study of the effectiveness of the act, including a benefit-cost analysis, by April 1, 2006, and would require the Employment Development Department to provide to the State Department of Alcohol and Drug Programs, by January 1, 2006, any information requested by the State Department of Alcohol and Drug Programs necessary for the completion of the benefit-cost analysis.

This bill would require the State Department of Social Services to provide, by September 30, 2005, information to the chairpersons of designated legislative committees on the distribution and programmatic impact of the unallocated reduction included in the Budget Act of 2005.

The bill would require the California Health and Human Services Agency to periodically brief stakeholders in the 2005 and 2006 calendar years to review options to streamline and standardize criminal background check requirements and processing.

The bill would require the State Department of Health Services to periodically brief stakeholders in the 2005 and 2006 calendar years to discuss the community care licensing visit process and consider implementation of the substitute child care employee registry program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

Appropriation: yes.

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

SECTION 1. Section 8227 is added to the Education Code, to read:

8227. (a) To the extent that funding is made available for this purpose through the annual Budget Act, the alternative payment agency in each county shall design, maintain, and administer a system to consolidate local child care waiting lists so as to establish a countywide centralized eligibility list. In those counties with more than one alternative payment agency, the agency that also administers the resource and referral program shall have the responsibility of developing, maintaining, and administering the countywide centralized eligibility list. In those counties with more than one alternative payment agency and more than one resource and referral program, the State Department of Education shall establish a process to select the agency to develop, maintain, and administer the countywide centralized eligibility list.

(b) Notwithstanding subdivision (a), in those counties in which a countywide centralized eligibility list exists, as of the date that the act adding this section is enacted, the entity administering that list may receive funding, instead of the entity specified under subdivision (a).

(c) Each centralized eligibility list shall include all of the following:

(1) Family characteristics, including ZIP Code of residence, ZIP Code of employment, monthly income, and size.

(2) Child characteristics, including birth date and whether the child has special needs.

(3) Service characteristics, including reason for need, whether full-time or part-time service is requested, and whether after hours or weekend care is requested.

(d) Information collected for the centralized eligibility list shall be reported to the Superintendent of Public Instruction on an annual basis on the date and in the manner determined by the State Department of Education.

(e) (1) To be eligible to enter into an agreement with the department to provide subsidized child care, a contractor shall participate in and use the centralized eligibility list.

(2) A contractor with a campus child care and development program operating pursuant to Section 66060, migrant child care and development program operating on a seasonal basis pursuant to Section 8230, or program serving severely handicapped children pursuant to subdivision (d) of Section 8250 and who has a local site waiting list shall submit eligibility list information to the centralized eligibility list administrator for any parent seeking subsidized child care for whom these programs are not able to provide child care and development services. A child care and development contractor or program described in this paragraph may utilize any waiting lists developed at its local site to fill vacancies for its specific population. Families enrolled from a local site waiting list shall be enrolled pursuant to Section 8263.

SEC. 2. Section 8263.4 of the Education Code is amended to read:

8263.4. (a) The preferred placement for children who are 11 or 12 years of age and who are otherwise eligible for subsidized child care services shall be in a before or after school program.

(b) Children who are 11 or 12 years of age shall be eligible for subsidized child care services only for the portion of care needed that is not available in a before or after school program provided pursuant to Article 22.5 (commencing with Section 8482) of Chapter 2 or Article 22.6 (commencing with Section 8484.7) of Chapter 2. Contractors shall provide each family of an eligible 11 or 12 year old with the option of combining care provided in a before or after school program with subsidized child care in another setting, for those hours within a day when the before or after school program does not operate, in order to meet the child care needs of the family.

(c) Children who are 11 or 12 years of age, who are eligible for and who are receiving subsidized child care services, and for whom a before or after school program is not available, shall continue to receive subsidized child care services.

(d) A before or after school program shall be considered not available when a parent certifies in writing, on a form provided by the State Department of Education that is translated into the parent's primary language pursuant to Sections 7295.4 and 7296.2 of the Government Code, the reason or reasons why the program would not meet the child care

needs of the family. The reasons why a before or after school program shall be considered not available shall include, but not be limited to, any of the following:

(1) The program does not provide services when needed during the year, such as during the summer, school breaks, or intersession.

(2) The program does not provide services when needed during the day, such as in the early morning, evening, or weekend hours.

(3) The program is too geographically distant from the child's school of attendance.

(4) The program is too geographically distant from the parent's residence.

(5) Use of the program would create substantial transportation obstacles for the family.

(6) Any other reason that makes the use of before or after school care inappropriate for the child or burdensome on the family.

(e) If an 11 or 12 year old child who is enrolled in a subsidized child development program becomes ineligible for subsidized child care under subdivision (b) and is disenrolled from the before or after school program, or if the before or after school program no longer meets the child care needs of the family, the child shall be given priority to return to the subsidized child care services upon the parent's notification of the contractor of the need for child care.

(f) This section does not apply to an 11 or 12 year old child with a disability, including a child with exceptional needs who has an individual education plan as required by the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of this code.

(g) The savings generated each contract year by the implementation of the changes made to this section by the act amending this section during the 2005 portion of the 2005-06 Regular Session shall remain with each alternative payment program, child development center, or other contractor for the provision of child care services, except for care provided by programs pursuant to Article 15.5 (commencing with Section 8350). Each contractor shall report annually to the department the amount of savings resulting from this implementation, and the department shall report annually to the Legislature the amount of savings statewide resulting from that implementation.

SEC. 3. Section 64 of Chapter 229 of the Statutes of 2004 is amended to read:

Sec. 64. It is the intent of the Legislature to address the issue of child care in and out of market rate differentiation in the statutory process. Therefore, Sections 18074.3 and 18074.4 of Title 5 of the California Code of Regulations, as filed with the Office of Administrative Law by the State Department of Education, and any contractual or regulatory provisions related to those two sections, shall not become effective until July 1, 2006.

SEC. 6. Section 17311 of the Family Code is amended to read:

17311. (a) The Child Support Payment Trust Fund is hereby created in the State Treasury. The department shall administer the fund.

(b) (1) The state may deposit child support payments received by the State Disbursement Unit, including those amounts that result in overpayment of child support, into the Child Support Payment Trust Fund, for the purpose of processing and providing child support payments. Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated for the purposes of disbursing child support payments from the State Disbursement Unit.

(2) The state share of the interest and other earnings that accrue on the fund shall be available to the department and used to offset the following General Fund costs in this order:

(A) Any transfers made to the Child Support Payment Trust Fund from the General Fund.

(B) The cost of administering the State Disbursement Unit, subject to appropriation by the Legislature.

(C) Other child support program activities, subject to appropriation by the Legislature.

(c) The department may establish and administer a revolving account in the Child Support Payment Trust Fund in an amount not to exceed six hundred million dollars ($600,000,000) to ensure the timely disbursement of child support. This amount may be adjusted by the Director of Finance upon notification of the Legislature as required, to meet payment timeframes required under federal law.

(d) It is the intent of the Legislature to provide transfers from the General Fund to provide startup funds for the Child Support Payment Trust Fund so that, together with the balances transferred pursuant to Section 17311.7, the Child Support Payment Trust Fund will have sufficient cash on hand to make all child support payments within the required timeframes.

(e) Notwithstanding any other provision of law, an ongoing loan shall be made available from the General Fund, from funds not otherwise appropriated, to the Child Support Payment Trust Fund, not to exceed one hundred fifty million dollars ($150,000,000) to ensure the timely disbursement of child support payments when funds have not been recorded to the Child Support Payment Trust Fund or due to other fund liabilities, including, but not limited to, Internal Revenue Service negative adjustments to tax intercept payments. Whenever an adjustment of this amount is required to meet payment timeframes under federal law, the amount shall be adjusted after approval of the Director of Finance. In conjunction with the Department of Finance and the Controller’s office, the department shall establish repayment procedures to ensure the outstanding loan balance does not exceed the average daily cash needs. The ongoing evaluation of the fund as detailed in these procedures shall occur no less frequently than monthly.

SEC. 7. Section 11798 is added to the Government Code, to read:

11798. (a) There is hereby established in the State Treasury, the Office of Systems Integration Fund. The moneys in the fund shall be available upon appropriation by the Legislature for expenditure by the Office of Systems Integration, established pursuant to Section 12803.3, for support of that office.

(b) The fund shall consist of all of the following:

(1) All moneys appropriated to the fund in accordance with law.

(2) The balance of all moneys available for expenditure by the Systems Integration Division of the California Health and Human Services Agency Data Center.

(3) The amount of funding transferred from the California Health and Human Services Agency Data Center Revolving Fund and the Department of Technology Services Revolving Fund to this fund shall be determined by the Department of Finance.

(4) Funds appropriated to the State Department of Social Services in the annual Budget Act for the management, including as needed, procurement, design, development, testing, implementation, oversight, and maintenance, of the following projects shall be transferred to this fund upon order of the Department of Finance:

(A) Statewide Automated Welfare System (SAWS).

(B) Child Welfare Services/Case Management System (CWS/CMS).

(C) Electronic Benefit Transfer (EBT).

(D) Statewide Fingerprinting Imaging System (SFIS).

(E) Case Management Information Payrolling System (CMIPS) Reprocurement.

(c) (1) Funds appropriated to the Employment Development Department in the annual Budget Act for the management, including procurement, design, development, testing, implementation, oversight, and maintenance, of the Unemployment Insurance Modernization project shall be transferred to the fund upon order of the Department of Finance.

(2) On or before full expenditure of federal Reed Act funds, the Department of Finance and the Employment Development Department shall determine the appropriate timeframe to transfer the project management and the associated resources for the Unemployment Insurance Modernization Project to the Employment Development Department.

SEC. 8. Section 12803.3 is added to the Government Code, to read:

12803.3. (a) For purposes of this section, the following definitions shall apply:

(1) “Director” means the Director of the Office of Systems Integration.

(2) “Office” means the Office of Systems Integration.

(3) “Services” means all functions, responsibilities, and services deemed to be functions, responsibilities, and services of the Systems Integration Division, also known as Systems Management Services, of the California Health and Human Services Agency Data Center, as determined by the Secretary of California Health and Human Services.

