



GOVERNOR'S PROPOSED BUDGET FOR 2018-19 JANUARY 10, 2018

January 10, 2018

TO: CSAC Board of Directors
County Administrative Officers

FROM: Matt Cate, CSAC Executive Director
Darby Kernan, CSAC Acting Deputy Executive Director of Legislative Services

RE: **Governor's January Budget Proposal for 2018-19**

As with prior budgets by the Brown Administration, the Governor's January Budget proposal continues the pattern and philosophy of saving for a rainy day, paying down debt, and limiting ongoing spending commitments in light of the impending economic slowdown. The \$190 billion dollar January budget proposal maintains fiscal prudence and focuses on funding the implementation of major initiatives and reforms that counties are responsible for implementing. In Home Supportive Services (IHSS), Continuum of Care Reform for foster care youth, and addressing the growing mental health crisis in jails and communities all remain a priority.

The Governor's proposed budget announcement was largely positive news as General Fund revenues continue to beat estimates by approximately \$6.1 billion as part of what Governor Brown noted was the longest economy recovery since World War II. These additional revenues will be primarily dedicated to fully funding the Rainy Day Fund, allocating a supplemental \$3.5 billion in the proposed January Budget in addition to the constitutionally required amount under Proposition 2. Rather than commit to ongoing programs, the Governor was adamant that this action will help the next Administration and the State weather the storm of the inevitable downturn that could result in an annual \$20 billion revenue decline over several years.

An additional \$2.3 billion is dedicated to operational reserves and \$300 million is allocated to a variety of one-time infrastructure and support programs for prisons, courts, and health and humans services, amongst others. The Governor also recognized the \$4.6 billion for SB 1 transportation infrastructure, noting that if SB 1 is repealed it could have a devastating impact to California's economy.

The Governor's January Budget does not address the many unknowns resulting from federal policy changes or assumptions coming from the recently passed "The Tax Cuts and Jobs Act" signed by President Trump last month. Department of Finance Director Michael Cohen stated those impacts will not be known until tax filers complete their 2018 returns in calendar year 2019. Other precautionary steps related to cannabis, off-shore oil drilling and healthcare were deemed premature giving the volatility in the currently seated Congress and possible changes that could result from the 2018 mid-term election.

Of importance to counties, a significant portion of the operational reserves in the proposed 2018-19 budget is dedicated to disaster recovery following the October 2017 fires that devastated communities throughout California. The Governor's proposed budget anticipates additional needs for CalFIRE and state departments as recovery efforts are ongoing. The Administration has also been working with CSAC and the 13 counties impacted by the recent wild fires to provide direct disaster recovery assistance, including a preliminary \$24 million commitment for property tax revenue loss backfill for the northern California counties. The Administration will continue to work with CSAC and impacted counties to determine accurate number for both 2017-18 and 2018-19.

Other highlights of the Governor's proposal include:

- \$134 million for county elections system funding
- \$117.3 million for increasing state-county partnerships to address the increasing need for Incompetent to Stand Trial (IST) placement options
- \$27.8 million General Fund increase for county IHSS administrative costs

The following pages provide statewide revenue and expenditure summary charts and specific budget proposals by policy area. For more detail on these and other items of importance, see the following policy sections below or contact CSAC legislative staff.

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

2018-19 Governor's Budget
General Fund Budget Summary
(\$ in millions)

	2017-18	2018-19
Prior Year Balance	\$4,611	\$5,351
Revenues and Transfers	\$127,252	\$129,792
Total Resources Available	\$131,863	\$135,143
Non-Proposition 98 Expenditures	\$73,771	\$77,126
Proposition 98 Expenditures	\$52,741	\$54,564
Total Expenditures	\$126,512	\$131,690
Fund Balance	\$5,351	\$3,453
Reserve For Liquidation of Encumbrances	\$1,165	\$1,165
Special Fund for Economic Uncertainties	\$4,186	\$2,288
Budget Stabilization Account/Rainy Day Fund	\$8,411	\$13,461

General Fund Revenue Sources
(\$ in millions)

	2017-18	2018-19	\$ Change	% Change
Personal Income Tax	\$89,403	\$93,593	\$4,190	4.7%
Sales and Use Tax	25,165	26,151	986	3.9%
Corporation Tax	10,656	11,224	568	5.3%
Insurance Tax	2,438	2,508	70	2.9%
Alcoholic Beverage Taxes and Fees	376	382	6	1.6%
Cigarette Tax	65	63	-2	-3.1%
Motor Vehicle Fees	27	27	0	0.0%
Other	820	894	74	9.0%
Subtotal	\$128,950	\$134,842	\$5,892	4.6%
Transfer to the Budget Stabilization / Rainy Day Fund	-1,698	-5,050	-3,352	197.4%
Total	\$127,252	\$129,792	\$2,540	2.0%

Long-Term Revenue Forecast – Three Largest Sources

(General fund Revenue - \$ in billions)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average Yearly Growth
Personal Income Tax	\$82.9	\$89.4	\$93.6	\$96.3	\$98.5	\$101.3	4.9%
Sales and Use Tax	\$24.9	\$25.2	\$26.2	\$27.2	\$28.0	\$28.7	2.4%
Corporation Tax	\$10.1	\$10.7	\$11.2	\$11.7	\$12.2	\$12.8	3.4%
Total	\$117.8	\$125.2	\$131.0	\$135.2	\$138.6	\$142.8	4.2%
Growth	5.7%	6.3%	4.6%	3.2%	2.5%	3.0%	

General Fund Expenditures by Agency

(\$ in millions)

	2017-18	2018-19	\$ Change	% Change
Legislative, Judicial, Executive	\$3,221	\$3,651	\$430	13.3%
Business, Consumer Services & Housing	404	432	28	6.9%
Transportation	239	213	-26	-10.9%
Natural Resources	3,564	3,029	-535	-15.0%
Environmental Protection	115	82	-33	-28.7%
Health and Human Services	35,394	37,383	1,989	5.6%
Corrections and Rehabilitation	11,678	11,815	137	1.2%
K-12 Education	53,489	55,167	1,678	3.1%
Higher Education	14,968	15,450	482	3.2%
Labor and Workforce Development	147	122	-25	-17.0%
Government Operations	1,128	1,181	53	4.7%
General Government:				
Non-Agency Departments	775	766	-9	-1.2%
Tax Relief/Local Government	428	457	29	6.8%
Statewide Expenditures	962	1,942	980	101.9%
Total	\$126,512	\$131,690	\$5,178	4.1%

Administration of Justice

2011 Realignment

The Governor's January budget proposal updates revenue assumptions for 2011 Realignment programs. For the Community Corrections Subaccount (AB 109) the 2017-18 statewide base remains \$1.241 billion, with growth funding estimated at \$84.3 million. The 2011 Realignment estimates will be revisited and revised in the Governor's May Revision, then finalized in the fall.

