

**Meeting Date:** May 28, 2013

**Report Type:** Discussion

**Law and Legislation  
Committee Report**

915 I Street, 1<sup>st</sup> Floor

[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Title:** Proposed Legislation Positions

**Location:** Citywide

**Issue:** The City has an adopted Legislative Platform which guides staff on the legislative positions of the Committee and the City Council. When a particular piece of legislation is offered for support or opposition, and it does not fit within the Platform and/or the City does not have a historical position, staff brings those bills to the Committee for consideration

**Recommendation:** Staff recommends the following positions:

1. The Student Bill of Rights: *No position*
2. AB 880 (Gomez): *No position*
3. SCA 10 (Wolk, DeSaulnier, Olsen): *Support*

**Contact:** Randi L. Knott, Intergovernmental Relations Officer, (916) 808-5771.

**Presenter:** Same

**Department:** Office of the City Manager

**Division:** Government Affairs

**Attachments:**

- 01 Description/Analysis
- 02 Background
- 03 Student Bill of Rights Fact Sheet from Author
- 04 Letter requesting support of AB 880
- 05 SCA 10 text

Submitted By:

Adobe Signature:

**Randi L. Knott**

Digitally signed by Randi L. Knott  
DN: cn=Randi L. Knott, o=City Manager's  
Office, ou=Government Affairs,  
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Date: 2013.05.21 17:41:54 -07'00'

## **Attachment 01 – Description/Analysis**

**Issue:** The Law & Legislation Committee annually adopts a Legislative Platform and guiding principles, approved by the City Council, to guide legislative advocacy efforts for each legislative session. From time to time, the City or a member of the City Council will be asked to weigh in on proposed legislation that falls outside of the adopted platform and should be reviewed by the Committee.

**Policy Considerations: See issue section**

**Economic Impacts: None**

**Environmental Considerations: None**

**Sustainability: Not applicable**

**Commission/Committee Action: Not Applicable**

**Rationale for Recommendation:** In order to ensure a successful legislative agenda, it is important to limit number of efforts undertaken in each legislative session. Generally, this is done by prioritizing issues within the City's purview. However, there are instances when an issue is of such importance that the Committee and/or City Council chose to engage regardless of jurisdiction. In order to be effective in these efforts, those instances should be reserved for only the most pressing issues.

**Financial Considerations: Not Applicable**

**Emerging Small Business Development (ESBD): Not Applicable**

## Attachment 02 – Background

**The Student Bill of Rights**: Staff recommends that the Committee take *no position* on this group of bills. The group pertains to student loans for post-secondary education including counseling; wage garnishment and allowing student private student loans to be discharged via bankruptcy which is outside of the city's purview and jurisdiction.

**AB 880 (Gomez)**: Staff recommends that the Committee take no position on AB 880 (Gomez). The bill is related to the administration of the Affordable Care Act and Medi-Cal and outside the City's purview and jurisdiction.

**SCA 10 (Wolk, DeSaulnier, Olsen)**: Staff recommends that the Committee take a position of support on SCA 10 (Wolk, DeSaulnier, Olsen): Currently, the California Constitution prohibits a bill, other than a budget bill, from being heard or acted upon by a committee or either house of the Legislature until the 31<sup>st</sup> day after the bill is introduced unless the house dispenses with this requirement by roll call vote, with  $\frac{3}{4}$  of the membership concurring. This measure would add an additional exception to this 31 day waiting period by authorizing a committee to hear or act on a bill if the bill has been published in print and published on the internet for at least 15 days. Staff believes that this Constitutional Amendment would add to government transparency and potentially reduce the risk of last minute bills that could be detrimental to our community.

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# CALIFORNIA STATE ASSEMBLY



**BOB WIECKOWSKI**  
ASSEMBLYMEMBER, TWENTY-FIFTH DISTRICT

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## Student Bill of Rights Package Summary

### **AB 391 "Common Cents Curriculum" Financial Literacy in K-12 Education**

**Assembly Education: 4/17**

Financial illiteracy and the consequences for uninformed financial decisions are a growing problem in California. California is one of only 4 states in the nation that do not include Personal Finance in the economics Standards. This bill would require the Department of Education to add to the Economics curriculum standards for understanding personal financial matters including budgeting, savings, credit and loans, identity theft, and how to pay for post-secondary education. We need to help ensure today's students have more financially secure futures by requiring schools to teach 'financial literacy' as part of its mandated economics curriculum.

