



## **GOVERNOR'S PROPOSED BUDGET FOR 2019-20 JANUARY 10, 2019**

**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 2019-20**

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Governor Newsom strengthened his reputation for bold action with his first January budget proposal and accompanying press conference. While he emphasized the prudent aspects of his proposal—like the historic contributions to the state's various rainy day funds and pension systems and the large percent of one-time spending commitments—he also outlined several ambitious proposals that will affect not only the state budget, but also counties, county programs, and the daily lives of many Californians.

For counties, the most notable components of the Governor's proposal would:

- Ease the funding burden on counties for In-Home Supportive Services (IHSS),
- Revamp regional housing goals and link production to local transportation funding,
- Build on last year's investments for housing and homelessness programs, and
- Provide funding and other resources for disaster response, recovery, and prevention.

For IHSS more specifically, the Governor is proposing changes to the MOE that would increase state funding for IHSS by an estimated \$241.7 million in 2019-20, growing to \$547.3 million in 2022-23. These increases would reduce county funding requirements for IHSS, providing welcome relief for counties. CSAC is grateful for these proposed increased state resources to address county costs for IHSS. Further context and full details about the IHSS proposal are covered in the Health and Human Services (HHS) section of this document, starting on page 15.

Governor Newsom, who made housing production a hallmark of his campaign, today proposed revamping regional housing goals and providing \$250 million to counties and cities to help "jump-start" housing production, with a further \$500 million held out as incentives for local agencies that meet related goals. However, he also proposes withholding transportation funding from local agencies in areas where housing production has not met planning targets.

The budget proposal increases funding for homelessness by \$500 million for siting emergency shelters, navigation centers, and supportive housing. The Governor also proposes to expand a pilot program allowing Caltrans to lease unused state property for emergency shelters and to expedite No Place Like Home funds to build permanent supportive housing for those living with severe mental illness.

For emergency preparedness and response, the budget proposal provides property tax backfills for the affected counties, including longer term backfills for Butte and Lake Counties, as well as a waiver for the local share of debris removal costs. The Governor also proposes to fund improvements to the 9-1-1 system, earthquake early warning, mutual aid, public safety radios, and, importantly, fuels reduction, prescribed burns, and other wildfire prevention programs pursuant to last year's SB 901.

All of these proposals are still a long way from becoming law, as the Legislature also has ideas for how to spend the historic surplus. Negotiations between the Legislature and the Governor's Office over the 2019-20 budget will give some indications as to how the new dynamic in Sacramento will unfold over the course of his term.

Details are not available for all of the new Governor's ideas, but as these proposals are fleshed out in the coming months, CSAC will continue to communicate their substance and impact to counties and advocate for county interests.

### **Statewide Issues**

At his press conference, Governor Newsom announced that the state will enjoy an estimated surplus of \$24.1 billion going into 2019-20. He is proposing to allocate over 86 percent of those funds to one-time spending, including \$4 billion to eliminate budget debts and end long-time deferrals, \$4.8 billion to build reserves, and another \$4.8 billion to address pension and other post-employment benefit liabilities. The Rainy Day Fund would total \$19.4 billion by 2022-23 and the Safety Net Reserve, created by last year's budget, would rise to \$900 million.

Aside from these efforts to create budget resilience, the Governor's biggest focus is on education, especially for young children. He is putting down a marker for six months of paid family leave, provided through the existing State Disability Insurance system, though many of the details are not yet final. He also includes funding for a three-year effort to achieve universal preschool for income-eligible four-year-olds, which would include new revenue, new child care infrastructure, and investments in child care workforce education.

While counties do not provide K-14 or university education, those two categories account for over half of the state's General Fund spending. Governor Newsom proposes to dedicate \$3 billion to CalSTRS on behalf of school districts to provide them financial relief, in addition to increasing K-12 school funding by 3.46 percent. Included in the increased funding are \$576

million for special education and \$750 million to address barriers to full-day kindergarten. He also proposes over a billion of increased funding for the state's higher education systems.

Finally, the Governor is proposing to significantly expand the Earned Income Tax Credit, from \$400 million to \$1 billion, and rename it the "Working Families Tax Credit". The revamped tax credit would provide \$500 for low-income families with young children and would reach full-time workers making up to \$15 per hour. He indicated the Administration would explore options for providing the money monthly, giving stability for hourly workers whose wages can vary considerably from month to month.

The following pages provide statewide revenue and expenditure summary charts as well as specific budget proposals by policy area. For more detail on these and other items of importance, see the following policy sections below or contact 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](mailto:kschmelzer@counties.org).***

**ACTION**

CALIFORNIA STATE ASSOCIATION OF COUNTIES

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**2019-20 Governor's Budget**  
**General Fund Budget Summary**  
(\$ in millions)

	<b>2018-19</b>	<b>2019-20</b>
<b>Prior Year Balance</b>	\$12,377	\$5,240
Revenues and Transfers	\$136,945	\$142,618
<b>Total Resources Available</b>	<b>\$149,322</b>	<b>\$147,858</b>
Non-Proposition 98 Expenditures	\$90,054	\$88,896
Proposition 98 Expenditures	\$54,028	\$55,295
<b>Total Expenditures</b>	<b>\$144,082</b>	<b>\$144,191</b>
<b>Fund Balance</b>	<b>\$5,240</b>	<b>\$3,667</b>
Reserve For Liquidation of Encumbrances	\$1,385	\$1,385
Special Fund for Economic Uncertainties	\$3,855	\$2,283
<b>Safety Net Reserve</b>	<b>\$900</b>	<b>\$900</b>
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$13,535</b>	<b>\$15,302</b>

**General Fund Revenue Sources**  
(\$ in millions)

	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Personal Income Tax	\$97,720	\$100,547	\$2,827	2.9%
Sales and Use Tax	\$26,244	\$27,424	\$1,180	4.5%
Corporation Tax	\$12,330	\$13,125	\$795	6.4%
Insurance Tax	\$2,606	\$2,830	\$224	8.6%
Alcoholic Beverage Taxes and Fees	\$382	\$389	\$7	1.8%
Cigarette Tax	\$65	\$63	-\$2	-3.1%
Motor Vehicle Fees	\$31	\$33	\$2	6.5%
Other	\$304	-\$26	-\$330	-108.6%
<b>Subtotal</b>	<b>\$139,682</b>	<b>\$144,385</b>	<b>\$4,703</b>	<b>3.4%</b>
Transfer to the Budget Stabilization / Rainy Day Fund	-\$2,737	-\$1,767	\$970	-35.4%
<b>Total</b>	<b>\$136,945</b>	<b>\$142,618</b>	<b>\$5,673</b>	<b>4.1%</b>

**Long-Term Revenue Forecast – Three Largest Sources**  
(General Fund Revenue - \$ in billions)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average Yearly Growth
Personal Income Tax	\$94.3	\$97.7	\$100.5	\$103.1	\$106.0	\$109.4	3.0%
Sales and Use Tax	\$25.0	\$26.2	\$27.4	\$28.2	\$29.0	\$29.8	3.5%
Corporation Tax	\$12.2	\$12.3	\$13.1	\$13.6	\$14.0	\$14.5	3.5%
<b>Total</b>	<b>\$131.4</b>	<b>\$136.3</b>	<b>\$141.1</b>	<b>\$145.0</b>	<b>\$149.0</b>	<b>\$153.6</b>	<b>3.2%</b>
Growth							

**General Fund Expenditures by Agency**  
(\$ in millions)

	2018-19	2019-20	\$ Change	% Change
Legislative, Judicial, Executive	\$4,643	\$4,559	-\$84	-1.8%
Business, Consumer Services & Housing	\$449	\$1,693	\$1,244	277.1%
Transportation	\$214	\$296	\$82	38.3%
Natural Resources	\$3,909	\$3,509	-\$400	-10.2%
Environmental Protection	\$358	\$123	-\$235	-65.6%
Health and Human Services	\$37,098	\$40,302	\$3,204	8.6%
Corrections and Rehabilitation	\$12,495	\$12,482	-\$13	-0.1%
K-12 Education	\$57,861	\$58,746	\$885	1.5%
Higher Education	\$16,348	\$17,180	\$832	5.1%
Labor and Workforce Development	\$159	\$125	-\$34	-21.4%
Government Operations	\$4,876	\$1,253	-\$3,623	-74.3%
General Government:				
Non-Agency Departments	\$1,145	\$821	-\$324	-28.3%
Tax Relief/Local Government	\$472	\$461	-\$11	-2.3%
Statewide Expenditures	\$4,055	\$2,641	-\$1,414	-34.9%
<b>Total</b>	<b>\$144,082</b>	<b>\$144,191</b>	<b>\$109</b>	<b>0.1%</b>

## Emergency Preparedness and Response

### Disaster Recovery & Local Assistance

The Governor's January budget proposal recognizes the devastating wildfires and resulting disasters that occurred last year and that continue to impact communities in both Northern and Southern California. The budget proposal also recognizes consecutive years of catastrophic wildfire and the particularly devastating November 2018 Camp Fire, which has prompted the Administration to make additional and greater investments in recovery efforts, resiliency, and increased response capabilities. The following outlines the Governor's January budget proposal for emergency preparedness and response activities.

#### *Property Tax Backfill*

The budget proposal includes \$31.3 million General Fund to backfill wildfire-related property tax revenue losses for local governments. In addition, the proposal includes a longer term backfill for Butte and Lake counties. The proposal cites the particular magnitude of fires in these counties, and the need to provide additional time and resources to reconstruct impacted properties.

- **Butte, Lake, Los Angeles, Orange, Riverside, Shasta and Siskiyou counties:** \$11.5 million to backfill county entities for losses estimated to be incurred in 2019-20 as a result of the 2018 wildfires.
- **Butte County:** \$16.1 million to backfill entities in Butte County for losses estimated to be incurred in 2020-21 and 2021-22 due to the 2018 Camp Fire.
- **Lake County:** \$3.6 million to backfill entities in Lake County for losses estimated to be incurred in 2019-20, 2020-21, and 2021-22 resulting from the wildfires in 2015, 2016, and 2017.

In addition, the budget proposal includes funding for property tax losses incurred by K-14 schools. This is done through the Proposition 98 mechanism.

#### *Waiver of Local Share for Debris Removal*

The Governor's January budget proposal assumes the state will waive the local share of debris removal costs for the November 2018 wildfires. Generally, local entities are responsible for 25 percent of the non-federal share of debris removal costs.

### California Disaster Assistance Act Reauthorization

The California Disaster Assistance Act (CDAA) authorizes the Director of the California Governor's Office of Emergency Services (Cal OES) to administer a disaster assistance program that provides financial assistance from the State for costs incurred by local governments as a result of a disaster. CDAA authority sunset on January 1, 2019. The Director of Finance

accessed approximately \$2.9 billion before its authority expired, and thus no delays are assumed as a result of this lapse in authority. However, the Administration is seeking immediate legislative action to reauthorize and change statutory requirements to permanently authorize the Director of Finance's authority to immediately access funds for the purposes of disaster response. FEMA generally covers 75 percent of California's eligible costs for response and recovery. However, given the scope of the disasters, the Administration will continue to seek a 100-percent cost share from FEMA. A similar request for the 2017 disasters resulted in a 90-percent cost share by FEMA. The Governor's January budget proposal assumes that the state will be responsible for 25 percent of eligible costs, resulting in increased General Fund expenditures of \$923.1 million.

The budget proposal also includes \$20 million General Fund for a one-time allocation to increase the amount of funding available through CDAA, which is used to repair, restore, or replace public real property damaged or destroyed by a disaster, and to reimburse local government costs associated with certain emergency activities undertaken in response to a state of emergency.

## **Public Safety & Emergency Communications**

### *9-1-1 Proposal*

The Governor's January budget proposal includes a one-time investment of \$60 million General Fund to continue to implement improvements to the state's 9-1-1 system (State Emergency Telephone Number Account, or SETNA). When the existing 9-1-1 fee structure was established, Californians only had landlines since neither cell phones nor the concept of communicating primarily through text/data existed. Because of these technological advancements, in recent years there has been a steady decrease in the revenues collected and deposited into the SETNA Account that funds California's 9-1-1 system. The \$60 million initial state investment would partially reduce the state's reliance on the SETNA fee during the build-out of 9-1-1 enhancements, but is contingent upon legislation to modernize the fee structure. The budget proposal assumes that the new fee structure will be implemented on January 1, 2020, generating approximately \$170 million annually during the build-out, but will be adjusted annually based on actual costs. The budget proposal also includes \$1 million from SETNA to support the implementation and ongoing workload associated with emergency communications coordination and First Responder Network Authority broadband network services.

### *Earthquake Early Warning System*

The Governor's January budget proposal includes \$16.3 million General Fund in a one-time set-aside to finish the build-out of the California Earthquake Early Warning System.

# ACTION

### *Mutual Aid*

The Governor's January budget proposal includes \$25 million General Fund in ongoing funding for the repositioning of existing OES and local government resources that are part of the statewide mutual aid system. Repositioning occurs in areas of identified potential fire threat, which is determined through various means such as weather modeling, high wind zones, low humidity, and dense fire load.

### *Public Education*

The Governor's January budget proposal includes \$50 million General Fund in a one-time allocation to immediately begin a comprehensive, statewide education campaign on disaster preparedness and safety. This effort will focus on community engagement and public education in high-risk areas with an emphasis on public health and safety and will make local grants available to address local and regional needs.

### *Public Safety Radios*

The Governor's January budget proposal includes funding to help upgrade California's antiquated conventional radio system. The existing system makes it difficult for a first responder on one system to communicate with a first responder on another system. As a result, when a responder on one system needs to coordinate with another, they typically must relay messages through a dispatcher, a slow and inefficient process. The Governor's January budget proposal includes \$59.5 million General Fund over five years for OES to develop and implement the California Interoperable Public Safety Radio System, which would allow various agencies the ability to communicate with each other seamlessly, improve radio coverage to clients whose radio systems are geographically limited, and leverage and link to existing state and regional digital radio systems.

## **Forest Management, Resiliency & Fire Response**

### *SB 901 Wildfire Prevention & Recovery Legislation & Fire Prevention*

The Governor's January budget proposal includes \$213 million pursuant to SB 901 (Chapters 626, 2018), the wildfire prevention and recovery legislation. These funds would be used for fuels reduction, prescribed burns, illegal fireworks disposal, and to streamline regulatory barriers for fuels reduction project. This is the first investment out of a total of \$1 billion over the next five years for fire prevention and forest management activities.

The budget proposal also includes additional resources to implement SB 901, including \$9.2 million to the Public Utilities Commissions to address workload issues and to resources to the Public Advocates Office for the purposes of implementing SB 901; \$3.4 million from the Greenhouse Gas Reduction Fund (GGRF) to enhance the California Air Resources Board's (CARB) air quality and smoke monitoring efforts and support to local air district public education



efforts; and, \$7.9 million to the State Water Resources Control Board (SWRCB) to review timber harvest plan exemptions.

### *Firefighting Capability & Equipment*

The Governor’s January budget proposal includes a significant investment to expand the state’s firefighting capacity and response. Proposed funding includes: \$120 million for enhanced aviation resources; \$64.4 million for additional year-round fire engines, heavy equipment staffing and additional California Conservation Corp crews; and, \$9.7 million for 100 additional fire detection cameras and staffing.

## **Homelessness**

### *Regional Homelessness Coordination*

Governor Newsom acknowledges the significant state investments in combatting homelessness in the current year budget, and proposes an additional \$500 million in one-time General Fund for siting emergency shelters, navigation centers, and supportive housing. Entities that apply for this funding must establish joint regional plans to address homelessness that include cities and counties, and report all funding used for homelessness services.

The proposal would direct \$200 million of that funding to local Continuums of Care, \$100 million to the state’s 11 largest cities, and the remaining \$200 million for “meeting milestones” grants to local jurisdictions that show progress toward developing housing and shelters.

### *No Place Like Home Program*

As mentioned in the Health and Human Services section, the Governor wants to expedite the allocation of No Place Like Home (NPLH) grant allocations to counties to build permanent supportive housing for those who are homeless or at risk of homelessness and who are living with a severe mental illness. It is unclear how these funds would be expedited, but voters overwhelmingly passed Proposition 2 authorizing the NPLH program last November. CSAC will engage the Administration on this proposal while seeking to protect existing county Mental Health Services Act allocations.

### *Airspace for Emergency Shelters*

The Governor proposes to expand on a pilot program authorizing Caltrans to lease unused state property around state highways, commonly called airspace, to local jurisdictions for emergency shelters. Please see the Housing, Land Use, and Transportation section starting on page 24 for more information on the Governor’s affordable housing and CEQA streamlining proposals.

# ACTION

## Administration of Justice

### 2011 Realignment

The Governor's January budget proposal updates revenue assumptions for 2011 Realignment programs. For the Community Corrections Subaccount (AB 109) the 2018-19 statewide base remains \$1.311 billion, with growth funding estimated at \$102.3 million. This is a \$30 million increase in growth funding from 2017-18. The 2011 Realignment estimates will be revisited and revised in the Governor's May Revision, then finalized in the fall. For more information, please see the appendix. CSAC will provide individual county projections in the coming weeks.

### Incompetent to Stand Trial (IST)

The Department of State Hospitals (DSH) continues to experience a significant number of IST commitments—the number of ISTs pending placement into the state hospital was more than 800 individuals in December 2018. The budget proposal includes funding to expand DSH beds, but also includes \$12.3 million to allow DSH to contract up to 74 additional jail-based competency restoration treatment beds through the county jail treatment programs.

### Judicial Branch

The Governor's January budget proposal provides \$4.1 billion for the judicial branch, of which \$2.4 billion is provided to support trial court operations. This amount also includes \$75 million for pretrial pilot projects.

In 2014, the Judicial Council began allocating funding to 12 trial courts for pretrial decision-making projects, including the use of risk assessment tools. The Governor's January budget proposal states that "these programs are worthy of continuation and replication to support the goals of enhancing public safety, ensuring the rights of defendants and victims, and supporting the efficient, consistent and fair administration of justice." Given this, the January budget proposal includes \$75 million General Fund to be allocated over a two-year period by the Judicial Council to fund the implementation, operation, or evaluation of programs or efforts in eight to ten courts related to pretrial decision-making.

### Law Enforcement Training

The Governor's January budget proposal includes \$14.9 million General Fund to restore Peace Officer Standards and Training (POST) to its historical budget level prior to the decline in fine and fee revenue. The Governor's January budget proposal also includes \$20 million General Fund to make a permanent one-time augmentation in the 2018 Budget Act for training on use of force and de-escalation and engaging with individuals experiencing a mental health crisis.

### Proposition 47

Proposition 47 was passed by the voters in November 2014 and requires misdemeanor rather than felony sentencing for certain property and drug crimes. It also permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Based on Fall projections, the Department of Finance currently estimates a net savings of \$78.5 million when comparing 2018-19 to 2013-14, an

increase of \$13.8 million over the estimated 2017-18 savings. These funds will be allocated according to the formula outlined in the initiative.

### **SB 678 Funding**

The Governor's January budget proposal assumes sustained funding for SB 678 (Chapter 608, Statutes of 2009), reflecting counties' ongoing success under the 2009 performance-based probation funding program. The proposal would allocate \$116.4 million based on the revised formula established in 2015-16.

### **Post Release Community Supervision (PRCS)**

The Governor's January budget proposal includes \$11.8 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on PRCS as a result of the implementation of court-ordered measures and Proposition 57.

### **California Department of Corrections and Rehabilitation (CDCR)**

In the Governor's January budget proposal, CDCR is funded at approximately \$12.6 billion. The proposal prioritizes inmate literacy and reentry, as well as continuing to invest in the prisons' aging infrastructure and inmate mental health and medical care.

The Governor also proposes moving the Division of Juvenile Justice (DJJ) from CDCR to a new department under the Health and Human Services Agency.

### **Department of Justice (DOJ): Forensic Services**

The Governor's January budget proposal includes \$25 million to enable DOJ to continue processing forensic evidence for counties.

### **Organized Retail Threat Task Forces**

The Governor's January budget proposal includes \$5.8 million General Fund on a limited-term basis for the California Highway Patrol to coordinate with DOJ in the creation of regional task forces aimed at reducing organized retail theft activities.

### **Human Trafficking Programs**

The Governor's January budget proposal includes \$10 million ongoing General Fund for the Office of Emergency Services to continue funding for the Human Trafficking Victim Assistance Program. Grant recipients provide comprehensive safety and supportive services, including a 24-hour crisis hotline, emergency shelter, temporary housing, emergency food and clothing, counseling, transportation, legal assistance, and referrals to existing local resources. The Office of Emergency Services, through a competitive grant process, currently funds 21 projects with \$10 million to assist trafficking victims in recovering from the trauma they experience.

## Agriculture, Environment and Natural Resources

### Safe and Affordable Drinking Water Fund

The Governor's January budget proposal revives the concept of a Safe and Affordable Drinking Water Fund. The proposal, which died in the Legislature last year, would create new charges on drinking water customers and certain agricultural entities to generate revenue to implement a new financial assistance program to address unsafe drinking water systems, with a focus on disadvantaged communities. This proposal is consistent with Senator Bill Monning's SB 623 from the 2018-19 legislative session. The CSAC AENR committee voted to support SB 623 at last year's 2018 Legislative Conference in Sacramento. The AENR Committee supported this proposal, in part, because it would address a critical funding gap for operations and maintenance costs of drinking water systems, in addition to providing support for other measures that will help improve drinking water conditions around the state.

### Cannabis

The Governor's January budget proposal includes \$200 million from the Cannabis Tax Fund and Cannabis Control Fund and \$2.9 million for the California Department of Tax and Fee Administration for a cannabis tax enforcement program to help with cannabis tax compliance. Proposition 64 levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis. As California's cannabis markets continue to grow, the excise tax is expected to generate \$355 million in 2018-19 and \$514 in 2019-20. These excise taxes are used to fund different programs as required under Proposition 64. These programs include community reinvestment, funding for studies, youth cannabis use prevention, environmental protection, and funding for law enforcement. The Administration has noted that it will hold off on proposing specific allocations until the May Revision of the budget when more up-to-date revenue data will be available.

### Cap & Trade Expenditure Plan

The Governor's January budget proposal expends \$1 billion from the Greenhouse Gas Reduction Fund (GGRF) for 2019-20. This is roughly \$400 million less overall than last year's cap and trade expenditure plan, which was adopted in June of 2018.

Despite the decrease in the proposed allocation, funding levels largely remain the same for key programs including:

- \$407 million for the purchase of zero-emission vehicles, trucks, and freight equipment;
- \$230 million to fund and implement AB 617 Community Air Protection Programs;
- \$40 million for the Transformative Climate Communities (TCC) program; and
- \$25 million proposed for CAL Recycle waste diversion programs to help reduce short lived climate pollutants, such as methane emissions, from landfills. This is significant for local governments given that Cal Recycle's SB 1383 Organic Waste Diversion regulations are expected to be adopted this year and will increase organic waste diversion requirements.

Increasing funding levels for both the TCC program and waste diversion were top priorities for the CSAC AENR team during last year's negotiation of the state's cap and trade expenditure plan. In addition, this

year’s proposal includes \$200 million for Cal Fire for forest resiliency efforts as required by SB 901 (Dodd Chapters 626, 2018). See Emergency Preparedness & Response section on page 6 for more information.

In addition, the cap and trade proposal includes an increased investment in the healthy soils program for a total of \$18 million to the California Department of Food and Agriculture, and \$27 million to the Workforce Development Board to increase job training and apprenticeship opportunities – directed towards disadvantaged communities – to support the state’s transition to a low carbon economy.

See appendix for specific details on cap and trade.

## Government Finance and Administration

### Property Tax Backfill for Fire-Impacted Counties

The Governor’s January budget proposal sets aside \$31.3 million General Fund to backfill wildfire-related property tax revenue losses for local governments. This includes one year of backfill funding for most impacted counties and three years for Lake County and Butte County given the magnitude of fire damage in those counties. To ensure \$31.3 million captures the entire picture, impacted counties are strongly encouraged to [report their estimated property tax loss to CSAC staff](#), especially if there are any adjustments between now and May. Further details on property tax backfill and recovery funds are available in the “Emergency Preparedness and Response” section on page 6.

### Mandate Reimbursement

The Governor’s January budget proposal includes \$15.1 million General Fund to pay off the principal and interest on debt owed to cities, counties, and special districts for four expired or repealed state mandates. They are Binding Arbitration (01-TC-07), Fire Safety Inspections of Care Facilities (01-TC-16) and (13-MR-01), Backgrounds screening (01-TC-11) and (12-MR-02), and Racial Profiling – Law Enforcement Training (01-TC-01). County claims amount to a little over \$3 million, not including interest, for these four mandates.

### Economic Development Tools

The Governor’s January budget proposal seeks to improve existing economic development tools, namely Enhancing Infrastructure Financing Districts (EIFDs), and make them a more viable option for local agencies. To that end, the Governor’s January budget proposal removes the 55 percent voter approval requirement for an EIFD to issue debt, which the Administration hopes will spur interest and encourage longer-term infrastructure commitments.

Additionally, the Governor’s January budget proposal contemplates augmenting the federal Opportunity Zones programs with additional state incentives, including deferred and reduced state-level taxes on capital gains for investments in green technology or affordable housing in Opportunity Zones. CSAC will share further details as soon as they become available.

## **2020 U.S. Census**

The Governor's January budget proposal includes an additional \$50 million for statewide outreach efforts related to ensuring an accurate and complete count in the upcoming decennial census. This builds on \$90.3 million provided in the 2018 Budget Act and the state's overall commitment to this critical initiative. Further details on the extra \$50 million will be released in upcoming report by the Census 2020 California Complete Count Committee expected on January 11.

## **Paid Family Leave Expansion**

The Governor's budget proposal loosely outlined a long-term strategy to expand the Paid Family Leave program by providing up to six months of paid parental leave. As part of that strategy, over the upcoming budget year, the Administration will convene a task force to consider different options to phase-in the expansion. While details are scant at this time, the proposal did identify a funding stream through the State Disability Insurance Program that should help alleviate employer costs

## **Paying Down State Pension Funding Liability**

The Governor's January budget proposal makes it a top priority to pay down the state's retirement liabilities, and while this does not alleviate the pension liability of local agencies, it could effectually improve the system-wide funded status. Overall, the Governor's January budget proposal includes a one-time \$3 billion supplemental payment from the General Fund to CalPERS. Similarly, the budget proposal commits \$2.9 billion from the General Fund to CalSTRS over the next four years.

## **Economic Outlook**

The Governor's January budget proposal relies on continued growth in the economy with General Fund revenues expected to be \$137 billion in 2018-19 and \$143 billion in 2019-20. This is due largely to an improved outlook for personal income tax, fueled by strong wage withholding and capital gains. However, this positive outlook could easily flip the other way, given the volatility of the personal income tax, which is the state's largest revenue source. Specific risk factors include a sharp fall in the stock market, the effects of a continued trade war, policy divergences with the federal government, an aging population, and a lack of housing.

### *Sales and Use Tax Revenue Projections*

The Governor's January budget proposal adjusted the forecast for sales and use tax revenues downward. This is largely because the expected surge in business investment from the federal tax credit changes did not materialize in 2018.

According to the Governor's January budget proposal, sales and use tax generated General Fund revenue of \$25.0 billion in 2017-18 and is expected to generate \$26.2 billion in 2018-19 and \$27.4 billion in 2019-20. These revised estimates reflect a reduction of \$378 million in 2017-18, \$430 million in 2018-19, and \$565 million in 2019-20.

### *Property Tax Revenue Projections*

Even though property taxes are a local revenue source, a property tax forecast is included in the state budget due to the allocation for K-14 schools offsetting General Fund expenditures.

Although sales volumes declined slightly from 2017 to 2018, the budget anticipates continued solid growth in property tax revenues. Statewide, property tax revenues are estimated to increase 6 percent in 2018-19 and 6.8 percent in 2019-20.

## 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. For 2019-20, the Governor's January budget proposal includes \$12.7 billion for IHSS, of which \$4.3 billion is from the General Fund. This is a 15.2 percent increase in General Fund costs over the 2018-19 costs. The budget proposal estimates that average monthly caseload will increase by 4.5 percent over the prior year projection to a total of 564,000 recipients in 2019-20.

#### *IHSS Reopener Report*

As part of the 2017-18 budget trailer bill SB 90 (Chapter 25, Statutes of 2017) that established the new IHSS maintenance of effort (MOE), CSAC advocated for a provision that required the Department of Finance to reexamine the IHSS fiscal structure during the development of the 2019-20 budget. Specifically, the Department of Finance was required to submit findings and recommendations to the Legislature by January 10, 2019 on four specific elements:

1. The extent to which revenues available for 1991 Realignment are sufficient to meet program costs that were realigned.
2. Whether the IHSS program and administrative costs are growing by a rate that is higher, lower, or approximately the same as the MOE, including the inflation factor.
3. The fiscal and programmatic impacts of the IHSS MOE on the funding available for the Health Subaccount, the Mental Health Subaccount, the County Medical Services Program Subaccount, and other social services programs included in 1991 Realignment.
4. The status of collective bargaining for the IHSS program in each county.

The Department of Finance has completed the [Senate Bill 90: 1991 Realignment Report](#), which is now available on their website. Through an IHSS Working Group, CSAC, counties, and county affiliates dedicated significant time in 2018 to engaging with the Department of Finance about the impacts of the new IHSS MOE as part of this reopener report requirement. Counties appreciate the Department of Finance's partnership on these efforts.

# ACTION

Overall, counties were advocating for three critical points to be acknowledged in the report:

1. There is a significant and growing gap between the IHSS program costs that counties are responsible for and the available revenues.
2. There will be negative impacts on other Realignment programs, including public health and behavioral health programs, due to the IHSS cost pressures.
3. Additional revenues will be needed to ensure the sustainability of IHSS and other critical services that counties administer on behalf of the state.

The Department of Finance report contains specific recommendations to adjust the IHSS MOE and dedicate increased State General Fund for IHSS, which are covered in the next section. CSAC is pleased that the Governor is proposing to address the projected gap between IHSS costs and available revenues that counties are facing.

#### *IHSS MOE Revisions*

The Governor's January budget proposal contains revisions to the county IHSS MOE that was established in 2017. The end result of these revisions is estimated to increase State General Fund costs for IHSS, starting at \$241.7 million in 2019-20 and growing to \$547.3 million in 2022-23. The Department of Finance estimates that there would not be a Realignment shortfall until 2021-22 and it would be a minor shortfall of \$9.5 million. This is positive news for counties as prior estimates under the existing structure showed shortfalls of several hundred million dollars in the coming years. CSAC is grateful for these proposed increased state resources for IHSS, which will provide welcome relief for counties.

The specific IHSS MOE revisions that are being proposed by the Governor would:

- Rebase the IHSS MOE downward starting in 2019-20 to \$1.56 billion.
- Apply a four percent inflation factor to the MOE beginning in 2020-21, reduced from the seven percent inflation factor in 2019-20.
- Eliminate the State General Fund mitigation beginning in 2019-20.
- The rebased IHSS MOE in 2019-20 will be for IHSS Services, with a State General Fund Allocation provided for IHSS administrative costs.
- Stop the redirection of 1991 Realignment VLF Growth from the Health and Mental Health subaccounts to the Social Services subaccounts beginning in 2019-20.
- Eliminate accelerated caseload growth for IHSS and return to the original method for calculating IHSS caseload.

There is also a significant change proposed to collective bargaining for IHSS wages and benefits. Once state-wide minimum wage reaches \$15 per hour on January 1, 2022, the Governor's January budget proposal specifies that the state sharing in the cost of locally negotiated increases would be reduced to 35 percent of the non-federal share of cost and the county share



increased to 65 percent of the non-federal share of costs. Currently, the state participates in 65 percent of the non-federal share of costs up to the state participation cap, with a mechanism for counties to obtain additional state participation above that cap.

For overall 1991 Realignment, this report outlines changes that are proposed by the Budget. The proposal would eliminate the general growth schedule for 1991 Realignment as it indicates it is no longer needed since enactment of AB 85. Instead, the Budget proposes to set the general growth percentages at 37.4333 for Mental Health, 44.1122 for Child Poverty and Supplemental Family Support, and keep it at 18.4545 for Health. In addition, starting in 2019-20, the Budget proposes to eliminate growth allocations for the County Medical Services Program Board until the Board's operating reserves fall below three months of operating costs.

CSAC will work to gather additional details and language on all of these proposed changes so that we can comprehensively review the IHSS MOE and Realignment revisions.

#### *IHSS Administration*

The Governor's January budget proposal provides an ongoing increase of \$15.4 million General Fund for county IHSS administration, for a total of \$326 million General Fund. The budget summary notes that this increase reflects revised benefit rate assumptions. The 2017-18 Budget included a provision that required the Department of Finance to work with counties to develop a new methodology for calculating IHSS administration costs. CSAC, the County Welfare Directors Association, and the California Association of Public Authorities dedicated significant time to working with the Department of Finance and Department of Social Services on this revised budgeting methodology.

#### *IHSS Hours Restoration*

The Governor's January budget proposal provides \$342.3 million in State General Fund to permanently restore a seven percent cut in IHSS services hours that would occur on July 1, 2019 absent an extension of the managed care organization (MCO) tax. While the budget proposes to restore the reduction in hours, it does not assume that the MCO tax will be extended.

#### *Electronic Visit Verification*

States must implement an electronic visit verification system by January 1, 2020 for personal care services, including IHSS, in order to comply with federal law or face increasing penalties. The Governor's January Budget proposal includes \$34.9 million (\$5.3 million General Fund) to implement EVV and enhance the Case Management, Information and Payrolling System.

## **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 \$416.9 million (\$301.7 million General Fund) to continue implementation of CCR. The funding reflects ongoing support for child and family teams, approval of resource families and family care placements with supportive services.

## **Child Support Programs**

The Governor's January budget proposal includes an increase of \$56 million (\$19.1 million General Fund and \$36.9 million federal funds) for local child support agencies (LCSAs). The additional funding is proposed to be allocated to 21 counties that have relatively lower funding levels. This follows up on a \$3 million increase in the 2018-19 budget and direction in AB 1811 (Chapter 35, Statutes of 2018) that requires the Director of the Department of Child Support Services to work with the Child Support Directors Association to identify refinements to the child support budgeting methodology and to identify programmatic operational efficiencies.

## **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 average monthly caseload is expected to decline by 8.9 percent in 2019-20.

### *CalWORKs Grant Increase*

The Governor's January budget proposal includes \$347.6 million General Fund to increase CalWORKs grants to 50 percent of the 2019 federal poverty level (FPL). The 2018-19 budget agreement had included a 10 percent increase to grants effective April 1, 2019, and this budget proposal will increase grant levels by 13.1 percent, effective October 1, 2019.

### *CalWORKs Home Visiting*

The Governor's January budget proposal provides \$78.9 million in funding for home visiting services for parents in the CalWORKs program with children under the age of two. The Home Visiting program will leverage existing evidence-based program models to help young families improve engagement, the healthy development of young children and employment stability. The Department of Social Services will continue working with counties to ensure positive outcomes.

### *CalWORKs Single Allocation*

The Governor's January budget proposal includes a one-time augmentation of \$93.6 million for the CalWORKs single allocation, which is what the state provides to counties to administer the

CalWORKs program. This augmentation addresses a decrease in the Single Allocation that would occur due to the projected caseload decline. Counties will continue to work with the Administration on revising the methodology to insulate counties and beneficiaries from experiencing huge swings in year-to-year funding levels for the single allocation. The conversations about the revised methodology are ongoing.

#### *CalWORKs Stage 2 and 3 Child Care*

The Governor's January budget proposal includes a significant investment in early education and affordable child care. In addition to proposals for an increase in access for universal full-day kindergarten, universal preschool and subsidized child care, the budget included an increase of \$119.4 million General Fund for the CalWORKs Stage 2 and 3 Child Care programs. CalWORKs Stage 2 and Stage 3 programs provide child care assistance for current and former CalWORKs families. The 2019-20 budget increase reflects the increase in child care costs and caseloads throughout the state.

