



Legislative Trailer Bills

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Annual State Budget Overview

- The Budget Bill contains the appropriations and “Budget Bill Language.” Only a Budget Bill can contain multiple appropriations. It requires a majority vote for passage and the bill takes effect immediately.
- The State Constitution requires the Governor to submit a balanced budget proposal to the Legislature by January 10. The proposal must be introduced in both the Assembly and the Senate as identical budget bills.
- A large portion of state spending is constrained by the Constitution or Court action. Many of these constraints have been imposed by the voters through the initiative process (i.e., Prop 13 of 1978 - property taxes, Prop 98 of 1988 - school funding).



Annual State Budget Overview

- The Legislature has until June 15 to pass the multi-billion dollar general fund budget.
- “Budget Bill Jr.”: Bill that amends the main Budget Bill.
- Trailer Bill: Makes the statutory changes needed to implement the budget. It is the same as any other bill, but it takes effect immediately with a majority vote if it contains an appropriation related to the budget bill and is listed as a “trailer bill” in the budget bill.
- Supplemental Report: A separate report that requests specific actions from state agencies and departments. It does not have the force of law.



Budget Timeline

July 1: Fiscal year begins

July 9 - September 15: Department directors and agency heads initiate detailed reviews and develop budget proposals for their programs for the next fiscal year. Requests for program changes are then sent to the Department of Finance for review.

October - January 10: The Governor evaluates the requests as reviewed by the Department of Finance and sends his/her proposed budget to the Legislature. On or before January 10, the Governor delivers a state-of-the-state speech and presents his/her budget.

January – February: The budget committee chairs in each house introduce the Governor's budget proposal in bill form. The Legislative Analyst's Office conducts a detailed review of the budget bill and releases various reports.

March – May: Each house refers its budget bill to their respective budget committees. The bills are then broken down by subject and assigned to the appropriate subcommittees by subject areas (i.e., Education, Health and Human Services, Public Safety).



Budget Timeline

March – May: After completion of the hearings, each subcommittee votes and then sends its report to the full budget committee.

Late May - June 15: The budget committee of each house considers the subcommittees' reports and sends a revised budget bill to the floor ("May Revise"). Each house votes on its version of the budget bill. The differences between the Assembly and Senate versions of the budget bill are worked out in a conference committee, traditionally made up of three members from each house. The conference committee submits a single version of the budget bill to both houses. The Senate and Assembly each vote on this final version before it is sent to the Governor.

The houses also vote on trailer bills if statutory changes are necessary to implement provisions of the budget bill.

June 15 - July 1: The bill becomes law as soon as it is signed by the Governor.



Budget Approval

Typically, the Governor has 12 working days to sign the budget bill. The Governor also has the authority to “blue pencil” (reduce or eliminate) any appropriation contained in the budget. Because the budget bill is an urgency measure, it goes into effect as soon as it is signed.

The Legislature can override any blue-penciled item by a 2/3 vote in both houses. In practice, the Legislature rarely overrides a budget veto.



Trailer Bills

- In their purest form, trailer bills implement the main budget act by enacting any corresponding changes to state law.
- The constitutional “single subject rule” says that a bill may only embrace one subject. Therefore, a budget bill may have as many as 40 different budget trailer bills (i.e., Developmental Services, Human Services, Employment).
 - Trailer bills are typically warranted a more expansive definition of a “single” subject. AB 79 (2020) Human Services TBL included regional centers, IHSS, welfare programs, a safe drinking water pilot program, etc.
- For each trailer bill, there’s usually both a Senate version and an Assembly version. Only one version is ultimately advanced to the Governor’s Desk, but both are commonly referenced.





Trailer Bills

- ♦ Trailer bills follow a different and more lax set of rules (except for the 72-hour in print rule which all bills must follow).
- ♦ Trailer bills aren't beholden to the June 15 Budget Act deadline or the regular budget committee deadlines. They can pop up at any time of year as long as the Legislature is in session.
- ♦ Trailer bills take effect immediately upon the Governor's signature and typically only require a majority vote.
- ♦ Regular policy bills, however, take effect January 1 of the following year, unless there's an urgency clause which would trigger a supermajority vote requirement.

