



2020-21 ADOPTED BUDGET
June 26, 2020

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

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

RE: Final Adopted Budget for 2020-21

Today, the Legislature passed the 2020-21 Budget Act, bringing a temporary completion to a budget process that was entirely upended by the onset of the COVID-19 pandemic. Navigating through plummeting revenues and the challenge of legislating remotely, the Legislature and the Governor were able to forge an agreement on a budget earlier this week. The Budget Bill ([AB 89](#)) will now be sent to Governor Newsom for his signature. Given the ongoing nature of the pandemic, the delay in knowing how much tax revenue the state will receive due to the extended filing deadline, and continued uncertainty about whether any additional federal COVID-19 relief funding will be provided to the state, it is entirely possible that the Governor and Legislature may need to revisit aspects of this budget during the upcoming year.

In addition to the main budget bill, numerous budget trailer bills were adopted by the Legislature and those that contain county priorities are described throughout this update. Please see “Additional Resources” for a chart of all trailer bills. Also this week, the Governor issued a proclamation of a budget emergency. This action allows the state to utilize funds from the state’s rainy day fund.

County budget priorities shifted significantly between January and June, but ultimately a sustained and coordinated advocacy effort by counties was successful in achieving positive outcomes on several high priority issues, many directly in response to the pandemic. Key county funding in the budget includes:

- \$1 billion as a Realignment backfill to help prevent devastating cuts that would occur to safety net programs due to declining Realignment revenues
- \$1.289 billion from the Coronavirus Relief Fund to help pay for the costs of responding to the COVID-19 pandemic

- \$100 million for the increased costs of the November election and the new requirements in response to the pandemic
- \$900 million for various homelessness efforts for counties, cities, and continuums of care from both federal funds and state General Fund

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

ACTION

Budget Reserves

Under this budget agreement, the total General Fund expenditures for the 2020-21 fiscal year are \$133.9 billion. In addition, budget reserves would be \$11.4 billion, including 1) \$2.6 billion in the Regular Reserve, 2) \$450 million in the Safety Net Reserve, and 3) \$8.3 billion in the Rainy Day Fund. The Governor declared a “budget emergency” on June 25, 2020, which allowed funds to be drawn from the rainy day fund.

2020-21 June Budget General Fund Budget Summary (\$ in millions)

	2019-20	2020-21
RESOURCES:		
Prior-Year Balance	\$11,280	\$1,972
Revenues and Transfers	\$139,745	\$129,913
Transfer to Budget Stabilization Account	-\$2,120	\$0
Withdrawal from the Budget Stabilization Account	\$0	\$7,806
Total Resources Available	\$148,905	\$139,691
EXPENDITURES:		
Non-Proposition 98 Expenditures	\$94,277	\$88,834
Proposition 98 Expenditures	\$52,656	\$45,066
Total Expenditures	\$146,933	\$133,900
FUND BALANCE:		
Reserve for Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties/Rainy Day Fund	-\$1,203	\$2,616
Safety Net Reserve	\$900	\$450
Budget Stabilization Account	\$16,116	\$8,310
Total Reserves	\$15,813	\$11,376

Federal Funding Triggers

The Budget Act includes several instances of funding decisions contingent on the receipt of additional federal funding to the state. Prior to budget negotiations the Administration and Legislature started with different philosophies on how and which programs and services would be reliant on the actions of the federal government. The final Budget Act provides a mechanism to restore funding and offset reductions to programs and services if the state receives \$14 billion federal funding by October 15, 2020. The Budget language specifies that if federal

funding is more than \$2 billion, but less than \$14 billion, then each of the trigger items will be adjusted proportionally. The list of items associated with the federal trigger is included below:

- \$150 million to restore judicial funding
- \$45 million for mixed-income housing through the California Housing Finance Agency
- \$203 million from the Infill Infrastructure Grant Program of 2019
- \$46 million for child support funding
- \$5.7 billion to reduce payment deferrals to K-12 schools
- \$791.1 million to reduce payment deferrals to community colleges
- \$471.6 million for University of California funding.
- \$1.9 million for Hastings College of Law
- \$498.1 million for California State University funding
- \$88.4 million to restore the Golden State Teacher Grant Program at the Student Aid Commission
- \$2.8 billion to offset employee compensation reductions in this budget package
- \$250 million to backfill county realignment programs

Realignment Funding

The Budget Act provides \$1 billion to counties for safety net services as a Realignment backfill in 2020-21. Of this total, \$750 million is provided directly with State general Fund dollars and \$250 million is dependent upon the state receiving additional federal COVID-19 relief. Intent language in AB 89/SB 121 specifies that this one-time safety net funding is to be used for health and human services programs, entitlement programs, and programs that serve vulnerable populations.

The inclusion of this funding in the final agreement would not have been possible without the extraordinary and tireless advocacy of counties communicating how critical this funding is to prevent devastating cuts to services for vulnerable individuals. Through member meetings, action alerts, testimony, and press events, counties have made a strong case on the need for this funding and successfully ensured inclusion in the final budget. The final outcome represents an improvement over the May Revision, which did not include any backfill funding, and the Legislature's version of the backfill, which also had \$1 billion total, but made \$600 million dependent upon federal funding.

The language in AB 89/SB 121 does not specify how the funding would be divided up among the various Realignment subaccounts or counties. Rather, the Department of Finance is required to consult with CSAC to develop the countywide allocation schedule for this funding. CSAC has

initiated engagement with the Department of Finance and will work to develop the allocation recommendation as quickly as possible.

For the \$250 million that is “triggered” on dependent upon the receipt of additional federal funding, the Director of the Department of Finance must determine by October 15, 2020 if the federal government will be providing an additional \$14 billion in COVID-19 relief. If that occurs, counties will receive the additional \$250 million and all of the other funding or cut reversals that are tied to the federal trigger will also occur. If the amount of federal funds received is less than \$14 billion, but greater than \$2 billion, then each of the trigger items will be adjusted proportionally.

Finally, the Budget Act indicates that this funding is contingent upon county compliance with the state’s stay-at-home order, Executive Orders, and Department of Public Health orders and guidance issued in response to the COVID-19 emergency. Local governments are required to certify compliance with the Department of Finance, and this detail will be determined during the consultation process.