Counties should also note that the Enhancing Law Enforcement Activities Subaccount should achieve its guaranteed funding level of \$489.9 million with VLF alone, with growth available in 2017-18 (an estimated \$201.4 million) and 2018-19 (an estimated \$209.7 million). This provides funds for a variety of local assistance programs including Citizens' Option for Public Safety, the Juvenile Justice Crime Prevention Act, and the rural and small county sheriffs program among others. Please see the "Additional Resources" section at the end of this publication for the 2011 Realignment accounts.

In addition, CSAC will provide individual county projections in the coming weeks.

Judicial Branch

The Governor's January budget proposal provides \$4.2 billion for the judicial branch that includes \$150 million in new funding to support efforts by the Judicial Council to improve and modernize trial court operations. This amount also includes \$3.4 million for the Judicial Council to implement a five-court pilot to begin moving toward a civil model for adjudication of minor traffic violations. The proposal would authorize an online adjudication system for certain traffic violations in the pilot courts.

In addition, the Governor's January budget proposal makes a significant investment in court facilities. In 2008, the state made an effort to invest in the construction, renovation, and operation of court facilities. However, revenues did not materialize in the amounts needed to renew and restore the state's court facilities. In fact, in 2012 and again in 2017, the Judicial Council was forced to pause court planning and construction projects. In a reversal, the Governor's January budget proposal invests \$32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects in Riverside/Mid-County, Sonoma, and Stanislaus. The Governor's January budget proposal also commits to completing construction for the next ten courthouse projects ready to proceed to construction from lease revenue bonds in the next two years, specifically projects in Imperial, Riverside/Indio, Shasta, Siskiyou, and Tuolumne in 2018-19 and projects in Glenn, Riverside/Mid-County, Sacramento, Sonoma, and Stanislaus in 2018-19.

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Proposition 47

Passed by voters in November 2014, Proposition 47 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. Based on fall projections, the Department of Finance (DOF) currently estimates a net savings of \$64.4 million when comparing 2017-18 to 2013-14, an increase of \$18.8 million over the estimated 2016-17 savings. These funds will be allocated according to the formula outlined in the initiative.

Community Corrections Planning (CCP) Grants

The Governor's January budget proposal continues with a round of Community Corrections Planning (CCP) grants totaling \$7.9 million for Community Corrections Partnerships (CCPs) to support work associated with ongoing AB 109 implementation efforts. Counties will recall that the CCP grants are disbursed in fixed amounts, depending on the county's size. As in past years, it is expected that receipt of the CCP grants will be based upon the reporting of AB 109 implementation plans to the Board of State and Community Corrections (BSCC).

SB 678 Funding

The Governor's January budget proposal assumes sustained SB 678 (Chapter 608, Statutes of 2009) funding reflecting counties' ongoing success under the 2009 performance-based probation funding program. Based on the revised formula established in 2015-16, the Governor's January budget proposal includes \$106.4 million to continue the Community Corrections Performance Incentive Grant Program. The budget recognizes the significance of this funding stream in supporting probation's important evidence-based prevention and intervention efforts.

Post Release Community Supervision (PRCS)

The Governor's January budget proposal includes \$29 million for county probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision (PRCS) as a result of the implementation of court-ordered measures and Proposition 57.

California Department of Corrections and Rehabilitation (CDCR)

The Governor's January budget proposal funds the California Department of Corrections and Rehabilitation (CDCR) at approximately \$12 billion which is 9 percent of the total state budget. This is one percent higher than the revised budget for the current fiscal year. The Governor's January budget proposal continues to invest in public safety, rehabilitation, and reentry. The increase to CDCR's budget is attributed mostly to roof replacements or water damage repairs, offender population adjustments both in-state and out-of-state, mental health bed management, offender access to health care, employee benefits or post-retirement benefit adjustments, and medical receivership costs.

Juvenile Justice Reforms

The Governor's January budget proposal makes several reforms to the state's juvenile justice system. In 2012, California changed the age of jurisdiction from 25 to 23 for youths sent to the Division of Juvenile Justice. New research on brain development and juvenile case law around diminished culpability of juvenile offenders has prompted the Administration to relook at this policy and change the age of jurisdiction back to 25 years.

Transition from State Custody to Local Systems

The Governor's January budget proposal recognizes the increasing need to improve the transition of inmates from state custody to local supervision. The Administration plans to strengthen local partnerships to enhance the process for release and work with local partners over this coming year to improve this process.

Agriculture, Environment and Natural Resources

Wildfire Response and Recovery

The Governor's January budget proposal recognizes the devastating wildfires and resulting disasters that occurred last year and that continue to impact communities in both northern and southern California. The Governor declared emergencies for the October wildfires in northern California and the December wildfires in southern California, and was successful in securing a Presidential Major Disaster Declaration for the northern California fires. Work continues on securing a similar Presidential Declaration for the events in southern California. As of December 2017, the state accessed \$43.4 million in resources available from the State Fund for Economic Uncertainties for a number of departments for their costs related to unexpected equipment, personnel and other disaster-related costs. In addition, the Governor issued a number of Executive Orders to waive a variety of fees and regulations and help facilitate the recovery process in affected communities. CAL Fire response costs will require a 2017-18 budget augmentation of \$469.3 million, which will be provided through the state's Emergency Fund. The Governor's January budget proposal includes additional enhancements to CAL Fire's budget for personnel, equipment and training in recognition of our extreme weather and a fire season that has become essentially year-round.

Estimates for the total costs across the state will be in the billions of dollars, and the full impact of these events has yet to be determined. In addition to funding from the state budget, California is currently advocating for a federal supplemental disaster-related appropriations bill totaling \$4.4 billion to support disaster recovery efforts.

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Finally, the Governor's January budget proposal provides direct fiscal assistance to counties through the backfill of property tax dollars and proposes an enhanced public safety communications system to modernize the state's 9-1-1 system.

