



**GOVERNOR'S PROPOSED BUDGET FOR 2020-21
JANUARY 10, 2020**

TO: CSAC Board of Directors
County Administrative Officers

FROM: Graham Knaus, CSAC Executive Director
Darby Kernan, CSAC Deputy Executive Director of Legislative Services

RE: **Governor's January Budget Proposal for 2020-21**

Governor Newsom released his proposals for the 2020-21 state budget this morning, continuing many of the themes from last year's budget release—including showing his detailed knowledge of the California budget over the course of a briefing stretching nearly three hours.

The Governor emphasized the continuing strength of the California economy, the robust state budget reserves, and the significant challenges facing the state, especially wildfires, homelessness, and inequality of opportunity. The briefing and [the 350-plus page summary document](#) released this morning also highlight Governor Newsom's desire to tackle as many major issues as possible, with significant proposals in almost every budget category.

Several of those proposals warrant close attention from counties, including:

- A \$12.5 billion investment over five years for climate resilience, partially funded by a proposed climate bond, to fund initiatives related to forest health, Community Power Resiliency (formerly PSPS), home hardening, and a climate revolving fund that would provide low- interest loans for waste diversion, low-carbon transportation, and sustainable agriculture.
- A new Access to Housing and Services Fund, as announced earlier this week, with an initial state investment of \$750 million, which will pay rent for individuals facing homelessness, support new dwelling units, and help stabilize board and care facilities and homes.
- A reduction in probation term lengths for both felony and misdemeanants to two years, matched with an investment in more intensive supervision and services for misdemeanor probationers.
- \$695 million, growing to \$1.4 billion in the out-years, for preventative health care, over a third of which will be aimed at the unsheltered homeless population.

These proposals and the others discussed below represent a starting point for policymakers. As language is written and negotiations begin, we will look ahead to the April tax returns and the Governor's updated proposals in the May Revision. CSAC's legislative conference is scheduled to take place on May 27-28, so county officials in attendance will be well-situated to advocate directly to their legislators and the Administration.

For questions about any of the issues in the budget summary, please contact the [CSAC Legislative Staff](#).

If you would like to receive the Budget Action Bulletin electronically, please e-mail Karen Schmelzer, CSAC Legislative Assistant at kschmelzer@counties.org.

2020-21 Governor's Budget
Summary by Agency
(\$ in thousands)

| State Agencies | Positions | General Fund | Special Funds | Bond Funds | Total State Funds |
|--|----------------|----------------------|---------------------|--------------------|----------------------|
| K-12 Education | 2,525 | \$59,638,902 | \$427,588 | \$1,541,387 | \$61,607,877 |
| Health and Human Services | 32,443 | \$47,476,340 | \$23,780,688 | --- | \$71,257,028 |
| Higher Education | 163,567 | \$17,508,587 | \$194,848 | \$418,503 | \$18,121,938 |
| Corrections and Rehabilitation | 57,087 | \$13,387,521 | \$3,129,605 | --- | \$16, 517, 126 |
| General Government | 12,553 | \$4,461,466 | \$6,692,362 | \$8,998 | \$11,162,826 |
| Legislative, Judicial, Executive | 13,154 | \$4,382,782 | \$3,586,111 | \$539,749 | \$8,508,642 |
| Natural Resources | 20,541 | \$3,905,784 | \$1,791,831 | \$1,106,547 | \$6,803,992 |
| Government Operations | 19,437 | \$1,425,113 | \$351,081 | \$7,916 | \$1,784,110 |
| Business, Consumer Services & Housing | 6,030 | \$349,906 | \$1,024,591 | \$1,082,912 | \$2,457,409 |
| Transportation | 40,466 | \$240,461 | \$18,109,480 | \$627,551 | \$18,977,492 |
| Labor and Workforce Development | 11,025 | \$163,643 | \$887,133 | --- | \$1,050,776 |
| Environmental Protection | 5,966 | \$142,873 | \$3,782,578 | \$18,066 | \$3,943,517 |
| TOTAL | 384,793 | \$153,083,298 | \$63,757,896 | \$5,351,539 | \$222,192,733 |

2020-21 Revenue Sources
(\$ in millions)

| | General Fund | Special Funds | Total | Change from 2019-20 |
|---|------------------|-----------------|------------------|---------------------|
| Personal Income Tax | \$102,878 | \$2,376 | \$105,254 | \$1,172 |
| Sales and Use Tax | \$28,243 | \$12,752 | \$40,995 | \$1,540 |
| Corporation Tax | \$16,007 | --- | \$16,007 | \$702 |
| Highway users tax | --- | \$8,794 | \$8,794 | \$415 |
| Insurance Tax | \$3,117 | --- | \$3,117 | \$94 |
| Alcoholic Beverage Taxes and Fees | \$389 | --- | \$389 | \$6 |
| Cigarette Tax | \$58 | \$1,938 | \$1996 | -\$9 |
| Motor Vehicle Fees | \$38 | \$10,359 | \$10,397 | \$391 |
| Other | \$2,864 | \$22,118 | \$24,982 | -\$1,739 |
| Subtotal | \$153,594 | \$58,337 | \$211,931 | \$2,572 |
| Transfer to the Budget Stabilization/ Rainy Day Fund | -\$1,959 | \$1,959 | --- | --- |
| TOTAL | \$151,635 | \$60,296 | \$211,931 | \$2,572 |

Homelessness

The Governor's January budget includes the below proposals to aid in California's response to the homelessness crisis.

California Access to Housing and Services Fund

The Governor's January budget proposal calls for the creation of the California Access to Housing and Services Fund. If appropriated by the Legislature, the fund will include an initial \$750 million, one-time General Fund investment. The fund will be administered by the State Department of Social Services to pay rent for individuals facing homelessness, support regions to bring on more dwelling units, and to help stabilize board and care facilities/homes. While previous state emergency aid funding has been allocated to counties, cities, or Continuums of Care, these funds are proposed to be allocated directly to service providers. The proposal states the funds will flow through performance-based contracts between the state and regional administrators. The regional administrators will provide short- and long-term rental subsidies, make small and medium-sized contributions to encourage development of new units in

exchange for a rental credit, and stabilize board and care facilities by funding capital projects and/or operating subsidies. The Governor envisions that philanthropy and private sector donations will augment this initial General Fund investment.

Medi-Cal Healthier California for All (formerly known as CalAIM)

The Governor's January budget proposal includes \$695 million (\$348 million General Fund), including federal funds, aimed at transforming Medi-Cal to boost preventative care that brings down the cost of health care. Funding for the proposal would increase to \$1.4 billion in 2021-22 and 2022-23. The proposal is expected to address challenges faced by chronically unsheltered populations—providing funding for tenancy support services, housing navigation services, recuperative care, and could include targeted rental assistance, if housing insecurity is tied to inappropriately high utilization of costly health care services.

Incompetent to Stand Trial

The Governor's January budget proposal includes \$24.6 million in 2020-21 and \$364.2 million over six years for the Department of State Hospitals to implement efforts in three pilot counties to place individuals with mental health needs, specifically those designated Incompetent to Stand Trial, into stable placements in the community instead of state hospitals. The Governor's January Budget proposal also includes \$8.9 million General Fund in 2020-21 and \$11.2 million General Fund annually to expand the Jail-Based Competency Treatment program to eight additional counties.

Behavioral Health Task Force

The Governor's January budget proposal calls for the creation of the Behavioral Health Task Force comprised of county representatives, and other relevant stakeholders, to review existing policies and programs and coordinate system changes to prevent and respond to the impacts of mental illness and substance abuse in California. The Administration will also work to reform the Mental Health Services Act (Proposition 63) with the goal of better focusing on people with mental illness who are also experiencing homelessness, are involved in the criminal justice system, and for early intervention of children.