### **AB 534 "Know Before You Owe" Student Loan Counseling Parity**

**Assembly Higher Ed: 4/23**

It is imperative that students who take out private student loans understand the terms of the loans, the interest rate, how much the loan payments will be, and other basic information about the loan that they are taking out. This bill will provide State requirements for entrance and exit loan counseling to students modeled off of the Federal statute for educational institutions. This bill will apply to all private loans. Many students take out more risky private loans – with interest rates of up to 20% for some students - without even a basic understanding of that loan. Federal loans have many safe guards build in like forgiveness, forbearance, and deferment, which private loans do not offer and Federal loans still provide basic information to barrows in entrance and exit interviews. As private student loans become more relied upon by students, we must ensure they are at least as well informed about the facts of their loans.

### **AB 233 Student Loan Wage Garnishment**

**Passed Assembly Judiciary 4/2 (7-2)**

Because student loan debt is not dischargeable in bankruptcy, the debtor cannot get rid of the debt and will have to pay back his loan eventually. Currently, those who cannot afford to pay their private student loans can have up to 25% of their disposable income garnished by a creditor. This bill would prevent the garnishment of wages for many student loans, and therefore creditors will be more inclined to work with the debtor and figure out a repayment plan that the student can manage, benefitting thousands of young underemployed Americans with oppressive education loans.

### **AJR 11 "Financial Fresh \$tart Act"**

**Asm Banking & Finance: 4/6**

A resolution stating California's support for changing federal bankruptcy laws to remove the private loan exemption and allow private student loan debt to be discharged via bankruptcy. Since a federal law changed in 2005, student loans taken out from private lenders have not been able to be discharged via bankruptcy. This law should be removed, allowing citizens forced to file bankruptcy to get a fresh start without burdensome student debt for life.





# SACRAMENTO CENTRAL LABOR COUNCIL AFL - CIO

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May 7, 2013

City Councilmember Jay Schenirer  
Chair, Law and Legislation Committee  
City Hall, 915 I Street  
Sacramento, CA 95814

RE: **AB 880 (Gomez) – FULL COUNCIL ENDORSEMENT**

Dear Councilmember Schenirer:

The Sacramento Central Labor Council is partnering with the California Labor Federation to pass AB 880 (Gomez), which will impose a penalty on large corporations that dump workers onto the Medi-Cal program, shifting the cost of health insurance onto taxpayers. We urge the City Council of Sacramento to endorse this legislation.

The Affordable Care Act (ACA) is built on a foundation of individual, employer, and government responsibility. Individuals must have health insurance or pay a penalty. The government provides subsidies and an expansion of Medicaid. Employers are required to provide affordable coverage or pay a penalty to offset the cost of public subsidies for their full-time employees who go into the state Exchange.

The ACA does not impose a penalty on employers, however, whose workers enroll in Medi-Cal. That means that employers who pay low-wages, reduce hours, and fail to provide benefits are able to evade the ACA penalties. Essentially employers can shift the cost of health coverage for their employees onto taxpayers.

Some large low-wage corporations are already preparing for the ACA by cutting hours and eliminating benefits, since the penalty only applies to full-time employees. Darden Restaurants, which owns Olive Garden and Red Lobster and operates 121 restaurants in California, announced that it will reduce workers' hours to part-time to avoid ACA penalties. The lack of a penalty for part-timers or workers on Medi-Cal creates a perverse incentive for low-wage employers to cut hours, wages, and benefits to the bare minimum to avoid ACA penalties, thus pushing more workers onto public programs like Medi-Cal.

Walmart, the largest private employer in the country, is preparing for the ACA by eliminating health benefits for newly hired employees who work fewer than 30 hours a week. This comes on the heels of a decision to eliminate benefits for those who work fewer than 24 hours a week. The result is more Walmart employees ending up on public benefit programs, including Medi-Cal. A 2004 study by the UC Berkeley Labor Center found that Walmart workers' reliance on public health care programs cost the state \$32 million annually.

The state expansion of the Medi-Cal program allows large employers to shift even more of the costs of their employees' health care onto the public. A childless adult could work 30 hours a week at \$10 an

hour and still qualify for Medi-Cal under the expansion. Given that the typical retail worker earns \$9.61 an hour<sup>2</sup> and Walmart workers earn an average wage around \$8.81 an hour<sup>3</sup>, many of new Medi-Cal employees will be working for the largest employers in the state who can afford to pay for health coverage.