(b) (1) The Systems Integration Division of the California Health and Human Services Agency Data Center is hereby transferred to the California Health and Human Services Agency and shall be known as the Office of Systems Integration. The Office of Systems Integration shall be the successor to, and is vested with, all of the duties, powers, purposes, responsibilities, and jurisdiction of the Systems Integration Division of the California Health and Human Services Agency Data Center.

(2) Notwithstanding any other law, all services of the Systems Integration Division of the California Health and Human Services Agency Data Center shall become the services of the Office of Systems Integration.

(c) The office shall be under the supervision of a director, known as the Director of the Office of Systems Integration, who shall be appointed by, and serve at the pleasure of, the Secretary of California Health and Human Services.

(d) No contract, lease, license, or any other agreement to which the California Health and Human Services Data Center is a party on the date of the transfer as described in paragraph (1) of subdivision (b) shall be void or voidable by reason of this section, but shall continue in full force and effect. The office shall assume from the California Health and Human Services Data Center all of the rights, obligations, and duties of the Systems Integration Division. This assumption of rights, obligations, and duties shall not affect the rights of the parties to the contract, lease, license, or agreement.

(e) All books, documents, records, and property of the Systems Integration Division shall be in the possession and under the control of the office.

(f) All officers and employees of the Systems Integration Division shall be designated as officers and employees of the agency. The status, position, and rights of any officer or employee shall not be affected by this designation and all officers and employees shall be retained by the agency pursuant to the applicable provisions of the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5), except as to any position that is exempt from civil service.

(g) (1) All contracts, leases, licenses, or any other agreements to which the California Health and Human Services Data Center is a party regarding any of the following are hereby assigned from the California Health and Human Services Data Center to the office:

(A) Statewide Automated Welfare System (SAWS).

(B) Child Welfare Services/Case Management System (CWS/CMS).

(C) Electronic Benefit Transfer (EBT).

(D) Statewide Fingerprinting Imaging System (SFIS).

(E) Case Management Information Payrolling System (CMIPS).

(F) Employment Development Department Unemployment Insurance Modernization (UIMOD) Project.

(2) All other contracts, leases, or agreements necessary or related to the operation of the Systems Integration Division of the California Health and

Human Services Data Center are hereby assigned from the California Health and Human Services Data Center to the office.

(h) It is the intent of the Legislature that the transfer of the Systems Integration Division of the California Health and Human Services Agency Data Center pursuant to this section shall be retroactive to the passage and enactment of the Budget Act of 2005 and that existing employees of the Systems Integration Division of the California Health and Human Services Agency Data Center and the newly established Office of Systems Integration shall not be negatively impacted by the reorganization and transfer conducted pursuant to this section.

(i) It is the intent of the Legislature to review fully implemented information technology projects managed by the office to assess the viability of placing the management responsibility for those projects in the respective program department.

(j) On or before April 1, 2006, the Department of Finance shall report to the Chairperson of the Joint Legislative Budget Committee the date that the administration shall conduct an assessment for each of the projects managed by the office. The California Health and Human Services Agency, the California Health and Human Services Agency Data Center, or its successor, the State Department of Social Services, and the office shall provide to the Department of Finance all information and analysis the Department of Finance deems necessary to conduct the assessment required by this section. Each assessment shall consider the costs, benefits, and any associated risks of maintaining the project management responsibility in the office and of moving the project management responsibility to its respective program department.

(k) The California Health and Human Services Agency shall not place or transfer information technology projects in the office, without further legislation authorizing these activities.

SEC. 9. Section 1522 of the Health and Safety Code is amended to read:

1522. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a community care facility, foster family home, or a certified family home of a licensed foster family agency. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) (1) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the State Department of Social Services shall secure from an appropriate law

enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, of the Penal Code, subdivision (b) of Section 273a of the Penal Code, or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003-04, 2004-05, and 2005-06 fiscal years, neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license or special permit to operate a facility providing nonmedical board, room, and care for six or less children or for obtaining a criminal record of the applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (g).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by this subdivision. If an applicant and all other persons described in subdivision (b) meet all of the conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant or any of the persons described in subdivision (b), the department may issue a license if the applicant and each person described in subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in

paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or any other person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a client, residing in the facility.

(C) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the community care facility. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed community care facility pursuant to Section 1558.

(D) Any staff person, volunteer, or employee who has contact with the clients.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(F) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(2) The following persons are exempt from the requirements applicable under paragraph (1):

(A) A medical professional as defined in department regulations who holds a valid license or certification from the person's governing California medical care regulatory entity and who is not employed, retained, or contracted by the licensee if all of the following apply:

(i) The criminal record of the person has been cleared as a condition of licensure or certification by the person's governing California medical care regulatory entity.

(ii) The person is providing time-limited specialized clinical care or services.

(iii) The person is providing care or services within the person's scope of practice.

(iv) The person is not a community care facility licensee or an employee of the facility.

(B) A third-party repair person or similar retained contractor if all of the following apply:

(i) The person is hired for a defined, time-limited job.

(ii) The person is not left alone with clients.

(iii) When clients are present in the room in which the repairperson or contractor is working, a staff person who has a criminal record clearance or exemption is also present.

(C) Employees of a licensed home health agency and other members of licensed hospice interdisciplinary teams who have a contract with a client or resident of the facility and are in the facility at the request of that client or resident's legal decisionmaker. The exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(D) Clergy and other spiritual caregivers who are performing services in common areas of the community care facility or who are advising an individual client at the request of, or with the permission of, the client or legal decisionmaker, are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care licensee or employee of the facility.

(E) Members of fraternal, service, or similar organizations who conduct group activities for clients if all of the following apply:

(i) Members are not left alone with clients.

(ii) Members do not transport clients off the facility premises.

(iii) The same organization does not conduct group activities for clients more often than defined by the department's regulations.

(3) In addition to the exemptions in paragraph (2), the following persons in foster family homes, certified family homes, and small family homes are exempt from the requirements applicable under paragraph (1):

(A) Adult friends and family of the licensee who come into the home to visit for a length of time no longer than defined by the department in regulations, provided that the adult friends and family of the licensee are not left alone with the foster children.

(B) Parents of a foster child's friends when the foster child is visiting the friend's home and the friend, foster parent, or both are also present.

(4) In addition to the exemptions specified in paragraph (2), the following persons in adult day care and adult day support centers are exempt from the requirements applicable under paragraph (1):

(A) Unless contraindicated by the client's individualized program plan (IPP) or needs and service plan, a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to the client.

(B) A volunteer if all of the following applies:

(i) The volunteer is supervised by the licensee or a facility employee with a criminal record clearance or exemption.

(ii) The volunteer is never left alone with clients.

(iii) The volunteer does not provide any client assistance with dressing, grooming, bathing, or personal hygiene other than washing of hands.

(5) (A) In addition to the exemptions specified in paragraph (2), the following persons in adult residential and social rehabilitation facilities, unless contraindicated by the client's individualized program plan (IPP) or needs and services plan, are exempt from the requirements applicable under paragraph (1): a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to that client.

(B) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individual exempt from the requirements of this section, provided that the individual has client contact.

(6) Any person similar to those described in this subdivision, as defined by the department in regulations.

(c) (1) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a community care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the community care facility. These fingerprints shall be on a card provided by the State Department of Social Services or sent by electronic transmission in a manner approved by the State Department of Social Services and the Department of Justice for the purpose of obtaining a permanent set of fingerprints, and shall be submitted to the Department of Justice by the licensee. A licensee's failure to submit fingerprints to the Department of Justice or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency and the immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing. Upon request of the licensee, who shall enclose a

self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(2) Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in subdivision (a). If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. Documentation of the individual's clearance or exemption shall be maintained by the licensee and be available for inspection. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the State Department of Social Services, as required by that section, and shall also notify the licensee by mail, within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal history recorded. A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548.

(3) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the State Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of, or is awaiting trial for, a sex offense against a minor, or has been convicted for an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The State Department of Social Services may subsequently grant an exemption pursuant to subdivision (g). If the conviction or arrest was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility; or (2) seek an exemption pursuant to subdivision (g). The State Department of Social Services shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is

rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall be grounds for disciplining the licensee pursuant to Section 1550.

(4) The department may issue an exemption on its own motion pursuant to subdivision (g) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (g). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) Before issuing a license, special permit, or certificate of approval to any person or persons to operate or manage a foster family home or certified family home as described in Section 1506, the State Department of Social Services or other approving authority shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons.

(3) Neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license, special permit, or certificate of approval described in this subdivision. The record, if any, shall be taken into consideration when evaluating a prospective applicant.

(4) The following shall apply to the criminal record information:

(A) If the applicant or other persons specified in subdivision (b) have convictions that would make the applicant's home unfit as a foster family home or a certified family home, the license, special permit, or certificate of approval shall be denied.

(B) If the State Department of Social Services finds that the applicant, or any person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services or other approving authority may cease processing the application until the conclusion of the trial.

(C) For the purposes of this subdivision, a criminal record clearance provided under Section 8712 of the Family Code may be used by the department or other approving agency.

(D) An applicant for a foster family home license or for certification as a family home, and any other person specified in subdivision (b), shall submit a set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and all persons described in subdivision (b), the department may issue a license, or the foster family agency may issue a certificate of approval, if the applicant, and each person described in subdivision (b), has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure or certification, the department determines that the licensee, certified foster parent, or any person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550 and the certificate of approval revoked pursuant to subdivision (b) of Section 1534. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(5) Any person specified in this subdivision shall, as a part of the application, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions or arrests for any crime against a child, spousal or cohabitant abuse or, any crime for which the department cannot grant an exemption if the person was convicted and shall submit these fingerprints to the licensing agency or other approving authority.

(6) (A) The foster family agency shall obtain fingerprints from certified home applicants and from persons specified in subdivision (b) and shall submit them directly to the Department of Justice or send them by electronic transmission in a manner approved by the State Department of Social Services. A foster family home licensee or foster family agency shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation or to comply with paragraph (1) of subdivision (b) prior to the person's employment, residence, or initial presence. A foster family agency's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, shall result in a citation of a deficiency, and the immediate civil penalties of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. A violation of the regulation

adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the foster family agency pursuant to Section 1550. A licensee's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, may result in the citation of a deficiency and immediate civil penalties of one hundred dollars ($100) per violation. A licensee's violation of regulations adopted pursuant to Section 1522.04 may result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation. The State Department of Social Services may assess penalties for continued violations, as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing.