Federal COVID-19 Relief Funding

The budget includes \$1.289 billion in funding for counties to help pay for the costs of responding to the COVID-19 pandemic, including both the direct costs of confronting the health effects and second-level economic effects. The funds were provided by Congress in the CARES Act through the Coronavirus Relief Fund and must be utilized in accordance with U.S. Department of Treasury guidance. Separate from the county allocation, cities will receive \$500 million from the Coronavirus Relief Fund. The funds will be distributed per capita, though taking into account that counties and cities with a population greater than 500,000 received direct allocations from the federal government. Funding to local governments is contingent upon compliance with the state’s stay-at-home order, Executive Orders, and Department of Public Health orders and guidance issued in response to the COVID-19 emergency. Local governments are required to certify compliance with the Department of Finance.

Homelessness

The Budget and housing trailer bills ([AB 83](#) and [SB 110](#)) include several key investments and provisions related to reducing homelessness in California. While some of the proposals were originally introduced by the Governor, and others added as Legislative augmentations, combined they demonstrate a continued, shared value in prioritizing homeless response efforts even during tough economic times. These proposals include:

- \$550 million federal funds (Coronavirus Relief Fund) to be administered by the Department of Housing and Community Development (HCD) to support housing for individuals and families who are experiencing homelessness or who are at risk of homelessness due to the COVID-19 pandemic. More specifically, these funds will be prioritized for counties, cities, and public entities to build off Project Roomkey through acquiring or rehabilitating motels, hotels, hostels, and other sites and assets as specified.
- \$50 million General Fund to be administered by HCD to be used for the acquisition, conversion, rehabilitation, and operating subsidies for hotels, motels, and other properties to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness. Our understanding is that these funds will be prioritized to support purchases made with the previously mentioned \$550 million.
- \$300 million General Fund to be allocated by the Homeless Coordinating and Financing Council consistent with the existing formula and uses of Homeless Housing Assistance Prevention (HHAP) program. This would result in \$80 million directly to counties and \$90 million passing through Continuums of Care.
- The housing trailer bill also includes CEQA exemptions for Roomkey projects under specified circumstances, including a requirement that project proponents commit to using a skilled and trained workforce as defined by Section 2600 of the Public Contract Code. The bill further requires that any Coronavirus Relief Fund Roomkey project shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals. The bill exempts Project Roomkey hotel acquisitions from the voter approval requirements of Article 34 of the California Constitution, related to public subsidy of affordable housing projects. Finally, the trailer bill provides an opportunity for local governments to receive housing element affordable housing unit credit for the provision of committed financial assistance to Project Roomkey conversion projects.
- Finally, to provide regulatory streamlining for emergency camping sites, the housing trailer bill removes any camping facility operated by a non-profit entity under temporary, permanent or emergency use as determined by local government through an enabling ordinance from oversight by the Department of Housing and Community Development under the Special Occupancy Parks Act.

ACTION

Closure/Realignment of the Division of Juvenile Justice

The structure surrounding the closure, or realignment, of the state's Division of Juvenile Justice (DJJ) is not included in the public safety trailer bills ([AB 88](#) and [SB 118](#)). Since the release of the Governor's original May Revision proposal, it has been clear that closing DJJ is a priority for the Administration and the Legislature. Therefore, CSAC and affiliate organizations have worked to identify improvements and structural changes needed if the proposal were to move forward. The absence of a final agreement signals that the Governor and Legislature will need more time to agree on this framework; however, it is our understanding that the current framework under discussion addresses many county concerns and the Budget sets aside sufficient funding for implementation. We expect conversation will continue in the coming weeks and we will provide updates as appropriate.

Local Public Safety

Post Release Community Supervision (PRCS)

The Budget includes \$12.9 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 Proposition 57.

Community Corrections Performance Incentive Grant (SB 678)

In lieu of the previously proposed change to the SB 678 grant program in the Governor's January Budget, the final Budget maintains the existing SB 678 calculation methodology, which will provide county probation departments \$112.7 million in 2020-21.

Community Corrections Partnership Planning Grants

The Budget continues to fund counties for Community Corrections Partnership planning through the ongoing \$8 million grant program. Counties will be eligible to receive this funding if they submit an updated Community Corrections Partnership plan and report, as specified by the Board of State and Community Corrections (BSCC).

Proposition 47 Savings Estimate

Proposition 47, passed by the voters in November 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes, and permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Each year, state savings from the implementation of Proposition 47 is required to be transferred and re-allocated in grant programs, as specified in the initiative. The Budget estimates total state savings of \$102.9 million for 2019-20.

Indigent Defense

The Budget includes \$10 million to support grants to eligible county public defenders' offices for indigent defense services. Funds will be allocated according to a schedule that has not yet been developed by BSCC in consultation with the Department of Finance and the Office of the State Public Defender.

Sentence Enhancements

While it has not yet been passed, the public safety trailer bill would delete reference to the location of the facility for time served so that the underlying crime is the determiner of the facility where a sentence is served in accordance with *People v. Vega*. This change may reduce, by a small amount, the number of offenders serving time in state prison based on their enhancement.

Misdemeanor Diversion

If passed, the public safety trailer bill would authorize a judge to offer misdemeanor diversion to a defendant over the objection of a prosecuting attorney. The bill would also authorize the judge to continue a diverted case for a period not to exceed 24 months and order the defendant to comply with the terms, conditions, and programs the judge deems appropriate based on the defendant's specific situation. The court would be able to end the diversion and order resumption of the criminal proceedings if the court finds that the defendant is not complying with the terms and conditions of diversion.

California Department of Corrections and Rehabilitation (CDCR)

The May Revision includes over \$13 billion for CDCR in 2020-21.

Existing Program Eliminations and Modifications

Due to funding constraints, and in a stated interest to provide continuity of care long-term, the May Revision proposed to eliminate two existing programs for state parolees: the Integrated Services for Mentally Ill Parolees Program (ISMIP) and the Parole Outpatient Clinics (POC).

The Budget maintains the elimination of ISMIP but restores the POC program.

Capacity and Population

Due to the projected decline in the adult inmate population in state prisons, the public safety trailer bill would require the identification of one state owned and operated prison for closure by January 10, 2021, and a second state owned and operated prison for closure by January 10, 2022. In determining the prisons to be closed, the bill would require CDCR to consider factors including costs associated with operations, capital outlay needs, and operational flexibility.

Parole Terms

Not dissimilar from the probation reforms originally proposed in the Governor’s January Budget, the public safety trailer bill would also require a person released from state prison, subject to parole supervision by CDCR, to serve a parole term of two years for a determinate term and a parole term of three years for a life term. The bill would require the Division of Adult Parole Operations to review these individuals for earlier discharge as specified, and exclude individuals serving time for offenses that require them to register as sex offenders.