Property Tax Backfill

The Governor's January budget proposal provides \$23.7 million in backfill to counties and other local jurisdictions for lost property taxes in 2017-18 and 2018-19 resulting from the October 2017 fires. This is a preliminary number that will be updated to capture full losses in counties in both northern and southern California in the May Revision. Counties are strongly encouraged to [report their estimates of property tax losses to CSAC](#) in order to provide an accurate number as CSAC continues to work with the Administration on recovery efforts.

Public Safety Communications

The historic wildfires in California demonstrated the need for an enhanced and upgraded 9-1-1 system. The Governor's January budget proposes \$11.5 million in State Emergency Telephone Number Account (SETNA) funds to modernize the state's system and improve public safety during emergency events. It includes a revised SETNA fee structure to reflect the use of data compared to voice communications, proposing a per-subscription flat rate on all voice and data plans.

Department of Water Resources (DWR) — Enhancing Safety of Dams

In 2017, record rainfall and storm events caused significant damage in a number of counties across the state and also resulted in the evacuation of 188,000 people living near the Oroville Dam after the main spillway was damaged by heavy flows. The Governor's January budget proposal includes an update on the progress of Oroville Dam repair efforts, noting that construction will continue into 2018 on repairing and reconstructing the main flood control spillway of the Oroville Dam. In addition, actions are underway at DWR to help assist state-regulated dams comply with new requirements for emergency action plans and update inundation maps. More spillways will be evaluated in 2018, enhancing California's emergency preparedness.

Department of Fish and Wildlife

An update from the Department of Fish and Wildlife's Strategic Vision stakeholder group was released in October 2017 and highlighted the need for sustainable funding for California's Fish and Wildlife programs. The Governor's January budget proposal takes these recommendations into consideration and proposes \$50.6 million in ongoing funding to address the structural imbalance of the Fish and Game preservation fund. The proposal includes several elements aimed at expanding conservation efforts, improving hunting and fishing participation; connecting more Californians to the outdoors; and, increasing stability for critical programs. Most importantly to counties, the proposal includes a budget augmentation of \$31 million to

expand a number of program activities, including supporting voluntary conservation programs for local governments, private landowners and conservation organizations.

Water and Parks Bond (SB 5): California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All

In 2017, the Legislature was successful in securing the passage of a water and parks bond measure, SB 5 (Chapter No. 852, Statutes of 2017) – California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All. SB 5 will place a \$4 billion bond on the June 2018 ballot. If approved by the voters, the measure will provide significant funding for parks, water and wildlife conservation efforts. The Governor’s January budget proposes \$1.02 billion for the first year of SB 5 implementation, should the measure be successful. This allocation includes funding in a number of areas of significant importance to counties, including flood management, Sustainable Groundwater Management Act (SGMA) implementation, safe drinking water and parks.

Groundwater Sustainability

The Governor’s January budget proposal includes \$61.8 million in SB 5 funding for the Department of Water Resources to support SGMA Groundwater Sustainability Agency (GSAs) activities. This funding will provide technical assistance to aid in the development of groundwater sustainability plans, supplement existing planning grants for GSAs, and provide grants to directly support groundwater projects. In addition, the budget proposes \$84 million to the State Water Board to support regional groundwater treatment and remediation activities, including \$10 million in technical assistance for drought and groundwater investments.

Flood Management

The Governor’s January budget proposes to allocate \$95.5 million from SB 5 for flood control projects that achieve public safety and fish and wildlife improvements, as well as funding for a new Floodplain Management Awareness Program.

Safe and Affordable Drinking Water

The Governor’s January budget proposal allocates \$63 million from SB 5 to the State Water Board to provide grants to public water systems in disadvantaged communities for infrastructure improvements to meet safe and affordable drinking water standards, including both drinking water and wastewater treatment projects. The proposed budget also establishes a new special fund at the State Water Board to assist disadvantaged communities in paying for the short and long-term costs of obtaining access to safe and affordable drinking water. The proposed budget includes statutory language that is consistent with the policy framework of SB 623 (Monning), introduced in the 2017-18 legislative session, to establish a program that

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provides grants, loans and administrator contracts or services to assist eligible communities with access to safe drinking water. This proposal would impose the fee structure “consistent with” SB 623, which would impose a fee on all users of public water systems, and a fee on fertilizer producers for the purpose of providing funding to struggling public water systems to deliver safe drinking water. However, this language is not yet available and will be released in a budget trailer bill available next month.

State and Local Parks

The Governor’s January budget proposal allocates \$472 million in funding from SB 5 for various park programs and projects. This allocation includes four million in grants for deferred maintenance projects to county fairgrounds and \$464 million for improving and increasing access to local neighborhood parks. Of the \$464 million, The Administration proposes \$277 million for creating new parks or rehabilitating older parks and \$186 million for per capita grants for the acquisition and development of parks, recreation lands, or facilities in urban and rural areas.

The following chart is an outline of the Governor’s January budget proposal for SB 5 funding. The budget summary notes that projects funded by the bond measure in 2018-19 will be prioritized to support existing programs, ‘shovel-ready” projects, and a phased-in approach for newly established programs.

Investment Category	Department	Program	Amount (millions)
State and Local Park Improvements	Department of Parks and Recreation & Natural Resources Agency	Local and Regional Grant Programs for Neighborhood Parks and Greenway Trails	\$464
	Department of Parks and Recreation	State Park System Enhancements	\$4
	Department of Food and Agriculture	Deferred Maintenance for Fairgrounds	\$4
Ecosystem Restoration & Climate Resiliency	Multiple Departments & Conservancies	River Recreation, Creek, and Waterway Improvements	\$58
	Natural Resources Agency	Salton Sea Restoration	\$30
	Multiple Departments & Conservancies	Climate Adaptation & Resiliency	\$110

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Water Action Plan	State Coastal Conservancy & Ocean Protection Council	Coastal Protection	\$13
	California Conservation Corps	CCC Restoration and Rehabilitation Projects & Grants to Local Community Conservation Corps	\$10
	State Water Board	Safe Drinking Water Projects	\$63
	Department of Water Resources & Natural Resources Agency	Flood Management	\$99
	Department of Water Resources & State Water Board	Sustainable Groundwater Management Act	\$146
	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	\$18
	TOTAL		\$1,019

Cap and Trade Funding

California continues towards its goals of reducing greenhouse gas emissions to 40 percent below 1990 levels by 2030. In July 2017, Governor Brown signed legislation to extend the cap and trade program through 2030 by a two-thirds super majority vote. This has provided certainty in the cap and trade program which has resulted in stabilized auction results and increased revenues. California will have \$1.25 billion in cap and trade funds available for appropriation in 2018-19. The expenditure plan for these funds will be announced by the Governor during his final State of the State Address on January 25.