In addition to these budget proposals, earlier this week the Governor announced a series of executive actions which:

- Coordinate identification of state-owned land (Caltrans, vacant or decommissioned hospitals, and fairgrounds) that can be used to temporarily house homeless individuals;
- Deploy 100 camp trailers and modular tent structures to provide temporary housing and delivery of health and social services; and

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- Establish a multi-agency crisis response team to assist local governments in addressing street homelessness.

The announcement also included the [final allocations](#) for the Homeless Housing, Assistance and Prevention program included in the 2019-20 Budget which provides \$175 million directly to counties and \$190 million to Continuums of Care.

Administration of Justice

Local Public Safety

2011 Public Safety Realignment

The Governor's January budget proposal updates revenue assumptions for 2011 Public Safety Realignment programs. For the Community Corrections Subaccount (AB 109), the 2019-20 statewide base remains \$1.366 billion, with growth estimated at \$92.6 million. This is an increase of \$37.8 million over the final 2018-19 growth of \$54.8 million. Realignment revenue estimates are refined with the release of the Governor's May Revision and finalized in the fall. CSAC will provide individual county estimates in the coming weeks.

Probation Reforms and Investments

The Governor's January budget proposal includes significant new investments and reforms for adult probation supervision and programs. This includes:

- \$60 million General Fund annually for three years and \$30 million General Fund in 2023-24, to provide additional supervision and services for misdemeanor probationers.
- A reduction in probation terms to two years for both felony and misdemeanor probationers and an opportunity for earned discharge for probationers.
- \$11 million General Fund ongoing to augment the \$113.8 million General Fund base for the Community Corrections Performance Incentive Grant program (SB 678). This augmentation allows for each county to receive their highest ever payment under the last three years of the program and is intended to stabilize the grant program going forward.
- \$13.8 million General Fund for the temporary increase in the average daily population of offenders on Post-Release Community Supervision as a result of the implementation of Proposition 57. This is a decrease of \$1 million compared to the amount provided in 2019-20.

Supplemental Trial Court Security

The Governor's January budget proposal continues the existing \$7 million General Fund appropriation for supplemental trial court security for counties who have experienced an increased security need due to the construction of new courthouse facilities. The budget also

includes \$4.2 million General Fund for bailiff costs associated with the authorization of new judgeships in recent years. This is an increase of \$400,000 over the amount provided in 2019-20.

Proposition 47 Savings Estimate

Proposition 47, passed by the voters in November 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes, and permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Each year, state savings from the implementation of Proposition 47 is required to be transferred and re-allocated in grant programs, as specified in the initiative. The Governor's January budget proposal estimates total state savings of \$122.5 million for 2019-20, an increase of \$44.1 million compared to the state savings in last year's budget.

Local Jail Oversight

The Governor's January budget proposal states that the Administration proposes to strengthen the state's oversight of county jails. While there are little details on the additional oversight, the summary states, "The Board of State and Community Corrections will more actively engage counties regarding deficiencies identified as part of its inspections through its public board meeting process and by more frequent follow-up inspections. The Board will also provide additional technical assistance to those counties where issues are identified. Also, as part of the Title 15 jail standards review, the Board will make sure the standards are consistent with national best practices."

Indigent Defense

The Governor's January budget proposes \$4 million General Fund to expand the mission of the Office of the State Public Defender to include improving the quality of indigent defense services provided by counties. Funding will be used for training and technical assistance for attorneys providing indigent defense. An additional \$10 million General Fund one-time is proposed for the Board of State and Community Corrections to supplement local funding for indigent criminal defense.

California Department of Corrections and Rehabilitation (CDCR)

The Governor's January budget proposal includes a total of \$13.1 billion General Fund for the California Department of Corrections and Rehabilitation (CDCR). New investments focus on offender access to higher education opportunities; clustering of youthful offenders (under the age of 26) together within existing adult institutions for more intensive programming; offender access to modern technology; expanded visitation hours at nine institutions; staff development; infrastructure, including roofs and video surveillance; and health and mental health care.

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Capacity and Proposition 57

Following the implementation of Proposition 57, CDCR's adult inmate population projections show the population is expected to continue to decline over the next several years. CDCR projects the population will decline by 4,300 offenders between June 2021 and June 2024. Given the ongoing decline, the Governor's January budget assumes ending all private in-state contract correctional facilities for male inmates by April 2020; phasing out two of the remaining three public in-state male contract correctional facilities by 2021, and the third by July 2022; and, if the population projections hold, closing a state-operated prison within the next five years.

Juvenile Justice Reorganization

The Governor's January budget proposal continues the transition of the Division of Juvenile Justice (DJJ) from CDCR to the new Department of Youth and Community Restoration, within the California Health and Human Services Agency, effective July 1, 2020. To effectuate this transition, the budget includes the transfer of \$264.3 million and 1,303.9 positions from DJJ to the new department.

Judicial Branch

The Governor's January budget proposal includes a total of \$4.3 billion all funds for the Judicial Branch, of which \$2.4 billion is for trial court operations. New General Fund investments in the Judicial Branch focus on general operational cost increases; trial court fiscal equity; declining alternate revenue sources; court navigators to assist unrepresented individuals; and information technology.

Reducing Criminal Fines and Fees

The Governor's January budget proposal also includes \$11.5 million General Fund, increasing to \$56 million ongoing General Fund, to expand statewide an existing pilot program that allows indigent and low-income individuals to apply online to have their fines and fees from traffic infractions reduced in accordance with their ability to pay. The proposal also assumes the backfill of \$54 million in lost revenue for trial court operations.

Department of Justice

The Governor's January budget proposes \$32 million one-time various funds to backfill declining fine and fee revenue in the DNA Identification Fund to allow the Department of Justice to continue processing forensic evidence for client counties.

Agriculture, Environment and Natural Resources

The Governor's proposed budget includes significant investments to prepare for and protect against our changing climate. His proposal builds on legislative efforts, previous budget allocations, and ongoing policies to ensure that the state has adequate resources to mitigate climate risk, prepare for future events, and protect our the environmental health and safety.

Climate Resilience

The Governor's January budget proposal invests \$12.5 billion collectively over the next five years in three major priority areas, including a climate resiliency bond, ongoing investments from the state's cap and trade program, and a new climate catalyst fund, which will provide low interest loans for climate- related projects.

Climate Resilience Bond

The Administration is proposing a \$4.75 billion climate resilience bond for the November 2020 ballot. This builds on work of the Legislature to develop a consolidated legislative bond proposal into one single measure. The Governor's proposed bond outlines the Administration's priorities, overlapping somewhat with legislative vehicles, and aligns with the draft Water Resiliency Portfolio in addressing drought, flood risks and drinking water, as well as key investments in wildfire, extreme heat, sea level rise and community resilience. Discussions and negotiations will continue between the two houses and the Administration on a final proposal over the next several months.

Key proposed investments include: \$395 million to support local groundwater sustainability agencies; \$360 million to provide grants and loans to disadvantaged communities to improve access to safe drinking water; \$500 million to harden critical public infrastructure in vulnerable communities; \$500 million to prepare for sea level rise, including funding to support coastal communities in planning for sea level rise; and, finally \$250 million for local communities to improve community resiliency planning and construct new and retrofit existing community resiliency centers.