Judicial Branch

Reducing Criminal Fines and Fees

The Governor’s January Budget proposal and May Revision included \$11.5 million, increasing to \$56 million ongoing, to expand statewide an existing pilot program that allows indigent and low-income individuals to apply online to have their fines and fees from traffic infractions reduced in accordance with their ability to pay. While CSAC did not oppose this policy, we expressed concerns that the proposal only backfilled lost revenue for trial courts (\$54 million) when there would be an equal impact on local revenue. Similarly, the Legislature continued to indicate that implementing SB 144, which eliminates certain fines and fees, was a priority throughout budget negotiations.

Ultimately, the Budget does not include the Governor’s ability to pay court program expansion, but sets aside \$65 million to continue discussions regarding the implementation of a fine and fee reduction proposal—presumably similar to SB 144. The funding set aside is intended to fund the lost revenue resulting from a final program.

Agriculture, Environment and Natural Resources

The Budget includes significant investments to prepare for and protect against our changing climate and disasters. The final budget builds on legislative efforts, previous budget allocations, and ongoing policies to ensure that the state has adequate resources to mitigate climate risk, prepare for future events, and protect our the environmental health and safety. The Governor’s final June Budget significantly reduces General Fund expenditures, particularly for new and one-time programs that have not been established.

EMERGENCY PREPAREDNESS AND RESPONSE

With the ever-present threat of catastrophic wildfire, the Budget expands investments in CAL FIRE, the Governor’s Office of Emergency Services, and local agencies to prepare for ongoing threats.

Department of Forestry and Fire Protection (CAL FIRE)

Relief Staffing and Early Ramp-Up of 2020 Fire Season Surge Capacity

The Budget includes \$85.6 million General Fund for firefighting positions to provide CAL FIRE with operational flexibility through the peak fire season. The Budget includes \$4.4 million General Fund to enable CAL FIRE to implement the Innovative Procurement Sprint process that supports a predictive wildfire simulation software program.

Office of Emergency Services

The Budget includes \$100 million for the Office of Emergency Service (Cal OES). This includes funding and support for efforts that would provide local match grants for public safety power shutoff preparedness, increased California Disaster Assistance Act funding, and funding and new positions at Cal OES. The Budget also includes decreased funding for the state's recently created wildfire threat center and AB 38's Home Hardening pilot programs. In addition, the Budget includes a reorganization, moving the Seismic Safety Commission from the Department of Conservation to Cal OES for better integration of earthquake preparedness and seismic safety programs.

Budget language authorizes Cal OES to contract with an operation observer to monitor the efforts of Pacific Gas and Electric Company (PG&E) to prepare for the 2020 wildfire season, implement measure to mitigate the risk of wildfire ignitions from utility infrastructure, and to reduce the scope and duration of public safety power shutoff (PSPS) events.

Community Power Resiliency (PSPS)

The Budget maintains a \$50 million one-time General Fund expenditure to support additional preparedness measures that bolster community resiliency during de-energization. Intended uses for these funds include supporting critical services like schools, county election offices, and food storage reserves. This proposal will support a matching grant program to help local governments and others to prepare for, respond to, and mitigate the impacts of public safety power shutdowns.

California Disaster Assistance Act (CDAA) Funds

The Budget includes a total of \$38.2 million one-time General Fund to increase the amount of funding available through CDAA. This \$38.2 million includes the \$16.7 million that was in the Governor's January Budget, plus an additional investment of \$21.5 million. These CDAA funds are available to help repair, restore, or replace public real property damaged or destroyed by a disaster, or to reimburse local governments for eligible costs associated with emergency activities undertaken in response to a state emergency proclaimed by the Governor. These funds increase the total CDAA funding available in the Budget to \$100.8 million.

Funding for Wildfire Forecast & Threat Intelligence Integration Center

The Budget includes \$2 million General Fund for the state’s emergency response capabilities for wildfire threat and weather monitoring, and \$4.4 million to CAL FIRE to implement a new prediction and modeling technology system that was procured through an Innovative Procurement Sprint process through Executive Order N-04-19. The recently-executed contract will enable CAL FIRE to access a wildfire predictive software program. The data from this software program will be used to inform fire pre-positioning and suppression tactical operations, with the intent to more readily control and contain wildfires.

Climate Resilience

When the Governor’s January Budget was released, the Administration proposed \$12.5 billion collectively over the next five years in three major priority areas, including a climate resiliency bond, ongoing investments from the state’s cap-and-trade program, and a new climate catalyst fund to provide low interest loans for climate- related projects. The final budget does not include a Climate Resilience Bond, postpones the cap-and-trade expenditure plan until later in August, and adjusts the Climate Catalyst Fund as described below.

Cap & Trade Expenditure Plan—Lights On until August

The Budget includes a minimum amount of funding to maintain programs under the cap-and-trade program. Most of the grant programs are still allocating previous-year allocations, however state operations under the approved budget will be limited to personnel costs only. This includes for wildfire and fire prevention activities. Concern was raised when auction revenues fell far short of expectations, necessitating a pause in expenditures.

The Governor has proposed a “pay-as-you-go” budget mechanism that would authorize budget act expenditures based on actual proceeds authorized at each quarterly auction that will be reviewed over the summer. The proposal prioritizes the following programs:

- AB 617 — Community Air Protection Program and agricultural diesel emission reduction.
- Forest Health and Fire Prevention
- Safe and Affordable Drinking Water

The Administration has also initiated a review of the cap-and-trade program, and it is likely that this review will impact the final cap-and-trade expenditure plan for the year.

Climate Catalyst Fund

The Budget includes a new Climate Catalyst Revolving Loan Fund through the I-Bank that is intended to provide low-interest loans for a portfolio of climate-related projects that would help meet the state’s greenhouse gas and resiliency goals. The I-Bank is a general-purpose finance authority created in 1994 with a broad mandate to help finance public infrastructure and private development. Its operations generally are funded from the interest earnings of its

financing programs. The I-Bank administers a number programs that finance private and public projects, including projects with climate-related benefits. Initially, the Governor proposed an infusion of \$250 million General Fund to kick start the climate program. The June budget eliminates direct funding to the program and would instead provide more flexibility for the I-Bank overall by adjusting the total amount of rate reduction bonds and bonds issued to finance public development facilities that may be outstanding at the I-Bank at any one time to \$15 billion. Currently, the limit for rate reductions bonds is \$10 billion and the limit for bonds to finance public development is \$5 billion.

