
MAJOR STATE AND FEDERAL PROGRAMS FOR COUNTY GOVERNMENT

The following programs, described briefly, are those with a major impact on counties.

CASH ASSISTANCE PROGRAMS

California provides cash assistance to indigent individuals and families through four major programs: 1) California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Family (TANF), 2) Supplemental Security Income/State Supplementary Program (SSI/SSP), 3) General Assistance (GA), and 4) Food Stamps.

CalWORKs / TANF Programs - Provide cash grants and services to low-income families with children. These are primarily one-parent families. Aid for adults is limited to four years. The costs for the cash grants provided to federally eligible TANF families are shared by the federal (block grant), state, and county governments. The program is administered by county welfare departments under the direction of the state and federal governments. Please see the 2011 Criminal Justice Realignment Section for more detail on the changes to counties' CalWORKs responsibilities.

The SSI/SSP Program - This program provides cash assistance to eligible low income aged, blind, and disabled persons. An individual can qualify for the program as:

Aged - If he or she is age 65 or older.

Blind - If the person's vision is correctable to no better than 20/200 in the better eye, or the individual has tunnel vision of 20 degrees or less.

Disabled - If the person is unable to engage in substantial gainful activity due to medically determinable physical or mental impairment that is expected to result in death or last a continuous period of a year or longer.

The SSI component is funded by the federal government. The SSP part of the grant is funded by the state. Counties do not pay for this program. The program is administered by the federal Social Security Administration.

The General Assistance (GA) Program - Needy individuals and families who are not eligible for either CalWORKs, TANF, or SSI/SSP benefits may receive aid through the county's GA program. State law (Welfare and Institutions Code Section 17000) requires counties to provide assistance to indigent individuals who lack adequate means of support. Each county can design its own program, including payment levels. The cash grant and administrative costs of the program are borne by the counties. Counties may limit eligibility to employable recipients to 3 out of every 12 months.

The Food Stamp Program - This program permits eligible low-income families and individuals to obtain food stamps in order to increase their food buying power. The amount of food stamps received by a household depends on its income level. Eligible households include those receiving cash assistance through the CalWORKs, TANF, and

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GA programs, as well as individuals who do not qualify for these programs but still have low incomes.

The cost of the value of the food stamps is paid by the federal government. The administrative costs are funded by the federal (50 percent), state (35 percent), and county (15 percent) governments. The program is administered by county welfare departments under the direction of the state and federal governments.

HEALTH PROGRAMS

California provides health care services to low-income families and individuals through a number of programs, including the California Medical Assistance (Medi-Cal) program and county indigent health programs (generally for persons who do not qualify for Medi-Cal). In addition, public health services are provided at the county level.

The Medi-Cal Program - Medi-Cal is a joint federal-state program which provides health care services to low-income families, children, and the disabled. In 2012 about 6.7 million Californians were eligible for health care services through the Medi-Cal program in an average month. Medi-Cal will also see the addition of 800,000 children from the Healthy Families Program in 2013. The Medicaid expansion under the federal Affordable Care Act may add up to 2 million more to the program, starting in 2014. Generally, they are eligible for Medi-Cal through one of four main categories:

Aged, Blind, or Disabled Persons. Low-income persons who are (1) at least 65 years old or (2) disabled or blind persons of any age receive Medi-Cal coverage. Most of the aged, blind, or disabled persons on Medi-Cal are recipients of SSI/SSP cash assistance benefits and receive Medi-Cal coverage automatically. No-cost Medi-Cal benefits are also available to other elderly, disabled, and blind persons with specified family incomes. Aged or disabled Medi-Cal eligibles may also have health coverage under the federal Medicare Program. Medi-Cal generally pays the Medicare premiums, deductibles, and any co-payments for these “dual eligibles,” and Medi-Cal pays for services not covered by Medicare, such as drugs and long-term care. However, beginning in 2006, most if not all of their drug coverage will be provided by the federal Medicare program.

