



**2016-17 STATE BUDGET
June 16, 2016**

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TO: CSAC Board of Directors
County Administrative Officers
CSAC Corporate Partners

FROM: Matt Cate, CSAC Executive Director
DeAnn Baker, CSAC Deputy Executive Director of Legislative Affairs

RE: Legislature Sends Final Budget Deal to Governor

The Legislature sent the 2016-17 budget package totaling \$122.5 billion in General Fund revenue to the Governor in two phases, working quickly Wednesday afternoon to pass the main budget bill and meet the June 15 constitutional deadline. Additional budget trailer bills were addressed Thursday morning but more work will remain on major budget provisions of importance to counties including the “No Place Like Home” housing proposal, affordable housing project streamlining, and cap and trade auction revenue allocations.

Early indications of an anticipated economic downturn tempered some legislative requests and focused the final plan on greater long-term savings. The Department of Finance projects the State will face a \$4 billion dollar deficit by 2019-20 without any changes to program spending levels. A moderate economic downturn could result in a much larger deficit of over \$40 billion in 2019-20. The budget package reflects both the Governor’s efforts to restrain ongoing commitments and create stronger reserves as well as the Legislature’s priorities to assist the most vulnerable and invest in critical support services and education.

The Governor’s January Budget proposal to augment the Proposition 2 “Rainy Day Fund” by an additional \$2 billion dollars was approved and brings total reserves to \$8.5 billion. In addition, the Legislature approved a \$2 billion spending plan to renovate state offices including the Capitol Annex and address deferred maintenance. Ongoing commitments that the Legislature sought includes funding child care and pre-school rate increases that will grow to over \$500 million annually. The budget provides funding, growing over

four years to \$100 million annually, to add nearly 9,000 full day preschool slots. The Legislature was also successful in repealing the long-fought Maximum Family Grant rule that prohibits CalWorks recipient families from receiving augmented support if a child is born into that family.

Many key budget issues for counties were successfully addressed in the budget. CSAC budget priority highlights include:

- \$270 million for jail construction grants.
- \$25 million in grants for hard to site criminal justice facilities to cities and counties.
- \$127.3 million for group home reform.
- \$10 million in State Responsibility Area Fire Prevention Fund grants, including \$5 million in grants to local governments specific to tree mortality and tree removal and \$5 million for general fire prevention.
- \$11 million to assist in the removal and disposal of trees in high hazard zones.
- \$30 million to support local jurisdictions using the California Disaster Assistance Act Program for tree mortality and other disasters.
- \$644,000 for PILT (Payment in Lieu of Taxes).
- \$2.5 million for Williamson Act.
- Nearly \$400,000 in state backfill for counties with insufficient ERAF.

CSAC will continue to advocate on other priority issues that were left open at time of adjournment or simply unaddressed in the 2016-17 budget package.

- \$2 billion in bonds for the “No Place Like Home” program, providing permanent housing for those experiencing homelessness and a serious mental illness.
- \$400 million for affordable housing, on the condition of the Governor’s “By Right” streamlining proposal for developer project approval by cities and counties.
- Cap and Trade auction revenue allocations to local governments.

For more detail on these and other items of importance, see the following policy sections below or contact [CSAC legislative staff](#).

2016-17 Budget Trailer Bills	
Trailer Bill	Topic/Summary
SB 826	Budget Bill Conference Report
SB 827	Current Year Budget Augmentation
SB 828	K-14 and Early Childhood Education
AB 1602	Higher Education
AB 1603	Human Services
SB 833	Health
AB 1606	Developmental Services
AB 1607	Hospital Quality Assurance Fee
SB 836	General Government and State Administration #1
SB 837	General Government and State Administration #2
AB 1610	Transportation
AB 1611/SB 839	Resources and Environment*
AB 1612/SB 840	Energy*
SB 843	Public Safety
SB 844	Correctional Facilities
AB 1618/SB 846	No Place Like Home*
SB 848	State Employees
<i>*No action was taken on these trailer bills at the time of BAB publication. All others are enrolled with the Governor.</i>	

Administration of Justice

This budget reflects true collaboration between the Legislature, the Administration, and counties that address the offender population needs through investment in programs and facilities. The budget continues to focus on improving the conditions of local correctional facilities by investing in programs that reduce recidivism and targets the revolving door between the mentally ill and offender population. The budget targets prevention programs for the homeless population, mental illness, or those with the need for additional treatment services.

Local Treatment and Jail Investment Funding

The budget includes \$270 million in lease revenue bonds, with a \$20 million carve-out for Napa County, for jail construction projects. The \$20 million will help address the damage that was done to the jail during the Napa earthquake in 2014. The overall jail

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funding is directed to counties that have not received an allocation or a full allocation in the past, and additional eligibility requirements were added. Specifically, counties that compete for this round of funding will have to include space for in-person visiting and provide a description of the counties' efforts to address sexual abuse in the jail facilities.

An additional \$67.5 million was included in the budget by the Legislature for community infrastructure grants. These funds can be used to build or renovate facilities that provide mental health services or other treatment services to the offender population. The goal is to development an infrastructure for persons with mental health needs that require treatment instead of incarceration.

Twenty-five million dollars is allocated for the Community-Based Transitional Services Program, with a focus on transitional housing for offenders released from state prison or county jail, along with at least two other services such as: life skills training, employment counseling, vocational training, continuing education, cognitive behavioral therapy, anger management training, mental health treatment and counseling, and substances abuse treatment and counseling.

Key points of the proposal include:

- Additional funds to local communities that site, for a minimum of 10 years, new transitional housing and supportive services for offenders released from state prison or county jail.
- A requirement that a portion of the funds be used by the city or county to increase public safety around the facility and improve communication with neighbors.
- A requirement that grant funding be shared with nonprofit facility operators to support rehabilitative services, security, and community outreach.
- A competitive application process that will protect existing permitted facilities, examine the current concentration of permitted facilities in the community, review the past performance of the facility operator, and give priority to cities and counties that leverage or provide other funding for the facility.

Proposition 47

The final budget increased the savings for Proposition 47 by \$10 million for mental health, substance abuse treatment, reduced truancy, and improved victim services. The Board of State and Community Corrections has established an Executive Steering Committee to develop an RFP on how these funds will be allocated.

Trial Court Security

Trial court security received \$5 million, to be directed to the unmet court security needs created by the opening of new courthouses. CSAC supported this proposal.

Other One-Time Allocations

- \$20 million in City Law Enforcement Grants.
- \$10.2 million for Uninhabitable Police Station Grants.
- \$5.5 million for the City of Salinas for counter-violence and gang activity prevention.
- \$3 million for Workforce Investment Board services to ex-offenders.
- \$10 million to support grants for community groups providing services to human trafficking victims through the Office of Emergency Services.

LEAD Program

The Law Enforcement Assisted Diversion (LEAD) pilot program received \$5 million and focuses on improving public safety and reducing recidivism by increasing the availability and use of social service resources.

Board of State and Community Corrections Executive Steering Committees

The Budget compromise included updates to the Board of State and Community Corrections (BSCC) requirements for establishing Executive Steering Committees (ESC). The language removes an exemption for government employees to participate in an ESC if their agency is going to compete for the funding in which the ESC is developing criteria and guidelines. The Byrne Jag and Proposition 47 ESC's were exempted from this change.

2011 Realignment

Revenue assumptions for 2011 Realignment programs and details base and growth estimates for 2016-17 can be found in the appendix of this document (these remain unchanged since the May Revisions). The 2015-16 growth will be allocated in September based on actuals that will not be known until late August. CSAC will provide updated information as soon as it becomes available.

Agriculture, Environment and Natural Resources

The budget passed by the Legislature includes a number of proposals for the funding of environmental protection and natural resources programs. However notably missing from the bills being sent onto the Governor is any allocation of cap and trade revenues. This action was put off until a later date pending ongoing negotiations. This budget does include a one-year allocation for Payment In Lieu of Taxes (PILT), General Fund and other funding for increased investments in resource management and wildfire

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protection, funding for emergency drought response, medical marijuana regulation, among other things.

Cap and Trade Funding

The Legislature deferred the allocation of cap and trade resources until a later date. It is unclear if negotiations on this issue will come to fruition before the end of the legislative session in August. Part of the reason for the delay was a lack luster auction performance in May. Proceeds were remarkably less than expected, generating only around \$10 million instead of the anticipated \$500 million. The reason for this disparity is not entirely clear, although it is speculated that the uncertainty regarding the future of the program had a role to play in market confidence. Throughout the budget process this spring, both the Assembly and the Senate produced allocation plans of their own, which differed from the Governor's original \$3.1 billion proposal. In addition, ongoing transportation funding negotiations related to cap and trade resources will likely tie up negotiations on the issue until a later date. CSAC will continue to advocate for resources related to transportation, forest health and tree mortality, waste diversion and organics management and funding for local greenhouse gas reduction projects.

Forestry and Wildfire Management

As previously mentioned, the Legislature did not allocate cap and trade revenues, including the proposed \$150 million for forest health and tree mortality that was proposed by the Governor. However, the Legislature did approve a number of one-time allocations to address tree mortality and the removal of dead trees. Specifically, the budget passed by the Legislature includes:

- \$10 million in State responsibility Area Fire Prevention Funds, including \$5 million in grants to local governments specific to tree mortality and tree removal, and \$5 million for general fire prevention grants.
- \$11 million in General Funds monies to assist in the removal and disposal of trees in high hazard zones. Of these funds, \$6 million is dedicated to grants for local entities, including local governments, for the removal of dead and hazardous trees. There is \$5 million to support additional assistance for equipment use and personnel overtime for hazardous tree removal and fuels reduction efforts.
- \$30 million in General Fund monies to the Office of Emergency Services to support local jurisdictions using the CA Disaster Assistance Act Program, for tree mortality and other disasters.

Payment in Lieu of Taxes (PILT)

The Legislature's budget includes \$644,000 in Payment in Lieu of Taxes funding to local governments. The Department of Fish and Wildlife (DFW) operates wildlife management

areas throughout the state. Existing law (Fish and Game Code §1504) requires DFW to compensate counties for loss property taxes and assessments as a result of the establishment of a wildlife management area. These “payments in-lieu of taxes” (PILT) are equal to the county taxes levied upon the property at the time the state acquired the property plus any assessments levied upon the property by any irrigation, drainage, or reclamation district. Counties received a one-year allocation of PILT funds in the FY 15-16 budget, and this allocation is consistent with that appropriation and the Governor’s January budget.

Williamson Act

In a surprise inclusion, the Legislature added \$2.5 million in General Fund monies for the Williamson Act program. There is little supporting detail as to the purpose of this funding and whether it is dedicated for administration purposes to the Department of Conservation, or for direct subvention payments. Staff is working to obtain additional details about this proposal. As you may recall, subvention payments have not been made to counties since they were eliminated as part of the 2009-10 budget and were last funded at a total of \$34 million.

Emergency Drought Response

The budget sent to the Governor provides \$334.5 million (\$212 million General Fund) for various drought-related activities as follows:

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount (millions)</i>
Protecting Water Supplies	Department of Water Resources	Local Assistance for Small Communities	\$10.0
	Water Board	Water Curtailment	\$5.4
	Water Board	Emergency Drinking Water Projects	\$16.0
Water Conservation	Department of Water Resources	Urban Water Conservation & Save Our Water Campaign	\$12.0
	Energy Commission	Rebates for Appliances	\$30.0
	Energy Commission	Water and Energy Technology Program	\$30.0
	Department of Food and Agriculture	Agricultural Water	\$20.0



		Conservation	
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$87.8
	Department of Forestry and Fire Protection	Tree Mortality	\$11.0
	Department of Water Resources	Drought Management and Response	\$12.0
	Department of Fish & Wildlife	Protection of Fish & Wildlife	\$13.5
	Department of Social Services	Drought Food Assistance	\$18.4
	Office of Emergency Services	California Disaster Assistance Act	\$52.7
	Office of Emergency Services	State Operations Center	\$4.0
	Department of Community Services & Development	Farmworker Assistance	\$7.5
TOTAL			\$334.5

Sustainable Groundwater Management Act Implementation

The budget sent to the Governor also includes \$1 million in General Fund monies to support local public agencies with facilitation services as they implement the Groundwater Act. These funds will support efficient formation of groundwater sustainability agencies by water districts, counties, cities, and other local groups.

California Farmland Conservancy Program

The Legislature approved a one-time local assistance appropriation of \$1.14 million from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund of 2002 (Proposition 40). Funds will be used by the California Farmland Conservancy Program to provide grants to local governments and nonprofit land trusts to permanently protect farmland from conversion to non-agricultural uses via permanent agricultural conservation easements.

Fairs

The budget bill includes two permanent positions and \$435,000 (Fair and Exposition Fund) in 2016-17 and \$392,000, ongoing, to the Department of Food and Agriculture's

Fairs and Expositions Branch to improve of the oversight of the activities of the 79 fairs that make up the network of California fairs.

Medical Marijuana Regulation and Safety Act (MMRSA):

The budget sent to the Governor proposes the following allocations to state agencies with regulatory and/or licensing responsibilities under MMRSA:

- Department of Public Health: \$457,000 and six positions in 2015-16, \$3.4 million and eight positions in 2016- 17, \$2.5 million and two positions in 2017-18, and \$5.7 million and 21 positions in 2018-19.
- Department of Fish and Game: \$7.7 million General Fund 31 permanent positions to meet the requirements of the MMRSA related to marijuana cultivation to establish the Watershed Enforcement Program and permanent multiagency task force.
- Department of Pesticide Regulation: Three positions and \$700,000 from the Department of Pesticide Regulation Fund (DPRF) pursuant to MMRSA.
- State Water Resources Control Board: 35 positions and \$5.7 million (\$5.2 million General Fund and \$472,000 Waste Discharge Permit Fund) to address water quality-related impacts of medical cannabis cultivation and the effects of water diversions and instream flows.
- Department of Food and Agriculture: \$3.3 million reimbursement authority in 2015-16, 18.0 positions and \$3.355 million to the MMRSA Fund in Fiscal Year 2016-17.
- Department of Consumer Affairs: \$3.8 million from the MMRSA Fund and 25 positions to create the Bureau of Medical Marijuana Regulation.

The General Government and State Administration budget trailer bill sent to the Governor include amendments to MMRSA that would:

- Change all references to medical marijuana or marijuana to medical cannabis or cannabis;
- Authorize a licensing authority to promulgate regulations, including emergency regulations;
- Require additional conditions of licensures, such as proof of bond to cover the cost of destroying product;
- Require an applicant for a license for indoor or outdoor cultivation to identify the source of water supply;

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- Authorize the Board of Equalization for purposes of taxation and regulation, to have access to the Department of Food and Agriculture’s track and trace electronic database;
- Provide the Department of Public Health (DPH) cite and fine authority and the authority for mandatory recalls;
- Shift authority to license laboratories from the DPH to the Bureau of Medical Cannabis Regulation;
- Establish requirements concerning the misbranding of medical cannabis products;
- Exempt an entity from the requirement to enter into a lake or streambed alteration agreement with the Department of Fish and Wildlife for activities authorized by a license for cannabis cultivation provided specified requirements are met.

Government Finance and Administration

FINANCE AND OPERATIONS

Funded and Suspended Mandates Reflect Little Change

Dozens of state mandate programs were suspended again in the 2016-17 budget that was largely consistent with previous action in the last three years (a full list of funded and suspended mandates is available in the appendix of this Budget Action Bulletin).