Cannabis: Proposition 64 Implementation

Consistent with Proposition 64: The Adult Use of Marijuana Act (AUMA), the Governor's January budget proposal does not include cannabis tax revenues as funding will not be available for allocation until the 2019-20 state budget.

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Government Finance and Administration

Property Tax Backfill for Disaster Impacted Counties

The Governor's January budget proposal provides \$23.7 million in backfill to counties and other local jurisdictions for lost property taxes in 2017-18 and 2018-19 resulting from the October 2017 fires. This is a preliminary number that will be updated to capture full losses in counties in both northern and southern California in the May Revision. Counties are strongly encouraged to [report their estimates of property tax losses to CSAC](#) in order to provide an accurate estimate. Please see the Agriculture, Natural Resources and Environment (AENR) section of this Budget Action Bulletin for a full summary of disaster relief funding on page 7. The Governor's January budget proposal notes the school share of losses will be backfilled by the General Fund pursuant to Proposition 98 funding mechanism, which is estimated to total \$24.5 million in 2017-18 and 2018-19.

Elections Equipment Funding

Included in the Governor's January budget proposal is a General Fund commitment of \$134.3 million to fund county elections systems, which are nearing the end of their useful shelf life at the same time that counties are considering implementation of the "SB 450" vote center model elections. The funding will be made available to all counties with a 50 percent match requirement for hardware, software and initial licensing costs. The Administration projects this funding level to be sufficient for counties with more than 50 precincts to adopt the vote center model and counties with less than 50 to maintain the traditional election day-only polling precinct model.

Redevelopment Dissolution Continues

The Governor's January budget proposal restates the priority of the Brown Administration to continue the winding down of redevelopment agencies (RDA), continuing the work that began in 2011. Approximately \$2.6 billion in unrestricted property tax dollars has been returned to counties, \$2.1 billion to cities and \$781 million to special districts from 2011-12 to 2016-17. The combined current budget year and 2018-19 estimates counties will receive an additional \$990 million for their share, cities will receive \$926 million and special districts will received \$282 million. Average ongoing property tax revenues for all local agencies are estimated at \$1.2 billion annually through 2021-22. The Governor's January budget proposal notes General Fund savings through the schools share at \$1.9 billion through 2021-22.

County Assessors Tax Roll Program Funding

The Governor's January budget proposal provides \$5 million annually for the next three years for a new initiative to assist county assessors in the maintenance and equalization of property tax rolls. Details will be forthcoming in proposed statutory framework.

California Department of Tax and Fee Administration

The newly formed California Department of Tax and Fee Administration and the Office of Tax Appeals, established in July 2017, will receive additional funding for their assumed duties formerly held by the State Board of Equalization (BOE). While this is not a direct appropriation to counties, it will help the collection and distribution of significant revenues that are funneled to local agencies, including sales and use tax. Counties may recall the substantial allocation errors to local agencies by the BOE was part of the grounds for the Governor's order to create a new state department to take over many of the BOE's responsibilities.

Other Issues

2020 Census Funding

The Governor's January budget proposal includes \$40.3 million for statewide outreach and other activities related to the 2020 Census count. This builds on \$7 million in the 2017 Budget Act for local agencies grants to support the multi-year, multi-lingual effort that provides a complete and accurate count of California residents to ensure appropriate federal government representatives and federal funding levels for local communities.

State Pension Funding Debt Pay Down

The Governor's January budget proposal continues to provide supplemental pension payments totaling \$6 billion established in the 2017 Budget Act on a quarterly basis to the California Public Employees Retirement System (CalPERS). While this does not offset the pension liability of local agencies, it could have a small improvement on the system-wide funded status.

Mandate Debt Not Addressed

The Governor's January budget proposal makes mention of past efforts to pay down school and community college district mandate debt, but does not address the backlog of over \$1 billion in unpaid debt to other local agencies, including counties, statewide for services already rendered on behalf of the State.

ECONOMIC OUTLOOK

The Governor's January budget proposal anticipates continued revenue growth, expected to outpace 2017 Budget Act projections by \$4.7 billion from 2016-17 through 2018-19. In the long term, the economic forecast in the Governor's January budget proposal reflects steady growth at an average year-over-year growth rate of 4.2 percent through 2022.

Regardless of these positive figures, the Governor still emphasized the possibility of a recession, citing several economic risk factors which include the current housing shortage and other geopolitical events. It is also important to note that these figures are preliminary in nature and

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do not factor in federal tax changes which could potentially cause projections to shift in subsequent budget revisions.

Sales and Use Tax Revenue Projections

Compared to the 2017 Budget Act, the Governor's January budget proposal reflects an improved outlook for sales and use tax revenues. The Administration modified its figures to reflect a projected sales tax revenue generation of \$24.9 billion in 2016-17, \$25.2 billion in 2017-18, and \$26.2 billion in 2018-19. In terms of change, these figures represent increases of \$378 million in 2016-17, \$695 million in 2017-18, and \$426 million in 2018-19.

The Governor's January budget proposal notes that the improved sales tax outlook is due to growth in taxable consumption and business investment. However, the increases do not reverse the long-term trend of deterioration of the sales tax base.

Property Tax Revenue Projections

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

The Governor's January budget proposal anticipates property tax revenues to continue showing positive growth, despite most recent assessments which show a slight decline in the sales of existing single-family homes. In total, the Governor's January budget proposal estimates statewide property tax revenues to increase by almost 6 percent in 2017-18 and 5.6 percent in 2018-19.

Health and Human Services

HUMAN SERVICES

In-Home Supportive Services (IHSS)

The Governor's January budget proposal contains no changes to the structure of the new county In-Home Supportive Services (IHSS) maintenance of effort (MOE) that was negotiated last year and included in the budget trailer bill SB 90 (Chapter 25, Statutes of 2017). There were specific provisions in SB 90 to provide revenues for counties to offset the nearly \$600 million that was shifted to counties and incorporated into the new MOE. The increased revenue projections for anticipated 1991 realignment sales tax growth for 2017-18 that are included in the Governor's January budget proposal will help counties better manage the increased costs in the current year. The increased IHSS costs for the out-years has been the larger concern for counties and CSAC will analyze the impact of these updated revenue projections on future years.