The budget trailer bill establishes the Climate Catalyst Revolving Loan Fund, to receive funds from non-state governmental entities and private sources for the purpose of making loans for climate catalyst projects that further the state's climate goals. These moneys are available for expenditure upon appropriation by the Legislature.

NATURAL RESOURCES

The Budget includes funding for key local programs (flood control and Payment In-Lieu of Taxes) and sustains baseline funding for several departments (State Parks and Department of Fish and Wildlife). The Budget pauses construction on the new California Natural Resources building, saving \$4.8 million General Fund for the relocation of staff until an evaluation on telework opportunities is completed.

Payment In-Lieu of Taxes.

The Budget sustains \$644,000 in direct the Payment-In-Lieu of Taxes (PILT) funding to counties through the Department of Fish and Wildlife (DFW). PILT was established in 1949 to offset annual county income from land acquired and managed by the state as a wildlife area. Specifically, the Department of Fish & Wildlife (DFW) may annually pay the county in which the property is located an amount equal to the county taxes levied upon the property at the time title was transferred to the state. In the 2015-16 budget, PILT payments were re-established after a more than decade of non-payment, as a baseline budget item in the DFW budget.

Department of Water Resources

The Budget maintains significant one-time funding for several flood protection programs including:

- \$46 million (General Fund) for the American River Common Features Flood Control Project, a one-time allocation of \$46 million General Fund, sustaining the state's matching share on this local flood control project;
- \$96 million (special funds) for the San Joaquin-Sacramento flood protection system; and,

- \$6.75 million (Proposition 68) for the Central Valley Flood Protection Plan.

The Budget also maintains \$18 million General Fund for the New River Improvement Project to address solid waste and pollution exposure in the County of Imperial (City of Calexico). Finally, the Budget sustains bond funding for the Salton Sea Management Plan, providing funds to reduce long-term air pollution issues downwind due to the receding sea.

Department of Parks and Recreation

The Budget maintains the department’s baseline budget, rejecting a baseline budget reduction that would have started in 2021 and approves \$20 million General Fund for the Outdoor Environmental Education Grant Program (AB 209).

The Budget includes partial funding for the establishment of a new park and several programs designed to increase access to, and improve, state parks as follows:

- Establishing a new state park –\$5 million General Fund to create a new state park at an undisclosed location. The state seeks to leverage funding from non-state funds for this purchase;
- \$4.6 million in bond funds to acquire inholding properties that expand existing state parks;
- Improving facilities in urban areas – includes \$6.1 million in Proposition 68 funds to expand access to state parks in urban areas; and,
- Enhancing access programming – includes \$8.8 million Proposition 68 funds to expand both technological and physical access to parks.
- Shifts \$45 million General Fund for deferred maintenance to Proposition 68 bond funds.

Department of Conservation

The Budget includes \$7.2 million and 25 positions to the state’s oil and gas regulatory division, now known as California Geologic Energy Management Division to provide stronger oversight of oil and gas extraction.

California Conservation Corps

The Budget cancels the expansion of the Corps residential center program, reducing funding by \$3.5 million General Fund.

CANNABIS

The Governor’s January Budget proposed to consolidate the state’s three cannabis licensing entities into a single Department of Cannabis Control by July 2021, however, due to COVID-19 this proposal has been delayed for consideration to the 2021-2022 Budget. As part of this delay,

the Budget proposes the use of special funds to support the existing regulatory framework. The use of these funds will address expiring limited-term funding and positions. The proposals include \$68.2 million for the Department of Consumer Affairs, Bureau of Cannabis Control, \$20.8 million for the Department of Public Health, and \$54.8 million for the Department of Food and Agriculture to continue cannabis licensing and enforcement activities. This also includes a proposed statutory change to shift investigators from the Department of Consumer Affairs Division of Investigations to the Bureau of Cannabis Control.

Allocations from the Cannabis Tax Fund

Under Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Governor's January Budget estimated that \$332.8 million would be available for these purposes in 2020-21, while adopted budget now estimates it to be \$296.9 million. These figures reflect a total reduction of \$35.9 million, compared to the Governor's original January estimate, due to lower than expected tax receipts as result of the COVID-19 pandemic. Despite lower estimated revenues, the structure of these allocations is unchanged from 2019-20:

- Youth education, prevention, and early intervention and treatment and school retention—60 percent (\$178.1 million)
- Environmental protection—20 percent (\$59.4 million)
- Public safety-related activities—20 percent (\$59.4 million)

Cannabis Tax Reform

The Budget does not propose to move the responsibility for the cultivation excise tax from the final distributor to the first distributor and for the retail excise tax from the distributor to the retailer. This proposal has been postponed for inclusion in the budget next year.

ENVIRONMENTAL PROTECTION

The Budget sustains many the Environmental Protection Program proposals and prioritizes local air pollution programs, including a \$50 million allocation for the AB 617 Community Air Protection Program. Trailer bill language authorizes the State Water Resources Control Board to issue a Section 401 water quality certification before the completion of an environmental review if the board determines that awaiting completion of that environmental review poses a substantial risk of waiver of certification authority. This relates to a Federal Energy Regulatory

Commission court case where a state that fails to act on an applicant's request for water quality certification within one year waives its authority to issue that certification.

The Budget approves \$1.5 million for the Harmful Algal Bloom (HAB) program established by AB 834 (Quirk) in 2019.

The Budget defers action on a proposed reform package to create a new board at the Department of Toxic Substances Control, and to provide that board with fee setting authority. This proposal may be considered in the summer or over the fall for inclusion in the 2021 budget.

AGRICULTURE

The Network of State Fairs, consisting of 77 fairgrounds throughout the state, are heavily impacted by the COVID-19 emergency. Fairs have canceled events and, in many cases, been redeployed as emergency centers. Fairs are projected to lose approximately \$98 million in revenue between March and June 2020. Of the 77 fairs, 53 are state-affiliated fairs with state civil servants. The Budget sustains a \$40.3 million current year allocation to support state-affiliated fairs that are projected to have insufficient reserves to pay legally mandated costs that may be incurred during the state civil service layoff process.