#### *Safety Net Reserve Increase*

AB 1830 (Chapter 42, Statutes 2018), the Budget Deficit Savings Account trailer bill created the Safety Net Reserve Fund at the state level to provide additional reserves in the case of an economic downturn. During an economic downturn there are fewer opportunities and an increased need for basic services. The Safety Net Fund established Medi-Cal and CalWORKs subaccounts within this reserve fund. The Governor's January budget proposal will bring the reserve amount to \$900 million by increasing the Safety Net Reserve Fund by \$700 million.

#### *California Statewide Automated Welfare System (CalSAWS)*

California currently has three separate systems used at the local level to determine cash, food and medical assistance eligibility, benefit computation, benefit delivery, case management and information management. A federal funding provision requires California to have one single SAWS system by 2023. The Governor's January budget proposal includes \$148.2 million in 2019-20 for design, development and implementation of a single CalSAWS. The California Department of Social Services is working with counties through the development phase.

#### **Supplemental Security Income (SSI)/State Supplementary Payment (SSP)**

The federal Social Security Department administers monthly supplemental security income (SSI) payments to eligible aged, blind and disabled persons. California has augmented SSI payments with a state supplementary payment (SSP) payment. The state also provides state-only funded monthly payments to the aged, blind and disabled legal immigrants who do not qualify for SSI/SSP, through the Cash Assistance Program for Immigrants (CAPI). The Governor's January budget proposal includes \$2.75 billion General Fund for SSI/SSP programs, a decrease of 0.5

# ACTION

percent from the 2018-19 budget. The decrease in funding reflects a continuous decline in recipients statewide. Despite the decrease in overall funding, SSI/SSP recipients will see an increase of approximately \$19 and \$29 to the maximum grant levels for individuals and couples effective January 2020.

#### *Elimination of SSI Cash-Out Policy*

The SSI cash-out policy was eliminated in the 2018-19 budget agreement. The SSI cash-out was a way to provide SSI/SSP recipients with an increased cash benefit that was equivalent to the food benefit amount. SSI/SSP recipients under the cash-out policy were not eligible for CalFresh benefits. The elimination of the policy extended CalFresh eligibility to SSI recipients. To offset any grant reduction due to the policy change, the Governor's January budget includes a \$86.7 million General Fund to support any beneficiaries who would see a reduction to their food benefits.

## **PUBLIC HEALTH**

### **Alzheimer's Grants**

The Governor's Budget includes \$3 million General Fund to support research grants and a Governor's Taskforce for the Alzheimer's Disease Program and brain health. The Alzheimer's Disease Program research grant will focus on the prevalence of this disease in women and communities of color.

### **Sexually Transmitted Diseases Prevention**

The Budget includes \$2 million General Fund for local health departments intended to support sexually transmitted disease prevention efforts.

## **HEALTH**

### **Health Care Expansion for Middle Class and Undocumented Young Adults, AB 85 Changes**

Governor Newsom reiterates his announcement Tuesday of his plan to increase health care coverage for middle class individuals through Covered California and expand Medi-Cal coverage to undocumented young adults aged 19 to 25.

The first plank of the plan is to enact a state-only health care coverage mandate, similar to the one that was included in the ACA, but recently struck down in court. This state-only mandate to purchase health care coverage would also include penalties for noncompliance.

The revenue generated from those penalties would then be leveraged to provide additional health care subsidies to individuals with incomes between 250 and 400 percent of the Federal Poverty Level (FPL) and new subsidies to those between 400 and 600 percent FPL.

The mandate and subsidies are expected to decrease the uninsured rate and reduce uncompensated care and residual county indigent care costs.

The possibility of reduced county care costs is not wasted by the Governor, however. He proposes also expanding full-scope Medi-Cal coverage to about 138,000 undocumented young adults aged 19 to 25, and anticipates additional local cost savings as a result. Thus, starting in 2019-20, he wants to change the AB 85 redirection amounts for the County Medical Services Program Board (not individual CMSP counties) and increase the 60/40 redirection ratio to 75/25. Counties that elected the formula option are not included in his proposed changes. CSAC will work with county affiliates and others to gain a better understanding of these proposed changes, including how the proposed increase in redirections is tied to the coverage expansion and the local needs of public health departments.

### **AB 85**

Besides the proposed changes to local AB 85 redirections, the Governor estimates \$617.7 million in AB 85 redirections from counties in 2019-20. This funding is statutorily required to offset state CalWORKs costs. While this is \$155.5 million lower than last year, the Governor estimates that the state will gain \$315 million from the 2016-17 AB 85 True Up. Please see the AB 85 estimate chart in the Appendix; CSAC will continue to work with the new administration to ensure these estimates are accurate.

### **Prescription Drug Reform**

One of Governor Newsom's priorities is reducing prescription drug costs and increasing access to needed medications. He announced on Tuesday an effort to transition all Medi-Cal pharmacy services from a managed care benefit – meaning provided by the managed care plans – to a standardized fee-for-service benefit. This transition would allow the state to bargain directly with pharmaceutical manufacturers on behalf of all Medi-Cal enrollees and would streamline any drug rebate savings.

The Governor also wants to strengthen the California Pharmaceutical Collaborative, which would allow the state to partner with private enterprise to bargain on drug prices and create new bulk purchasing agreements for both public and private payers. The Governor refers to this effort as “single payer for prescription drugs.” County public hospitals and county health systems could benefit from these proposals, but more detail is needed to assess the potential county opportunities and impacts.

## **Medi-Cal**

For the first time in nearly a decade, the Governor estimates a decrease in Medi-Cal costs of about \$2.3 billion for the Budget Year. This is largely due to the Hospital Quality Assurance Fee, as well as some drug rebates. The Administration is also going to improve how the state estimates Medi-Cal costs to decrease the volatility of budget estimates in the future.

As noted above, Governor Newsom also intends to expand Medi-Cal coverage to young undocumented adults aged 19 to 25.

### *Medi-Cal County Administration*

The Governor's January budget proposal provides an increase of \$53 million for Medi-Cal county administration over the 2018-19 funding level. Total funding is \$2.1 billion (\$723.6 million General Fund). This increase results from an adjustment based on the growth (2.63 percent) 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.

### *Adverse Childhood Experiences Screening*

The Governor proposes using \$22.5 million in Proposition 56 (2016 tobacco tax) funding to provide Adverse Childhood Experiences (ACES) screenings once every three years to Medi-Cal beneficiaries under age 65. The cost of the screenings is federally reimbursable, so the total cost for the screening is estimated to be \$45 million. The Department of Health Care Services would operationalize the screenings, including working with stakeholders to continue development of an ACES screening tool for children. The screenings can begin no sooner than January 1, 2020.

## **BEHAVIORAL HEALTH**

Please see the IHSS Section to review the Governor's proposal to restore 1991 Realignment growth redirections from mental health and public health that were enacted under the 2017 IHSS MOE deal. Growth for mental health and public health would be restored in the budget year (starting July 1, 2019). Counties wish to thank the Governor for recognizing the critical need for mental health and public health growth funding at the local level.

### *No Place Like Home Program*

The Governor wants to expedite the allocation of No Place Like Home (NPLH) grant allocations to counties to build permanent supportive housing for those who are homeless or at risk of homelessness, and those who are living with a severe mental illness. It is unclear how these funds would be expedited, but voters overwhelmingly passed Proposition 2 authorizing the NPLH program last November. CSAC will engage the Administration on this proposal while

seeking to protect existing county Mental Health Services Act allocations. Please see the Homelessness Section for more information on homelessness funding.

#### *Whole Person Care*

The Governor touts the innovation and effectiveness of the county Whole Person Care (WPC) pilot projects, and proposes to inject \$100 million in General Fund to help provide housing options for WPC participants with mental illness. Counties welcome this state infusion of funding on the most critical element of the project: housing. This funding would need to be expended by June 30, 2025. Please see the Homelessness Section for more information on homelessness funding.

#### *Mental Health Workforce Funding*

Governor includes \$50 million General Fund to increase mental health training and workforce program administered by the Office of Statewide Planning and Development. Governor Newsom proposes allocating \$5.3 million ongoing General Fund to hire additional mental health clinicians for higher education students. It is not clear if this funding is available only to California's university campuses or the state university and community college systems as well.

#### *Early Psychosis Grants*

Governor Newsom proposes to fund grants for the early treatment of psychosis with \$25 million in one-time General Fund grants. He may intend this funding to filter through the new Early Psychosis program created under last year's AB 3115 (Mullin), which created the framework for such a program at the Mental Health Services Oversight and Accountability Commission, but did not identify a funding source.

## **Housing, Land Use and Transportation**

### **Transportation Funding**

The Governor's January budget proposal includes \$4.8 billion in SB 1 (Beall, 2017) funding in 2019-20. \$1.2 billion in funding from Road Maintenance and Rehabilitation Account (RMRA) will be split evenly between cities and counties, with another \$1.2 billion dedicated to the repair and maintenance of the state highway system. An additional \$400 million is available to repair and maintain the state's bridges and culverts, \$307 million is available to improve trade corridors, and \$250 million is available for congested commute corridor projects. The budget proposal also reflects \$458 million for local transit operations and \$386 million for capital improvements for transit, commuter, and intercity rail. Counties and cities will also receive the final \$75 million loan repayment authorized by SB 1.

# ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

In addition to SB 1 funding, cities and counties will share \$567 million in price-based excise tax revenue, up from \$235 million in 2018-19. Recall that SB 1 eliminated the “true-up” process and resets the price-based excise tax rate at 17.3 cents per gallon in 2019-20 with future inflationary adjustments. An additional \$1.1 billion in Highway User Tax Account (HUTA) revenue will be allocated to counties and cities by formula.

CSAC staff will prepare county-by-county estimates for all RMRA and HUTA formula funds, which will be available soon.

### **Linking Transportation Funding with Housing Production**

The budget proposal includes a statement that “the state will strongly encourage jurisdictions to contribute to their fair share of the state’s housing supply by linking housing production to certain transportation funds and other applicable sources, if any.” At the press conference, the Governor initially indicated his desire to link local government allocations of SB 1 funds with the production of housing as compared to established planning goals, although he slightly softened the statement when questioned. CSAC has consistently opposed similar proposals in the past and will strongly advocate within the Administration and Legislature to ensure that county transportation funding is not withheld based on factors beyond local government control.

### **Housing Planning and Incentives**

In addition to \$500 million in one-time funding for local efforts to address homelessness (for additional details, see the “Homelessness” section), the Governor proposes \$750 million in funding for revamping regional housing planning, setting new short- and long-term targets for housing production, and to provide incentive funding for local governments that successfully encourage housing production. The funding would be split between \$250 million for planning and target-setting grants and technical assistance to local governments, with \$500 million allocated to local government housing production incentives. While details were sparse, representatives of the Department of Finance and the Business, Consumer Services, and Housing Agency indicated that they plan to work closely with stakeholders, including local government, to develop the new programs.

### **Subsidies, Land, and CEQA Streamlining**

The Governor’s January budget proposal expands California’s affordable housing tax credit program in 2019-20 up to \$500 million, and up to \$500 million annually thereafter upon an appropriation, with \$300 million allocated to the existing tax credit program and \$200 million allocated to housing development for households with incomes between 60 to 80 percent of Area Median Income. An additional \$500 million in one-time funding is included for moderate-income housing through the California Housing Finance Agency’s Mixed-Income Loan Program.



The proposal also includes a goal of increasing housing development on state-owned lands, including through land swaps with local agencies, and a proposal to accelerate the construction of homeless shelters, navigation centers and new supportive housing units by allowing for a streamlined CEQA process with accelerated judicial review of challenges to an Environmental Impact Report.

**ACTION**

**1991 Realignment Estimated Revenues and Expenditures - 2019-20 Governor's Budget**  
(Dollars in Thousands)

**2017-18 State Fiscal Year**

Amount	CalWORKs		Social	Mental	Family	Child	Totals
	MOE	Health	Services	Health	Support	Poverty	
<b>Base Funding</b>							
Sales Tax Account	\$752,887	\$-	\$2,018,529	\$34,036	\$450,130	\$104,422	\$3,360,004
Vehicle License Fee Account	367,663	961,613	114,949	95,063	220,507	205,942	1,965,737
<b>Total Base</b>	<b>\$1,120,550</b>	<b>\$961,613</b>	<b>\$2,133,478</b>	<b>\$129,099</b>	<b>\$670,637</b>	<b>\$310,364</b>	<b>\$5,325,741</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	133,734	-	-	-	133,734
Caseload Subaccount	-	-	(133,734)	-	-	-	(133,734)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	157	75,637	197	-	48,230	124,221
<b>Total Growth</b>	<b>\$-</b>	<b>\$157</b>	<b>\$209,371</b>	<b>\$197</b>	<b>\$-</b>	<b>\$48,230</b>	<b>\$257,955</b>
<b>Total Realignment 2017-18<sup>1/</sup></b>	<b>\$1,120,550</b>	<b>\$961,770</b>	<b>\$2,342,849</b>	<b>\$129,296</b>	<b>\$670,637</b>	<b>\$358,594</b>	<b>\$5,583,696</b>

**2018-19 State Fiscal Year**

<b>Base Funding</b>							
Sales Tax Account	\$752,887	\$-	\$2,152,263	\$34,036	\$450,130	\$104,422	\$3,493,738
Vehicle License Fee Account	367,663	876,923	172,864	95,260	323,076	254,172	2,089,958
<b>Total Base</b>	<b>\$1,120,550</b>	<b>\$876,923</b>	<b>\$2,325,127</b>	<b>\$129,296</b>	<b>\$773,206</b>	<b>\$358,594</b>	<b>\$5,583,696</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	209,482	-	-	-	209,482
Caseload Subaccount	-	-	(209,482)	-	-	-	(209,482)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	95	45,898	119	-	29,266	75,378
<b>Total Growth</b>	<b>\$-</b>	<b>\$95</b>	<b>\$255,380</b>	<b>\$119</b>	<b>\$-</b>	<b>\$29,266</b>	<b>\$284,860</b>
<b>Total Realignment 2018-19<sup>1/</sup></b>	<b>\$1,120,550</b>	<b>\$877,018</b>	<b>\$2,580,507</b>	<b>\$129,415</b>	<b>\$773,206</b>	<b>\$387,860</b>	<b>\$5,868,556</b>

**2019-20 State Fiscal Year**

<b>Base Funding</b>							
Sales Tax Account	\$752,887	\$-	\$2,361,745	\$34,036	\$450,130	\$104,422	\$3,703,220
Vehicle License Fee Account	367,664	1,042,954	208,325	95,379	167,576	283,438	2,165,336
<b>Total Base</b>	<b>\$1,120,551</b>	<b>\$1,042,954</b>	<b>\$2,570,070</b>	<b>\$129,415</b>	<b>\$617,706</b>	<b>\$387,860</b>	<b>\$5,868,556</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	25,760	32,202	52,253	-	61,575	171,790
Caseload Subaccount	-	-	(32,202)	-	-	-	(32,202)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	(25,760)	-	(52,253)	-	(61,575)	(139,588)
Vehicle License Fee Growth Account	-	15,864	-	32,178	-	37,919	85,961
<b>Total Growth</b>	<b>\$-</b>	<b>\$41,624</b>	<b>\$32,202</b>	<b>\$84,431</b>	<b>\$-</b>	<b>\$99,494</b>	<b>\$257,751</b>
<b>Total Realignment 2019-20<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,084,578</b>	<b>\$2,602,272</b>	<b>\$213,846</b>	<b>\$617,706</b>	<b>\$487,354</b>	<b>\$6,126,307</b>

<sup>1/</sup> Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

## 2011 Realignment Estimate<sup>1</sup> - at 2019-20 Governor's Budget

	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20
		Growth		Growth		Growth
<b>Law Enforcement Services</b>	<b>\$2,467.2</b>		<b>\$2,560.8</b>		<b>\$2,697.1</b>	
Trial Court Security Subaccount	550.3	9.4	559.7	13.6	573.3	12.5
Enhancing Law Enforcement Activities Subaccount <sup>2</sup>	489.9	192.8	489.9	228.1	489.9	241.4
Community Corrections Subaccount	1,241.1	70.1	1,311.2	102.3	1,413.5	93.6
District Attorney and Public Defender Subaccount	33.2	4.7	37.9	6.8	44.7	6.2
Juvenile Justice Subaccount	152.7	9.4	162.1	13.6	175.7	12.5
<i>Youthful Offender Block Grant Special Account</i>	(144.3)	(8.9)	(153.1)	(12.8)	(166.0)	(11.8)
<i>Juvenile Reentry Grant Special Account</i>	(8.4)	(0.5)	(8.9)	(0.8)	(9.7)	(0.7)
<b>Growth, Law Enforcement Services</b>		<b>286.4</b>		<b>364.4</b>		<b>366.2</b>
<b>Mental Health<sup>3</sup></b>	<b>1,120.6</b>	8.7	<b>1,120.6</b>	12.7	<b>1,120.6</b>	11.6
<b>Support Services</b>	<b>3,591.7</b>		<b>3,756.7</b>		<b>3,997.5</b>	
Protective Services Subaccount	2,258.0	78.1	2,336.2	114.0	2,450.2	104.3
Behavioral Health Subaccount	1,333.7	86.8	1,420.5	126.7	1,547.3	115.9
<i>Women and Children's Residential Treatment Services</i>	(5.1)	-	(5.1)	-	(5.1)	-
<b>Growth, Support Services</b>		<b>173.6</b>		<b>253.4</b>		<b>231.8</b>
<b>Account Total and Growth</b>	<b>\$7,639.5</b>		<b>\$8,055.9</b>		<b>\$8,413.2</b>	
<b>Revenue</b>						
1.0625% Sales Tax	6,956.8		7,337.9		7,681.9	
Motor Vehicle License Fee	682.7		718.0		731.3	
<b>Revenue Total</b>	<b>\$7,639.5</b>		<b>\$8,055.9</b>		<b>\$8,413.2</b>	

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).

<sup>1</sup> Dollars in millions.