For 2018-19, the Governor's January budget proposal includes \$11.2 billion for IHSS, of which \$3.6 billion is from the General Fund. This is a 7.7 percent increase in General Fund costs over the 2017-18 costs. The budget proposal estimates that the average monthly caseload will increase by 5.4 percent over the prior year projection to a total of 545,000 recipients in 2018-19. To reflect the minimum wage increase for IHSS expenditures, a total of \$260.3 million (\$119.4 million General Fund) is included.

IHSS Administration

The Governor's January budget proposal provides an increase of \$27.8 million General Fund for county IHSS administration costs in 2018-19. The 2017 Budget Act included a provision that required the Department of Finance to work with counties to develop a new methodology for calculating IHSS administration costs. This increase results from that new budgeting methodology and takes into account revised workload and budget assumptions. These assumptions will be examined again in the development of the 2020-21 budget.

CalWORKs

The CalWORKs program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient.

CalWORKs Single Allocation

The Governor's January budget proposal includes a one-time augmentation of \$187 million for the California Work Opportunity and Responsibility to Kids (CalWORKs) program single allocation, which is what the state provides to counties to administer the CalWORKs program. The overall funding for the single allocation is \$31.8 million lower than in 2017-18. The 2017-18 budget required the Administration to work with the County Welfare Directors Association to revise the methodology for the single allocation. The revised methodology is needed to insulate counties and beneficiaries from experiencing huge swings in year-to-year funding levels for the single allocation. The conversations about the revised methodology are ongoing.

CalWORKs Home Visiting Initiative

The Governor's January budget proposal provides \$26.7 million in funding for a voluntary Home Visiting pilot program through 2021 for young, first-time parents in the CalWORKs program. A total of \$158.5 million one-time Temporary Assistance for Needy Families (TANF) funds is being reserved for the pilot's total costs through calendar year 2021. The pilot will leverage existing evidence-based program models to help young families reach self-sufficiency by improving family engagement practices, supporting the healthy development of young children living in

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poverty, and preparing parents for employment. The Department of Social Services will work with counties to establish outcome measures to evaluate the effectiveness of the pilot.

Medi-Cal County Administration

The Governor's January budget proposal provides an increase of \$54.8 million (\$18.5 million General Fund) for Medi-Cal county administration. This amount is based on an adjustment that incorporates the increase in the California Consumer Price Index. The Administration consulted with CSAC and the County Welfare Directors Association related to Medi-Cal county administration costs.

Continuum of Care Reform

The January budget proposal includes \$238.2 million (\$179.7 million General Fund) to continue implementation of Continuum of Care reforms (CCR). The funding reflects ongoing support for child and family teams, approval of resource families, and family retention, recruitment, and support.

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

Supplemental Security Income (SSI) is a federal program that provides a monthly cash payment to eligible aged, blind, and disabled persons who meet the income and resources requirements. California augments SSI with a State Supplementary Payment (SSP) grant. The Governor's January budget proposal includes \$2.8 billion General Fund for the SSI/SSP Program, which represents a 1.2 percent decrease (\$34.9 million) from the revised 2017-18 budget. The 2018-19 monthly caseload is projected to be 1.3 million recipients, which is a slight decrease from the 2017-18 projection. Effective January 2018, the maximum SSI/SSP grant levels are \$910 per month for individuals and \$1,532 per month for couples. The federal cost of living adjustments based on the current Consumer Price Index growth factors are 2 percent for 2018 and a projected 2.6 percent for 2019.

Developmental Center Closures

The state continues the planned closure of the three remaining developmental centers: Sonoma, Fairview, and the general treatment area of Porterville. The Sonoma facility is scheduled to close in December 2018 and no longer receive federal funding for its intermediate care facility units. The Department of Developmental Services' ongoing compliance with a 2016 settlement with the federal Centers for Medicare and Medicaid Services will allow the continued receipt of federal funding for intermediate care facility units at Fairview and the general treatment area of Porterville. The Governor's January budget proposal assumes the federal funding for both Fairview and Porterville will continue.

Regional Center Services

Regional centers provide intake, assessment, eligibility determination, resource development, and case management services, while also working with businesses and individuals providing

developmental services in the community. The Governor's January budget proposal includes a regional center budget for 2018-19 of \$4.1 billion General Fund. This represents a \$319.6 million General Fund year-over-year increase from 2017-18 and \$97.6 million General Fund of this increase is attributable to the increasing state minimum wage.

HEALTH

Children's Health Insurance Program (CHIP)

The Children's Health Insurance Program (CHIP) provides federal funding to states to offer full-scope Medicaid coverage to 32,000 low-income pregnant women and children in California. It has been subject to significant uncertainty at the federal level, but Congress approved a stop-gap measure in December to continue CHIP funding to states until early March through the Continuing Resolution (CR) process.

In California, regardless of Congressional action, CHIP funding will be maintained through September 30, 2019, as part of the Affordable Care Act Maintenance of Effort. The State has also been receiving an enhanced federal matching rate of 88 percent for CHIP funding. However, the state had planned for a reduction in the rate – back to 65 percent – in the current year budget. Since the December, CR continues to fund the state at the enhanced matching rate, the Governor anticipates a \$150 million savings in the current year budget. Continued uncertainty over the fate of CHIP will require caution, and CSAC expects the Governor to update these figures in the May Revision.

Affordable Care Act

The Governor's January budget proposal includes increased General Fund dollars for the state's portion of the optional Medicaid Expansion under the Affordable Care Act (ACA). As of January 1, the State's share of the cost for the 3.9 million Californians in the expansion population rose from 5 percent to 6 percent, with the federal government providing 94 percent of the cost. The Governor estimates this will cost the state \$1.6 billion General Fund (\$22.9 billion total funds) in 2018-19. By 2020, the state's share will be 10 percent as proscribed by the ACA.

Overall costs for the Medi-Cal program are projected to rise by \$543 million in 2018-19 due to payments to the federal government for drug rebate miscalculations and higher overall Medi-Cal managed care costs.

AB 85 County Indigent Health Savings

The Governor's January budget proposal estimates \$530.5 million in county indigent health savings in 2018-19, which will be diverted from the county 1991 Health Subaccount under AB 85 (Chapter 24, Statutes of 2013) to offset state CalWORKs costs. The state also anticipates

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additional funding in 2019-18 from counties as the “true up” of 2015-16 costs continues. These figures will be updated in the Governor’s May Revision.

Please see the AB 85 2018-19 estimated redirections and 2015-16 reconciliations charts provided in the “Additional Resources” section at the end of this publication.

Managed Care Organization Tax

The Legislature approved a Managed Care Organization (MCO) tax in 2016 to augment developmental services, managed care rates for specific populations, and IHSS costs. In 2018-19, the Governor anticipates \$1.4 billion in MCO revenue. The MCO tax expires on June 30, 2019.

Proposition 56 Tobacco Tax

In 2016, voters approved an increase in the tobacco tax, including for e-cigarettes. In 2018-19, the Governor estimates \$1.3 billion in revenue. Of that, \$125 million is used to backfill reduced Proposition 10 revenues, among other items.

More than \$850 million is dedicated to offsetting state Medi-Cal costs, including physician (\$163 million) and dental (\$70 million) supplemental payment increases for specific, frequent procedures. The Governor’s January budget proposal indicates that the intent of these supplemental payments is to increase the number of providers willing to offer Medi-Cal services or increase the number of enrollees and access. Should these metrics not be met, the Governor promises to work with the Legislature to redesign the payments to align with these goals.

The Governor is proposing to use \$31.6 in Proposition 56 funds to increase home health provider rates by 50 percent on July 1, 2018. The Governor’s January budget proposal includes a total of \$64.5 million for this purpose. Home health providers are employed in the fee-for-service market and are not IHSS providers. They provide medically necessary services in patient homes through the state’s home and community-based services federal waivers.

Department of Public Health

The Department of Public Health (DPH) is responsible for protecting and promoting the health and well-being of the people in California. Currently, DPH contracts with the Los Angeles County Department of Public Health to regulate certain health care entities located in Los Angeles County.

DPH and Los Angeles County are working to develop a contract for the County to conduct 100 percent of the regulatory work within Los Angeles, beginning in 2019-20, which would include pay-for-performance metrics and is anticipated to cost more than the current contract. The current contract only covers a portion of the workload in Los Angeles County. DPH will assess and apply a supplemental fee to its regulated health care entities located in Los Angeles County

beginning in 2018-19 to reflect the higher cost of doing business in Los Angeles County. There is statutory language proposed in the Governor's January budget proposal to assess the supplemental fee, which will be based on the additional cost necessary to administer and enforce licensing and certification services to health care entities in Los Angeles County.

BEHAVIORAL HEALTH

Incompetent to Stand Trial Admissions

The Governor's January budget proposal includes \$114.8 million General Fund over three years to develop state-county partnerships and placement solutions for those who are found Incompetent to Stand Trial (IST) by the courts. The new program is intended to increase diversion of mentally ill offenders and ease the number of IST referrals to the Department of State Hospitals (DSH) by 30 percent.

The number of IST referrals pending placement by DSH have increased from 600 individuals in December 2016 to 840 in early December 2017. While DSH has been working with counties to develop county jail-based placement programs and diversion options, this new funding will be focused on those with mental illness who have committed felony crimes. The program will prioritize the 15 counties with the most IST referrals. It will also increase diversion programs up to 640 placements as well as up to 60 additional community placements in other counties.

The proposal includes \$14 million General Fund to partner with Los Angeles County to support treatment in community settings for up to 150 IST patients. The DSH will also continue efforts to partner with additional counties on joint use facilities for IST patients.

The Governor's January budget proposal dedicates \$2.5 million in state-level Mental Health Services Act administration funding to the Mental Health Services Oversight and Accountability Commission (MHSOAC) to assist counties in developing IST diversion plans and programs. The MHSOAC will receive \$2.5 million in funding for two year for this purpose.

The Governor also proposes significant continued investments to address the IST placement issue, with a \$53 million 36-bed secure forensic expansion at Metropolitan State Hospital, \$16.1 million to continue contracts with counties for up to 159 jail-based competency treatment beds, and \$11.5 million to activate 80 Mentally Disordered Offender beds at Coalinga State Hospital for transfers from other state hospitals.

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Housing, Land Use and Transportation

Transportation Funding

The Governor's January budget proposal paints a significantly better picture for transportation infrastructure than in years past due largely to the passage of SB 1 (Chapter No. 5, Statutes of 2017) – the Road Repair and Accountability Act of 2017. Over the next decade, SB 1 will provide approximately \$5 billion annually in revenue for local streets and roads, state highways and public transportation through the imposition of new and increased gasoline and diesel taxes and transportation improvement fees.

The Governor's January budget proposal estimates that SB 1 will generate \$2.8 billion in new revenue for transportation infrastructure in 2017-18 and \$4.6 billion in 2018-19. These revenues are in addition to revenues from the base- and price-based gasoline excise tax increments counties, cities, and the State have received in prior years. The following is a preliminary analysis of revenues counties can anticipate receiving from the base gasoline excise tax, the price-based gasoline excise tax (which replaced the sales tax on gasoline in 2010), and from revenue sources generated by SB 1. CSAC staff will follow-up as quickly as possible to provide transportation revenue estimates on a county-by-county basis.

SB 1 Revenues and Appropriations

The release of the Governor's January budget proposal includes revised estimates for SB 1 funded programs for 2017-18, as well as new estimates for 2018-19. Counties can anticipate receiving via direct subventions fifty percent of the \$451 million slated for local streets and roads in 2017-18 and the approximately \$1.2 billion in 2018-19 from SB 1. The following chart outlines 2017-18 and 2018-19 revenue projections from SB 1.

Program		2017-18 Appropriation	2018-19 Appropriation
Local Allocations	Local Streets and Roads	\$451	\$1,193
	Transit and Intercity Rail Capital Program	\$330	\$330
	State Transit Assistance	\$280	\$355
	Local Partnership Program	\$200	\$200
	Active Transportation Program	\$100	\$100
	Commuter Rail and Intercity Rail	\$25	\$36
	Local Planning Grants	\$25	\$25
	TOTAL	\$1,411	\$2,239

State Allocations	SHOPP/Maintenance	\$451	\$1,210
	Bridges and Culverts	\$400	\$400
	Commuter Corridors	\$250	\$250
	Trade Corridor Enhancements	\$153	\$306
	Department of Parks and Recreation*	\$53	\$79
	Air Resources Board Clean Freight	\$50	\$0
	Freeway Service Patrol	\$25	\$25
	Department of Food and Agriculture*	\$17	\$26
	Transportation-related CSU and UC Research	\$7	\$7
	Transportation Workforce Development Board	\$5	\$5
	TOTAL	\$1,411	\$2,308
Administration	Department of Motor Vehicles	\$4	\$8
	TOTAL	\$4	\$8
Revenue	Transportation Improvement Fee	\$737	\$1,510
	Gasoline Excise Tax	\$1,250	\$1,852
	Diesel Excise Tax	\$405	\$672
	Diesel Sales Tax	\$200	\$286
	General Fund Loan Repayment	\$235	\$235
	TOTAL	\$2,827	\$4,555