Proposed Resilience Bond Investments (\$ in millions)

| Investment Category | Department | Program | Amount |
|-------------------------------|---|--|---------|
| Drinking Water, Flood, | Department of Water Resources / State Water | Regional and Inter-regional Water Resiliency | \$1,000 |

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|-----------------------|--|---|---------|
| Drought | Resources Control Board | | |
| | Department of Water Resources | Sustainable Groundwater Management | \$395 |
| | State Water Resources Control Board | Safe Drinking Water | \$360 |
| | Department of Water Resources | Flood – Urban/USACE Projects | \$340 |
| | | Flood – System-wide Multi-benefit | \$270 |
| | Natural Resources Agency | Salton Sea | \$220 |
| | California Department of Food and Agriculture | Environmental Farming Incentive Program | \$200 |
| | Department of Fish & Wildlife | Enhanced Stream Flows and Fish Passage | \$140 |
| Subtotal | | | \$2,925 |
| Wildfire | Natural Resources Agency, CAL FIRE, and Office of Emergency Services | Hardening of Critical Community Infrastructure | \$500 |
| | CAL FIRE | Forest Health | \$250 |
| | Subtotal | | \$750 |
| Sea Level Rise | Ocean Protection Council | Coastal Wetland Restoration | \$320 |
| | | Nature-Based Solutions to Build Resilience | \$130 |
| | | Demonstration Projects to Protect Critical Infrastructure | \$50 |
| | Subtotal | | \$500 |
| Extreme Heat | Natural Resources Agency | Urban Greening & Forestry | \$200 |
| | Strategic Growth Council | Cool Surface Materials | \$125 |
| | Subtotal | | \$325 |

| | | | |
|----------------------|--------------------------|-------------------------------|---------|
| Community Resilience | Strategic Growth Council | Community Resilience Planning | \$25 |
| | | Community Resiliency Centers | \$225 |
| | Subtotal | | \$250 |
| TOTAL: | | | \$4,750 |

Cap & Trade Expenditure Plan

The Governor's proposed January budget includes the allocation of \$965 million in cap and trade expenditures. The annually appropriated revenues from cap and trade are focused on several existing program areas, including CAL Fires' forest health and fuels reduction program, support for the AB 617 Air Quality Program, and investments in low carbon transportation, such as the Clean Vehicle Rebate Program. Notably, the plan only includes \$15 million for waste diversion to CAL Recycle to help implement our waste diversion requirements. However, additional investments are proposed in this area through the proposal of a Climate Catalyst Fund (see next section).

2020-21 Cap and Trade Expenditures (\$ in millions)

| Investment Category | Department | Program | Amount |
|--|---------------------|--|--------|
| Air Toxic and Criteria Air Pollutants | Air Resources Board | AB 617 – Community Air Protection and Local Programs to Reduce Air Pollution | \$200 |
| | | AB 617 – Local Air District Implementation | \$25 |
| | | AB 617 – Technical Assistance to Community Groups | \$10 |
| Low Carbon Transportation | Air Resources Board | Clean Vehicle Rebate Program | \$125 |
| | | Clean Trucks, Buses, & Off-Road Freight | \$150 |

| | | | |
|---|--|--|-------|
| | | Equipment | |
| | | Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects | \$75 |
| | | Agriculture Diesel Engine Replacement & Upgrades | \$50 |
| Climate Smart Agriculture | Department of Food and Agriculture | Healthy Soils Program | \$18 |
| Healthy Forests | CAL FIRE | Healthy & Resilient Forests | \$165 |
| | | Forest Carbon Plan: Prescribed Fire and Fuel Reduction | \$35 |
| | | 2019 Fire Safety Legislation | \$8 |
| Short-Lived Climate Pollutants | CalRecycle | Waste Diversion | \$15 |
| | Department of Food & Agriculture | Methane Reduction | \$20 |
| Integrated Climate Action: Mitigation & Resilience | Coastal Commission & SF Bay Conservation and Development Commission | Coastal Resilience | \$4 |
| | California Conservation Corps | Energy Corps | \$7 |
| Workforce Training | Workforce Development Board | Apprenticeships and Job Creation/Just Transition Strategies for a Carbon Neutral Economy | \$33 |
| Research and Technical Assistance | Natural Resources Agency, California Energy Commission, Office of Planning and | Climate Change Research, Technical Assistance, and Capacity Building | \$25 |

| | | | |
|---------------|--|--|--------------|
| | Research, and Strategic Growth Council | | |
| TOTAL: | | | \$965 |

Climate Catalyst Fund

The Governor's January budget proposes to create a new Climate Catalyst Revolving Loan Fund to provide low-interest loans for a portfolio of climate-related projects that would help meet the state's greenhouse gas and resiliency goals. The fund includes a \$1 billion ongoing general fund investment, with \$250 million proposed in 2020-21 to be administered by the state's Infrastructure Economic Development Bank (iBank), with direction from the Strategic Growth Council and Labor and Workforce Development Agency.

The fund will focus on projects in key areas including the following:

- Transportation Emissions Reductions – Zero Emission Vehicles and Charging Infrastructure;
- Climate Smart Agriculture & Forestry – Dairy digesters, agriculture equipment replacement, small business/ landowner loans for forest management and community hardening;
- Waste Management/Circular Economy – Municipal waste and recycling, compost, methane capture and utilization. This area includes a particular emphasis on small business owners and emerging technologies.

Energy – PG&E

The Governor reiterated his Administration's commitment to ensuring that Californians have access to safe, reliable, affordable and clean energy. With PG&E, the state's largest Investor Owned Utility (IOU), working its way through the bankruptcy process, the budget does not expressly contemplate a specific proposal or budget allocation for a specific path forward. That said, the Governor is clear in his desire to hold PG&E accountable, stating "if protecting Californians' interests and ensuring the necessary transformation requires further intervention, including a state takeover of the utility (PG&E), the Administration will work with the Legislature to secure necessary statutory changes, appropriations to support transactional and planning costs, and liquidity measures."

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EMERGENCY PREPAREDNESS AND RESPONSE

With the ever-present threat of catastrophic wildfire, the Governor's proposed budget expands investments to CAL Fire, the Governor's Office of Emergency Services (Cal OES) and to local agencies to prepare for ongoing threats.

Department of Forestry and Fire Protection (CAL Fire)

The Governor's January proposed budget includes \$120 million General Fund to CAL Fire for operational flexibility and ongoing investments in staffing, infrastructure and pre-positioning of fire equipment.

Wildfire Forecast and Threat Intelligence Integration Center

Senator Bill Dodd's SB 209 (Chapter 405, Statutes of 2019) required Cal OES and CAL Fire to establish a Wildfire Forecast and Threat Intelligence Integration Center. The Center will serve as an organizing hub for wildfire forecasting activities, weather information, data consolidation, and assessment of wildfire threat. The proposed budget includes \$9 million General Fund and 22 positions across CAL Fire, Cal OES, the California Public Utilities Commission (CPUC) and the military. The Center will gather information and intelligence from a variety of sources to build timely and predictive weather and threat information to develop greater situational awareness statewide.

Wildfire Mitigation Financial Assistance Program – Home Hardening

Assembly Member Wood's AB 38 (Chapter 391, Statutes 2019) created a Wildfire Mitigation Financial Assistance Program to encourage home hardening and to help facilitate ongoing and increased vegetation management and defensible space activities. The Governor's January proposed budget includes \$110 million to create this fund, and directs CAL Fire and Cal OES to create a Joint Powers Agreement to administer \$100 million (state and federal funds) for a home hardening pilot program, with a focus on homes in low-income communities and in areas of high risk. In addition, the proposed budget includes \$8.3 million from cap and trade revenues directed to CAL Fire to support additional defensible space inspections.

Office of Emergency Services

The Governor's proposed January budget augments Cal OES's budget and includes an additional \$9.4 million to enhance staffing for disaster-related issues. In addition, the budget includes \$16.7 million in one-time General Fund dollars to increase funding through the California Disaster Assistance Act (CDAA). This augmentation increases the state's total CDAA funding in the proposed budget to \$79.3 million.

Community Power Resiliency

Building on the 2019 appropriation to local governments for Public Safety Power Shut-off related costs, the Governor's proposed budget includes an additional one-time allocation of \$50 million in general fund for Community Power Resiliency. These funds will support a

matching grant program to help local governments mitigate the impacts of Investor-Owned Utility power shut-offs.

Seismic Safety

The Governor's January proposed budget includes a one-time \$17.3 million General Fund loan for the operation and maintenance of the California Earthquake Early Warning System. In addition, the Administration is proposing to transfer the Seismic Safety Commission to Cal OES beginning in 2020-21. The budget also proposes a reduction in the number of appointed commissioners from 20 to 15, and an expansion of entities that are required to provide updates to the Commission on earthquake-related activities.

NATURAL RESOURCES

The Governor's January Budget proposes spending \$6.7 billion for programs in the California Natural Resources Agency. Included in this figure are funds for a "Cutting Green Tape" initiative at the Department of Fish and Wildlife (DFW). This initiative will bring together regulatory staff, local governments, environmental conservation groups, and other stakeholders and experts from across the state, to improve permitting and funding efficiencies for ecological restoration and stewardship projects. The budget includes \$4 million in ongoing General Fund and 16 positions for DFW to increase pace and scale of restoration work, and will help incorporate efficiencies into grant programs. DFW will form a restoration permitting team to provide early project consultation, hold permitting workshops, and incorporate the use of existing programmatic permitting options.

Department of Parks and Recreation

The Budget also includes \$65.1 million for the new Parks for All Initiative. Major components of the initiative include:

- Establishing a new state park – \$20 million General Fund for a new state park at an undisclosed location;
- Acquiring land to expand parks – \$4.6 million in bond funds to acquire inholding properties that expand existing state parks;
- Improving facilities in urban areas – \$8.7 million in Proposition 68 fund to expand access to state parks in urban areas;
- Improving Access for underserved populations – \$20 million General Fund to establish an outdoor equity grants program;
- Enhancing access programming – \$11.8 million to expand both technological and physical access to parks;
- Eliminate cost barriers for low income individuals – Funds will be provided to increase use of the low-income pass program.

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Department of Conservation

The Governor's January budget also proposes changes and increased funding to the state's oil and gas regulatory division, now known as California Geologic Energy Management Division (CalGEM). The changes will lead to stronger oversight of oil and gas extraction. Along with these changes the budget includes \$24.3 million special fund expenditures and 128 new positions to strengthen field enforcement of existing laws and regulations.

Finally, the Governor's January budget includes several one-time funding expenditures to improve and modernize operations at the Natural Resources agency. These investments include:

- Light Detection and Ranging (LiDAR) and Remote Sensing – \$80 million General Fund dollars to collect and make publically available high-quality airborne LiDAR data for the entire state;
- Air support to protect natural resources – \$6 million General Fund to DFW to purchase fixed wing aircraft to monitor species populations;
- Wetlands management – \$7.5 million General Fund to the DFW to modernize water conveyance systems to better manage wetlands, buffer against future climate scenarios, maximize, and reduce staff maintenance costs;
- Hatchery operations – \$6.5 million General Fund to DFW to modernize hatchery operations.

Recycling

The Governor's January budget proposes \$3.9 billion for the California Environmental Protection Agency (CAL EPA). Efforts are underway at both the Agency and the Legislature to deal with major changes in the commodity market for plastics and paper that have limited the state's ability to export recyclable materials abroad. The Budget expresses the Administration's support for circular economy programs that consider end of life recycling issues on the front end of product development. The Legislature is also looking at this concept and nearly passed SB 54/AB 1080 in 2019, which would have reduced unnecessary plastic packaging on the front end of goods sold in California. In addition to efforts on paper and plastics recycling, the Administration also cites California's Bottle Bill program as in need of reform.

State vs. Federal Environmental Policy

The Governor is proposing to allocate additional funding to both the California Air Resources Board (CARB) and the Office of Environmental Health Hazard Assessment (OEHHA) in response to federal actions to roll back certain environmental laws. In response, the Governor is proposing to allocate \$2.7 million to CARB to develop new statewide regulations to reduce exposure to air toxins from commercial and industrial facilities. In addition, the budget includes

\$6 million in General Fund dollars to OEHHA to develop and implement new risk assessment methods to evaluate environmental hazards, including toxicity of unassessed chemicals.

Cannabis

The Governor's January budget proposes to consolidate the three cannabis licensing entities into a single Department of Cannabis Control by July 2021. Currently, the Bureau of Cannabis Control, the Department of Food Agriculture, and the Department of Public Health all share unique responsibilities in licensing various parts of the cannabis industry. The Administration's proposal would centralize and align regulatory functions in a new stand-alone department that would create a single point of contact for cannabis licensees and local governments. In addition, the January budget proposes changes to the point of collection for cannabis taxes. The budget proposes moving responsibility for the cultivation excise tax from the final distributor to the first and for the retail excise tax from the distributor to the retailer. The changes would result in a loss of revenue in 2020-21, as the excise tax would be collected later in the process, with a small increase in revenue in future years.

The Cannabis Tax Fund is forecasted to generate \$479 million in 2019-2020 and \$550 million in 2020-21. This forecast assumes continued growth of more than 15 percent annually. Under Proposition 64, expenditures from the Cannabis Tax Fund are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act. This is followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Governor's January budget estimates \$332.8 million will be available of these purposes in 2020-21. The proposed allocation for the fund is as follows:

- Education, prevention, and treatment of youth substance use disorders and school retention – 60 percent (\$199.7 million);
- Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation – 20 percent (\$66.6 million);
- Public safety related activities – 20 percent (\$66.6 million).

Government Finance and Administration

Broadband

The Governor's January budget proposal outlines a plan to map existing broadband connectivity using a geographic information system (GIS)-based analysis. The analysis will use a combination

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of census data, information on existing public, private and state-owned broadband network infrastructure, and the costs of hardware to complete middle- and last-mile infrastructure.

In total, the state expects to provide \$260.9 million over the next five years for broadband infrastructure improvements and system-wide technology investments in K-12 education and California Community Colleges. These investments are part of the Five-Year Infrastructure Plan that totals \$53.3 billion, mostly for transportation infrastructure.

Paid Family Leave

Last year, the Governor's budget proposal outlined a long-term strategy to expand the Paid Family Leave (PFL) program by providing up to six months of paid parental leave for each child, and expanded individuals' leave from six to eight weeks. This year's January budget proposal briefly discusses expanding job protections to more workers so they can access PFL as well as providing resources to small businesses that provide PFL benefits to their employees.

2020 U.S. Census

The Governor's January budget proposal does not include any changes to census funding. In total, California has allocated \$187.2 million to support census activities, much of it for outreach to hard-to-count populations.

Revenue

Sales Taxes

Over half of sales tax revenue flows to local agencies, either directly or through state realignment funds. Although the sales tax is gradually deteriorating over time, as taxable sales become a smaller share of personal income, revenues are expected to slowly rise. The state's long-term revenue forecast estimates average year-over-year growth of 3.1 percent. Growth from the current year to the budget year is estimated to be 3.9 percent.

Property Taxes

The state's statistical modeling indicates that property taxes overall will rise more slowly over the next few years than they have recently. They estimate statewide increases of 6.4 percent in 2019-20 and 5.7 percent in 2020-21.

Economic Development

Recognizing that different areas of the state have different growth patterns and challenges, the Governor proposes to fund four positions for GO-Biz (the Governor's Office of Business and Economic Development) to be located in the Central Valley, Inland Empire, Central Coast, and North Coast. They are intended to help promote the benefits of those regions and facilitate business expansion.

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The Governor is also proposing \$50 million to support Fresno-area economic-mobility investments, split between \$33 million to establish an industry-academic collaboration to stimulate advanced sustainable agricultural production and \$17 million to plan educational pathways to improve social and economic mobility.

Statewide Issues

Reserves

Governor Newsom repeatedly referenced the state's robust reserves, which would total \$21 billion under his proposal, and the fact that the majority of the projected surplus is devoted to one-time spending. The Budget Stabilization Account would receive nearly \$2 billion in 2020-21, bringing it to a total of \$18 billion. The state also has a Safety Net Reserve of \$900 million and the Governor is proposing bringing the Public School System Stabilization Account balance up to \$487 million. The final piece of the state's reserves is the \$1.6 billion reserve for emergencies and unforeseen events that might arise during the budget year.

Unfunded Liabilities

Following last year's significant payments toward the state's unfunded retirement liabilities, which remain at an estimated \$250 billion, the Governor is proposing to dedicate all future Proposition 2 debt payments to them as well. For the budget year, that would include a \$340 million payment toward retiree health.

Health and Human Services

HUMAN SERVICES

In-Home Supportive Services

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. The Governor's January budget proposal contains no changes to the structure of the new county In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) that was negotiated last year and included in the budget trailer bill SB 80 (Chapter 27, Statutes of 2019). For 2020-21, the Governor's January budget proposal includes \$14.9 billion for IHSS, of which \$5.2 billion is from the General Fund. This is a 16 percent increase in General Fund costs over the 2019-20 costs. The budget proposal estimates that average monthly caseload will increase by 4.5 percent over the prior year projection to a total of 586,000 recipients in 2020-21. This also reflects \$1.1 billion (\$523.8 million General Fund) for the state minimum wage increases.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

IHSS Collective Bargaining Report

In addition to establishing the new IHSS MOE, SB 80 also required the Administration to issue reports to the Legislature on the status of IHSS collective bargaining contracts in every county, with the first report due by January 10, 2020. The Administration was required to consult with both CSAC and IHSS provider unions on this report. CSAC provided the latest information on IHSS collective bargaining that was obtained from a survey of counties to ensure that the county perspective on the status was incorporated into this report. At the time of publication, the report had not yet been made available.

IHSS Social Workers

The January budget proposal includes resources to support increased training for county social workers to promote consistency across the state in conducting needs assessments for IHSS recipients. The budget proposes \$3.7 million (\$1.9 million General Fund) in 2020-21 and \$240,000 (\$120,000 General Fund) ongoing.

IHSS Hours Restoration

The 2019-20 budget suspended the restoration of the seven percent cut in IHSS services hours on December 31, 2021. The Governor's January budget proposal would delay that suspension until July 1, 2023.

Continuum of Care Reform

The Continuum of Care Reform (CCR) enacted significant changes in the child welfare program that are intended to reduce the use of group homes, increase the availability of trauma-informed services and improve outcomes for foster youth. The January budget proposal includes \$548.6 million (\$373 million General Fund) to continue implementation of CCR.

Child Welfare Social Workers

The January budget proposal includes \$11 million (\$5.6 million General Fund) for child welfare workforce development. The funding would establish a child welfare social workers regional training academy in northern California, increase ongoing training for social workers and managers, and assess training effectiveness.

CalWORKs

The California Work Opportunity and Responsibility to Kids program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's January budget proposal includes \$5.7 billion for CalWORKs program expenditures. The average monthly caseload is expected to decline by 1.4 percent in 2020-21.

CalWORKs Grant Increase

The Governor's January budget proposal provides funding for the 3.1 percent increase in the CalWORKs grant levels that is set to take effect October 1, 2020. The increased grant costs total \$73.6 million in 2020-21 and \$98.1 million in 2021-22.

Child Support Programs

The Governor's January budget proposal includes an increase of \$56 million (\$19.1 million General Fund) for local child support agencies (LCSAs) for continued implementation of a new budget methodology that was established in 2019-20. SB 80 (Chapter 27, Statutes of 2019) required the Department of Child Support Services to work with stakeholders, including the Child Support Directors Association, to propose updates to that new methodology. CSAC actively engaged in these methodology discussions during the fall.

In addition, the January budget proposal would increase the amount of child support payments that pass through to CalWORKs families. Currently, only \$50 passes through to the families and that amount is proposed to increase to \$100 for a family with one child and \$200 for a family with more than one child, effective January 1, 2022. It is anticipated that this change will decrease General Fund revenues by \$17 million and increase child support payments to CalWORKs families by \$34 million for 160,000 families. The budget proposal also includes \$1.4 million in 2021-22 for the needed automation changes. In addition, statutory changes are proposed that would forgive past due child support payments that are deemed uncollectible.

CalFresh

The CalFresh program is California's version of the federal Supplemental Nutrition Assistance Program (SNAP), which provides food benefits to low-income individuals and families.

County Administration Funding

The Governor's January budget proposal holds CalFresh county administration funding to the 2019-20 level. This results in an increase of \$26.9 million General Fund in 2020-21. The budget also outlines a goal to propose a new budgeting methodology for CalFresh administration in the May Revision based on ongoing conversations with counties and the County Welfare Directors Association.

Food Banks

In response to federal rule changes impacting CalFresh benefits, the Governor's January budget proposal includes \$20 million one-time General Fund for food banks to support increased food purchases that result from the reduction in CalFresh benefits.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

HEALTH

Medi-Cal California Healthier For All (Formerly CalAIM)

Governor Newsom is investing in his ambitious proposal to streamline and improve the state's Medi-Cal program with the Medi-Cal California Healthier for All initiative. He proposes investing a total of \$695 million (\$348 million General Fund) in 2020-21, and \$1.4 billion total in 2021-22 and 2022-23. The Governor anticipates reducing these investments in implementation to \$790 million in 2023-24, and will present an updated request for funding to support the state's implementation operations, estimated at \$40 million (\$20 million General Fund) for now.

For counties, the proposed budget includes General Fund investments to assist in Medi-Cal California Healthier For All payment reform, system integration, and data sharing and collection efforts. The Governor's January budget proposal earmarks \$45.1 million 2020-21 and \$42 million in 2021-22 for county behavioral health systems.

Please note that the Governor also ties the California Healthier For All initiative to his efforts to combat homelessness, including the proposal to sustain Whole Person Care and provide new housing and social services benefits to those enrolled in managed care plans. For more information about California Healthier For All, please visit the [state's webpage](#). CSAC will provide additional resources on the county impacts of the California Healthier For All initiative.

Medi-Cal County Administration

The Governor's January budget proposal provides an increase of \$67.7 (\$23.7 million General Fund) for Medi-Cal county administration over the 2019-20 funding level. This increase results from an adjustment based on the growth in the California Consumer Price Index. The 2018-19 budget established the new Medi-Cal County Administration methodology that includes this annual adjustment based on the California Consumer Price Index.

Alzheimer's Training

The Governor's Budget includes \$3.6 million one-time General Fund to develop a training program for family caregivers. The Alzheimer's Disease Centers will develop a training program that focuses on assisting families in navigating the various systems that support individuals living with the disease.

AB 85

The Governor estimates \$589.8 million in savings from counties in 2020-21. This funding is statutorily required to offset state CalWORKs costs.

New Vaping Tax

The Governor's Budget includes a proposal for a new tax on E-cigarettes beginning on January 1, 2021. The anticipated revenues from this new tax will be placed in a fund designated to be

used for the administration, enforcement, youth prevention, and health care workforce programs. The intent of the tax is to tackle the significant increase in the number of youth participating in vaping activities. The Budget also includes \$9.9 million for the Department of Tax and Fee Administration for administration of the tax and \$7 million to the California Highway Patrol to coordinate with the Department of Justice on the establishment of a task force to combat the illegal distribution of vaping products. The Governor additionally stated his support for a statewide ban of all flavored nicotine products.

Adverse Childhood Experiences Training and Campaign

The Governor's budget proposes an investment of \$10 million one-time General Fund to develop an adverse childhood experiences campaign and public awareness campaign. The Office of the Surgeon General will be tasked with developing the training program through engagement with experts in various disciplines, including early childhood, education, government and law enforcement. The Office of the Surgeon General will have the responsibility of accrediting the training program.

Behavioral Health Task Force

The Governor's Budget prioritized behavioral health. The Budget establishes a Behavioral Health Task Force within the California Health and Human Services Agency. This Task force will coordinate with state departments, counties, and other stakeholders to review existing policies and procedures for areas where there is room for improvement to the quality of care.