Trailer Bills

- Trailer bills do not go through the same legislative process as policy bills, where each bill must pass Assembly and Senate committee hearings, then the Assembly and Senate floors, then the Governor.
- Yet, trailer bills often include policy changes, sometimes with little or no relationship to the budget.
- In practice, trailer bills have become vehicles to semi-secretly do things that might otherwise be difficult to do. They are drafted and quickly enacted with minimal exposure to the public, the press and those affected by their provisions.



Example

Trailer Bill Budget Changes

SB 81 (2019): Copayments/deductibles for Early Start services, service provider rate increases, uniform holiday schedule suspension

SB 82 (2015): DC closures, lease of Fairview DC, service provider rate adjustments, increasing number of consumers served by the Self-Determination Program

AB 89 (2013): Elimination of the sunset date for the Annual Family Program Fee, authorization for regional centers to pay copayments and coinsurance

Trailer Bill Policy Changes

AB 79 (2020): Amended diversion eligibility criteria for DD defendants to include all eligible conditions (no longer limited to cognitive developmental disabilities). Expanded alleged offenses to include felonies, except for the most serious felonies. Added provision allowing for expedited IPPs to be held within 7 days of request if necessary for the consumer's health and safety or to maintain the consumer in their home.

SB 81 (2019): Regional center website reporting of policies, guidelines, or assessment tools; new IPP list of agreed-upon services and supports; increased regional center reporting and department oversight including board composition and meeting requirements with the Department; Clients' Rights Advocate notification requirements.

AB 89 (2013): Authorization for Clients' Rights Advocate to participate in IPP meetings related to CRA notifications.



Example

Changes Affecting Regional Center Board Governance

AB 1595 (2015)

Amended § 4626 – Board member requirements/restrictions to avoid a conflict of interest

SB 74 (2011)

Added § 4625.5 – Requires regional center governing boards to adopt a written policy for approving regional center contracts of \$250,000 or more. These contracts now require board approval.

Added § 4626.5 – Each regional center shall submit a conflict-of-interest policy, containing specified elements, to the department and shall post the policy on its Internet Web site. The regional center and its governing board must regularly monitor and enforce compliance with its conflict-of-interest policy.

Amended § 4627 – Department monitoring and enforcement of conflict-of-interest regulations.

Amended § 4628 – If, for good reason, a contracting agency is unable to meet all the criteria for a governing board established in this chapter, the Department director may waive those criteria for a period of time, not to exceed one year, with the approval of the state council.





Changes Affecting Board Governance - SB 81 (2019)

Amended § 4622 – Requires the governing board to include members with management or board governance expertise and members with financial expertise.

Amended § 4622.5 – If the board does not meet all composition requirements in § 4622, the board must submit a plan to the Department with documentation setting forth how and when the board will come into compliance.

Added § 4625.6 – Stipulates that an attorney retained or employed by the board to provide legal services must not be an employee of the regional center.

Added § 4625.7 – The board shall meet with the Department upon request, without preconditions and at a time/date determined by the department. If requested, the board shall exclude regional center employees.



Changes Affecting Board Governance - SB 81 (2019)

Added § 4639.6 – DDS may issue directives to the regional centers as the director deems necessary to protect consumer rights, health, safety, or welfare, or in accordance with § 4434 (related to Department contract/monitoring). Directives shall not conflict with existing statutes or regulations.

Amended § 4629 – Requires each regional center governing board, beginning May 1, 2020, and annually thereafter, to hold one or more public meetings regarding its prior year's performance contract objectives and outcomes, and to report to the Department regarding the outcomes of each of these public meetings within 90 days of the meeting.

Stipulates that renewal of each regional center contract with the Department will be contingent upon compliance with the contract, including, but not limited to, the performance objectives and achievement of sufficient progress towards meeting the requirements of any corrective action plan imposed by the state, as determined through the Department's evaluation.



Resources

- The Budget Process, A Citizen's Guide to Participation (www.senate.ca.gov/sites/senate.ca.gov/files/the_budget_process.pdf)
- Overview of California's Budget Process by Chris Micheli, January 12, 2020 (www.californiaglobe.com/section-2/overview-of-californias-budget-process/)
- The Curious Case of Budget Trailer Bills by Tracy Sullivan, October 3, 2018 (www.counties.org/county-voice/curious-case-budget-trailer-bills)
- Semi-Secret 'Trailer Bills' Pop Up by Dan Walters, August 27, 2020 ([Semi-secret 'trailer bills' pop up | CalMatters](#))