AB 880 closes the loophole in the ACA so that large employers pay their fair share to ensure the stability of the Medi-Cal program and the fiscal solvency of the state. It imposes a penalty on large employers with 500 or more employees that have workers enrolled in Medi-Cal. The penalty is equivalent to the average cost of commercial health coverage.

Only the largest employers in the state who can afford to provide health coverage to workers are subject to the penalty. There are 1,194 businesses with more than 500 employees in the state, but only those businesses that have workers enrolled in Medi-Cal are subject to the penalty in order to offset the cost to the state of providing coverage.

The penalty will be used exclusively to support the Medi-Cal program. The Medi-Cal expansion is the cornerstone of the ACA and will extend coverage to millions of Californians. The penalty revenue will go to pay the nonfederal state share of program costs for workers, to increase the reimbursement rate for providers to ensure access for enrollees and to shore up the safety net for all Californians who need care.

The ACA gives the state an opportunity to make health coverage accessible and affordable for all Californians. But individuals, government, and employers have to do their part to make the ACA successful. AB 880 ensures that employers pay their fair share into the state Medi-Cal program for the benefit of their employees, the Medi-Cal program, and the fiscal health of the state.

We ask that the City of Sacramento's Law and Legislation Committee recommend an endorsement of AB 880 to the full City Council and schedule a hearing regarding this endorsement as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Bill Camp". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Bill Camp  
Executive Secretary

Cc: Randi Knott and Law and Legislation Committee Members

**Introduced by Senator Wolk, Correa, Huff**  
**(Principal Coauthor(s): Senator DeSaulnier)**  
**(Principal Coauthor(s): Assembly Member Olsen)**

January 22, 2013

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A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 8 of Article IV thereof, relating to the Legislature.

### LEGISLATIVE COUNSEL'S DIGEST

SCA 10, as introduced, Wolk. Legislative procedure.

The California Constitution prohibits a bill other than the Budget Bill from being heard or acted on by a committee or either house of the Legislature until the 31st day after the bill is introduced, unless the house dispenses with this requirement by rollcall vote entered in the journal,  $\frac{3}{4}$  of the membership concurring.

This measure would add an additional exception to this 31-day waiting period by authorizing a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days.

Existing provisions of the California Constitution prohibit either house of the Legislature from passing a bill until the bill with amendments has been printed and distributed to the Members.

This measure would also prohibit either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote. This requirement would not apply to specified urgency bills upon the submission by the Governor to the Legislature of a written statement that it is necessary to dispense with the requirement to address a state of emergency declared by the Governor.

### DIGEST KEY

Vote: 2/3 Appropriation: NO Fiscal Committee: NO Local Program: NO

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BILL TEXT



Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California at its 2013–14 Regular Session commencing on the third day of December, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California that the Constitution of the State be amended as follows:

## That Section 8 of Article IV thereof is amended to read:

### SEC. 8.

(a) At regular sessions, no bill other than the budget bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced ~~unless the~~, *except in either of the following circumstances:*

*(1) A committee or either house may hear or act on a bill if the house dispenses with this requirement by rollcall vote entered in the journal, three fourths of the membership concurring.*

*(2) A committee may hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days.*

(b) *(1)* The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on ~~3~~ *three* days in each house except that ~~the~~ *a* house may dispense with this requirement by rollcall vote entered in the journal, ~~two thirds~~ *two-thirds* of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the members. No bill may be passed unless, by rollcall vote entered in the journal, a majority of the membership of each house concurs.

*(2) (A) No bill may be passed in either house until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours before the vote.*

*(B) This paragraph does not apply to a bill that contains an urgency clause if the Governor submits to the Legislature a written statement, for that bill, that dispensing with the requirement in subparagraph (A) is necessary to address a state of emergency declared by the Governor. "Emergency," for the purposes of this paragraph, has the same meaning as in paragraph (2) of subdivision (c) of Section 3 of Article XIII B and does not include a fiscal emergency declared pursuant to Section 10 of this article.*

(c) *(1)* Except as provided in paragraphs (2) and (3) ~~of this subdivision~~, a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.

*(2)* A statute, other than a statute establishing or changing boundaries of any legislative, congressional, or other election district, enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, shall go into effect on January 1 next following the enactment date of the statute unless, before January 1, a copy of a referendum petition affecting the statute is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II, in which event the statute shall go into effect on the 91st day after the enactment date unless the petition has been presented to the Secretary of State pursuant to subdivision (b) of Section 9 of Article II.

*(3)* Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.

*(d)* Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, ~~two thirds~~ *two-thirds* of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest.