

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 29, 2008
POSITION: Neutral

BILL NUMBER: SB 1145
AUTHOR: M. Machado

BILL SUMMARY: Compensation Insurance Fund

This bill, an urgency measure, would specify that the board, in addition to the president, appoint a chief financial officer, a chief operating officer, a chief information technology officer, a chief investment officer, a chief risk officer, and a general counsel, with salaries set by the board.

This bill would also require the SCIF to comply with the Bagley-Keene Open Meeting Act and the California Public Records Act but also specifies exemptions.

FISCAL SUMMARY

The cost of the six new positions specified in this bill is unknown as the salaries would be set by the board. Assuming the salary were \$150,000 per year, the cost would be \$900,000.

The SCIF is a quasi-state entity and all expenses are paid from the proceeds of the insurance they provide. However, we note that if the administrative costs increase, these costs will be passed on to employers, including the State of California.

COMMENTS

This bill is intended to address proper management of the SCIF and provide for greater transparency in its operations.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
8420/StComplnsrFd	SO	No		--	A	\$450	A	\$900	0512
<u>Fund Code</u>	<u>Title</u>								
0512	Compensation Insurance Fund								

Analyst/Principal (0200) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
--	------	--------------------------------------	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)