(B) Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the Department of Justice shall verify receipt of the fingerprints. Within five working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall notify the applicant of any criminal arrests or convictions. If no arrests or convictions are recorded, the Department of Justice shall provide the foster family home licensee or the foster family agency with a statement of that fact concurrent with providing the information to the State Department of Social Services.

(7) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(8) If the State Department of Social Services finds after licensure or the granting of the certificate of approval that the licensee, certified foster parent, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license or certificate of approval may be revoked by the department or the foster family agency, whichever is applicable, unless the director grants an exemption pursuant to subdivision (g). A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by paragraph (3) of subdivision (c) shall be grounds for disciplining the licensee pursuant to Section 1550.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any

arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the State Department of Social Services is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(g) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for a license, special permit, or certificate of approval as specified in paragraphs (4) and (5) of subdivision (d), or for employment, residence, or presence in a community care facility as specified in paragraphs (3), (4), and (5) of subdivision (c), if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). Except as otherwise provided in this subdivision, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) (i) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(ii) Notwithstanding clause (i), the director may grant an exemption regarding the conviction for an offense described in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, if the employee or prospective employee has been rehabilitated as provided in Section 4852.03 of the Penal Code, has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years, and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1558.

(h) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the State Department of Social Services, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the State Department of Social Services shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department delegated licensing authority:

(A) A county office with department delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department delegated licensing authority.

(C) A county office with department delegated licensing authority may accept a clearance or exemption from any other county office with department delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual

whose criminal record clearance was originally processed by the department or a county office with department delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department delegated licensing authority to receive the notice only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) The full criminal record obtained for purposes of this section may be used by the department or by a licensed adoption agency as a clearance required for adoption purposes.

(j) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1558, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(k) (1) The Department of Justice shall coordinate with the State Department of Social Services to establish and implement an automated live-scan processing system for fingerprints in the district offices of the Community Care Licensing Division of the State Department of Social Services by July 1, 1999. These live-scan processing units shall be connected to the main system at the Department of Justice by July 1, 1999, and shall become part of that department's pilot project in accordance with its long-range plan. The State Department of Social Services may charge a fee for the costs of processing a set of live-scan fingerprints.

(2) The Department of Justice shall provide a report to the Senate and Assembly fiscal committees, the Assembly Human Services Committee, and to the Senate Health and Human Services Committee by April 15, 1999, regarding the completion of backlogged criminal record clearance

requests for all facilities licensed by the State Department of Social Services and the progress on implementing the automated live-scan processing system in the two district offices pursuant to paragraph (1).

(*l*) Amendments to this section made in the 1999 portion of the 1999-2000 Regular Session shall be implemented commencing 60 days after the effective date of the act amending this section in the 1999 portion of the 1999-2000 Regular Session, except that those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation shall be implemented 90 days after the effective date of that act.

SEC. 10. Section 1596.871 of the Health and Safety Code is amended to read:

1596.871. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a child care center or family child care home. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as defined in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with child day care facility clients may pose a risk to the children's health and safety.

(a) (1) Before issuing a license or special permit to any person to operate or manage a day care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003-04, 2004-05, and 2005-06 fiscal years, neither the Department of Justice nor the department may charge a fee for the fingerprinting of an applicant who will serve six or fewer children or any family day care applicant for a license, or for obtaining a criminal record of an applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice, for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1596.885. The department may also suspend the license pending an administrative hearing pursuant to Section 1596.886.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a child, residing in the facility.

(C) Any person who provides care and supervision to the children.

(D) Any staff person, volunteer, or employee who has contact with the children.

(i) A volunteer providing time-limited specialized services shall be exempt from the requirements of this subdivision if this person is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the volunteer spends no more than 16 hours per week at the facility, and the volunteer is not left alone with children in care.

(ii) A student enrolled or participating at an accredited educational institution shall be exempt from the requirements of this subdivision if the student is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the facility has an agreement with the educational institution concerning the placement of the student, the

student spends no more than 16 hours per week at the facility, and the student is not left alone with children in care.

(iii) A volunteer who is a relative, legal guardian, or foster parent of a client in the facility shall be exempt from the requirements of this subdivision.

(iv) A contracted repair person retained by the facility, if not left alone with children in care, shall be exempt from the requirements of this subdivision.

(v) Any person similar to those described in this subdivision, as defined by the department in regulations.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer, other person serving in like capacity, or a person designated by the chief executive officer as responsible for the operation of the facility, as designated by the applicant agency.

(F) If the applicant is a local educational agency, the president of the governing board, the school district superintendent, or a person designated to administer the operation of the facility, as designated by the local educational agency.

(G) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(H) This section does not apply to employees of child care and development programs under contract with the State Department of Education who have completed a criminal records clearance as part of an application to the Commission on Teacher Credentialing, and who possess a current credential or permit issued by the commission, including employees of child care and development programs that serve both children subsidized under, and children not subsidized under, a State Department of Education contract. The Commission on Teacher Credentialing shall notify the department upon revocation of a current credential or permit issued to an employee of a child care and development program under contract with the State Department of Education.

(I) This section does not apply to employees of a child care and development program operated by a school district, county office of education, or community college district under contract with the State Department of Education who have completed a criminal record clearance as a condition of employment. The school district, county office of education, or community college district upon receiving information that the status of an employee's criminal record clearance has changed shall submit that information to the department.

(2) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individuals exempt from the requirements under this subdivision.

(c) (1) (A) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition

to employment, residence, or presence in a child day care facility be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal conviction. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the child day care facility.

(B) These fingerprints shall be on a card provided by the State Department of Social Services for the purpose of obtaining a permanent set of fingerprints and submitted to the Department of Justice by the licensee or sent by electronic transmission in a manner approved by the State Department of Social Services. A licensee's failure to submit fingerprints to the Department of Justice, or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency, and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The State Department of Social Services may assess civil penalties for continued violations permitted by Sections 1596.99 and 1597.62. The fingerprints shall then be submitted to the State Department of Social Services for processing. Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible.

(C) Documentation of the individual's clearance or exemption shall be maintained by the licensee, and shall be available for inspection. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal record. Any violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or

Section 1596.886. The department may assess civil penalties for continued violations, as permitted by Sections 1596.99 and 1597.62.

(2) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the department, on the basis of fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility. The department may subsequently grant an exemption pursuant to subdivision (f). If the conviction was for another crime except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility; or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or 1596.886.

(3) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(4) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has

been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a child day care facility as specified in paragraphs (3), (4), and (5) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character so as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347,

subdivision (b) of Section 417, or subdivision (a) or (b) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1596.8897.

(g) Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(h) (1) For the purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearances to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department delegated licensing authority:

(A) A county office with department delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department delegated licensing authority.

(C) A county office with department delegated licensing authority may accept a clearance or exemption from any other county office with department delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department delegated licensing authority to receive the notice, only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) Amendments to this section made in the 1998 calendar year shall be implemented commencing 60 days after the effective date of the act amending this section in the 1998 calendar year, except those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation, which shall be implemented commencing January 1, 1999.

SEC. 11. Section 11970.2 is added to the Health and Safety Code, to read:

11970.2. (a) It is the intent of the Legislature that dependency drug courts be funded unless an evaluation of cost avoidance as provided in this section with respect to child welfare services and foster care demonstrates that the program is not cost-effective.

(b) The State Department of Social Services, in collaboration with the State Department of Alcohol and Drug Programs and the Judicial Council, shall conduct an evaluation of cost avoidance with respect to child welfare services and foster care pursuant to this section. These parties shall do all of the following:

(1) Consult with legislative staff and at least one representative of an existing dependency drug court program who has experience conducting an evaluation of cost avoidance, to clarify the elements to be reviewed.

(2) Identify requirements, such as specific measures of cost savings and data to be evaluated, and methodology for use of control cases for comparison data.

(3) Whenever possible, use existing evaluation case samples to gather the necessary additional data.

(c) The State Department of Social Services, along with the State Department of Alcohol and Drug Programs and Judicial Council, shall provide a report to the Legislature on the outcomes of dependency drug court programs and the amount of savings realized in foster care out-of-home placement and child welfare services during budget hearings for the 2006-07 budget.

SEC. 12. Section 11970.4 of the Health and Safety Code is amended to read:

11970.4. This article shall remain operative only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 12.1. Section 128200 of the Health and Safety Code is amended to read:

128200. (a) This article shall be known and may be cited as the Song-Brown Family Physician Training Act.

(b) The Legislature hereby finds and declares that physicians engaged in family practice are in very short supply in California. The current emphasis placed on specialization in medical education has resulted in a shortage of physicians trained to provide comprehensive primary health care to families. The Legislature hereby declares that it regards the furtherance of a greater supply of competent family physicians to be a public purpose of great importance and further declares the establishment of the program pursuant to this article to be a desirable, necessary and economical method of increasing the number of family physicians to provide needed medical services to the people of California. The Legislature further declares that it is to the benefit of the state to assist in increasing the number of competent family physicians graduated by colleges and universities of this state to provide primary health care services to families within the state.

The Legislature finds that the shortage of family physicians can be improved by the placing of a higher priority by public and private medical schools, hospitals, and other health care delivery systems in this state, on the recruitment and improved training of medical students and residents to meet the need for family physicians. To help accomplish this goal, each medical school in California is encouraged to organize a strong family practice program or department. It is the intent of the Legislature that the programs or departments be headed by a physician who possesses specialty certification in the field of family practice, and has broad clinical experience in the field of family practice.

The Legislature further finds that encouraging the training of primary care physician’s assistants and primary care nurse practitioners will assist in making primary health care services more accessible to the citizenry, and will, in conjunction with the training of family physicians, lead to an improved health care delivery system in California.

Community hospitals in general and rural community hospitals in particular, as well as other health care delivery systems, are encouraged to develop family practice residencies in affiliation or association with accredited medical schools, to help meet the need for family physicians in geographical areas of the state with recognized family primary health care needs. Utilization of expanded resources beyond university-based teaching hospitals should be emphasized, including facilities in rural areas wherever possible.

The Legislature also finds and declares that nurses are in very short supply in California. The Legislature hereby declares that it regards the furtherance of a greater supply of nurses to be a public purpose of great importance and further declares the expansion of the program pursuant to this article to include nurses to be a desirable, necessary, and economical method of increasing the number of nurses to provide needed nursing services to the people of California.

It is the intent of the Legislature to provide for a program designed primarily to increase the number of students and residents receiving quality education and training in the specialty of family practice and as primary care physician's assistants, primary care nurse practitioners, and registered nurses and to maximize the delivery of primary care family physician services to specific areas of California where there is a recognized unmet priority need. This program is intended to be implemented through contracts with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, programs that train registered nurses, hospitals, and other health care delivery systems based on per-student or per-resident capitation formulas. It is further intended by the Legislature that the programs will be professionally and administratively accountable so that the maximum cost-effectiveness will be achieved in meeting the professional training standards and criteria set forth in this article and Article 2 (commencing with Section 128250).

SEC. 12.2. Section 128205 of the Health and Safety Code is amended to read:

128205. As used in this article, and Article 2 (commencing with Section 128250), the following terms mean:

(a) "Family physician" means a primary care physician who is prepared to and renders continued comprehensive and preventative health care services to families and who has received specialized training in an approved family practice residency for three years after graduation from an accredited medical school.

(b) "Associated" and "affiliated" mean that relationship that exists by virtue of a formal written agreement between a hospital or other health care delivery system and an approved medical school which pertains to the family practice training program for which state contract funds are sought. This definition shall include agreements that may be entered into subsequent to October 2, 1973, as well as those relevant agreements that are in existence prior to October 2, 1973.

(c) "Commission" means the California Healthcare Workforce Policy Commission.

(d) "Programs that train primary care physician's assistants" means a program that has been approved for the training of primary care physician assistants pursuant to Section 3513 of the Business and Professions Code.

(e) "Programs that train primary care nurse practitioners" means a program that is operated by a California school of medicine or nursing, or that is authorized by the Regents of the University of California or by the

Trustees of the California State University, or that is approved by the Board of Registered Nursing.

(f) "Programs that train registered nurses" means a program that is operated by a California school of nursing and approved by the Board of Registered Nursing, or that is authorized by the Regents of the University of California, the Trustees of the California State University, or the Board of Governors of the California Community Colleges, and that is approved by the Board of Registered Nursing.

SEC. 12.3. Section 128210 of the Health and Safety Code is amended to read:

128210. There is hereby created a state medical contract program with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, programs that train registered nurses, hospitals, and other health care delivery systems to increase the number of students and residents receiving quality education and training in the specialty of family practice or in nursing and to maximize the delivery of primary care family physician services to specific areas of California where there is a recognized unmet priority need for those services.

SEC. 12.4. Section 128215 of the Health and Safety Code is amended to read:

128215. There is hereby created a California Healthcare Workforce Policy Commission. The commission shall be composed of 15 members who shall serve at the pleasure of their appointing authorities:

(a) Nine members appointed by the Governor, as follows:

(1) One representative of the University of California medical schools, from a nominee or nominees submitted by the University of California.

(2) One representative of the private medical or osteopathic schools accredited in California from individuals nominated by each of these schools.

(3) One representative of practicing family physicians.

(4) One representative who is a practicing osteopathic physician or surgeon and who is board certified in either general or family practice.

(5) One representative of undergraduate medical students in a family practice program or residence in family practice training.

(6) One representative of trainees in a primary care physician's assistant program or a practicing physician's assistant.

(7) One representative of trainees in a primary care nurse practitioners program or a practicing nurse practitioner.

(8) One representative of the Office of Statewide Health Planning and Development, from nominees submitted by the office director.

(9) One representative of practicing registered nurses.

(b) Two consumer representatives of the public who are not elected or appointed public officials, one appointed by the Speaker of the Assembly and one appointed by the Chairperson of the Senate Committee on Rules.

(c) Two representatives of practicing registered nurses, one appointed by the Speaker of the Assembly and one appointed by the Chairperson of the Senate Committee on Rules.

(d) Two representatives of students in a registered nurse training program, one appointed by the Speaker of the Assembly and one appointed by the Chairperson of the Senate Committee on Rules.

(e) The Chief of the Health Professions Development Program in the Office of Statewide Health Planning and Development, or the chief's designee, shall serve as executive secretary for the commission.

SEC. 12.5. Section 128224 of the Health and Safety Code is amended to read:

128224. The commission shall identify specific areas of the state where unmet priority needs for dentists, physicians, and registered nurses exist.

SEC. 12.6. Section 128225 of the Health and Safety Code is amended to read:

128225. The commission shall do all of the following:

(a) Identify specific areas of the state where unmet priority needs for primary care family physicians and registered nurses exist.

(b) Establish standards for family practice training programs and family practice residency programs, postgraduate osteopathic medical programs in family practice, and primary care physician assistants programs and programs that train primary care nurse practitioners, including appropriate provisions to encourage family physicians, osteopathic family physicians, primary care physician's assistants, and primary care nurse practitioners who receive training in accordance with this article and Article 2 (commencing with Section 128250) to provide needed services in areas of unmet need within the state. Standards for family practice residency programs shall provide that all the residency programs contracted for pursuant to this article and Article 2 (commencing with Section 128250) shall both meet the Residency Review Committee on Family Practice's "Essentials" for Residency Training in Family Practice and be approved by the Residency Review Committee on Family Practice. Standards for postgraduate osteopathic medical programs in family practice, as approved by the American Osteopathic Association Committee on Postdoctoral Training for interns and residents, shall be established to meet the requirements of this subdivision in order to ensure that those programs are comparable to the other programs specified in this subdivision. Every program shall include a component of training designed for medically underserved multicultural communities, lower socioeconomic neighborhoods, or rural communities, and shall be organized to prepare program graduates for service in those neighborhoods and communities. Medical schools receiving funds under this article and Article 2 (commencing with Section 128250) shall have programs or departments that recognize family practice as a major independent specialty. Existence of a written agreement of affiliation or association between a hospital and an accredited medical school shall be regarded by the commission as a

favorable factor in considering recommendations to the director for allocation of funds appropriated to the state medical contract program established under this article and Article 2 (commencing with Section 128250).

For purposes of this subdivision, "family practice" includes the general practice of medicine by osteopathic physicians.

(c) Establish standards for registered nurse training programs. The commission may accept those standards established by the Board of Registered Nursing.

(d) Review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of family practice programs or departments and family practice residencies and programs for the training of primary care physician assistants and primary care nurse practitioners that are submitted to the Health Professions Development Program for participation in the contract program established by this article and Article 2 (commencing with Section 128250). If the commission determines that a program proposal that has been approved for funding or that is the recipient of funds under this article and Article 2 (commencing with Section 128250) does not meet the standards established by the commission, it shall submit to the Director of the Office of Statewide Health Planning and Development and the Legislature a report detailing its objections. The commission may request the Office of Statewide Health Planning and Development to make advance allocations for program development costs from amounts appropriated for the purposes of this article and Article 2 (commencing with Section 128250).

(e) Review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of registered nurse training programs that are submitted to the Health Professions Development Program for participation in the contract program established by this article. If the commission determines that a program proposal that has been approved for funding or that is the recipient of funds under this article does not meet the standards established by the commission, it shall submit to the Director of the Office of Statewide Health Planning and Development and the Legislature a report detailing its objections. The commission may request the Office of Statewide Health Planning and Development to make advance allocations for program development costs from amounts appropriated for the purposes of this article.

(f) Establish contract criteria and single per-student and per-resident capitation formulas that shall determine the amounts to be transferred to institutions receiving contracts for the training of family practice students and residents and primary care physician's assistants and primary care nurse practitioners and registered nurses pursuant to this article and Article 2 (commencing with Section 128250), except as otherwise provided in subdivision (d). Institutions applying for or in receipt of contracts pursuant to this article and Article 2 (commencing with Section 128250) may

appeal to the director for waiver of these single capitation formulas. The director may grant the waiver in exceptional cases upon a clear showing by the institution that a waiver is essential to the institution's ability to provide a program of a quality comparable to those provided by institutions that have not received waivers, taking into account the public interest in program cost-effectiveness. Recipients of funds appropriated by this article and Article 2 (commencing with Section 128250) shall, as a minimum, maintain the level of expenditure for family practice or primary care physician's assistant or family care nurse practitioner training that was provided by the recipients during the 1973–74 fiscal year. Recipients of funds appropriated for registered nurse training pursuant to this article shall, as a minimum, maintain the level of expenditure for registered nurse training that was provided by recipients during the 2004-05 fiscal year. Funds appropriated under this article and Article 2 (commencing with Section 128250) shall be used to develop new programs or to expand existing programs, and shall not replace funds supporting current family practice or registered nurse training programs. Institutions applying for or in receipt of contracts pursuant to this article and Article 2 (commencing with Section 128250) may appeal to the director for waiver of this maintenance of effort provision. The director may grant the waiver if he or she determines that there is reasonable and proper cause to grant the waiver.

(g) Review and make recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of special programs that may be funded on other than a capitation rate basis. These special programs may include the development and funding of the training of primary health care teams of family practice residents or family physicians and primary care physician assistants or primary care nurse practitioners or registered nurses, undergraduate medical education programs in family practice, and programs that link training programs and medically underserved communities in California that appear likely to result in the location and retention of training program graduates in those communities. These special programs also may include the development phase of new family practice residency, primary care physician assistant programs, primary care nurse practitioner programs, or registered nurse programs.

The commission shall establish standards and contract criteria for special programs recommended under this subdivision.

(h) Review and evaluate these programs regarding compliance with this article and Article 2 (commencing with Section 128250). One standard for evaluation shall be the number of recipients who, after completing the program, actually go on to serve in areas of unmet priority for primary care family physicians in California or registered nurses who go on to serve in areas of unmet priority for registered nurses.

(i) Review and make recommendations to the Director of the Office of Statewide Health Planning and Development on the awarding of funds for the purpose of making loan assumption payments for medical students

who contractually agree to enter a primary care specialty and practice primary care medicine for a minimum of three consecutive years following completion of a primary care residency training program pursuant to Article 2 (commencing with Section 128250).

SEC. 12.7. Section 128230 of the Health and Safety Code is amended to read:

128230. When making recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of family practice programs or departments, family practice residencies, and programs for the training of primary care physician assistants, primary care nurse practitioners, or registered nurses, the commission shall give priority to programs that have demonstrated success in the following areas:

(a) Actual placement of individuals in medically underserved areas.

(b) Success in attracting and admitting members of minority groups to the program.

(c) Success in attracting and admitting individuals who were former residents of medically underserved areas.

(d) Location of the program in a medically underserved area.

(e) The degree to which the program has agreed to accept individuals with an obligation to repay loans awarded pursuant to the Health Professions Education Fund.

SEC. 12.8. Section 128235 of the Health and Safety Code is amended to read:

128235. Pursuant to this article and Article 2 (commencing with Section 128250), the Director of the Office of Statewide Health Planning and Development shall do all of the following:

(a) Determine whether family practice, primary care physician assistant training program proposals, primary care nurse practitioner training program proposals, and registered nurse training program proposals submitted to the California Healthcare Workforce Policy Commission for participation in the state medical contract program established by this article and Article 2 (commencing with Section 128250) meet the standards established by the commission.

(b) Select and contract on behalf of the state with accredited medical schools, programs that train primary care physician assistants, programs that train primary care nurse practitioners, hospitals, and other health care delivery systems for the purpose of training undergraduate medical students and residents in the specialty of family practice. Contracts shall be awarded to those institutions that best demonstrate the ability to provide quality education and training and to retain students and residents in specific areas of California where there is a recognized unmet priority need for primary care family physicians. Contracts shall be based upon the recommendations of the commission and in conformity with the contract criteria and program standards established by the commission.

(c) Select and contract on behalf of the state with programs that train registered nurses. Contracts shall be awarded to those institutions that best demonstrate the ability to provide quality education and training and to

retain students and residents in specific areas of California where there is a recognized unmet priority need for registered nurses. Contracts shall be based upon the recommendations of the commission and in conformity with the contract criteria and program standards established by the commission.

(d) Terminate, upon 30 days' written notice, the contract of any institution whose program does not meet the standards established by the commission or that otherwise does not maintain proper compliance with this part, except as otherwise provided in contracts entered into by the director pursuant to this article and Article 2 (commencing with Section 128250).

SEC. 12.9. Section 128240.1 is added to the Health and Safety Code, to read:

128240.1. The department shall adopt emergency regulations, as necessary to implement the changes made to this article by the act that added this section during the first year of the 2005-06 Regular Session, no later than September 30, 2005, unless notification of a delay is made to the Chair of the Joint Legislative Budget Committee prior to that date. The adoption of regulations implementing the applicable provisions of this act shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time the final regulations shall be developed.

SEC. 13. Section 1611.5 of the Unemployment Insurance Code is amended to read:

1611.5. Notwithstanding Section 1611, the Legislature may appropriate from the Employment Training Fund thirty-seven million nine hundred thirty thousand dollars ($37,930,000) in the Budget Act of 2005 to fund the local assistance portion of welfare-to-work activities under the CalWORKs program, provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as administered by the State Department of Social Services.

SEC. 14. Section 9102 of the Welfare and Institutions Code is amended to read:

9102. The duties and powers of the department shall be:

(a) To administer all programs under the Older Americans Act of 1965, as amended, and this division, including providing ongoing oversight, monitoring, and service quality evaluation to ensure that service providers are meeting standards of service performance established by the department. This shall include, but is not limited to, all of the following:

(1) Setting program standards and providing standard materials for training.

(2) Providing technical assistance to area agencies on aging, program managers, staff, and volunteers providing services.

(3) Development of the state plan on aging according to federal law.

(4) Maintain a clearinghouse of information related to the interests and needs of older individuals and provide referral services, if appropriate.

(5) Maintain a management information and reporting system; including a data base on service utilization patterns and demographic characteristics of the older population to be cross-classified by age, sex, race, and other information required for the planning process, and eliminate redundant and unnecessary reporting requirements.

(6) Encourage and support the involvement of volunteers in services to older individuals.

(7) Seek ways to utilize the private sector to assume greater responsibility in meeting the needs of older individuals.

(8) Encourage internships to be coordinated with schools of gerontology or related disciplines, including internships for older individuals.

(b) The department shall have primary responsibility for information received and dispersed to the area agencies on aging.

(c) The department shall be responsible for activities that promote the development, coordination, and utilization of resources to meet the long-term care needs of older individuals, consistent with its mission. The responsibilities shall include, but not be limited to, all of the following:

(1) Conduct research in the areas of alternative social and health care systems for older individuals.

(2) As specified in Section 9002, coordinate with agencies and departments that administer health, social, and related services for the purposes of policy development, development of care standards, consistency in application of policy, evaluation of alternative uses of available resources toward greater effectiveness in service delivery, including seeking additional federal and private dollars to support achievement of program goals, and ensure ongoing response to the identified special needs of the chronically impaired to provide support that maximizes their level of functioning.

(3) Monitor and evaluate programs and services administered by the department, utilizing standardized methodology.

(4) Develop and implement training and technical assistance programs designed to achieve program goals.

(5) Establish criteria for the designation, sanctioning and defunding of area agencies on aging.

(d) In conjunction with the management information and reporting system required under paragraph (5) of subdivision (a), beginning in the 2006 calendar year, the department shall annually submit by January 10 of each year, to the budget, fiscal, and policy committees of the Legislature, and the Legislative Analyst, all of the following information:

(1) The number of persons served statewide in each of the prior and current fiscal years for each state or federally funded program or service administered by the department. This information shall also be provided for each Area Agency on Aging service area.

(2) To the extent feasible, the number of unduplicated persons served statewide in the prior and current fiscal years for all state or federally funded programs and services administered by the department. To the extent feasible, this information shall also be provided for each Area Agency on Aging service area.

(3) Total estimated statewide expenditures in the prior, current, and budget fiscal years for each state or federally funded program or service administered by the department. This information shall also be provided for each Area Agency on Aging service area.

SEC. 15. Section 9654 of the Welfare and Institutions Code is amended to read:

9654. "Senior wellness program" means the program established pursuant to Article 2 (commencing with Section 9660).

SEC. 16. The heading of Article 2 (commencing with Section 9660) of Chapter 10.5 of Division 8.5 of the Welfare and Institutions Code is amended to read:

Article 2. Senior Wellness Program

SEC. 17. Section 9660 of the Welfare and Institutions Code is amended to read:

9660. There is in the California Department of Aging a senior wellness program.

SEC. 18. Section 9661 of the Welfare and Institutions Code is amended to read:

9661. (a) The senior wellness program shall have all of the following functions:

(1) Focus on educating California's seniors, as well as caregivers, families, and health care professions, about the importance of living a healthy lifestyle, including, but not limited to, nutrition, exercise, injury prevention, and mental well-being.

(2) Provide information on, and help California's culturally and ethnically diverse seniors and adults with, functional impairments.

(3) Provide educational information on the resources and services available for seniors from both private and public entities in communities throughout the state and the area agencies on aging. The educational material shall accommodate the diverse linguistic needs of various populations in the state, including, but not limited to, English, Spanish, Russian, Chinese, and Braille.

(4) Promote education and training for professionals and caregivers who work directly with seniors in order to maximize wellness.

(5) Generate a cultural shift to a more positive vision and expectation with respect to how aging is viewed by all Californians.

(6) Transform perceptions of aging into a more hopeful, appreciative, and aspiring mode of being.

(7) Create a new culture that cherishes each of us, including the population of older adults, adults with disabilities, our aging, our ethnic and racial diversity, our becoming elders, and our maturity.

(8) Advance the recognition of the unique status, experience, capacity, and role of seniors to become our models for guidance and inspiration.

(9) Replace the image of seniors who are "self-interested" with an image of seniors who are actively engaged and involved in their communities.

(10) Promote and mobilize older adults and adults with disabilities into emerging roles for the public benefit.

(11) Challenge the prevailing culture, to the extent that it discounts the value of age.

(12) Rid our culture of the negative attitudes toward adults who are aging and adults with disabilities.

(b) Notwithstanding Section 9663, state funds shall not be appropriated for the purpose of implementing paragraphs (5) to (12), inclusive, of subdivision (a), and the department is not required to undertake implementation of those paragraphs, unless it receives federal or private funds for that purpose.

SEC. 19. Section 9662 of the Welfare and Institutions Code is amended to read:

9662. The department shall deliver, or provide for the delivery of, senior wellness program information through a variety of means, including, but not limited to, the Internet, radio, television, and newspaper advertising, brochures, posters, and newsletters.

SEC. 19.5. Section 9757.5 of the Welfare and Institutions Code is amended to read:

9757.5. (a) The California Department of Aging shall assess annually a fee of not less than one dollar and forty cents ($1.40), but not more than one dollar and sixty-five cents ($1.65), on a health care service plan for each person enrolled in a health care service plan as of December 31 of the previous year under a prepaid Medicare program that serves Medicare eligible beneficiaries within the state, and on a health care service plan for each enrollee under a Medicare supplement contract, including a Medicare Select contract, as of December 31 of the previous year, to offset the cost of counseling Medicare eligible beneficiaries on the benefits and programs available through health maintenance organizations instead of the traditional Medicare provider system.

(b) All fees collected pursuant to this section shall be deposited into the State HICAP Fund for the implementation of the Health Insurance Counseling and Advocacy Program, and shall be available for expenditure for activities as specified in Section 9541 when appropriated by the Legislature.

(c) The department may use up to 7 percent of the fee collected pursuant to subdivision (a) for the administration, assessment, and collection of that fee.