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

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

### FY 2016-17 Reconciliation Summary

CMSP	Interim 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	\$ 179,230,258.94	\$ 179,230,258.94		\$ -
<b>SUBTOTAL</b>	<b>\$ 268,299,219.94</b>	<b>\$ 268,299,219.94</b>		<b>\$ -</b>
Article 13 60/40	Interim Redirected	Calculated Redirection		Reconciliation Due from County
Placer	\$ 3,291,700.25	\$ 3,291,700.25		\$ -
Sacramento	\$ 32,232,619.12	\$ 32,232,619.12		\$ -
Santa Barbara	\$ 8,221,195.17	\$ 8,221,195.17		\$ -
Stanislaus	\$ 11,030,087.99	\$ 11,030,087.99		\$ -
Yolo	\$ 3,559,537.85	\$ 3,559,537.85		\$ -
<b>SUBTOTAL</b>	<b>\$ 58,335,140.38</b>	<b>\$ 58,335,140.38</b>		<b>\$ -</b>
Article 13 Formula	Interim Redirected	Calculated Redirection		Reconciliation Due from County
Fresno	\$ 12,840,746.99	\$ 15,844,449.41	MAX	\$ 3,003,702.42
Merced	\$ 2,702,456.77	\$ 2,877,259.60		\$ 174,802.83
Orange	\$ 42,072,303.20	\$ 41,740,624.79	MAX	\$ (331,678.41)
San Diego	\$ 45,505,272.17	\$ 45,126,339.99	MAX	\$ (378,932.18)
San Luis Obispo	\$ 2,919,797.19	\$ 2,893,144.23	MAX	\$ (26,652.96)
Santa Cruz	\$ 3,798,436.12	\$ 3,765,102.78	MAX	\$ (33,333.34)
Tulare	\$ 6,447,018.03	\$ 6,164,021.70		\$ (282,996.33)
<b>SUBTOTAL</b>	<b>\$ 116,286,030.47</b>	<b>\$ 118,410,942.50</b>		<b>\$ 2,124,912.03</b>
DPH	Interim Redirected	Calculated Redirection		Reconciliation Due from County
Alameda	\$ 19,149,261.30	\$ 46,456,326.63	MAX	\$ 27,307,065.33
Contra Costa	\$ 21,088,581.71	\$ 23,326,385.17	MAX	\$ 2,237,803.46
Kern	\$ 13,931,654.69	\$ 16,083,027.92	MAX	\$ 2,151,373.23
Los Angeles	\$ 5,606,688.49	\$ 222,001,560.44		\$ 216,394,871.95
Monterey	\$ -	\$ 5,905,990.04	MAX	\$ 5,905,990.04
Riverside	\$ 25,228,639.59	\$ 38,513,040.82	MAX	\$ 13,284,401.23
San Bernardino	\$ 21,440,591.48	\$ 30,388,847.78	MAX	\$ 8,948,256.30
San Francisco	\$ -	\$ -		\$ -
San Joaquin	\$ -	\$ 11,905,024.97		\$ 11,905,024.97
San Mateo	\$ 14,748,707.78	\$ 7,998,596.07		\$ (6,750,111.71)
Santa Clara	\$ -	\$ 22,469,047.84		\$ 22,469,047.84
Ventura	\$ 13,831,742.84	\$ 15,041,123.87	MAX	\$ 1,209,381.03
<b>SUBTOTAL</b>	<b>\$ 135,025,867.88</b>	<b>\$ 440,088,971.57</b>		<b>\$ 305,063,103.69</b>
<b>Grand Total</b>	<b>\$ 577,946,258.67</b>	<b>\$ 885,134,274.38</b>		<b>\$ 307,188,015.71</b>

**FY19/20 Interim  
Redirection Calculation**

CMSP	FY 19-20 Realignment		Maintenance of Effort	75% Realignment + 75% MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 44,807.88	\$ 117,386.75	\$ 21,465.00	\$ 137,744.72	\$ 13,150.00	\$ 124,594.72	\$ 13,150.00
Amador	\$ 619,998.97	\$ 1,601,173.87	\$ 278,460.00	\$ 1,874,724.63	\$ 620,264.00	\$ 1,254,460.63	\$ 620,264.00
Butte	\$ 4,362,744.16	\$ 10,699,737.77	\$ 724,304.00	\$ 11,840,089.45	\$ 5,950,593.00	\$ 5,889,496.45	\$ 5,950,593.00
Calaveras	\$ 670,425.40	\$ 1,696,585.98	\$ -	\$ 1,775,258.54	\$ 913,959.00	\$ 861,299.54	\$ 913,959.00
Colusa	\$ 536,452.71	\$ 1,358,104.58	\$ 237,754.00	\$ 1,599,233.47	\$ 799,988.00	\$ 799,245.47	\$ 799,988.00
Del Norte	\$ 617,229.07	\$ 1,576,869.15	\$ 44,324.00	\$ 1,678,816.67	\$ 781,358.00	\$ 897,458.67	\$ 781,358.00
El Dorado	\$ 2,458,763.31	\$ 6,196,273.83	\$ 704,192.00	\$ 7,019,421.86	\$ 3,535,288.00	\$ 3,484,133.86	\$ 3,535,288.00
Glenn	\$ 597,494.61	\$ 1,519,180.24	\$ 58,501.00	\$ 1,631,381.89	\$ 787,933.00	\$ 843,448.89	\$ 787,933.00
Humboldt	\$ 4,374,770.68	\$ 10,917,202.66	\$ 589,711.00	\$ 11,911,263.26	\$ 6,883,182.00	\$ 5,028,081.26	\$ 6,883,182.00
Imperial	\$ 4,369,445.06	\$ 10,751,050.08	\$ 772,088.00	\$ 11,919,437.36	\$ 6,394,422.00	\$ 5,525,015.36	\$ 6,394,422.00
Inyo	\$ 814,718.74	\$ 2,071,256.04	\$ 561,262.00	\$ 2,585,427.59	\$ 1,100,257.00	\$ 1,485,170.59	\$ 1,100,257.00
Kings	\$ 2,158,575.68	\$ 5,297,133.21	\$ 466,273.00	\$ 5,941,486.42	\$ 2,832,833.00	\$ 3,108,653.42	\$ 2,832,833.00
Lake	\$ 933,252.69	\$ 2,290,159.62	\$ 118,222.00	\$ 2,506,225.73	\$ 1,022,963.00	\$ 1,483,262.73	\$ 1,022,963.00
Lassen	\$ 633,066.59	\$ 1,629,508.13	\$ 119,938.00	\$ 1,786,884.54	\$ 687,113.00	\$ 1,099,771.54	\$ 687,113.00
Madera	\$ 2,155,595.64	\$ 5,237,613.56	\$ 81,788.00	\$ 5,606,247.90	\$ 2,882,147.00	\$ 2,724,100.90	\$ 2,882,147.00
Marin	\$ 4,960,835.37	\$ 12,537,052.10	\$ 1,196,515.00	\$ 14,020,801.85	\$ 7,725,909.00	\$ 6,294,892.85	\$ 7,725,909.00
Mariposa	\$ 345,239.16	\$ 880,617.38	\$ -	\$ 919,392.41	\$ 435,062.00	\$ 484,330.41	\$ 435,062.00
Mendocino	\$ 1,360,183.25	\$ 3,342,396.37	\$ 347,945.00	\$ 3,787,893.47	\$ 1,654,999.00	\$ 2,132,894.47	\$ 1,654,999.00
Modoc	\$ 380,996.17	\$ 969,265.55	\$ 70,462.00	\$ 1,065,542.79	\$ 469,034.00	\$ 596,508.79	\$ 469,034.00
Mono	\$ 511,492.30	\$ 1,329,929.22	\$ 409,928.00	\$ 1,688,512.14	\$ 369,309.00	\$ 1,319,203.14	\$ 369,309.00
Napa	\$ 2,091,005.28	\$ 5,253,153.32	\$ 546,957.00	\$ 5,918,336.70	\$ 3,062,967.00	\$ 2,855,369.70	\$ 3,062,967.00
Nevada	\$ 1,330,136.12	\$ 3,318,418.22	\$ 96,375.00	\$ 3,558,697.01	\$ 1,860,793.00	\$ 1,697,904.01	\$ 1,860,793.00
Plumas	\$ 574,511.95	\$ 1,427,396.78	\$ 66,295.00	\$ 1,551,152.80	\$ 905,192.00	\$ 645,960.80	\$ 905,192.00
San Benito	\$ 785,756.31	\$ 1,999,287.11	\$ -	\$ 2,088,782.57	\$ 1,086,011.00	\$ 1,002,771.57	\$ 1,086,011.00
Shasta	\$ 3,789,778.05	\$ 9,221,576.86	\$ 184,049.00	\$ 9,896,552.93	\$ 5,361,013.00	\$ 4,535,539.93	\$ 5,361,013.00
Sierra	\$ 125,541.06	\$ 317,338.95	\$ 7,330.00	\$ 337,657.51	\$ 135,888.00	\$ 201,769.51	\$ 135,888.00
Siskiyou	\$ 1,020,606.41	\$ 2,576,998.32	\$ 287,627.00	\$ 2,913,923.80	\$ 1,372,034.00	\$ 1,541,889.80	\$ 1,372,034.00
Solano	\$ 5,358,583.03	\$ 13,007,814.28	\$ 115,800.00	\$ 13,861,647.98	\$ 6,871,127.00	\$ 6,990,520.98	\$ 6,871,127.00
Sonoma	\$ 8,686,376.78	\$ 21,391,351.23	\$ 438,234.00	\$ 22,886,971.51	\$ 13,183,359.00	\$ 9,703,612.51	\$ 13,183,359.00
Sutter	\$ 2,023,348.85	\$ 5,132,990.04	\$ 674,240.00	\$ 5,872,934.17	\$ 2,996,118.00	\$ 2,876,816.17	\$ 2,996,118.00
Tehama	\$ 1,358,331.95	\$ 3,439,023.57	\$ 446,992.00	\$ 3,933,260.64	\$ 1,912,299.00	\$ 2,020,961.64	\$ 1,912,299.00
Trinity	\$ 554,849.28	\$ 1,419,081.25	\$ 292,662.00	\$ 1,699,944.40	\$ 611,497.00	\$ 1,088,447.40	\$ 611,497.00
Tuolumne	\$ 1,044,187.99	\$ 2,658,677.97	\$ 305,830.00	\$ 3,006,521.97	\$ 1,455,320.00	\$ 1,551,201.97	\$ 1,455,320.00
Yuba	\$ 1,729,252.94	\$ 4,189,963.88	\$ 187,701.00	\$ 4,580,188.37	\$ 2,395,580.00	\$ 2,184,608.37	\$ 2,395,580.00
CMSP Board	\$ 61,569,857.59	\$ 182,883,389.57	\$ -	\$ 183,339,935.37	NA	NA	\$ 267,673,333.35
CMSP Adjustment	\$ -	\$ -	\$ -	\$ -	NA	NA	\$ (23,220,086.19)
<b>SUBTOTAL</b>	<b>\$ 124,948,211.03</b>	<b>\$ 340,254,957.44</b>	<b>\$ 10,453,224.00</b>	<b>\$ 356,742,294.35</b>	<b>\$ 89,068,961.00</b>	<b>\$ 84,333,397.98</b>	<b>\$ 333,522,208.16</b>