The Budget does not including new funding for the State Water Efficiency and Enhancement Program (SWEEP) grants. These grants support local efforts to reduce water use on farms and ranches. The Budget also did not include a proposed \$31 million allocation for the Fresno-Merced Food Innovation Corridor.

Government Finance and Administration

Election Funding

The Budget Act includes just over \$100 million for the increased costs of the November election. The Governor has signed two executive orders, one of which requires counties to mail ballots to all active registered voters and the other of which allows counties to establish fewer in-person polling places, but only if they have those locations open for three days of early voting, along with other requirements to increase access. Last week Governor Newsom signed [AB 860 \(Berman\)](#), which would largely codify the [Executive Order](#) requiring county elections officials to mail ballots to all active registered voters.

The increased cost of these requirements is estimated at about \$130 million, so the funding in the budget should go a long way toward meeting the need. It marks the first time the state has

provided funding for election operations in about a decade, though they have provided much-needed funds in recent years to replace voting equipment.

Broadband

The June Budget modifies a proposal to provide \$2.8 million and 3 positions in additional resources from the Public Utilities Commission Utilities Reimbursement Account for the Commission to identify which areas of the state lack sufficient access to broadband. Under the budget language the three positions will be contracted for three years, instead of permanently. This additional information will better inform the state’s broadband infrastructure grant program, improve safety by providing broadband speed data at emergency response locations such as fairgrounds, and enhance the state’s ability to compete for federal broadband funding. The final budget also adopts a statute intended to increase the ability of the state to compete for federal funding to improve access to broadband Internet in California.

Health and Human Services

BEHAVIORAL HEALTH

Mental Health Services Act (Proposition 63)

The budget agreement between the Governor and Legislature contains several temporary flexibilities for Mental Health Services Act (MHSA) funding due to the COVID-19 pandemic and are strongly supported by counties.

In January, Governor Newsom shared his concerns with the size of county MHSA reserves and outlined his plan to form a special working group to “reform” the MHSA. He abandoned that plan in his May Revision budget, instead focusing on the state’s huge deficit and pandemic response. However, counties were also grappling with those issues and identified a number of emergency flexibilities that would facilitate pandemic response and continuity of mental health services and programs. The County Behavioral Health Directors Association (CBHDA) convened a diverse coalition of mental health stakeholders and, along with CSAC, developed a suite of consensus-based proposals for temporary implementation.

- We are pleased to report that many of the coalition proposals have been accepted by the Governor and Legislature and are included in AB 81 (Ting). The flexibilities include: *Fund Reversion*: Suspension of the deadline for reverting unspent MHSA funds until July 1, 2021. This applies only to unspent funds that were scheduled to be reverted as of July 1, 2019 or July 1, 2020.

- *Accessing Prudent Reserves:* Authorizing counties to use funds from MHPA prudent reserves for mental health expenditures to children and adults, including housing assistance, during the 2020-21 fiscal year.
- *Flexibility of Funding:* Authorizes counties to determine allocations of MHPA funds within community services and supports, and prevention and early intervention categories for the 2020-21 fiscal year.
- *Administrative Flexibility:* Allowing counties to extend the effective timeframe for MHPA three-year expenditure plans or annual updates to include the 2020- 21 fiscal year. AB 81 also extends the deadline for counties to submit the three-year plan or annual update to the Mental Health Services Oversight and Accountability Commission (MHSOAC) and the Department of Health Care Services (DHCS) to July 1, 2021.

CSAC will continue to work with the Administration and Legislature to identify additional flexibilities within MHPA while also preserving the Act’s core principles, including stakeholder engagement, outreach to special populations, transparency and accountability, and most importantly, ensuring the continued provision of community-based mental health services.

Integrated Services for Mentally Ill Parolees Program

The California Department of Corrections and Rehabilitation (CDCR) sought to eliminate the Integrated Services for Mentally Ill Parolees (ISMIP) Program, a proposal approved in AB 88 (Ting). The state estimates savings of \$8.1 million General Fund in 2020-21, increasing to \$16.3 million General Fund in 2021-22 and ongoing. However, the elimination of this program for recently released prison inmates who are living with mental illness effectively shifts the costs for their care and treatment to county Medi-Cal specialty mental health plans.

CSAC, along with CBHDA, are discussing the impacts of the elimination of ISMIP with CDCR staff, raising questions related to communication, document sharing, medication management, and case management services for this small (about 10,000 people), but high-need population.

HEALTH

County Medical Services Program

The County Medical Services Program (CMSP) was again in the Administration’s sights as the Governor proposed to divert \$50 million from the program’s budget reserves for each of the next four fiscal years to offset state CalWORKs costs in May. The Legislature did not agree with the proposed diversion and the recent budget bills do not contain any changes to CMSP funding or reserves.

In addition to the strong advocacy efforts that led to CMSP maintaining their current funding reserves, the CMSP Governing Board managed to ensure health care access through a slate of rapid new [grant](#) and [loan](#) programs. CSAC is pleased with the final outcome.

Medi-Cal 2020 Waiver

The budget compromise authorizes the Department of Health Care Services (DHCS), in consultation with stakeholders, to seek federal approval for a temporary extension of the state's Section 1115 Medi-Cal Waiver Demonstration project known as Medi-Cal 2020. This key federal waiver had been set to expire on December 31, 2020 and currently provides millions in needed funding for public hospitals and health systems, authorizes the Whole Person Care pilot projects, and extends addiction treatment in a majority of counties through the Drug Medi-Cal Organized Delivery System. CSAC strongly supports DHCS efforts seeking to extend all current components of the 1115 Waiver without the imposition of budget neutrality through at least calendar year 2021.

Medi-Cal for Undocumented Seniors

Governor Newsom announced in January that he wanted to increase health care coverage for full-scope Medi-Cal to all individuals 65 years and older, regardless of immigration status, but withdrew the proposal for an estimated savings of \$112.7 million (\$87 million General Fund) in 2020-21 in May. The budget compromise contains language in AB 80 (Ting) that prioritizes full-scope Medi-Cal expansion to undocumented seniors in the upcoming (2021-22) budget if the Department of Finance determines there are sufficient General Fund revenues for that fiscal year and the ensuing three fiscal years to support the expansion. There are no changes to the current expansion of Medi-Cal to undocumented young adults up to age 26.

Medi-Cal Optional Benefits

The Governor had proposed eliminating optional Medi-Cal benefits for millions of adults, including: audiology, speech therapy, vision (including optometry, optician, and optical lab services), podiatry, incontinence creams and washes, acupuncture, physical therapy, occupational therapy, pharmacist delivered services, nurse anesthetist services, brief intervention and referral to treatment for opioids and other drugs, and the diabetes prevention program for a savings of \$30.3 million in 2020-21. The budget compromise preserves these optional benefits, which were just restored in 2019 and often help prevent more expensive urgent and inpatient care for Medi-Cal enrollees.

Medi-Cal County Administration

The budget compromise approves the level of funding for Medi-Cal county administration that was included in the May Revision. The final amount of funding continues the \$25.4 million increase that was provided to counties in April in response to the pandemic, but does not include the \$42.2 million increase that would have resulted from a cost of living adjustment in the existing budget methodology.

Managed Care Organization Tax

The state's revamped Managed Care Organization (MCO) Tax was approved by the federal government in April 2020, yielding a General Fund savings of \$1.7 billion in FY 2020-21. While the tax remains in effect from January 2020 to December 2022, both the Governor and the

Legislature have reserved the option to revisit the currently approved tax structure if additional revenue is needed in the budget year.

Managed Care Rates

The budget compromise (AB 80 [Ting]) sustains savings proposed by the Governor by imposing various efficiency and cost containment adjustments on the state's Medi-Cal Managed Care plans (not enrollees). The trailer bill authorizes DHCS to reduce applicable capitation rate increments for Medi-Cal managed care plans by up to 1.5 percent for the July 1, 2019 to December 31, 2020 rating period. It also authorizes DHCS to develop and implement a risk corridor to limit the financial risk of either overpayments or underpayments of capitation rates during the same time period noted above.

E-Cigarette Tax

The Governor's January budget and May Revision proposed a new e-cigarette tax on top of existing tobacco taxes. There were adjustments to where the funding from the new tax would be allocated from the January budget to the May Revision. The final agreement between the Administration and Legislature delays the development and implementation of the Governor's proposed e-cigarette or vaping tax, and outcome CSAC, in conjunction with the First 5 Association of California, strongly advocated for. We believe any new tobacco tax must contain a mechanism to fund First 5, as every tobacco tax since 1999 has done. We will continue to advocate for this position over the summer.

Proposition 56

The AB 80/SB 102 trailer bill language rejects the Governor's May Revision proposal to eliminate \$1.2 billion in tobacco taxes for the California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) supplemental payments or rate increases for various health services and service providers. The final budget compromise will suspend the supplemental and Value Based payments until July 1, 2021 unless implementation jeopardizes federal funding, or future General Fund revenue and expenditure estimates exceed the allocations for all suspended programs.

340B Pharmacy Program

The Governor's May Revision proposed a withdrawal of the January's proposed investment of \$52.5 million (\$26.3 million General Fund) to create a supplemental payment pool for pharmacy services for non-hospital 340B clinics. The proposed withdrawal was an effort to save \$52.5 million (\$26.3 million General Fund) for FY 2020-21 and \$105 million (\$52.5 million General Fund) in 2021-22. The final budget compromise does not include the withdrawal and restores the investments which will begin January 1, 2021. Additionally, the AB 80/SB 108 trailer bill language requires DHCS to convene a stakeholder group to develop a methodology for the distribution of payments.

Community-Based Adult Services (CBAS) and Multipurpose Senior Services Program (MSSP)

CSAC previously reported the May Revision proposal to eliminate funding for CBAS and MSSP. After a strong public outcry from community members and advocates throughout the state, the Legislature's budget did not include the elimination of CBAS and MSSP. The final budget agreement will continue funding these two vital programs for older adults in 2020-21.

HUMAN SERVICES

In-Home Supportive Services

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. The final budget agreement contains no changes to the structure of the new county In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) that was included in last year's budget trailer bill SB 80 (Chapter 27, Statutes of 2019) and went into effect July 1, 2019.

IHSS Administration

The final budget agreement adopts the May Revision proposal to maintain county administration and public authority administration funding at 2019-20 funding levels. This freeze on administration funding results in counties receiving \$12.2 million less in 2020-21 than what counties would have otherwise received under the existing methodology.

IHSS Provider Orientation

The human services omnibus trailer bill (AB 79/SB 101) modifies the requirements for IHSS provider orientations. The existing requirement to allow provider unions to make a 30 minute presentation during the orientation would be modified to specify that this presentation must occur at the beginning of the orientation. Further, language would be added to statute to codify existing practice that counties shall not discourage providers from attending the provider union presentation, but that providers may elect on their own to not attend. AB 79/SB 101 also clarifies that counties shall provide at least ten days notice to provider unions about the scheduling of an orientation and that if the provider union indicates within three days that they are not available, the county must make reasonable efforts to reschedule. In addition, the trailer bill clarifies that the contact information that counties are already required to share with recognized employee organizations about providers includes prospective providers as well. Finally, if an orientation is modified from an in-person orientation to a remote orientation, then all of the same requirements about making a presentation, notice of scheduling, and sharing contact information would still apply.

IHSS Hours Restoration

The final budget agreement rejects the May Revision proposal to reduce IHSS service hours by seven percent on January 1, 2021. The restoration of this seven percent hours cut is still subject

to a potential suspension on December 31, 2021 subject to the availability of sufficient General Fund revenues.

IHSS Social Worker Training

AB 79/SB 101 includes a modified version of the January Budget Proposal to require additional IHSS social worker training. The language specifies that the California Department of Social Services (CDSS) shall work with counties to develop a standardized curriculum and a one-day refresher course on service assessment and authorization. New IHSS staff must complete the training within six months of being hired and existing IHSS staff must take the refresher training course by December 31, 2021.

IHSS Reassessments

The human services trailer bill contains a provision related to flexibility on IHSS reassessments. Counties will have until December 31, 2020 to complete the reassessments for consumers who had one due between the issuance of Executive Order N-29-20 on March 17, which suspended required reassessments, and June 30. These reassessments may be conducted remotely subject to continuing federal approval.

IHSS Quality Assurance

In response to staffing shortages and the need to repurpose staff for critical IHSS administrative functions, counties will be able to request a reduction in the IHSS quality assurance and program integrity activities. Counties may request this reduction before December 31, 2020 and it shall be in effect for no more than 12 months as determined by CDSS.

Child Welfare and Foster Care

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect.

Continuum of Care Reform True-Up

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. Current law requires a CCR true-up and the development of a methodology to determine the appropriate amount of funding owed to counties for increased workload for CCR implementation. The final budget agreement includes the May Revision proposal for \$2.6 million for Child and Family Teams. In addition, it includes \$80 million for counties for increased workload for the Resource Family Approval process. In partnership with the County Welfare Directors Association (CWDA), CSAC advocated for this increased funding.

Rate Increases

The final budget agreement rejects the May Revision proposals to reduce the CCR short-term residential treatment program provider rates by 5 percent and suspend certain additional level of care rates.

Family Urgent Response System

The final budget agreement rejects the May Revision proposal to eliminate the Family Urgent Response System (FURS). The recently enacted FURS would provide foster youth and their caregivers with the immediate support and services they need during times of emotional crisis. AB 79/SB 101 includes provisions to allow for an earlier implementation of the state hotline. CSAC supported the legislation to enact FURS and opposed the May Revision proposal to eliminate the program. FURS is still subject to a potential suspension on December 31, 2021 subject to the availability of sufficient General Fund revenues.

Payments for Emergency Caregivers

AB 79/SB 101 extends the payments that can be made for foster placements prior to approval as a resource family. These payments to emergency caregivers will be available for up to 120 days, and up to 365 days if the inability to approve the family in a timely manner is due to circumstances outside of a county's control.

Transitional Housing Program

AB 79/SB 101 includes several provisions related to the Transitional Housing Program for former foster youth who are between 18 and 24 years of age. Counties would be authorized to extend services until July 1, 2021 for youth who are currently participating in the program as of July 1, 2020 regardless of their age or length of time they have received services. In addition, this bill would create an additional housing supplement to be added to the rates paid to providers of transitional housing starting no earlier than July 1, 2021.

Program Flexibilities

The human services trailer bill would enact several programmatic flexibilities related to resource families and non-minor dependents. The review and updating of resource family approval would now be required to be completed biennially instead of annually. For inspections of supervised independent living placements for non-minor dependents, counties would be allowed to conduct the inspection through videoconferencing and other remote methods.

CalWORKs

The California Work Opportunity and Responsibility to Kids (CalWORKs) program is California's Temporary Assistance for Needy Families (TANF) program, which provides cash assistance and employment services to the most vulnerable families throughout the state.

Single Allocation

The CalWORKs Single Allocation is funding provided by the state to counties to administer the CalWORKs program. The final budget agreement adopts the proposed May Revision funding level for the Single Allocation of \$2.4 billion, representing a roughly \$600 million increase from the 2019-20 allocation. While the funding level did not change, the budget compromise does lower the May Revision assumption about caseload growth and rejects the May Revision assumption about lower utilization of employment services and child care by new CalWORKs recipients.

Stage One Child Care

Last year's budget trailer bill SB 80 (Chapter 27, Statutes 2019) outlined the separation of Stage One childcare from the CalWORKs Single Allocation in 2020-21. AB 79/SB 101 trailer bill language will continue funding Stage One Child Care through the CalWORKs Single Allocation until 2021-22.

CalWORKs Outcomes and Accountability Review (CalOAR)

CalOAR is a program for counties to conduct continuous quality improvement activities. The Governor's May Revision proposed to eliminate funding for the CalOAR program. The Administration estimated the savings to the state would be \$21 million General Fund for FY 2020-21. The budget compromise will suspend funding for a single year, and allow counties the option to implement components of CalOAR. Additionally, under AB 79/SB 101, the county self-assessment process that includes a county improvement plan will be completed every five years instead of the three years currently in statute.

CalWORKs Time Limits

The budget agreement and trailer bill language includes an extension to the current CalWORKs time limit for eligible adults. The extension will allow adults to continue receiving benefits past the current 48-month time limit to 60 months beginning May 1, 2022, or when CDSS notifies the Legislature that necessary automation changes have been completed. Additionally, AB 79/SB 101 eliminates the Welfare-to-Work 24-month time clock.

Expanded Subsidized Employment (ESE)

The May Revision proposed to eliminate funding for CalWORKs expanded subsidized employment. CSAC opposed this funding reduction as this program proved critical for counties during the Great Recession and will be an important tool within recovery efforts for the pandemic. The final budget agreement rejects the Governor's May Revision proposal, allowing counties to continue providing this program for vulnerable populations. The funding acknowledges the need for continued investments for CalWORKs programs.

CalFresh

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

County Administration Funding

The final budget agreement includes the May Revision proposal to provide an additional \$80.1 million General Fund for CalFresh county administration in recognition of the significant caseload increase caused by the pandemic. Trailer bill language outlines that the required development of a new budget methodology for CalFresh county administration will be delayed until 2021-22. Finally, AB 79/SB 101 includes a two-year waiver of the required county match for the additional \$80.1 million, allowing counties to access this increased funding without having to fund the county share. This was a CWDA proposal that was supported by CSAC.

CalFresh Enrollment

AB 79/SB 101 contains many provisions from the CWDA sponsored, and CSAC supported, AB 2413 to increase and simplify enrollment for CalFresh. The bill requires procedures to be established so that counties can first verify information electronically and through self-attestation. It would enact certain policies to increase dual enrollment between CalFresh and Medi-Cal. Finally, the bill would establish a workgroup to examine options to reduce the reporting burden on recipients and workload burden on county staff.

Child Support

Child Support Federal Funding Trigger

The Governor's May Revision proposed to reduce funding for local child support agencies (LCSAs) to the 2018 funding levels, pulling back on increases that resulted from a new budget methodology. The Administration estimated a savings of \$38.2 million General Fund in 2020-21. While CSAC advocated for the Legislature to reject this reduction, the final budget agreement does include the reduction with a federal trigger mechanism to restore \$46.4 million to LCSAs if sufficient federal funding is received by October 15, 2020.

CalWORKs Child Support Pass Through

The May Revision withdrew the January budget proposal to increase the amount of child support payments that go to CalWORKs families. The final budget agreement between the Administration and Legislature will increase the amount of child support passed through to the families from \$50 to \$100 for a family with one child, and to \$200 for a family with more than one child. This change will go into effect on January 1, 2022, or when CDSS and DCSS notify the Legislature of the completion of the necessary automation changes.