Families with Children. Most Medi-Cal family coverage is provided under the state’s “Section 1931(b)” family coverage category. Section 1931(b) family coverage was created by the 1996 federal welfare reform legislation to replace the former AFDC-linked Medicaid eligibility category. This category covers CalWORKs welfare recipients. Poor families who are not in CalWORKs may enroll in Medi-Cal in the Section 1931(b) family coverage category or in the medically needy family category.

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Medi-Cal covers both the adults and the children in these families. Families whose incomes are above the Section 1931(b) or medically needy limits, but who meet all of the other medically needy qualifications, may receive Medi-Cal benefits on the basis that they share part of the cost.

Women and Children. Medi-Cal covers all health care services for poor pregnant women in the medically indigent category. The medically indigent category also covers children and young adults through age 20, and enrollees in the Healthy Families Program, up to 250 percent of the Federal Poverty Level, will be eligible for Medi-Cal in 2013. Pregnancy-related care is covered with no share of cost for women with family incomes up to 200 percent of the Federal Poverty Level. Medi-Cal also provides family planning services for women or men with specified income levels who do not qualify for regular Medi-Cal.

Emergency-Only Medi-Cal. Noncitizens who are undocumented immigrants, or are otherwise not qualified immigrants under federal law, may apply for Medi-Cal coverage in any of the regular categories. However, benefits are restricted to emergency care (including labor and delivery). Medi-Cal also provides prenatal care and long-term care to undocumented immigrants. These services, as well as non-emergency services for recent legal immigrants, do not qualify for federal funds and are supported entirely by the General Fund.

Generally, the cost of the Medi-Cal program is shared about equally by the federal and state governments. However, many services provided through county mental health and alcohol and drug programs are reimbursed through Medi-Cal. For most of these services, counties are responsible for 50 percent of the cost, which they generally pay out of state allocations for these services. The federal government pays the remaining 50 percent.

The Healthy Families Program (HFP) - Through state and federal legislation enacted in 1997, this program provided health insurance coverage for children in families with incomes up to 250 percent of the poverty level and who were not eligible for Medi-Cal. The cost was borne by state and federal funds and family premiums and co-payments. In 2013, the state will transfer all 800,000 HFP clients to the Medi-Cal program.

Other Indigent Health Programs - A number of indigent health programs provide health care to individuals who do not meet Medi-Cal eligibility criteria. Generally, these services are provided at the county level with county funds, funds earmarked for this purpose as part of the 1991-92 “realignment” legislation, cigarette and tobacco taxes earmarked for this purpose by Proposition 99 (enacted by the voters in 1988), revenues from the settlement of tobacco litigation, and other state and federal funding sources.

Among the state programs are:

The 1991-92 “Realignment Legislation” - Dedicates an increase in vehicle license fees and the state sales tax to offset a portion of county indigent health costs.

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County Medical Services Program (CMSP) - Historically, the state has provided a General Fund appropriation to smaller counties to offset the cost of indigent care. The county portion is paid for from realignment legislation funds and county funds.

Child Health and Disability Prevention (CHDP) Program - Reimburses the costs of annual health screens to uninsured children who live in families with incomes below 200 percent of the poverty level.

California Health Care for Indigents Program (CHIP) - Provides a block grant to counties for indigent health care, including for the treatment of children's health needs identified under the CHDP annual screens.

Public Health - Counties have primary responsibility for providing health services in California. These services, which can include immunizations, health inspections, communicable disease control, bioterrorism preparedness, and other activities, are funded from county funds and a number of state and federal sources. The state allocates funding to counties and nonprofit community based organizations for the treatment and prevention of communicable diseases, such as Acquired Immune Deficiency Syndrome (AIDS) and tuberculosis, and provides child immunization assistance. In addition, the state provides staffing and grants for environmental health activities, such as the Childhood Lead Prevention Program and the safe drinking water initiative.