(d) It is the intent of the Legislature, in enacting this act and funding the Health Insurance Counseling and Advocacy Program, to maintain a ratio of two dollars ($2) collected from the Insurance Fund to every one dollar ($1) collected pursuant to subdivision (a). This ratio shall be reviewed by the Department of Finance within 30 days of January 1, 1999, and biennially thereafter to examine changes in the demographics of Medicare imminent populations, including, but not limited to, the number of citizens residing in California 55 years of age and older, the number and average duration of counseling sessions performed by counselors of the Health Insurance Counseling and Advocacy Program, particularly the number of counseling sessions regarding prepaid Medicare programs and counseling sessions regarding Medi-Gap programs, and the use of other long-term care and health-related products. Upon review, the Department of Finance shall make recommendations to the Joint Legislative Budget Committee regarding appropriate changes to the ratio of funding from the Insurance Fund and the fees collected pursuant to subdivision (a).

(e) It is the intent of the Legislature that the revenue raised from the fee assessed pursuant to subdivision (a), and according to the ratio established pursuant to subdivision (d), be used to partially offset and reduce the amount of revenue appropriated annually from the Insurance Fund for funding of the Health Insurance Counseling and Advocacy Program.

(f) There shall be established in the State Treasury a "State HICAP Fund" administered by the California Department of Aging for the purpose of collecting fee assessments described in subdivision (a), and for the sole purpose of funding the Health Insurance Counseling and Advocacy Program.

(g) The department shall issue a supplemental billing during the 2005-06 fiscal year to generate additional revenue authorized by the act that amended this section during the 2005 portion of the 2005-06 Regular Session. Notwithstanding subdivision (h), the department may use a portion of the additional revenue generated in the 2005-06 fiscal year to pay for the costs associated with issuing this supplemental billing.

(h) It is the intent of the Legislature that, starting in the 2005-06 fiscal year, two million dollars ($2,000,000) of additional funding shall be made available to local HICAP programs, to be derived from an increase in the HICAP fee and the corresponding Insurance Fund pursuant to subdivision (d). Any additional funding shall only be used for local HICAP funding and shall not be used for department or local area agencies on aging administration.

SEC. 20. Section 10075.6 of the Welfare and Institutions Code is amended to read:

10075.6. The Office of Systems Integration shall be the project manager of the electronic benefits transfer system, and shall be responsible for system planning, procurement, development, implementation, conversion, maintenance and operations, contract management, and all other activities that are consistent with a state-managed project and a statewide system.

SEC. 21. Section 10609.8 is added to the Welfare and Institutions Code, to read:

10609.8. On an annual basis, at the time of budget hearings, the State Department of Social Services shall provide information to the budget committees of the Legislature comparing the Governor's proposed statewide budget for the child welfare services program, including the augmentation and hold harmless funds, to the caseload standards recommended by the evaluation required under Section 10609.5, updated for an analysis of cost-of-doing-business increases and to account for the use of child welfare services funding for noncase-carrying activities, based on information supplied by counties, and measured on a statewide basis. The department shall consult with representatives of the County Welfare Directors Association in the development of statewide cost-of-doing-business increases and the average proportion of expenditures on noncase-carrying activities.

SEC. 22. Section 10823 of the Welfare and Institutions Code, as added by Section 20 of Chapter 606 of the Statutes of 1997, is amended to read:

10823. (a) (1) The Office of Systems Integration shall implement a statewide automated welfare system for the following public assistance programs:

(A) The CalWORKs program.

(B) The Food Stamp Program.

(C) The Medi-Cal Program.

(D) The foster care program.

(E) The refugee program.

(F) County medical services programs.

(2) Statewide implementation of the statewide automated welfare system for the programs listed in paragraph (1) shall be achieved through no more than four county consortia, including the Interim Statewide Automated Welfare System Consortium, and the Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting System.

(b) Nothing in subdivision (a) transfers program policy responsibilities related to the public assistance programs specified in subdivision (a) from the State Department of Social Services or the State Department of Health Services to the Office of Systems Integration.

(c) On February 1 of each year, the Office of Systems Integration shall provide an annual report to the appropriate committees of the Legislature on the statewide automated welfare system implemented under this section. The report shall address the progress of state and consortia activities and any significant schedule, budget, or functionality changes in the project.

SEC. 23. Section 10823.1 of the Welfare and Institutions Code is repealed.

SEC. 25. Section 11322.8 of the Welfare and Institutions Code is amended to read:

11322.8. (a) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 32 hours each week.

(b) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in at least 35 hours of welfare-to-work activities each week. However, both parents in a two-parent assistance unit may contribute to the 35 hours if at least one parent meets the federal one-parent work requirement applicable on January 1, 1998.

(c) An adult recipient required to participate under subdivision (a) or (b) shall participate for at least 20 hours each week in core welfare-to-work activities. The welfare-to-work activities listed in subdivisions (a) to (j), inclusive, and (m) and (n) of Section 11322.6, are core activities for the purposes of this section. Participation in core activities under subdivision (m) of Section 11322.6 shall be limited to a total of 12 months. Additional hours that the applicant or recipient is required to participate under subdivisions (a) or (b) of this section may be satisfied by any of the welfare-to-work activities described in Section 11322.6 that are consistent with the assessment performed in accordance with Section 11325.4, and included in the individual's welfare-to-work plan, described in Section 11325.21.

(d) Hours spent in activities listed under subdivision (q) of Section 11322.6 shall count toward the core activity requirement in subdivision (c) to the extent that these activities are necessary to enable the individual to participate in core activities and to the extent these activities cannot be accomplished within the additional noncore hours of participation required by subdivision (c).

(e) Hours spent in classroom, laboratory, or internship activities pursuant to subdivisions (k), (*l*), (o), and (p) of Section 11322.6 shall count toward the core activity requirement in subdivision (c) to the extent these activities cannot be accomplished within the additional noncore hours of participation, the county determines the program is likely to lead to self-supporting employment, and the recipient makes satisfactory progress. The provisions in paragraph (2), and subparagraphs (A) and (B) of paragraph (3), of subdivision (a) of Section 11325.23 shall apply to participants in these activities.

(f) Spending hours in any or all of the activities specified in subdivision (r) of Section 11322.6 shall not make a recipient ineligible to count activities set forth in subdivisions (d) and (e) toward the core activities requirements, as appropriate.

SEC. 26. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. (a) Except as provided in subdivision (c), the amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living. These adjustments shall become effective July 1 of each year, unless otherwise specified by the Legislature. For the 2000–01 fiscal year

to the 2003–04 fiscal year, inclusive, these adjustments shall become effective October 1 of each year. The cost-of-living adjustment shall be calculated by the Department of Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

| | |
|---|---|
| Food | $ 3,027 |
| Clothing (apparel and upkeep) | 406 |
| Fuel and other utilities | 529 |
| Rent, residential | 4,883 |
| Transportation | 1,757 |
| Total | $10,602 |

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

(b) The overall adjustment factor determined by the preceding computation steps shall be multiplied by the schedules established pursuant to Section 11452 and subdivision (a) of Section 11450 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules which shall be filed with the Secretary of State.

(c) (1) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, to reflect any change in the cost of living. For the 1998–99 fiscal year, the cost-of-living adjustment that would have been provided on July 1, 1998, pursuant to subdivision (a) shall be made on November 1, 1998. No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 2005-06 and 2006-07 fiscal years to reflect any change in the cost-of-living. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(2) No adjustment to the minimum basic standard of adequate care set forth in Section 11452 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91 and 1991–92 fiscal years to reflect any change in the cost of living.

(3) In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is any increase in tax relief pursuant to the applicable paragraph of subdivision (a) of Section 10754 of the Revenue and Taxation Code, then the increase pursuant to subdivision (a) of this section shall occur. In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is no increase in tax relief pursuant to the applicable paragraph of subdivision (a) of Section 10754 of the Revenue and Taxation Code, then any increase pursuant to subdivision (a) of this section shall be suspended.

(4) Notwithstanding paragraph (3), an adjustment to the maximum aid payments set forth in subdivision (a) of Section 11450 shall be made under this section for the 2002–03 fiscal year, but the adjustment shall become effective June 1, 2003.

(d) For the 2004–05 fiscal year, the adjustment to the maximum aid payment set forth in subdivision (a) shall be suspended for three months commencing on the first day of the first month following the effective date of the act adding this subdivision.

(e) Adjustments for subsequent fiscal years pursuant to this section shall not include any adjustments for any fiscal year in which the cost of living was suspended pursuant to subdivision (c).

SEC. 27. Section 11462 of the Welfare and Institutions Code is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each RCL has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986-87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, and the single rate established for each RCL.

(e) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed program, and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children

currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years is:

| Rate Classification Level | Point Ranges | FY 2002–03, 2003–04, 2004–05, and 2005-06 Standard Rate |
|---|---|---|
| 1 | Under 60 | $1,454 |
| 2 | 60– 89 | 1,835 |
| 3 | 90–119 | 2,210 |
| 4 | 120–149 | 2,589 |
| 5 | 150–179 | 2,966 |
| 6 | 180–209 | 3,344 |
| 7 | 210–239 | 3,723 |
| 8 | 240–269 | 4,102 |
| 9 | 270–299 | 4,479 |
| 10 | 300–329 | 4,858 |
| 11 | 330–359 | 5,234 |
| 12 | 360–389 | 5,613 |
| 13 | 390–419 | 5,994 |
| 14 | 420 & Up | 6,371 |

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

| Rate Classification Level | Adjusted Point Ranges for the 2002–03, 2003–04, 2004–05, and 2005-06 Fiscal Years |
|---|---|
| 1 | Under 54 |
| 2 | 54– 81 |
| 3 | 82–110 |
| 4 | 111–138 |
| 5 | 139–167 |
| 6 | 168–195 |
| 7 | 196–224 |
| 8 | 225–253 |
| 9 | 254–281 |
| 10 | 282–310 |
| 11 | 311–338 |

| Rate Classification Level | Adjusted Point Ranges for the 2002–03, 2003–04, 2004–05, and 2005-06 Fiscal Years |
|---|---|
| 12 | 339–367 |
| 13 | 368–395 |
| 14 | 396 & Up |

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999-2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000-01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) That the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given the opportunity 30 days to respond to this notification and to discuss options with the primary placing county.

(2) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, “program change” means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) For the 1998-99, 1999-2000, and 2000-01 fiscal years, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 2000, and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998-99, 1999-2000, and 2000-01 fiscal years, the department shall not establish a rate for a new program of a new or

existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The department determines that the new program or program change will result in a reduction of referrals to state hospitals during the 1998-99 fiscal year.