The Administration also indicated a proposal to be released in the spring for a specific look at a reform to the Mental Health Services Act (MHSA). Counties stand ready to work with the Governor to improve the efficiency, flexibility, accountability and transparency of the Mental Health Services Act (MHSA, Proposition 63 of 2004), starting with ensuring that Counties can continue to serve some of California's most vulnerable, individuals with mental illnesses, through this critical local funding source.

Behavioral Health Task Force

The Governor's Budget prioritized behavioral health. The Budget establishes a Behavioral Health Task Force within the California Health and Human Services Agency. This Task Force will coordinate with state departments, counties, and other stakeholders to review existing policies and programs to improve the quality of behavioral health care statewide.

The Administration also announced a proposal to be released in the spring for a Mental Health Services Act (MHSA, Proposition 63 of 2004) reform. Counties stand ready to work with the Governor to improve the efficiency, flexibility, accountability and transparency of the MHSA,

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

starting with ensuring that Counties can continue to serve some of California’s most vulnerable, individuals with mental illnesses, through this critical local funding source.

Housing

The Governor stated his commitment to build on housing investments made in the 2019 Budget Act and on pursuing policy changes that support housing production. The Governor’s January budget proposal continues to fund a \$500 million annual expansion of state affordable housing tax credits authorized last year. The proposal also appropriates \$10 million annually over the next three years to support efforts to increase housing production by continuing to provide assistance to local governments through the Department of Housing and Community Development.

The Governor emphasized his commitment to continue working with the Legislature on efforts to expedite housing production, including changes to local zoning and permitting processes and by adding predictability to and reducing the costs of development fees. The Governor’s January budget states that, over the next year, the Administration will explore the creation of an agency exclusively focused on housing and homelessness in an effort to improve coordination and disbursement of funding across government and remove potential barriers to greater housing production.

1991 Realignment Estimated Revenues and Expenditures - 2020-21 Governor's Budget
(Dollars in Thousands)

| 2018-19 State Fiscal Year | | | | | | | |
|---|-------------------------|--------------------|----------------------------|--------------------------|---------------------------|--------------------------|--------------------|
| Amount | CalWORKs MOE | Health | Social Services | Mental Health | Family Support | Child Poverty | Totals |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,888 | \$- | \$2,152,263 | \$34,036 | \$450,130 | \$104,422 | \$3,493,738 |
| Vehicle License Fee Account | 367,663 | 900,036 | 172,864 | 95,260 | 299,963 | 254,172 | 2,089,958 |
| Total Base | \$1,120,551 | \$900,036 | \$2,325,127 | \$129,296 | \$750,093 | \$358,594 | \$5,583,696 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | - | 177,465 | - | - | - | 177,465 |
| Caseload Subaccount | - | - | (177,465) | - | - | - | (177,465) |
| County Medical Services Growth Subaccount | - | - | - | - | - | - | - |
| General Growth Subaccount | - | - | - | - | - | - | - |
| Vehicle License Fee Growth Account | - | 131 | 62,948 | 164 | - | 40,139 | 103,382 |
| Total Growth | \$- | \$131 | \$240,413 | \$164 | \$- | \$40,139 | \$280,847 |
| Total Realignment 2018-19^{1/} | \$1,120,551 | \$900,167 | \$2,565,540 | \$129,460 | \$750,093 | \$398,733 | \$5,864,543 |
| 2019-20 State Fiscal Year | | | | | | | |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,887 | \$35,237 | \$2,329,728 | \$34,036 | \$414,893 | \$104,422 | \$3,671,203 |
| Vehicle License Fee Account | 367,664 | 1,029,185 | 218,770 | 95,424 | 187,986 | 294,310 | 2,193,339 |
| Total Base | \$1,120,551 | \$1,064,422 | \$2,548,498 | \$129,460 | \$602,879 | \$398,732 | \$5,864,542 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | 18,091 | 86,004 | 36,696 | - | 43,243 | 184,034 |
| Caseload Subaccount | - | - | (86,004) | - | - | - | (86,004) |
| County Medical Services Growth Subaccount | - | - | - | - | - | - | - |
| General Growth Subaccount | - | (18,091) | - | (36,696) | - | (43,243) | (98,030) |
| Vehicle License Fee Growth Account | - | 9,893 | - | 20,066 | - | 23,647 | 53,606 |
| Total Growth | \$- | \$27,984 | \$86,004 | \$56,762 | \$- | \$66,890 | \$237,640 |
| Total Realignment 2019-20^{1/} | \$1,120,551 | \$1,092,406 | \$2,634,502 | \$186,222 | \$602,879 | \$465,622 | \$6,102,182 |
| 2020-21 State Fiscal Year | | | | | | | |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,887 | \$66,413 | \$2,415,732 | \$70,732 | \$401,808 | \$147,665 | \$3,855,237 |
| Vehicle License Fee Account | 367,664 | 1,039,078 | 218,770 | 115,490 | 187,986 | 317,957 | 2,246,945 |
| Total Base | \$1,120,551 | \$1,105,491 | \$2,634,502 | \$186,222 | \$589,794 | \$465,622 | \$6,102,182 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | 22,634 | 9,355 | 45,912 | - | 54,104 | 132,005 |
| Caseload Subaccount | - | - | (9,355) | - | - | - | (9,355) |
| County Medical Services Growth Subaccount | - | - | - | - | - | - | - |
| General Growth Subaccount | - | (22,634) | - | (45,912) | - | (54,104) | (122,650) |
| Vehicle License Fee Growth Account | - | 12,331 | - | 25,012 | - | 29,475 | 66,818 |
| Total Growth | \$- | \$34,965 | \$9,355 | \$70,924 | \$- | \$83,579 | \$198,823 |
| Total Realignment 2020-21^{1/} | \$1,120,551 | \$1,140,456 | \$2,643,857 | \$257,146 | \$589,794 | \$549,201 | \$6,301,005 |

^{1/} Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

2011 Realignment Estimate¹ - at 2020-21 Governor's Budget

| | 2018-19 | 2018-19 Growth | 2019-20 | 2019-20 Growth | 2020-21 | 2020-21 Growth |
|--|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Law Enforcement Services | \$2,560.7 | | \$2,633.8 | | \$2,757.2 | |
| Trial Court Security Subaccount | 559.7 | \$7.3 | 567.0 | \$12.3 | 579.3 | \$11.2 |
| Enhancing Law Enforcement Activities Subaccount ² | 489.9 | 221.3 | 489.9 | 257.4 | 489.9 | 259.1 |
| Community Corrections Subaccount | 1,311.2 | 54.8 | 1,366.0 | 92.6 | 1,458.6 | 83.6 |
| District Attorney and Public Defender Subaccount | 37.9 | 3.7 | 41.6 | 6.2 | 47.7 | 5.6 |
| Juvenile Justice Subaccount | 162.0 | 7.3 | 169.3 | 12.3 | 181.7 | 11.2 |
| <i>Youthful Offender Block Grant Special Account</i> | <i>(153.1)</i> | <i>(6.9)</i> | <i>(160.0)</i> | <i>(11.6)</i> | <i>(171.7)</i> | <i>(10.6)</i> |
| <i>Juvenile Reentry Grant Special Account</i> | <i>(8.9)</i> | <i>(0.4)</i> | <i>(9.3)</i> | <i>(0.7)</i> | <i>(10.0)</i> | <i>(0.6)</i> |
| Growth, Law Enforcement Services | | 294.4 | | 380.8 | | 370.7 |
| Mental Health³ | 1,120.6 | 6.8 | 1,120.6 | 11.4 | 1,120.6 | 10.4 |
| Support Services | 3,756.7 | | 3,885.6 | | 4,103.4 | |
| Protective Services Subaccount | 2,336.2 | 61.0 | 2,397.2 | 103.2 | 2,500.4 | 93.2 |
| Behavioral Health Subaccount | 1,420.5 | 67.8 | 1,488.4 | 114.7 | 1,603.0 | 103.5 |
| <i>Women and Children's Residential Treatment Services</i> | <i>(5.1)</i> | - | <i>(5.1)</i> | - | <i>(5.1)</i> | - |
| Growth, Support Services | | 135.6 | | 229.3 | | 207.1 |
| Account Total and Growth | \$7,868.0 | | \$8,250.1 | | \$8,559.0 | |
| Revenue | | | | | | |
| 1.0625% Sales Tax | 7,156.8 | | 7,498.1 | | 7,800.6 | |
| General Fund Backfill ⁴ | - | | 4.7 | | 9.4 | |
| Motor Vehicle License Fee | 711.2 | | 747.3 | | 749.0 | |
| Revenue Total | \$7,868.0 | | \$8,250.1 | | \$8,559.0 | |

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹ Dollars in millions.

² Base Allocation is capped at \$489.9 million. Growth does not add to the base.

³ Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

⁴ General Fund backfill pursuant to Revenue and Taxation Code sections 6363.9 and 6363.10.

| FY20/21 Interim Redirection Calculation | | | | | | | |
|--|-------------------|------------------|--------------------------|------------------------------|-----------------------------------|-----------------------------|------------------|
| CMSP | 20-21 Realignment | | Maintenance of Effort | 60% Realignment + 60% MOE | Jurisdictional Risk Limitation | Adjustment to CMSP Board | Redirection |
| | Sales Tax | VLF | | | | | |
| Alpine | \$ 46,536.06 | \$ 118,295.96 | \$ 21,465.00 | \$ 111,778.21 | \$ 13,150.00 | \$ 98,628.21 | \$ 13,150.00 |
| Amador | \$ 652,076.31 | \$ 1,618,049.84 | \$ 278,460.00 | \$ 1,529,151.69 | \$ 620,264.00 | \$ 908,887.69 | \$ 620,264.00 |
| Butte | \$ 4,613,829.96 | \$ 10,831,834.66 | \$ 724,304.00 | \$ 9,701,981.17 | \$ 5,950,593.00 | \$ 3,751,388.17 | \$ 5,950,593.00 |
| Calaveras | \$ 709,487.13 | \$ 1,717,136.46 | \$ - | \$ 1,455,974.15 | \$ 913,959.00 | \$ 542,015.15 | \$ 913,959.00 |
| Colusa | \$ 568,985.74 | \$ 1,375,220.28 | \$ 237,754.00 | \$ 1,309,176.01 | \$ 799,988.00 | \$ 509,188.01 | \$ 799,988.00 |
| Del Norte | \$ 652,182.10 | \$ 1,595,258.07 | \$ 44,324.00 | \$ 1,375,058.50 | \$ 781,358.00 | \$ 593,700.50 | \$ 781,358.00 |
| El Dorado | \$ 2,605,122.43 | \$ 6,273,273.74 | \$ 704,192.00 | \$ 5,749,552.90 | \$ 3,535,288.00 | \$ 2,214,264.90 | \$ 3,535,288.00 |
| Glenn | \$ 631,814.47 | \$ 1,537,236.02 | \$ 58,501.00 | \$ 1,336,530.89 | \$ 787,933.00 | \$ 548,597.89 | \$ 787,933.00 |
| Humboldt | \$ 4,645,624.39 | \$ 11,059,699.51 | \$ 589,711.00 | \$ 9,777,020.94 | \$ 6,883,182.00 | \$ 2,893,838.94 | \$ 6,883,182.00 |
| Imperial | \$ 4,629,483.31 | \$ 10,887,856.89 | \$ 772,088.00 | \$ 9,773,656.92 | \$ 6,394,422.00 | \$ 3,379,234.92 | \$ 6,394,422.00 |
| Inyo | \$ 862,023.56 | \$ 2,096,143.24 | \$ 561,262.00 | \$ 2,111,657.28 | \$ 1,100,257.00 | \$ 1,011,400.28 | \$ 1,100,257.00 |
| Kings | \$ 2,280,689.32 | \$ 5,361,377.54 | \$ 466,273.00 | \$ 4,865,003.92 | \$ 2,832,833.00 | \$ 2,032,170.92 | \$ 2,832,833.00 |
| Lake | \$ 982,157.29 | \$ 2,315,888.47 | \$ 118,222.00 | \$ 2,049,760.66 | \$ 1,022,963.00 | \$ 1,026,797.66 | \$ 1,022,963.00 |
| Lassen | \$ 666,791.89 | \$ 1,647,251.09 | \$ 119,938.00 | \$ 1,460,388.59 | \$ 687,113.00 | \$ 773,275.59 | \$ 687,113.00 |
| Madera | \$ 2,278,126.05 | \$ 5,302,077.16 | \$ 81,788.00 | \$ 4,597,194.73 | \$ 2,882,147.00 | \$ 1,715,047.73 | \$ 2,882,147.00 |
| Marin | \$ 5,267,754.49 | \$ 12,698,523.06 | \$ 1,196,515.00 | \$ 11,497,675.53 | \$ 7,725,909.00 | \$ 3,771,766.53 | \$ 7,725,909.00 |
| Mariposa | \$ 364,707.62 | \$ 890,859.78 | \$ - | \$ 753,340.44 | \$ 435,062.00 | \$ 318,278.44 | \$ 435,062.00 |
| Mendocino | \$ 1,434,667.17 | \$ 3,381,582.58 | \$ 347,945.00 | \$ 3,098,516.85 | \$ 1,654,999.00 | \$ 1,443,517.85 | \$ 1,654,999.00 |
| Modoc | \$ 402,226.92 | \$ 980,435.12 | \$ 70,462.00 | \$ 871,874.42 | \$ 469,034.00 | \$ 402,840.42 | \$ 469,034.00 |
| Mono | \$ 535,297.66 | \$ 1,342,453.29 | \$ 409,928.00 | \$ 1,372,607.37 | \$ 369,309.00 | \$ 1,003,298.37 | \$ 369,309.00 |
| Napa | \$ 2,216,424.87 | \$ 5,319,136.88 | \$ 546,957.00 | \$ 4,849,511.25 | \$ 3,062,967.00 | \$ 1,786,544.25 | \$ 3,062,967.00 |
| Nevada | \$ 1,408,031.49 | \$ 3,359,399.19 | \$ 96,375.00 | \$ 2,918,283.41 | \$ 1,860,793.00 | \$ 1,057,490.41 | \$ 1,860,793.00 |
| Plumas | \$ 610,031.42 | \$ 1,446,083.68 | \$ 66,295.00 | \$ 1,273,446.06 | \$ 905,192.00 | \$ 368,254.06 | \$ 905,192.00 |
| San Benito | \$ 831,867.21 | \$ 2,023,546.17 | \$ - | \$ 1,713,248.03 | \$ 1,086,011.00 | \$ 627,237.03 | \$ 1,086,011.00 |
| Shasta | \$ 4,010,925.03 | \$ 9,337,922.87 | \$ 184,049.00 | \$ 8,119,738.14 | \$ 5,361,013.00 | \$ 2,758,725.14 | \$ 5,361,013.00 |
| Sierra | \$ 132,137.55 | \$ 320,809.37 | \$ 7,330.00 | \$ 276,166.15 | \$ 135,888.00 | \$ 140,278.15 | \$ 135,888.00 |
| Siskiyou | \$ 1,079,611.28 | \$ 2,608,040.93 | \$ 287,627.00 | \$ 2,385,167.53 | \$ 1,372,034.00 | \$ 1,013,133.53 | \$ 1,372,034.00 |
| Solano | \$ 5,657,392.82 | \$ 13,165,018.90 | \$ 115,800.00 | \$ 11,362,927.03 | \$ 6,871,127.00 | \$ 4,491,800.03 | \$ 6,871,127.00 |
| Sonoma | \$ 9,212,460.14 | \$ 21,668,125.10 | \$ 438,234.00 | \$ 18,791,291.54 | \$ 13,183,359.00 | \$ 5,607,932.54 | \$ 13,183,359.00 |
| Sutter | \$ 2,145,766.14 | \$ 5,197,394.10 | \$ 674,240.00 | \$ 4,810,440.14 | \$ 2,996,118.00 | \$ 1,814,322.14 | \$ 2,996,118.00 |
| Tehama | \$ 1,438,556.80 | \$ 3,481,230.06 | | | | | |

| | | |
|---------------------------|----|----------------|
| 20-21 Interim Redirection | \$ | 589,794,194.71 |
|---------------------------|----|----------------|