Housing

The Budget reverts the following current year funds not yet allocated to specific projects and provides that the affected programs would be funded if additional federal funding becomes available:

- \$45 million for mixed-income housing through the California Housing Finance Agency
- \$203 million from the Infill Infrastructure Grant Program of 2019

The Budget also allocates \$300 million of the \$331 million from the National Mortgage Settlement funds for housing counseling and mortgage assistance to be administered by the California Housing Financing Agency for the purpose of providing housing counseling services certified by the Department of Housing and Urban Development to homeowners, former homeowners, or renters and providing mortgage assistance to qualified households. The final Budget allocates the remaining \$31 million to the Judicial Council for distribution through the State Bar to legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes.

Finally, the Budget includes several policy provisions of interest to counties in the housing trailer bills ([AB 83](#) and [SB 110](#)), as discussed below and in the homelessness section of the Budget Action Bulletin.

Conveyance of Property to the State for Affordable Housing

The housing trailer bill expands authority of the Director of the Department of General Services to exchange state properties if the Department of Housing and Community Development has determined that the property proposed to be conveyed to the state is suitable for affordable housing and if the Department of General Services determines that the exchange is in the best interest of the state.

Deadlines for SB 2 Housing Planning Grants and Local Early Action Planning Grants

The housing trailer bill extends the deadline for funds from SB 2 (Atkins, 2017) to be encumbered to December 31, 2020 and for those funds to be expended to December 31, 2023. It also extends the deadline for a jurisdiction to request allocation of funds for the Local Early Action Planning Grants to January 31, 2021.

Transfer of Housing Program Funds to General Fund

Upon order of the Department of Finance, the housing trailer bill authorizes that any remaining funds deposited on or before July 1, 2020, into the Housing Rehabilitation Loan Fund from the Deferred-Payment Rehabilitation Loan Program, the Rental Housing Construction Program, and

the Family Housing Demonstration Program to be transferred to the General Fund. Approximately \$95 million in legacy funds would be transferred to the General Fund.

Changes to State Housing Funding Programs

The housing trailer bill includes new reporting requirements on the use of state affordable housing funding, private activity bonds, and tax credits. It also directs the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee to develop and prescribe regulations, rules or guidelines that include a scoring system that maximizes the efficient use of public subsidy and benefit created through the private activity bond and low-income housing tax credit programs.

Transportation

The Budget rejects the Administration’s proposal to divert \$134 million in interest earnings from the State Highway Account to the General Fund. The transportation trailer bills ([AB 90](#) and [SB 122](#)) include relief from several regulatory requirements for transit agencies.

Transportation Revenue Estimates

As noted in the Budget Action Bulletin sent after the release of the May Revision, fuel consumption has decreased due to the statewide-shelter-in place order in response to the COVID-19 pandemic (shown in the chart below). Based on revenue estimates from the Department of Finance, CSAC estimates a \$129 million reduction in county formula transportation revenues in the current year, and a \$116 million reduction in the budget year, as compared to January estimates. These totals include Highway User Tax Account (HUTA) and Road Maintenance and Rehabilitation Account (RMRA) revenues.

Transportation Funding Source	2019-20 May Revision*	Difference from January*	2020-21 May Revision*	Difference from January*
Gasoline Excise	\$6,604	-\$565	\$6,990	-\$543
Diesel Excise	1,197	-12	1,134	-127
Weight Fees	1,165	-61	1,139	-131
Diesel Sales	943	27	578	-386
Transportation Improvement Fee (TIF)	1,725	190	1,727	85
Road Improvement Fee	1	1	10	-1

*dollars in millions

In the budget year, estimated decreases in fuel consumption will be partially offset by inflationary increases in the fuel excise tax rates and the Transportation Improvement Fee, as authorized by SB 1 (Beall, 2017). The projected increases, which will go into effect on July 1, are as follows:

Gasoline Excise Tax

- 12 cents added by SB 1 increases to 12.8 cents
- 17.3-cent increment increases to 18.5 cents
- 18-cent base increases to 19.2 cents

Diesel Excise Tax

- 20 cents added by SB 1 increases to 21.4
- 16-cent base increases to 17.1

The Transportation Improvement Fee increases estimated to take effect on July 1 are shown in the chart below.

Vehicle Value	Current Fee	Fee beginning July 1, 2020	Estimated % of Vehicles
\$0 to \$4,999	\$25	\$27	43%
\$5,000 to \$24,999	\$50	\$54	42%
\$25,000 to \$34,999	\$100	\$107	8%
\$35,000 to \$59,999	\$150	\$161	6%
\$60,000 and higher	\$175	\$188	1%

Regulatory Relief for Transit Agencies

The transportation trailer bill prohibits penalties from being imposed on transit operators that do not maintain their required farebox recovery ratio under the Transportation Development Act during the 2019-20 or 2020-21 fiscal year.

The trailer bill also requires the State Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Assistance Program for the 2020-21 and 2021-22 fiscal years based on the same individual operator ratios published by the Controller in a specified transmittal memo, which can be revised by the Controller. It requires the Controller to use specified data to calculate individual operator ratios and to publish the amount of funding allocated to each operator upon allocation of the transit operator revenue-based funds to local transportation agencies.

The trailer bill exempts an operator from meeting efficiency standards for the 2020-21 and 2021-2022 fiscal years and authorizes the operator to use those funds for operating or capital purposes during that period.

Finally, the trailer bill also requires the Controller to allocate State of Good Repair Program funding for the 2020-21 and 2021-22 fiscal years to recipient transit agencies pursuant to the individual operator ratios published in the Controller's revised transmittal memo.

ACTION

Guide to Budget Bills

Trailer Bills		Topic/Summary
AB 75	SB 88	Budget Act of 2019: augmentation.
AB 77	SB 98	Education finance: education omnibus budget trailer bill.
AB 78	SB 100	Bergeson-Peace Infrastructure and Economic Development
AB 79	SB 101	Human Services omnibus.
AB 80	SB 102	Health omnibus
AB 81	SB 107	Public health funding: health facilities and services.
AB 82	SB 108	State Government.
AB 83	SB 110	Housing.
AB 84	SB 111	Public employment and retirement.
AB 88	SB 118	Public Safety.
AB 89	SB 121	2020 Budget Act Amendment
AB 90	SB 122	Transportation.
AB 92	SB 123	Public resources: omnibus trailer bill.
AB 93	SB 124	Personal income taxes: earned income tax credit: young child
AB 94	SB 116	Postsecondary education trailer bill.
AB 100	SB 809	Elections
AB 102	SB 810	Retirement savings.
AB 103	SB 811	Unemployment compensation benefits: COVID-19.
AB 119	SB 119	State employment: State Bargaining Units.