(*l*) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care that may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993-94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

SEC. 28. Section 11522 is added to the Welfare and Institutions Code, to read:

11522. The department, in conjunction with participating representatives of counties and the Legislature, shall develop approaches to improving data collection and management information reporting in the CalWORKs program.

SEC. 29. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. (a) Except as provided in subdivision (d), the payment schedules set forth in Section 12200 shall be adjusted annually to reflect any increases or decreases in the cost of living. Except as provided in subdivision (e), these adjustments shall become effective January 1 of each year. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the

weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

| | |
|---|---|
| Food | $ 3,027 |
| Clothing (apparel and upkeep) | 406 |
| Fuel and other utilities | 529 |
| Rent, residential | 4,883 |
| Transportation | 1,757 |
| Total | $10,602 |

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period which ends 12 months prior to the January in which the cost-of-living adjustment will take effect, for each expenditure category specified in paragraph (1) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in paragraph (1) by (1) adding 100 to the applicable weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4) for the current year by (2) the sum of the expenditure amounts as determined in paragraph (4) for the prior year.

(b) The overall adjustment factor determined by the preceding computational steps shall be multiplied by the payment schedules established pursuant to Section 12200 as are in effect during the month of December preceding the calendar year in which the adjustments are to occur, and the product rounded to the nearest dollar. The resultant amounts

shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in subdivision (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

(c) The department shall adjust any amounts of aid under this chapter to insure that the minimum level required by the Social Security Act in order to maintain eligibility for funds under Title XIX of that act is met.

(d) (1) No adjustment shall be made under this section for the 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 2004, 2006 and 2007 calendar years to reflect any change in the cost of living. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 12201.05, and no further reduction shall be made pursuant to that section.

(2) Any cost-of-living adjustment granted under this section for any calendar year shall not include adjustments for any calendar year in which the cost of living was suspended pursuant to paragraph (1).

(e) For the 2003 calendar year, the adjustment required by this section shall become effective June 1, 2003.

(f) For the 2005 calendar year, the adjustment required by this section shall become effective April 1, 2005.

SEC. 29.3. Section 12201.03 of the Welfare and Institutions Code is amended to read:

12201.03. (a) For the 1992, 1993, 1994, 1995, 1996, 1997, and 1998 calendar years, or for the period of January 1, 2003, to May 31, 2003, inclusive, if no cost-of-living adjustment is made pursuant to Section 12201, the payment schedules set forth in Sections 12200, 13920, and 13921, as adjusted pursuant to Section 12201, shall include the pass along of any cost-of-living increases in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code.

(b) Notwithstanding paragraph (2) of subdivision (d) of Section 12201, any adjustments made pursuant to this section to reflect the pass along of federal cost-of-living adjustments shall be included in the base amounts for purposes of determining cost-of-living adjustments made pursuant to Section 12201.

(c) Notwithstanding subdivision (a), no pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code shall be made in 1994. This provision shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(d) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level required by the federal Social Security Act in order to maintain eligibility for federal funding under Title

XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(e) Notwithstanding subdivisions (a) and (c), for the 2006 calendar year, the pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code shall not become effective until April 1, 2006, and for the 2007 calendar year, the pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code shall not become effective until April 1, 2007. This subdivision shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

SEC. 29.5. Section 12201.05 of the Welfare and Institutions Code is amended to read:

12201.05. (a) Commencing with the 2004 calendar year, and thereafter, in any calendar year in which no cost-of-living adjustment is made pursuant to Section 12201, the payment schedules set forth in Sections 12200, 13920, and 13921, as adjusted pursuant to Section 12201, shall include the pass along of any cost-of-living increases in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code, except as follows:

(1) For the 2006 calendar year, the federal pass along shall not become effective until April 1, 2006. This delay shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(2) For the 2007 calendar year, the federal pass along shall not become effective until April 1, 2007. This delay shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(b) Notwithstanding paragraph (2) of subdivision (d) of Section 12201, any adjustments made pursuant to this section to reflect the pass-along of federal cost-of-living adjustments shall be included in the base amounts for purposes of determining cost-of-living adjustments made pursuant to Section 12201.

SEC. 30. Section 12305.1 of the Welfare and Institutions Code is amended to read:

12305.1. (a) Any aged, blind, or disabled individual who is receiving Medi-Cal personal care services pursuant to subdivision (p) of Section 14132.95, and who would otherwise be deemed a categorically needy recipient pursuant to Section 12305, is eligible to receive a supplementary payment under this article to be used towards the purchase of personal care services. Additionally, any aged, blind, or disabled individual who is receiving services pursuant to Section 14132.951, and who would otherwise be deemed a categorically needy recipient pursuant to Section 12305 is eligible to receive a supplementary payment under this article to be used towards the purchase of services under Section 14132.951.

(b) A supplementary payment pursuant to this section shall be the difference between the following amounts:

(1) A beneficiary's excess income as determined under Section 12304.5.

(2) The beneficiary's nonexempt income as determined pursuant to Section 14005.7, in excess of the income levels for maintenance need pursuant to Section 14005.12.

(c) Notwithstanding subdivisions (a) and (b), no supplementary payment shall be made pursuant to this section unless the amount specified in paragraph (2) of subdivision (b) is larger than the amount specified in paragraph (1) of subdivision (b).

(d) In the event of a final judicial determination by any court of appellate jurisdiction or a final determination by the Administrator of the federal Centers for Medicare and Medicaid Services that supplemental payments to medically needy persons not receiving services pursuant to subdivision (p) of Section 14132.95 must be made, then this section and subdivision (p) of Section 14132.95 shall cease to be operative on the first day of the month that begins after the expiration of a period of 30 days subsequent to a notification in writing by the Director of Finance to the chairperson of the committee in each house that considers appropriations, the chairpersons of the committees and the appropriate subcommittees in each house that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

(e) In the event that the Department of Finance determines that the costs of the supplementary payments made under this section exceed the savings resulting from federal financial participation in providing services under subdivision (p) of Section 14132.95, this section and subdivision (p) of Section 14132.95 shall cease to be operative on the first day of the first month following such a determination and a 30-day notification in writing by the Department of Finance to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairperson of the committees and the appropriate subcommittees in each house that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. Persons who had been eligible for a supplementary payment under this section shall be eligible to receive uninterrupted services pursuant to Article 7 (commencing with Section 12300) of Chapter 3, if otherwise eligible.

(f) (1) Notwithstanding the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the department may implement this section through all-county letters or similar instructions from the director. The department shall adopt emergency regulations implementing this section no later than September 30, 2006, unless notification of a delay is made to the Chair of the Joint Legislative Budget Committee prior to that date. The notification shall include the reason for the delay, the current status of the emergency regulations, a date

by which the emergency regulations shall be adopted, and a statement of need to continue use of all-county letters or similar instructions. Under no circumstances shall the adoption of emergency regulations be delayed, or the use of all-county letters or similar instructions be extended, beyond June 30, 2007.

(2) The adoption of regulations implementing this section shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be promulgated.

SEC. 31. Section 15200 of the Welfare and Institutions Code, as amended by Section 7 of Chapter 1055 of the Statutes of 1998, is repealed.

SEC. 32. Section 15200 of the Welfare and Institutions Code, as amended by Section 8 of Chapter 1055 of the Statutes of 1998, is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, and after deducting federal funds available, the following sums:

(a) To each county for the support and maintenance of needy children, 95 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (e), of Section 11450.

(b) To each county for the support and maintenance of pregnant mothers, 95 percent of the sum specified in subdivisions (b) and (c) of Section 11450.

(c) For the adequate care of each child pursuant to subdivision (d) of Section 11450, as follows:

(1) For any county that meets the performance standards or outcome measures in Section 11215, an amount equal to 40 percent of the sum necessary for the adequate care of each child.

(2) For any county that does not meet the performance standards or outcome measures in Section 11215, an amount which shall not be less than 67.5 percent of one hundred twenty dollars ($120), and multiplied by the number of children receiving foster care in the county, added to an additional twelve dollars and fifty cents ($12.50) a month per eligible child.

(3) The department shall determine the percentage of state reimbursement for those counties that fail to meet the requirements of subparagraph (1) according to the regulations required by subdivision (b) of Section 11215.

(d) Notwithstanding subdivision (c), the amount of funds appropriated from the General Fund in the annual Budget Act that equates to the amount claimed under the Emergency Assistance Program that has been included in the state's Temporary Assistance for Needy Families block grant for foster care maintenance payments shall be considered federal

funds for the purposes of calculating the county share of cost, provided the expenditure of these funds contributes to the state meeting its federal maintenance of effort requirements.

(e) To each county for the support and care of hard-to-place adoptive children, 75 percent of the nonfederal share of the amount specified in Section 16121.

(f) To each county for the support and care of former dependent children who have been made wards of related guardians, an amount equal to 50 percent of the Kin-GAP payment under Article 4.5 (commencing with Section 11360) of Chapter 2 minus the federal TANF block grant contribution specified in Section 11364.

(g) The State Department of Social Services shall not implement any change in the current funding ratios to counties as a reimbursement for out-of-home care placement until the development of a new performance standard system. The State Department of Social Services shall notify the Department of Finance when the new performance standard system is developed and ready for implementation. The Department of Finance, pursuant to the provisions of Section 28 of the Budget Act, shall notify the Joint Legislative Budget Committee in writing of its intent to implement a new performance standard that would impact the counties' funding allocation. The notification shall include the text of the draft regulations to implement the performance standards. Any adjustment in the county funding allocation shall not be implemented sooner than 60 days after receipt and review of the new performance standard by the Joint Legislative Budget Committee and a review of the proposed changes by the Legislative Analyst.

(h) Federal funds received under Title XX of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program shall be considered part of the state share of cost and not part of the federal expenditures for purposes of subdivision (c).

SEC. 33. Section 15204.2 of the Welfare and Institutions Code is amended to read:

15204.2. (a) It is the intent of the Legislature that the annual Budget Act appropriate state and federal funds in a single allocation to counties for the support of administrative activities undertaken by the counties to provide benefit payments to recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 and to provide required work activities and supportive services in order to efficiently and effectively carry out the purposes of that chapter.