The budget includes a \$7.5 million payment towards Public Records Act claims in an effort to close out remaining liability following Proposition 42, which designates the Public Records Act requirements as non-reimbursable mandates.

Elections Funding Limited to State Only

Elections funding in the budget package is directed towards state level operations for the Secretary of State and Department of Motor Vehicles. In April of this year, \$16.2 million was allocated as a supplemental appropriation in the 2015-16 budget to counties for elections administration duties related to verifying signatures on initiative petitions for the November General Election. County elections officials are now reporting the necessary information to the Secretary of State for payments to counties anticipated this fall.

Other Local Finance Provisions

- Funding the state’s insufficient ERAF backfill to the counties of Alpine, Amador, and San Mateo, totaling \$393,000.

- Continuation of Pilot Program to Improve Property Tax Administration in the third and final year with review of the program to determine if continuation or expansion is warranted.

EMPLOYEE RELATIONS AND ADMINISTRATIVE SERVICES

Public Employees' Medical and Hospital Care Act

Language in the General Government budget trailer bill conditions the spending of any administrative expenses in the California Public Employees' (CalPERS) Health Care Fund (HCF) and the CalPERS' Contingency Reserve Fund (CRF) contingent upon approval in the annual state budget process, thereby discontinuing the CalPERS' Board of Administration (Board's) use of monies in the HCF to pay for other costs determined by the Board.

The CalPERS' HCF was established to fund the self-funded health benefit plans administered by CalPERS that rely upon cash flows from premiums and investment income to fund health benefit payments. Monies in the HCF includes any self-funded or minimum premium plan premiums paid by contracting agencies, the state and enrolled employees, annuitants, and family members. The CalPERS' CRF was created to fund administrative costs related to the Public Employees' Medical Health Care Act program, and as a contingency reserve for such items as increases in future rates or in future benefits.

Judicial Officer Pay

Language included in the State Employment budget trailer bill clarifies the statutory methodology used to calculate the annual salary adjustments for state judges and justices. Specifically, it amends Government Code §68203 which establishes the formula for how judicial officers in California receive pay raises. The new language increases pay by an amount that is produced by multiplying their current salary by the average percentage salary increase for the current fiscal year for California state employees – to require their average percentage salary increase to be reduced by the average percentage salary decrease resulting from the furlough or enrollment in a personal leave program of California state employees in that current fiscal year. This amendment is important to those counties which have passed ordinances tying salary increases for county supervisors to those received by state judicial officers under Government Code §68203.

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The No Place Like Home Proposal

The Legislature had not voted on the “No Place Like Home” program at the time of this publication. The bill, AB 1618, requires a two-thirds vote and would divert Mental Health Services Act (MHSA, or Proposition 63) funding to finance up to \$2 billion worth of bonds to assist counties in building permanent supportive housing for those who are living with a serious mental illness and are homeless, or at risk of homelessness.

The proposal has only been in print for about two weeks, during which time CSAC and a number of county organizations have engaged in intense negotiations to ensure that all counties have access to the funding for supportive housing. The bill is sponsored by Senate President pro Tempore Kevin de León, former pro Tem Darrell Steinberg, and endorsed by the Governor in his May Revision.

The Senate Budget and Fiscal Review Committee amended the last of CSAC’s requested amendments into the bill yesterday, and CSAC has adopted a support position on AB 1618. A separate bill outlining the bond structure and financing will trail AB 1618 and possibly be in print by the end of June.

The delay in a vote today belies the complications inherent in such a large proposal, especially since stakeholders have had little time to analyze the overall anticipated effects and the two-thirds vote requirement.

AB 1618 divides potential bond funding into a competitive pot (\$1.8 billion) and a non-competitive pot (\$200 million). Within the competitive pot of funding, counties will be grouped into four tiers based on total population, within which they will compete for funding:

- Los Angeles County
- Large counties with a population over 750,000
- Medium counties with a population between 200,000 and 750,000
- Small counties with a population under 200,000.

Awards in the competitive pot are not based on a counties’ homeless count, and the small county tier will make 8 percent of funds available. Further, there is the option of an alternative process for the counties with more than 5 percent of the statewide homeless population to access funding directly, but this option limits the amount of funding an alternative county accesses in this way to their proportionate homeless count.

If money is left over in any of the tiers, it reverts back to the overall fund and will be made available to other counties. Besides the \$200 million round below, AB 1618 requires four funding rounds.

The \$200 million in “over the counter” funding has county eligibility relies on a county’s homeless count – which will be developed under the bill’s guidelines – and includes a \$500,000 minimum award for counties with low homeless counts.

The proposal also includes up to \$2 million for technical assistance to counties based on size and uses up to five percent of funds for state administrative costs. Additionally, four percent of the competitive pot is set aside for a default reserve.

Continuum of Care Reform (AB 403 Group Home Reform)

The Legislature did not approve additional funding above the Governor’s May Revision for county implementation of AB 403, the Continuum of Care Reform (CCR). This major reform seeks to eliminate the foster and probation youth group home system in California, and is a major undertaking for county Child Welfare Services, county Mental Health Plans, and Probation. CSAC has been advocating for increased first-year funding for AB 403, which is slated to be implemented on January 1, 2017. Currently, the 2016-17 budget includes \$127.3 million in total funds for child welfare and county probation departments to implement AB 403.