Article 13 75/25	FY 19-20 Realignment		Maintenance of Effort	FY 10-11 Total Realignment		MOE Capped at 14.6% of 10-11 Realignment	Redirection
	Sales Tax	VLF		Sales Tax	VLF		
Placer	\$ 1,520,989.86	\$ 3,693,021.13	\$ 368,490.00	\$ 1,223,351.24	\$ 3,475,002.90	\$ 368,490.00	\$ 4,186,875.74
Sacramento	\$ 13,834,818.86	\$ 34,426,705.69	\$ 7,128,508.00	\$ 11,073,547.81	\$ 32,428,453.58	\$ 6,351,292.20	\$ 40,959,612.56
Santa Barbara	\$ 3,403,258.58	\$ 8,905,511.33	\$ 3,794,166.00	\$ 2,695,565.51	\$ 8,405,681.53	\$ 1,620,782.07	\$ 10,447,163.98
Stanislaus	\$ 4,701,501.59	\$ 11,813,350.23	\$ 3,510,803.00	\$ 3,756,009.76	\$ 11,132,596.16	\$ 2,173,736.46	\$ 14,016,441.21
Yolo	\$ 1,495,725.96	\$ 3,833,667.20	\$ 1,081,388.00	\$ 1,190,049.25	\$ 3,615,711.14	\$ 701,641.02	\$ 4,523,275.63
<b>SUBTOTAL</b>	<b>\$ 24,956,294.85</b>	<b>\$ 62,672,255.58</b>	<b>\$ 15,883,355.00</b>	<b>\$ 19,938,523.57</b>	<b>\$ 59,057,445.31</b>	<b>\$ 11,215,941.75</b>	<b>\$ 74,133,369.14</b>

Article 13 Formula	FY 19-20 Realignment		Health Realignment Indigent Care %	Total Revenue FY 19-20	Total Costs FY 19-20	Savings	Calculated Redirection
	Sales Tax	VLF					
Fresno*	\$ 10,261,829.66	\$ 26,111,779.91	44.38%				\$ 16,142,607.93
Merced*	\$ 2,502,776.57	\$ 5,909,650.87	43.41%				\$ 3,651,834.75
Orange*	\$ 25,381,720.21	\$ 57,017,950.06	52.02%				\$ 42,864,308.47
San Diego*	\$ 30,363,165.36	\$ 63,620,367.32	49.33%				\$ 46,362,076.67
San Luis Obispo*	\$ 1,860,133.39	\$ 4,832,257.85	44.45%				\$ 2,974,767.91
Santa Cruz*	\$ 2,267,615.53	\$ 6,035,251.41	46.61%				\$ 3,869,966.28
Tulare	\$ 4,456,970.42	\$ 10,547,441.64	47.88%	\$ 8,731,443.65	\$ 824,895.97	\$ 7,906,547.67	\$ 6,325,238.14
<b>SUBTOTAL</b>	<b>\$ 77,094,211.15</b>	<b>\$ 174,074,699.06</b>		<b>\$ 8,731,443.65</b>	<b>\$ 824,895.97</b>	<b>\$ 7,906,547.67</b>	<b>\$ 122,190,800.15</b>

\*Opted for Historical Percentage

DPH	FY 19-20 Realignment		Health Realignment Indigent Care %	Total Revenue FY 19-20	Total Costs FY 19-20	Savings	Calculated Redirection
	Sales Tax	VLF					
Alameda	\$ 15,907,722.94	\$ 42,046,414.63	81.68%	\$ 576,749,067.28	\$ 643,303,317.14	\$ (66,554,249.86)	\$ -
Contra Costa	\$ 8,164,510.93	\$ 21,358,391.85	80.50%	\$ 495,688,523.35	\$ 581,010,164.25	\$ (85,321,640.90)	\$ -
Kern	\$ 6,949,156.01	\$ 17,780,121.54	66.26%	\$ 267,744,206.63	\$ 242,546,387.39	\$ 25,197,819.23	\$ 16,385,619.30
Los Angeles	\$ 126,463,417.52	\$ 336,572,260.39	83.00%	\$ 4,657,028,754.36	\$ 5,075,115,600.00	\$ (418,086,845.64)	\$ -
Monterey	\$ 3,296,945.03	\$ 8,654,142.05	51.19%	\$ 193,597,107.02	\$ 185,788,169.56	\$ 7,808,937.46	\$ 6,117,761.48
Riverside	\$ 13,231,971.12	\$ 33,236,603.58	84.44%	\$ 416,766,779.66	\$ 406,424,040.92	\$ 10,342,738.74	\$ 8,274,190.99
San Bernardino	\$ 15,853,051.26	\$ 37,034,991.49	58.54%	\$ 466,019,720.23	\$ 421,505,797.32	\$ 44,513,922.91	\$ 30,960,660.23
San Francisco	\$ 24,124,449.50	\$ 64,191,856.29	57.36%	\$ 644,452,781.59	\$ 716,077,409.94	\$ (71,624,628.35)	\$ -
San Joaquin	\$ 6,092,027.75	\$ 14,563,944.70	96.74%	\$ 201,113,676.06	\$ 209,956,273.92	\$ (8,842,597.86)	\$ -
San Mateo	\$ 5,674,966.82	\$ 14,906,483.04	80.82%	\$ 188,809,322.16	\$ 200,232,860.46	\$ (11,423,538.30)	\$ -
Santa Clara	\$ 13,751,592.03	\$ 35,843,845.37	85.00%	\$ 996,095,192.11	\$ 982,918,616.58	\$ 13,176,575.54	\$ 10,541,260.43
Ventura	\$ 5,397,255.15	\$ 13,928,188.16	80.62%	\$ 327,891,829.61	\$ 298,242,840.81	\$ 29,648,988.80	\$ 15,580,172.40
<b>SUBTOTAL</b>	<b>\$ 244,907,066.06</b>	<b>\$ 640,117,243.09</b>		<b>\$ 9,431,956,960.06</b>	<b>\$ 9,963,121,478.29</b>	<b>\$ (531,164,518.23)</b>	<b>\$ 87,859,664.82</b>

**FY 19-20 Interim Redirection \$ 617,706,042.27**

## 2019-20 Cap & Trade Expenditure Fund Chart

Investment Category	Department	Program	Amount (millions)
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 – Community Air Protection	\$200
		AB 617 – Local Air District Implementation (\$50 million total, including other funds)	\$20
		Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$200
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$132
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$50
		Agriculture Diesel Engine Replacement & Upgrades	\$25
Climate Smart Agriculture	Department of Food and Agriculture	Healthy Soils Program	\$18
		Methane Reduction	\$25
Healthy Forests	CAL FIRE	Healthy & Resilient Forests (SB 901)	\$165
		Prescribed Burns and Fuel Reduction Projects (SB 901)	\$35
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$25
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$40
	Coastal Commission & SF Bay Conservation and Development Commission	Coastal Resilience	\$3
	Community Services & Development	Low-Income Weatherization	\$10
	California Conservation Corps	Energy Corps	\$6
Workforce Training	Workforce Development Board	Apprenticeships for a Green Economy	\$27
Climate and Clean Energy Research	Strategic Growth Council	Climate Change Research	\$10
<b>TOTAL:</b>			<b>\$1 Billion</b>