TRANSPORTATION

Transportation Funding in California - California's multi-modal transportation network, including local streets and roads, state highways, transit, and intercity rail, is financed with a combination of federal, state, and local funds. The governance structure is also diverse with the California Department of Transportation (Caltrans), Metropolitan Planning Organizations, Regional Transportation Planning Agencies, and counties and cities responsible for the planning, financing, and construction of parts of the overall transportation network.

Local Funds - Counties and cities generate a significant amount of revenue for transportation through the imposition of local sales tax measures. Nineteen counties have adopted local sales tax measures with the tax proceeds being dedicated to fund transportation improvements on local streets and roads, state highways, and increasingly for transit improvements. Local sales tax measures require a supermajority (2/3) of voters to implement and the local initiatives specify in great detail which projects, and for what modes, the sales tax revenues will benefit. While some counties, and more often cities, dedicate general fund revenues for transportation purposes, given recent economic conditions, increasingly strained local budgets, and a multitude of competing needs at the local level, local general fund revenues are decreasing as a source of revenue for transportation improvements. However, local sources of revenue still provide, on average in California, over sixty five-percent of total funding for the transportation system. The

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reliance on local funds is projected to increase into the future.

State Funds - State funds for transportation purposes are derived mainly from a per-gallon tax on gasoline and diesel fuel, the state excise tax, and from weight fees imposed on commercial vehicles and heavy trucks. Revenues from the state excise tax go into the Highway User Tax Account (or HUTA) and fund operations, preservation and maintenance, and capital improvements on the state highway system, the local streets and roads network, and local transit operations.

After some significant changes to transportation funding in 2010 (explained further below), there are now two different state excise taxes on gasoline (although they are levied together simultaneously). The base 18-cent excise tax, commonly referred to as the “old HUTA”, generates nearly \$3 billion annually, of which approximately \$500-\$550 million benefit county roads. The remainder of the old HUTA benefits city streets and the state highway system.

The “new HUTA” is the second excise tax, which in 2010, replaced the former sales tax on gasoline (also known as Prop 42 and spillover funds). The new HUTA tax rate is adjusted annually to generate what the sales tax would have otherwise generated (known as the Transportation Tax Swap, the excise tax in replace of the sales tax was revenue neutral and did not increase taxes on California motorists). This revenue source means \$2.4 billion in FY 2012-13 and is anticipated to increase to \$3.2 billion by FY 2020-21. New HUTA is used to fund transportation projects on the state highway system and local street and road network. Counties receive approximately \$300 million (FY 2012-13 estimates) on an annual basis.

Federal Funds - The state receives a significant amount of federal funds for transportation purposes. A federal surface transportation act authorizes funding for a multiyear period, typically six-years. Federal transportation revenues are derived from a federal excise tax levied on a per gallon basis (18.4-cents on gasoline and 24.4-cents on diesel). Funds are allocated to Caltrans with a portion of the money being passed through to regional transportation agencies and counties and cities. Federal funds are used for a number of purposes and for improvements on the state highway system and the local streets and roads network that are considered to be on the Federal Aid System. On the local side, counties use federal funds primarily for maintenance and rehabilitation of roads and bridges and critical safety improvements on portions of the county system considered to be on the Federal Aid System.

Moving Ahead for Progress in the 21st Century Act (MAP 21) is the current federal surface transportation authorization. Unlike typical authorizations, MAP 21 only authorizes funds for two-years and expires on September 31, 2014. MAP 21 will provide just over \$3.5 billion to California in both FY 2013 and FY 2014.

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The State Transportation Improvement Program – The State’s primary program for the construction of new transportation projects is the Surface Transportation Improvement Program (STIP). Funding comes primarily from state (mainly gasoline and diesel fuel tax) and federal funds. Each even-numbered year, the California Transportation Commission (CTC) programs new projects to receive STIP funding based on an estimate of the funds available over the next five years. For any transportation capital improvement project to receive state funding, a project must be included in the STIP. State law allows Caltrans to spend 25 percent of the available STIP funds on interregional transportation improvements, with the remaining 75 percent going to designated regional transportation planning agencies for regional transportation improvements.