The Legislature did adopt language requiring the Department of Social Services (DSS) and the Department of Health Care Services to update the Budget Committees of the Legislature on the implementation of the CCR. DSS is additionally required to discuss the proposed foster care rates and rate structure with stakeholders and legislative staff by July 1, 2016.

MEDI-CAL

County Medi-Cal Administration Costs

The Legislature upheld the January proposal of \$169 million in the current year for county Medi-Cal administration costs, plus that amount over baseline in the 2016-17 budget year. The County Welfare Directors have indicated that this amount is reasonable for county costs.

The budget does not include General Fund for shortfalls in county Medi-Cal Administration costs in 2013-14 and 2014-15.

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As has been done for the past 15 years, the county COLA for county eligibility administration for 2016-17 was suspended.

The Legislature also adopted several technical and clarifying changes to Medi-Cal, including limiting the State's estate recovery efforts to conform to federal law and restoring acupuncture services as a covered benefit. The annual General Fund limit for state administrative costs for implementing the Medi-Cal Electronic Health Records Incentive Program was increased from \$200,000 to \$450,000.

Medi-Cal Hospital Quality Assurance Fee

The Legislature passed the extension for the hospital quality assurance fee until January 1, 2018, after which the outcome of the hospital fee ballot measure set for November will be known.

AB 85 Redirection Estimate

The Legislature approved \$57.6 million General Fund for lower-than-expected state savings under AB 85. This was done to account for increased initial state costs under the new Medicaid Section 1115 Waiver. The Department of Finance will release new estimated county redirection amounts for 2016-17 by the end of June. CSAC will continue to monitor this adjustment.

MENTAL HEALTH

New Children's Crisis Services Grant Program

The Legislature established a one-time grant program to expand the continuum of mental health crisis services for children and youth, including adding child and youth specific mobile crisis and community-based crisis stabilization support teams, additional triage personnel, additional crisis stabilization unit services, additional child and youth crisis residential services, family respite care, and family support services training.

HUMAN SERVICES

In the Public Social Services trailer bill, AB 1603, the Legislature made several significant policy changes as outlined in this section.

CalWORKs

The Legislature repealed the Maximum Family Grant (MFG) Rule using "leftover" funds from the Child Poverty and Family Support Subaccount in 2011 Realignment, as well as some General Fund. The Legislature additionally increased the maximum aid payment under CalWORKs by 1.43% starting July 1, 2016, which is in line with the Governor's recommendation.

The once-in-a-lifetime payment provided to families who have lost their housing allowance by the Homeless Assistance Program (HAP) was repealed by the Legislature. A family now could be allowed to receive HAP once in a twelve month period. CSAC has supported legislation to this effect in past years.

The Legislature also streamlined two CalWORKs subsidized employment programs: the AB 98 program established in 2012 and the Expanded Subsidized Employment Program enacted in 2013.

Bringing Families Home

The Legislature established the Bringing Families Home program with \$10 million General Fund, to award program funds to counties for the purpose of providing housing-related supports to eligible families experiencing homelessness. Counties that receive state funds through the Bringing Families Home Program will match that funding on a dollar-for-dollar basis.

Commercial Exploitation of Children (CSEC)

The Legislature approved an additional \$12 million General Fund for the county CSEC program, bringing the annual appropriation to \$47 million. This program is administered by counties and the charge to increase funding was led by the County Welfare Directors Association (CWDA).

Housing Support Program

The Legislature approved a \$12 million augmentation for the Housing Support Program (HSP), bringing the 2016-17 appropriation up to \$37 million. This program is administered by counties through the CalWORKs program.

Approved Relative Caregiver (ARC) Program

The Legislature made several changes to the ARC Program, including clarifying that children participating in the ARC Program should receive a \$50 child support disregard. The Legislature additionally clarified that a relative who has been approved under the resource family approval process and who is federally ineligible for AFDC-FC is authorized to receive a CalWORKs grant and a supplement amount equal to the resource family basic amount paid to children who are federally eligible for AFDC-FC. The changes adopted by the Legislature also allow non-federally eligible foster youth placed with relative caregivers under the jurisdiction of the tribal court receive a foster care basic rate amount equal to payments made to federally-eligible relative caregivers in tribes that possess a Title IV-E Agreement with the state.

Adult Protective Services

The Conference Committee approved \$3 million in one-time funding to create a statewide Adult Protective Services training program for county staff. CSAC had joined CWDA in calling for \$5 million for this purpose; the \$3 million appropriation will allow the training to be developed, which is a good start.

IN-HOME SUPPORTIVE SERVICES

Service Hours Restoration

The 2016-17 budget includes a restoration of the seven percent across-the-board IHSS service hours reduction, which costs \$571.8 million in total funds. This restoration will remain in effect until the Managed Care Organization tax expires in three years pursuant to current law.

IHSS Contract Mode Language

The Department of Finance rescinded its proposed budget trailer bill language that would have negatively impacted counties that are currently in “contract mode” for IHSS services. The County Welfare Directors Association worked hard to explain that the costs for counties in contract mode – which is a very specific designation limited only to counties that contract with an outside entity to administer the local IHSS system – include both locally negotiated costs, such as wages and benefits, but also other costs, such as administration and overhead. CSAC supported these efforts.