*Revenue derived from fuel purchases for off-road vehicles

Under SB 1, all outstanding loans from transportation funds are required to be repaid by 2019-20 in equal installments beginning in 2017-18. The Governor's January budget proposal recognizes this statutory commitment and the General Fund will appropriate \$235 million in 2017-18 and \$235 million in 2018-19 for this purpose. Counties and cities have already been fully repaid for loans in prior years from the local share of transportation revenues. However, counties and cities will still be the beneficiaries of \$75 million annually over the next three years

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from loan repayments, although the exact date of repayment for 2017-18 and 2018-19 is unknown.

Base- and Price-Based Gasoline Excise Tax Revenues

As previously mentioned, counties will continue to receive their historic share of the base- and price-based gasoline excise tax revenues in 2018-19. The price-base excise tax rate will be adjusted one last time in 2018 to ensure revenue neutrality with what the former sales tax on gasoline would otherwise have generated. Pursuant to SB 1, this rate will be reset at 17.3 cents in July 2019 and subsequently adjusted based on inflation. The base gas tax rate will also be adjusted for inflation pursuant to SB 1 beginning in 2020-21.

Based on fuel consumption, which is projected to decline by 0.6 percent in 2018-19 due to consumption patterns related to an increase in the price of gasoline, increased fuel efficiency, and price projections, the Governor's January Budget proposal anticipates a price-based rate increase of 4.2 cents effective July 1, 2018. The Board of Equalization must do its own analysis and take action by March of each year to adopt the new price-based gasoline excise tax rate.

SB 1 Repeal Effort

While CSAC is pleased to report the good news with respect to revenue estimates that will allow counties for the first time in many years to actually make improvements to the local street and road system, this section would not be complete without mention of the attempts to repeal SB 1. The "Give Voters a Voice" campaign to repeal SB 1 is currently raising money for, and collecting signatures on, an initiative that would require the Legislature to put before the electorate approval of any gas, diesel, or vehicle related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. CSAC will ensure revenues estimates on a county-by-county basis make clear what revenues counties would lose in 2018-19 and beyond should a repeal effort be successful.

Affordable Housing

The Governor's January budget proposal includes a recap of the ongoing multi-year debate on housing affordability, but the focus is on implementation of last year's 15-bill package. While the specific timing of SB 2 (Chapter No. 364, Statutes of 2017) appropriations remains unclear, the Governor's January budget proposal projects that \$258 million in tax revenues will be generated via SB 2's recording fee in 2018-19. Counties will recall that SB 2 funding in 2018 will be split evenly between grants for local planning activities that promote housing development and statewide grants for homeless services.

ADDITIONAL RESOURCES

AB 85 2018-19 Redirection Calculation	
CMSP	Redirection
Alpine	\$ 13,150.00
Amador	\$ 620,264.00
Butte	\$ 5,950,593.00
Calaveras	\$ 913,959.00
Colusa	\$ 799,988.00
Del Norte	\$ 781,358.00
El Dorado	\$ 3,535,288.00
Glenn	\$ 787,933.00
Humboldt	\$ 6,883,182.00
Imperial	\$ 6,394,422.00
Inyo	\$ 1,100,257.00
Kings	\$ 2,832,833.00
Lake	\$ 1,022,963.00
Lassen	\$ 687,113.00
Madera	\$ 2,882,147.00
Marin	\$ 7,725,909.00
Mariposa	\$ 435,062.00
Mendocino	\$ 1,654,999.00
Modoc	\$ 469,034.00
Mono	\$ 369,309.00
Napa	\$ 3,062,967.00
Nevada	\$ 1,860,793.00
Plumas	\$ 905,192.00
San Benito	\$ 1,086,011.00
Shasta	\$ 5,361,013.00
Sierra	\$ 135,888.00
Siskiyou	\$ 1,372,034.00
Solano	\$ 6,871,127.00
Sonoma	\$ 13,183,359.00
Sutter	\$ 2,996,118.00
Tehama	\$ 1,912,299.00
Trinity	\$ 611,497.00
Tuolumne	\$ 1,455,320.00

Yuba	\$ 2,395,580.00
CMSP Board	\$ 166,202,093.40
SUBTOTAL	\$ 255,271,054.40
Article 13 60/40	Redirection
Placer	\$ 3,241,250.65
Sacramento	\$ 31,765,594.24
Santa Barbara	\$ 8,102,022.44
Stanislaus	\$ 10,870,303.74
Yolo	\$ 3,507,969.00
SUBTOTAL	\$ 57,487,140.08
Article 13 Formula	Calculated Redirection
Fresno	\$ 15,584,208
Merced	\$ 2,628,729
Orange	\$ 41,381,018
San Diego	\$ 44,757,429
San Luis Obispo	\$ 2,871,817
Santa Cruz	\$ 3,736,002
Tulare	\$ 6,209,741
SUBTOTAL	\$ 117,168,944.70
DPH	Calculated Redirection
Alameda	\$ -
Contra Costa	\$ 7,375,489
Kern	\$ 11,624,599
Los Angeles	\$ -
Monterey	\$ 1,346,650
Riverside	\$ 34,819,814
San Bernardino	\$ 29,889,754
San Francisco	\$ -
San Joaquin	\$ 15,486,883
San Mateo	\$ -
Santa Clara	\$ -
Ventura	\$ -
SUBTOTAL	\$ 100,543,187.83
\$ 530,470,327.01	