**FY 2017-18 Final Redirection Summary
2020 Governor's Budget**

| CMSP | Previously Redirected | Calculated Redirection | Reconciliation (Due from County) |
|--------------------|--------------------------|--------------------------|-------------------------------------|
| Alpine | \$ 13,150.00 | \$ 13,150.00 | \$ - |
| Amador | \$ 620,264.00 | \$ 620,264.00 | \$ - |
| Butte | \$ 5,950,593.00 | \$ 5,950,593.00 | \$ - |
| Calaveras | \$ 913,959.00 | \$ 913,959.00 | \$ - |
| Colusa | \$ 799,988.00 | \$ 799,988.00 | \$ - |
| Del Norte | \$ 781,358.00 | \$ 781,358.00 | \$ - |
| El Dorado | \$ 3,535,288.00 | \$ 3,535,288.00 | \$ - |
| Glenn | \$ 787,933.00 | \$ 787,933.00 | \$ - |
| Humboldt | \$ 6,883,182.00 | \$ 6,883,182.00 | \$ - |
| Imperial | \$ 6,394,422.00 | \$ 6,394,422.00 | \$ - |
| Inyo | \$ 1,100,257.00 | \$ 1,100,257.00 | \$ - |
| Kings | \$ 2,832,833.00 | \$ 2,832,833.00 | \$ - |
| Lake | \$ 1,022,963.00 | \$ 1,022,963.00 | \$ - |
| Lassen | \$ 687,113.00 | \$ 687,113.00 | \$ - |
| Madera | \$ 2,882,147.00 | \$ 2,882,147.00 | \$ - |
| Marin | \$ 7,725,909.00 | \$ 7,725,909.00 | \$ - |
| Mariposa | \$ 435,062.00 | \$ 435,062.00 | \$ - |
| Mendocino | \$ 1,654,999.00 | \$ 1,654,999.00 | \$ - |
| Modoc | \$ 469,034.00 | \$ 469,034.00 | \$ - |
| Mono | \$ 369,309.00 | \$ 369,309.00 | \$ - |
| Napa | \$ 3,062,967.00 | \$ 3,062,967.00 | \$ - |
| Nevada | \$ 1,860,793.00 | \$ 1,860,793.00 | \$ - |
| Plumas | \$ 905,192.00 | \$ 905,192.00 | \$ - |
| San Benito | \$ 1,086,011.00 | \$ 1,086,011.00 | \$ - |
| Shasta | \$ 5,361,013.00 | \$ 5,361,013.00 | \$ - |
| Sierra | \$ 135,888.00 | \$ 135,888.00 | \$ - |
| Siskiyou | \$ 1,372,034.00 | \$ 1,372,034.00 | \$ - |
| Solano | \$ 6,871,127.00 | \$ 6,871,127.00 | \$ - |
| Sonoma | \$ 13,183,359.00 | \$ 13,183,359.00 | \$ - |
| Sutter | \$ 2,996,118.00 | \$ 2,996,118.00 | \$ - |
| Tehama | \$ 1,912,299.00 | \$ 1,912,299.00 | \$ - |
| Trinity | \$ 611,497.00 | \$ 611,497.00 | \$ - |
| Tuolumne | \$ 1,455,320.00 | \$ 1,455,320.00 | \$ - |
| Yuba | \$ 2,395,580.00 | \$ 2,395,580.00 | \$ - |
| CMSP Board | \$ 189,636,030.10 | \$ 189,636,030.10 | \$ - |
| SUBTOTAL | \$ 278,704,991.10 | \$ 278,704,991.10 | \$ - |
| | | | |
| Article 13 60/40 | Previously Redirected | Calculated Redirection | Reconciliation (Due from County) |
| Placer | \$ 3,293,703.06 | \$ 3,293,703.06 | \$ - |
| Sacramento | \$ 32,251,158.89 | \$ 32,251,158.89 | \$ - |
| Santa Barbara | \$ 8,225,925.90 | \$ 8,225,925.90 | \$ - |
| Stanislaus | \$ 11,036,431.04 | \$ 11,036,431.04 | \$ - |
| Yolo | \$ 3,561,585.08 | \$ 3,561,585.08 | \$ - |
| SUBTOTAL | \$ 58,368,803.97 | \$ 58,368,803.97 | \$ - |
| | | | |
| Article 13 Formula | Previously Redirected | Calculated Redirection | Reconciliation (Due from County) |
| Fresno | \$ 15,854,780.30 | \$ 15,746,278.20 | MAX \$ (108,502.10) |
| Merced | \$ 2,191,930.92 | \$ 2,846,793.79 | MAX \$ 654,862.87 |
| Orange | \$ 42,099,745.34 | \$ 41,851,118.38 | MAX \$ (248,626.96) |
| San Diego | \$ 45,534,959.59 | \$ 45,250,911.05 | MAX \$ (284,048.54) |
| San Luis Obispo | \$ 2,921,701.83 | \$ 2,901,722.71 | MAX \$ (19,979.12) |
| Santa Cruz | \$ 3,800,914.50 | \$ 3,760,947.66 | MAX \$ (39,966.84) |
| Tulare | \$ 6,208,524.84 | \$ 6,472,773.82 | MAX \$ 264,248.98 |
| SUBTOTAL | \$ 118,612,557.32 | \$ 118,830,545.61 | \$ 217,988.29 |
| | | | |
| DPH | Previously Redirected | Calculated Redirection | Reconciliation (Due from County) |
| Alameda | \$ 45,039,703.29 | \$ 33,873,858.43 | MAX \$ (11,165,844.86) |
| Contra Costa | \$ 22,669,383.52 | \$ 23,341,615.27 | MAX \$ 672,231.75 |
| Kern | \$ 16,113,007.14 | \$ 16,093,512.45 | MAX \$ (19,494.69) |
| Los Angeles | \$ - | \$ 309,792,340.02 | MAX \$ 309,792,340.02 |
| Monterey | \$ 6,039,852.36 | \$ 5,934,621.15 | MAX \$ (105,231.21) |
| Riverside | \$ 37,262,353.57 | \$ 38,538,162.22 | MAX \$ 1,275,808.65 |
| San Bernardino | \$ 30,566,682.12 | \$ 30,059,526.67 | MAX \$ (507,155.45) |
| San Francisco | \$ - | \$ - | MAX \$ - |
| San Joaquin | \$ 18,695,222.88 | \$ 19,626,197.15 | MAX \$ 930,974.27 |
| San Mateo | \$ 11,839,729.92 | \$ - | MAX \$ (11,839,729.92) |
| Santa Clara | \$ 39,925,453.96 | \$ 41,404,320.86 | MAX \$ 1,478,866.90 |
| Ventura | \$ 4,521,436.44 | \$ 15,114,002.25 | MAX \$ 10,592,565.81 |
| SUBTOTAL | \$ 232,672,825.20 | \$ 533,778,156.49 | \$ 301,105,331.29 |
| | | | |
| DHCS Total | \$ 351,285,382.52 | \$ 652,608,702.10 | \$ 301,323,319.58 |
| | | | |
| Grand Total | \$ 688,359,177.59 | \$ 989,682,497.17 | \$ 301,323,319.58 |

Due from Counties
Due to Counties

\$ 325,661,899.26
\$ (24,338,579.68)