TRIAL COURT SYSTEM

The California Constitution provides for a system of superior courts. These courts, often referred to as the state’s trial courts, have jurisdiction over all cases involving criminal law, family law (like divorce cases) juvenile law, probate matters (like settling estates), and civil lawsuits. There are 58 superior courts, one in each county.

Historically, counties and the state shared financial responsibility for support of the trial courts. Under the Trial Court Funding Act (Chapter 850, Statutes of 1997), the state is now primarily responsible for support of the trial courts. The state pays virtually all of the costs to support trial court operations in the 38 smallest counties. The 20 largest counties pay a capped amount to the state for support of the courts. The capped amount is roughly 53 percent of the annual amount expended by these counties to support the courts in the early 1990s.

In 1998, California voters approved Proposition 220, a constitutional amendment that permitted the judges in each county to merge their superior and municipal courts into a unified superior court. The purpose was to improve services to the public through consolidation, offer greater flexibility in case management, and save money. Judges in all 58 counties voted to unify their trial courts.

Further, as part of efforts to create a single statewide trial court system, a new system of employee governance was enacted (Chapter 1010, Statutes of 2000), whereby trial court employees became employees of the court, rather than the county. Legislation (Chapter 1082, Statutes of 2002) creating a process for the state to take over responsibility of court facilities resulted in the transfer of more than 530 court facilities from counties to the state, which successfully concluded in December 2009.

Despite these reforms that effectively divided court and county operations, the two branches of government remain inextricably linked at the local by virtue of the services counties deliver in support of the local criminal justice system. The role and work of probation, district attorney, public defender, and sheriff keep intact significant operational ties between the local executive and judicial branches.

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CRIMINAL JUSTICE REALIGNMENT

Effective October 1, 2011, the state of California transferred to counties the responsibility for the custody, treatment, and supervision of felons convicted of most non-violent, non-sexual, non-serious crimes. The change only applied prospectively, affecting only offenders sentenced after October 1, 2011. The state also made changes to state parole and made counties responsible for supervision of state prison inmates in the community under a new status called local “post-release community supervision.” The state realigned funding and cost-sharing formulas for a number of health and human service programs at the same time.

Under 2011 Realignment, the state transfers a certain portion of the state sales tax and vehicle license fees to counties, divided into a number of different accounts. Each county, at its discretion, can use the funding with fairly broad flexibility to support the realigned responsibilities.

A local, multiagency board in each county, comprised mostly of specified public safety representatives, creates a plan for managing the county’s new responsibilities under public safety realignment. The plan is implemented unless rejected by a four-fifths vote of the Board of Supervisors, although the board retains all budgetary authority.

Sentence lengths are unchanged under 2011 Realignment, though the change gives counties enhanced custody and supervision tools, including home detention for low-level offenders. Counties are also permitted to contract back with the state to send local offenders to state prison, or with public community correctional facilities, though this option does not extend to parole revocation.

Under post-release community supervision, offenders prospectively released from prison whose current offense is non-violent, non-serious, and non-high-risk sex offenders are supervised by counties. These offenders are not returned to prison for parole revocation reasons unless previously sentenced to a term of life.

The idea of 2011 Realignment is that counties will manage the offender population differently than the state has been doing, incorporating more treatment options and lowering California’s extremely high recidivism rate. As counties implement the program differently, some approaches will likely prove more effective than others.

The 2011 Realignment fiscal structure also serves as a revenue source for programs or services previously provided by counties but funded from the state general fund. These programs include sheriff-provided court security services (in 56 of the 58 counties), previously realigned responsibilities for juvenile offender populations, and a dozen or so public safety subvention programs ranging from probation functions to funding for front-line services.