Housing, Land Use and Transportation

Transportation Funding Unresolved

As CSAC reported earlier, budget committees in both houses rejected the Governor’s transportation funding plan without prejudice. Accordingly, there is no new funding for local streets and roads included in the budget adopted by the Legislature. The transportation and infrastructure special session remains open and CSAC and the Fix Our Road coalition recently [wrote to legislative leadership](#) urging them to act on a transportation funding package within the special session without delay.

The Legislature did approve a trailer bill that would increase the vehicle registration fee to address a structural deficit in the account that funds the operations of the California Highway Patrol and the Department of Motor Vehicles. These activities have “first call” on registration fee funding, and the increase will not spill over to local street and highway maintenance activities.

Multifamily Housing Permitting and Affordable Housing Funding Unresolved

The Legislature did not take any action on the Conference Committee deal to include \$400 million in one-time General Fund support for affordable housing. The Administration has indicated that any such funding remains contingent upon resolution of the Governor’s “by-right” multifamily housing proposal. It is unclear which specific programs would benefit from the potential appropriation, although the Assembly Democratic Caucus previously identified [\\$1.3 billion in one-time spending for affordable housing](#), later reducing the ask to \$650 million.

Despite the concerns by budget conferees about the specifics of the Governor’s “by-right” proposal, conversations on the proposed trailer bill language are expected to continue given the \$400 million incentive. CSAC understands that the Administration may want to finalize discussions on the issue in August after the Legislature’s summer recess. CSAC will continue to solicit feedback on county concerns with the proposed language and advocate that any funding that associated with the “by-right” proposal must also include grants to update general plans, zoning codes and other relevant planning documents. Ensuring that these documents are up to date would be that much more important if large multifamily housing projects are offered “by-right” status.

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

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ADDITIONAL RESOURCES

2016-17 State Budget – List of Mandates

FUNDED MANDATES – \$46,181,000

- (a) Accounting for Local Revenue Realignment (Ch. 162, Stats. 2003; Ch. 211, Stats. 2004; Ch. 610, Stats. 2004) (05-TC-01)... \$97,000
 - (b) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM 4448)... \$611,000
 - (c) California Public Records Act (Ch. 463, Stats. 1992; Ch. 982, Stats. 2000; Ch. 355, Stats. 2001) (02-TC-10 and 02-TC-51)... \$7,578,000
 - (d) Crime Victims' Domestic Violence Incident Reports (Ch. 1022, Stats. 1999) (99-TC- 08)... \$166,000
 - (e) Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM 4237)... \$13,328,000
 - (f) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM 96- 362-02)... \$8,494,000
 - (g) Domestic Violence Arrests and Victims Assistance (Chs. 698 and 702, Stats. 1998) (98-TC-14)... \$2,725,000
 - (h) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM 96- 281-01)... \$2,019,000
 - (i) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)... \$2,943,000
 - (j) Local Agency Ethics (Ch. 700, Stats. 2005) (07-TC- 04)... \$0
 - (k) Medi-Cal Beneficiary Death Notices (Chs. 102 and 1163, Stats. 1981) (CSM 4032)... \$26,000
 - (l) Medi-Cal Eligibility of Juvenile Offenders (Ch. 657, Stats. 2006) (08-TC-04)... \$11,000
 - (m) Peace Officer Personnel Records: Unfounded Complaints and Discovery (Ch. 630, Stats. 1978; Ch. 741, Stats. 1994) (00-TC-24)... \$548,000
 - (n) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM 4426)... \$353,000
 - (o) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM 4509)... \$5,129,000
 - (p) State Authorized Risk Assessment Tool for Sex Offenders (Chs. 336, 337, and 886, Stats. 2006; Ch. 579, Stats. 2007) (08-7C-03)... \$725,000
 - (q) Threats Against Peace Officers (Ch. 1249, Stats. 1992; Ch. 666, Stats. 1995) (CSM 96-365-02)... \$263,000
 - (r) Tuberculosis Control (Ch. 676, Stats. 1993; Ch. 685, Stats. 1994; Ch. 116, Stats. 1997; and Ch. 763, Stats. 2002) (03-TC- 14)... \$83,000
 - (s) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM 4317 and CSM 4355)... \$456,000
 - (t) Post Election Manual Tally (2 Cal. Code Regs., 20120 to 20127, incl.) (10-TC-08)... \$626,000
- Administrative License Suspension Mandates: Per Se (Ch. 1460, Stats. 1989) (98-TC- 16)... \$2,374,000
- Pesticide Use Reports: (Ch. 1200, Stats. 1989) (CSM 4420)... \$37,000

EMPLOYEE RELATIONS MANDATES NOT FUNDED AND NOT SUSPENDED (ALLOWED BY ART. XIII, SEC. 6)

Peace Officers' Procedural Bill of Rights Act (Ch. 675, Stats. 1990) (CSM 4499)
Peace Officers Procedural Bill of Rights II (Ch. 465, Stats. 1976; Ch. 786, Stats. 1998; Ch. 209, Stats. 2000; Ch. 170, Stats. 2000) (03-TC-18)
Local Government Employment Relations Mandate (Ch. 901, Stats. 2000) (01-TC-30)