AB 85 FY 2015-16 Reconciliation Summary		
Article 13 Formula	Interim Redirected	Reconciliation (Due from County)
Fresno	\$ 11,385,984.67	\$ 4,198,223.37
Orange	\$ 41,236,255.15	\$ 144,763.19
San Diego	\$ 44,716,283.05	\$ 41,145.81
San Luis Obispo	\$ 2,846,951.60	\$ 24,865.47
Tulare	\$ 6,182,592.10	\$ 7,327.32
SUBTOTAL	\$ 113,575,423.84	\$ 3,651,344.17
DPH	Interim Redirected	Reconciliation (Due from County)
Alameda	\$ 44,966,189.62	\$ 731,447.29
Contra Costa	\$ 19,585,406.23	\$ 3,357,326.21
Kern	\$ 12,955,764.23	\$ 2,863,153.62
Los Angeles	\$ 101,314,163.84	\$ 193,401,723.75
Monterey	\$ 2,834,843.99	\$ 3,071,146.18
Riverside	\$ 37,195,609.05	\$ 684,610.91
San Bernardino	\$ 28,883,328.02	\$ 1,006,425.85
San Mateo	\$ 15,831,331.21	\$ 226,424.38
Santa Clara	\$ 19,451,964.02	\$ 21,245,627.21
Ventura	\$ 14,849,566.18	\$ 191,557.52
SUBTOTAL	\$ 321,561,878.63	\$ 204,315,569.99
Grand Total	\$ 747,825,464.46	\$ 207,966,914.15
Due From Counties		\$ 231,195,768.09

1991 Realignment Estimated Revenues and Expenditures - 2018-19 Governor's Budget
(Dollars in Thousands)

2016-17 State Fiscal Year							
Amount	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Totals
Base Funding							
Sales Tax Account	\$752,887	\$-	\$1,913,802	\$33,967	\$443,909	\$88,224	\$3,232,789
Vehicle License Fee Account	367,664	1,047,929	58,142	94,870	117,097	160,465	1,846,167
Total Base	\$1,120,551	\$1,047,929	\$1,971,944	\$128,837	\$561,006	\$248,689	\$5,078,956
General Growth Carryover from 2015-16 ¹						37,255	37,255
Growth Funding							
Sales Tax Growth Account:	-	54	110,894	69	-	16,198	127,215
Caseload Subaccount	-	-	(84,626)	-	-	-	(84,626)
County Medical Services Growth Subaccount	-	-	(5,123)	-	-	-	(5,123)
General Growth Subaccount	-	(54)	(21,145)	(69)	-	(16,198)	(37,466)
Vehicle License Fee Growth Account	-	153	73,747	193	-	45,477	119,570
Total Growth	\$-	\$207	\$184,641	\$262	\$-	\$61,675	\$246,785
Total Realignment 2016-17²	\$1,120,551	\$1,048,136	\$2,156,585	\$129,099	\$561,006	\$347,619	\$5,362,996
2017-18 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,887	\$-	\$2,024,696	\$34,036	\$443,963	\$104,422	\$3,360,004
Vehicle License Fee Account	367,664	951,998	131,889	95,063	213,181	205,942	1,965,737
Total Base	\$1,120,551	\$951,998	\$2,156,585	\$129,099	\$657,144	\$310,364	\$5,325,741
Growth Funding							
Sales Tax Growth Account:	-	-	166,932	-	-	-	166,932
Caseload Subaccount	-	-	(166,932)	-	-	-	(166,932)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	61,181	-	-	38,830	100,011
Total Growth	\$-	\$-	\$228,113	\$-	\$-	\$38,830	\$266,943
Total Realignment 2017-18²	\$1,120,551	\$951,998	\$2,384,698	\$129,099	\$657,144	\$349,194	\$5,592,684
2018-19 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,887	\$22,204	\$2,191,628	\$34,036	\$421,759	\$104,422	\$3,526,936
Vehicle License Fee Account	367,664	1,056,468	193,070	95,063	108,711	244,772	2,065,748
Total Base	\$1,120,551	\$1,078,672	\$2,384,698	\$129,099	\$530,470	\$349,194	\$5,592,684
Growth Funding							
Sales Tax Growth Account:	-	-	135,348	-	-	-	135,348
Caseload Subaccount	-	-	(135,348)	-	-	-	(135,348)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	53,429	-	-	33,911	87,340
Total Growth	\$-	\$-	\$188,777	\$-	\$-	\$33,911	\$222,688
Total Realignment 2018-19²	\$1,120,551	\$1,078,672	\$2,573,475	\$129,099	\$530,470	\$383,105	\$5,815,372

¹ Reflects general growth carryover to fund the 5-percent increase to CalWORKs Maximum Aid Payment levels effective April 1, 2015, pursuant to Welfare and Institutions Code section 17601.50.

² Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

2011 Realignment Estimate¹ - at 2018-19 Governor's Budget

	2016-17	2016-17 Growth	2017-18	2017-18 Growth	2018-19	2018-19 Growth
Law Enforcement Services	\$2,361.2		\$2,467.3		\$2,579.6	
Trial Court Security Subaccount	539.7	10.6	550.3	11.2	561.6	10.9
Enhancing Law Enforcement Activities Subaccount ²	489.9	155.9	489.9	201.4	489.9	209.7
Community Corrections Subaccount	1,161.6	79.4	1,241.1	84.3	1,325.3	81.5
District Attorney and Public Defender Subaccount	27.9	5.3	33.3	5.6	38.9	5.4
Juvenile Justice Subaccount	142.1	10.6	152.7	11.2	163.9	10.9
<i>Youthful Offender Block Grant Special Account</i>	<i>(134.3)</i>	<i>(10.0)</i>	<i>(144.3)</i>	<i>(10.6)</i>	<i>(154.9)</i>	<i>(10.3)</i>
<i>Juvenile Reentry Grant Special Account</i>	<i>(7.8)</i>	<i>(0.6)</i>	<i>(8.4)</i>	<i>(0.6)</i>	<i>(9.0)</i>	<i>(0.6)</i>
Growth, Law Enforcement Services		261.8		313.7		318.4
Mental Health³	1,120.6	9.8	1,120.6	10.4	1,120.6	10.1
Support Services	3,404.9		3,591.7		3,789.9	
Protective Services Subaccount	2,169.5	88.5	2,258.0	93.9	2,351.9	90.9
Behavioral Health Subaccount	1,235.4	98.4	1,333.7	104.3	1,438.0	101.0
<i>Women and Children's Residential Treatment Services</i>	<i>(5.1)</i>	-	<i>(5.1)</i>	-	<i>(5.1)</i>	-
Growth, Support Services		196.7		208.6		202.0
Account Total and Growth	\$7,345.2		\$7,701.9		\$8,010.5	
Revenue						
1.0625% Sales Tax	6,699.5		7,010.6		7,310.9	
Motor Vehicle License Fee	645.8		691.3		699.6	
Revenue Total	\$7,345.3		\$7,701.9		\$8,010.5	

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.