(b) (1) No later than 30 days after the enactment of the Budget Act of 2004, the State Department of Social Services, in consultation with the County Welfare Directors Association, shall estimate the amount of unspent funds appropriated in the 2003–04 fiscal year single allocation described in this section.

(2) Unspent funds appropriated in the 2003-04 fiscal year single allocation, not to exceed forty million dollars ($40,000,000), shall be

reappropriated to, and in augmentation of, Item 5180-101-0890 of Section 2.00 of the Budget Act of 2004. The State Department of Social Services, in consultation with the County Welfare Directors Association, shall develop an allocation methodology for these funds. A planning allocation, based on the estimated amount of unspent funds and the agreed upon allocation methodology, shall be provided to the counties no later than 30 days after the enactment of the Budget Act of 2004.

(c) (1) No later than 30 days after the enactment of the Budget Act of 2005, the State Department of Social Services, in consultation with the County Welfare Directors Association, shall estimate the amount of unspent funds appropriated in the 2004-05 fiscal year single allocation described in this section.

(2) Unspent funds appropriated in the 2004-05 fiscal year single allocation, not to exceed fifty million dollars ($50,000,000), shall be reappropriated to, and in augmentation of, Item 5180-101-0890 of Section 2.00 of the Budget Act of 2005. The State Department of Social Services, in consultation with the County Welfare Directors Association, shall develop an allocation methodology for these funds in order to partially offset the estimated savings due to the implementation of the quarterly reporting/prospective budgeting. A planning allocation, based on the estimated amount of unspent funds and the agreed upon allocation methodology, shall be provided to the counties no later than 30 days after the enactment of the Budget Act of 2005.

(d) The State Department of Social Services shall work with the County Welfare Directors Association to determine the effect of implementation of the quarterly reporting/prospective budgeting system on eligibility activities and evaluate the impact on administrative costs.

SEC. 34. Section 15204.6 is added to the Welfare and Institutions Code, to read:

15204.6. (a) Contingent upon a Budget Act appropriation, for the 2006-07, 2007-08, and 2008-09 fiscal years, a Pay for Performance Program shall provide additional funding for counties that meet the standards developed according to subdivision (c) in their welfare-to-work programs under Article 3.2 (commencing with Section 11320) of Chapter 2. The state shall have no obligation to pay incentives earned that exceed the funds appropriated for the year in which the incentives were earned.

(b) To the extent that funds are appropriated, the maximum total funds available to each county each year under the Pay for Performance Program shall be 5 percent of the funds the county receives that year, less the amount for child care, from the single allocation under Section 15204.2. If funds appropriated for this section are less than the incentives earned under this subdivision, each county's allocation under this section shall be prorated based on the amount of funds appropriated for that year.

(c) The funds available to each county under the Pay for Performance Program shall be divided each year into as many equal parts as there are measures established for the year under this subdivision. A county shall earn payment of one equal part for each improvement standard that it

achieves for the year or by ranking in the top 20 percent of all counties in a measure identified in paragraphs (1), (2), (3), and (4). The department shall consult with the County Welfare Directors Association, legislative staff, and other stakeholders, when developing improvement standards and the methodology for earning and distributing incentives for each of the following measures:

(1) The employment rate of county CalWORKs cases.

(2) The federal participation rates of county CalWORKs cases, calculated in accordance with Section 607 of Title 42 of the United States Code, but excluding individuals who are exempt in accordance with Section 11320.3 and including sanctioned cases and cases participating in activities described in subdivision (q) of Section 11322.6. If valid data does not exist to measure this outcome, the funds for this measure shall be made available for the Pay for Performance Program in the following fiscal year.

(3) The percentage of county CalWORKs cases that have earned income three months after ceasing to receive assistance under Section 11450.

(4) Any additional measures that the department may establish in consultation with the County Welfare Directors Association, legislative staff, and other stakeholders.

(d) Performance measures, standards, outcomes, and payments to counties under subdivisions (a), (b), and (c) shall be based on the following schedule:

(1) For the performance measure described in paragraph (2) of subdivision (c), payments in fiscal year 2006-07 shall be based on outcomes for the period of July 1, 2005, through December 31, 2005, compared to outcomes for the period of January 1, 2006, through June 30, 2006, and payments in fiscal year 2007-08 and 2008-09 shall be based on outcomes for the fiscal year prior to payment, compared to outcomes for the fiscal year two years prior to payment.

(2) For all other performance measures, payments shall be based on outcomes for the fiscal year prior to payment, compared to outcomes for the fiscal year two years prior to payment.

(e) The department may make further adjustments to any of the performance measures listed under subdivision (c), in consultation with the County Welfare Directors Association, legislative staff, and other stakeholders.

(f) The funds paid in accordance with this section may only be used in accordance with subdivisions (f) and (g) of Section 10544.1 and only for the purpose of enhancing family self-sufficiency. Funds earned by a county in accordance with this section shall be available for expenditure in the fiscal year that they are received and the following two fiscal years. Following the period of availability, and notwithstanding any provisions of subdivision (f) of Section 10544.1 to the contrary, any unspent balance shall revert to the Temporary Assistance for Needy Families (TANF) block grant.

(g) Any funds appropriated by the Legislature for the Pay for Performance Program, but not earned by a county, shall revert to the TANF block grant at the end of the fiscal year for which the funds were appropriated.

(h) Notwithstanding the rulemaking provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement this section through all-county letters throughout the duration of the Pay for Performance Program.

SEC. 35. Section 16500.9 is added to the Welfare and Institutions Code, to read:

16500.9. The department shall establish one full-time position, within the office of the director, to assist counties in complying with the federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.) and related state laws, regulations, and rules of court. This assistance shall include, but not be limited to, all of the following:

(a) Acting as a clearinghouse for up-to-date information regarding tribes within and outside of the state.

(b) Providing information and support regarding the requirements of laws, regulations, and rules of court in juvenile dependency cases involving a child who is subject to the federal Indian Child Welfare Act.

(c) Providing or coordinating training and technical assistance for counties regarding the requirements described in subdivision (b).

SEC. 36. Section 16501.7 is added to the Welfare and Institutions Code, to read:

16501.7. (a) On or before December 1, 2005, the State Department of Social Services shall develop, and provide to the Chairperson of the Joint Legislative Budget Committee, a Child Welfare Services/Case Management System system performance commitments plan. The plan shall be developed in conjunction with the Office of System Integration, the Department of Technology Services, and the County Welfare Directors Association.

(b) (1) The plan developed as required by subdivision (a) shall include, but not be limited to, performance standards for system availability, application transaction time, batch processing windows, data downloads, a process for the identification, tracking, and response of repair service requests, data backup and recovery, help desk responsiveness, and a process for security incidents.

(2) The plan may include print time.

(3) The plan shall describe all of the following:

(A) The mechanism for tracking system performance.

(B) Corrective action protocols.

(C) The steps that will be taken should performance fall below standards for a specified period of time.

(c) It is the intent of the Legislature that the plan developed pursuant to this section shall do all of the following:

(1) Appropriately assign responsibility for ensuring service levels to the entity accountable.

(2) Prioritize implementation of components of the plan.

(3) Address implementation feasibility of the plan's components, including any issues regarding plan implementation that need to be addressed.

SEC. 36.5. Section 18355.5 is added to the Welfare and Institutions Code, to read:

18355.5. Notwithstanding any other provision of law, counties shall not claim reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs of 24-hour out-of-home care for seriously emotionally disturbed children who are placed in accordance with Section 7572.5 of the Government Code, if those costs are claimed by the county under this chapter and the county receives reimbursement for those costs through the Local Revenue Fund established pursuant to Section 17600.

SEC. 37. Section 18926 is added to the Welfare and Institutions Code, to read:

18926. (a) To the extent permitted by federal law, the department shall annually seek a federal waiver of the existing Food Stamp Program limitation that stipulates that an able-bodied adult without dependents (ABAWD) participant is limited to three months of food stamps in a three-year period unless that participant has met the work participation requirement.

(b) All eligible counties shall be included in and bound by this waiver unless a county declines to participate in the waiver request. If a county declines, the county shall submit documentation from the board of supervisors of that county to that effect.

(c) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 2 of the Government Code) the department may implement this section by all county letters or similar instructions.

SEC. 38. (a) The State Department of Alcohol and Drug Programs shall, by April 1, 2006, conduct and submit to the Legislature a study of the effectiveness of the Substance Abuse and Crime Prevention Act of 2000, enacted by the voters by Proposition 36 at the November 2000 statewide primary election. The study shall include, but not be limited to, a benefit-cost analysis of the act's implementation that examines costs and cost avoidance related to substance abuse treatment, health and social services, criminal justice, and other benefit costs, such as employment and tax revenues, for state and local government, where possible.

(b) The Employment Development Department shall provide to the State Department of Alcohol and Drug Programs, by January 1, 2006, any information requested by the State Department of Alcohol and Drug Programs necessary for the completion of a benefit-cost analysis of the Substance Abuse Crime Prevention Act of 2000.

SEC. 39. The State Department of Social Services shall provide information, by September 30, 2005, to the chairpersons of the committees in each house of the Legislature that consider appropriations and the budget, and the Chairperson of the Joint Legislative Budget Committee, on the distribution and programmatic impact, including, but not limited to, on the Community Care Licensing Division of the department, of the unallocated reduction included in the Budget Act of 2005. It is the intent of the Legislature, as reflected in the 2005-06 appropriation for the State Department of Social Services, that one million four hundred thousand dollars ($1,400,000) of the unallocated reduction be restored, and that this funding be used to ensure that all available Community Care Licensing Division positions are filled and that statutorily required licensing visit and background check workload is completed.

SEC. 40. The California Health and Human Services Agency shall periodically brief stakeholders in the 2005 and 2006 calendar years to review options to streamline and standardize criminal background check requirements and processing.

SEC. 41. The State Department of Social Services shall periodically brief stakeholders in the 2005 and 2006 calendar years to do both of the following:

(a) Discuss ongoing efforts to reform the community care licensing visit process and ensure that all statutorily required visits are made.

(b) Consider implementation of the substitute child care employee registry program.

SEC. 42. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 43. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2005 at the earliest possible time, it is necessary that this act take effect immediately.

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