SUSPENDED MANDATES

- (a) Absentee Ballots (Ch. 77, Stats. 1978 and Ch. 1032, Stats. 2002) (CSM 3713)
- (b) Absentee Ballots – Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC- 08)
- (c) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM 4392)
- (d) Airport Land Use Commission/Plans (Ch. 644, Stats. 1994) (CSM 4507)
- (e) Animal Adoption (Ch. 752, Stats. 1998 and Ch. 313, Stats. 2004) (04-PGA- 01 and 98-TC- 11)
- (f) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM 4357)
- (g) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM- 13)
- (h) Coroners' Costs (Ch. 498, Stats. 1977) (04-LM- 07)
- (i) Crime Statistics Reports for the Department of Justice (Ch. 1172, Stats. 1989; Ch. 1338, Stats. 1992; Ch. 1230, Stats. 1993; Ch. 933, Stats. 1998; Ch. 571, Stats. 1999; and Ch. 626, Stats. 2000) (02-TC- 04 and 02-TC- 11) and Crime Statistics Reports for the Department of Justice Amended (Ch. 700, Stats. 2004) (07-TC- 10)
- (j) Crime Victims' Domestic Violence Incident Reports II (Ch. 483, Stats. 2001; Ch. 833, Stats. 2002) (02-TC-18)
- (k) Developmentally Disabled Attorneys' Services (Ch. 694, Stats. 1975) (04-LM- 03)
- (l) DNA Database & Amendments to Postmortem Examinations: Unidentified Bodies (Ch. 822, Stats. 2000; Ch. 467, Stats. 2001) (00-TC- 27 and 02-TC- 39)
- (m) Domestic Violence Background Checks (Ch. 713, Stats. 2001) (01-TC- 29)
- (n) Domestic Violence Information (Ch. 1609, Stats. 1984 and Ch. 668, Stats. 1985) (CSM 4222)
- (o) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC- 12)
- (p) Extended Commitment, Youth Authority (Ch. 267, Stats. 1998 and Ch. 546, Stats. 1984) (98-TC-13)
- (q) False Reports of Police Misconduct (Ch. 590, Stats. 1995 and Ch. 289, Stats. 2000) (00-TC-26)
- (r) Firearm Hearings for Discharged Inpatients (Ch. 578, Stats. 1999) (99-TC-11)
- (s) Grand Jury Proceedings (Ch. 1170, Stats. 1996; Ch. 443, Stats. 1997; and Ch. 230, Stats. 1998) (98-TC-27)
- (t) Interagency Child Abuse and Neglect (ICAN) Investigation Reports (Ch. 958, Stats. 1977; Ch. 1071, Stats. 1980; Ch. 435, Stats. 1981; Chs. 162 and 905, Stats. 1982; Chs. 1423 and 1613, Stats. 1984; Ch. 1598, Stats. 1985; Chs. 1289 and 1496, Stats. 1986; Chs. 82, 531, and 1459, Stats. 1987; Chs. 269, 1497, and 1580, Stats. 1988; Ch. 153, Stats. 1989; Chs. 650, 1330, 1363, and 1603, Stats. 1990; Chs. 163, 459, and 1338, Stats. 1992; Chs. 219 and 510, Stats. 1993; Chs. 1080 and 1081, Stats. 1996; Chs. 842, 843, and 844, Stats. 1997; Chs. 475 and 1012, Stats. 1999; and Ch. 916, Stats. 2000) (00-TC-22)

- (u) Identity Theft (Ch. 956, Stats. 2000) (03-TC- 08)
- (v) In-Home Supportive Services II (Ch. 445, Stats. 2000 and Ch. 90, Stats. 1999) (00-TC-23)
- (w) Inmate AIDS Testing (Ch. 1579, Stats. 1988 and Ch. 768, Stats. 1991) (CSM 4369 and CSM 4429)
- (x) Judiciary Proceedings (Ch. 644, Stats. 1980) (CSM 4366)
- (y) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC- 07)
- (z) Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM 4431)
- (aa) Mandate Reimbursement Process (Ch. 486, Stats. 1975 and Ch. 1459, Stats. 1984) (CSM 4204 and CSM 4485)
- (bb) Mandate Reimbursement Process II (Ch. 890, Stats. 2004) (05-TC-05) (Suspension of Mandate Reimbursement Process and Mandate Reimbursement Process II includes suspension of the Consolidation of Mandate Reimbursement Processes I and II)
- (cc) Mentally Disordered Offenders: Treatment as a Condition of Parole (Ch. 228, Stats. 1989 and Ch. 706, Stats. 1994) (00-TC-28 and 05-TC-06)
- (dd) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991; Ch. 1418, Stats. 1985; Ch. 858, Stats. 1986; Ch. 687, Stats. 1987; Chs. 657 and 658, Stats. 1988; Ch. 228, Stats. 1989; and Ch. 324, Stats. 2000) (98-TC- 09)
- (ee) Mentally Disordered Sex Offenders' Recommitments (Ch. 1036, Stats. 1978) (04-LM-09)
- (ff) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
- (gg) Missing Persons Report (Ch. 1456, Stats. 1988 and Ch. 59, Stats. 1993) (CSM 4255, CSM 4368, and CSM 4484)
- (hh) Modified Primary Election (Ch. 898, Stats. 2000) (01-TC- 13)
- (ii) Not Guilty by Reason of Insanity (Ch. 1114, Stats. 1979 and Ch. 650, Stats. 1982) (CSM 2753) (05-PGA- 35)
- (jj) Open Meetings Act/Brown Act Reform (Ch. 641, Stats. 1986 and Chs. 1136, 1137, and 1138, Stats. 1993) (CSM 4257 and CSM 4469)
- (kk) Pacific Beach Safety: Water Quality and Closures (Ch. 961, Stats. 1992) (CSM 4432)
- (ll) Perinatal Services (Ch. 1603, Stats. 1990) (CSM 4397) (05-PGA- 38)
- (mm) Permanent Absent Voters II (Ch. 922, Stats. 2001, Ch. 664, Stats. 2002, and Ch. 347, Stats. 2003) (03-TC-11)
- (nn) Personal Safety Alarm Devices (8 Cal. Code Regs. 3401 (c)) (CSM 4087)
- (oo) Photographic Record of Evidence (Ch. 875, Stats. 1985; Ch. 734, Stats. 1986; and Ch. 382, Stats. 1990) (98-TC- 07)
- (pp) Pocket Masks (Ch. 1334, Stats. 1987) (CSM 4291)
- (qq) Post Conviction: DNA Court Proceedings (Ch. 943, Stats. 2001 and Ch. 821, Stats. 2000) (00-TC-21 and 01-TC-08)
- (rr) Postmortem Examinations: Unidentified Bodies, Human Remains (Ch. 284, Stats. 2000) (00-TC- 18)
- (ss) Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM 4427)
- (tt) Senior Citizens Property Tax Postponement (Ch. 1242, Stats. 1977 and Ch. 43, Stats. 1978) (CSM 4359)
- (uu) Sex Crime Confidentiality y (Ch. 502, Stats. 1992; Ch. 36, 1993- 94 1st Ex. Sess.; and Ch. 555, Stats. 1993) (98-TC-21)

- (vv) Sex Offenders: Disclosure by Law Enforcement Officers (Chs. 908 and 909, Stats. 1996; Chs. 17, 80, 817, 818, 819, 820, and 822, Stats. 1997; and Chs. 485, 550, 927, 928, 929, and 930, Stats. 1998) (97-TC- 15)
- (ww) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM 4393)
- (xx) SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM 4424)
- (yy) SIDS Training for Firefighters (Ch. 1111, Stats. 1989) (CSM 4412)
- (zz) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM 4403)
- (aaa) Structural and Wildland Firefighter Safety Clothing and Equipment (8 Cal. Code Regs., 3401 to 3410, incl.) (CSM 4261 and CSM 4281)
- (bbb) Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992; Ch. 843, Stats. 1994; and Ch. 333, Stats. 1995) (97- TC-13)
- (ccc) Voter Identification Procedures (Ch. 260, Stats. 2000) (03-TC-23)
- (ddd) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)

2011 Realignment Estimate¹ - at 2016-17 May Revision

	2014-15	2014-15 Growth	2015-16	2015-16 Growth	2016-17	2016-17 Growth
Law Enforcement Services	\$2,144.4		\$2,289.2		\$2,402.6	
Trial Court Security Subaccount	518.1	14.5	532.5	11.3	543.8	13.6
Enhancing Law Enforcement Activities Subaccount ²	489.9	57.8	489.9	115.2	489.9	134.3
Community Corrections Subaccount	998.9	108.6	1,107.5	85.1	1,192.6	102.0
District Attorney and Public Defender Subaccount	17.1	7.2	24.4	5.7	30.0	6.8
Juvenile Justice Subaccount	120.4	14.5	134.9	11.3	146.3	13.6
<i>Youthful Offender Block Grant Special Account</i>	<i>(113.8)</i>	<i>(13.7)</i>	<i>(127.5)</i>	<i>(10.7)</i>	<i>(138.2)</i>	<i>(12.8)</i>
<i>Juvenile Reentry Grant Special Account</i>	<i>(6.6)</i>	<i>(0.8)</i>	<i>(7.4)</i>	<i>(0.6)</i>	<i>(8.1)</i>	<i>(0.8)</i>
Growth, Law Enforcement Services		202.6		228.6		270.3
Mental Health³	1,120.6	13.4	1,120.6	10.5	1,120.6	12.6
Support Services	3,022.1		3,277.6		3,477.7	
Protective Services Subaccount	1,970.7	138.5	2,109.2	94.8	2,204.0	113.7
Behavioral Health Subaccount ⁴	1,051.4	117.0	1,168.4	105.3	1,273.7	126.4
<i>Women and Children's Residential Treatment Services</i>	<i>(5.1)</i>	-	<i>(5.1)</i>	-	<i>(5.1)</i>	-
Growth, Support Services		268.9		210.6		252.7
Account Total and Growth	\$6,758.6		\$7,126.6		\$7,523.9	
Revenue						
1.0625% Sales Tax	6,210.9		6,521.5		6,899.7	
Motor Vehicle License Fee	547.7		605.1		624.2	
Revenue Total	\$6,758.6		\$7,126.6		\$7,523.9	

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 The Early and Periodic Screening, Diagnosis, and Treatment and Drug Medi-Cal programs within the Behavioral Health Subaccount do not yet have a permanent base.