



# **The Rural Rundown**

## ***A Summary of the 2019-20 State Budget Package***

**July 3, 2019**

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## **RCRC'S ANALYSIS OF THE 2019-20 STATE BUDGET PACKAGE**

Both houses of the Legislature and the Governor have approved the 2019-20 State Budget and the overwhelming majority of budget trailer bills that assist in implementing the 2019-20 State Budget Package.

It should be noted that the State Budget Package remains incomplete – there are several remaining budget trailer bills awaiting action, including measures pertaining to Safe and Affordable Drinking Water and homelessness/housing. Over the next several days and weeks, it is expected these remaining issues will be considered and adopted.

### **Overview**

The \$214.8 billion state spending plan, of which \$147.8 billion is General Fund, creates the biggest reserve in state history. The State Budget Package will end the year with total reserves of \$19.2 billion, of which \$16.5 billion is in the Rainy Day Fund, \$1.4 billion in the Special Fund for Economic Uncertainties, \$900 million in the Safety Net Reserve, and nearly \$400 million in the Public School System Stabilization Account.

“The driving idea behind this budget – and my first year in office – is to combat the cost crisis and maintain fiscal discipline,” said Governor Newsom. “This is a responsible budget that saves for challenging times ahead while investing in the present-day needs of working Californians.”

### **Key Issues/Changes for RCRC Member Counties in the 2019-20 State Budget Package**

- Continues to provide \$644,000 for the State's Payment in Lieu of Taxes Program for 2019-20;
- Provides an additional \$87.2 million to assist counties in replacing antiquated voting systems;
- Provides more than \$1.3 billion in Cap-and-Trade revenues for various greenhouse gas reduction programs, including \$200 million for forest health and wildfire prevention projects pursuant to 2018's Senate Bill 901 (Dodd), and \$25 million for organics diversion programs;
- Includes more than \$300 million for disaster preparedness, response and recovery activities, including local assistance funds for recovery from the Camp Fire and other 2018 and 2017 wildfires, enhanced emergency response support for the California Department of Forestry and Fire Protection (CAL FIRE) and California Office of Emergency Services (CalOES), and funding for prepositioning of state and local government resources that are part of the statewide mutual aid system;
- Provides \$75 million to CalOES for state and local preparation and response related to Public Safety Power Shutdown actions initiated to reduce the risk of utility-initiated wildfires during severe weather. Funding will likely support installing back-up power at CAL FIRE and CalOES facilities, local planning and training, and establishing community centers with backup power and air conditioning; and,

- Provides \$100 million from the Greenhouse Gas Reduction Fund, and \$30 million from the General Fund to establish the Safe and Affordable Drinking Water program. In addition, provides \$3.4 million to the State Water Resources Control Board from the General Fund for administrative start-up costs.

### **Key Issues/Changes for RCRC Member Counties Not Yet Addressed**

- The framework to implement the Safe and Affordable Drinking Water fund is being considered in Senate Bill 200;
- Includes \$650 million in one-time funding to assist local governments in addressing homelessness through a new state grant program, with \$175 million allocated to counties, based on point-in-time homeless individual count. The framework be established in a yet-to-be-determined trailer bill; and,
- Includes a \$750 million one-time appropriation to assist local governments with meeting Regional Housing Need Assessment goals. \$500 million will fund a grant program to aid local governments in housing-related infrastructure, with \$90 million set aside for counties with a population less than 250,000. The framework be established in a yet-to-be-determined trailer bill.

Bills passed by the Legislature and signed by Governor Newsom to construct a state spending plan include:

- AB 74, the main Budget Bill, which includes the bulk of the appropriations for the coming fiscal year;
- AB 91, the income tax and tax conformity trailer bill, which addresses the Loophole Closure and Small Business and Working Families Tax Relief Act of 2019;
- AB 97, the cannabis trailer bill, which makes a number of revisions to support the Control, Regulate and Tax Adult Use of Marijuana Act of 2016 and the Medicinal and Adult-Use Cannabis Regulation and Safety Act;
- SB 75, the education finance trailer bill, which enacts various early and K-12 education provisions;
- SB 76, the education finance (Proposition 98) trailer bill, which enacts various education provisions;
- SB 77, the higher education trailer bill, which enacts various changes to the University of California, the California State University, and the California Community Colleges systems;
- SB 78, the health trailer bill, which addresses affordability/individual mandate provisions, Managed Care Organization tax, Medi-Cal, public health, and substance use disorder provisions;
- SB 79, the mental health trailer bill, which enacts various mental health provisions, including the Mental Health Services Act;
- SB 80, the human services trailer bill, which enacts various changes to a wide variety of social service programs, including the California Work Opportunity and Responsibility to Kids program, child welfare services, and IHSS;
- SB 81, the developmental services trailer bill, which addresses a number of revisions for programs aimed at the developmentally disabled;

- SB 82, the state government trailer bill, which addresses a number of state government programs, including the replacement of voting system;
- SB 83, the employment trailer bill, which addresses a number of labor-related issues, including the Paid Family Leave program;
- SB 84, the Political Reform Act of 1974 trailer bill, which addresses the Secretary of State's online filing and disclosure system;
- SB 85, the public resources trailer bill, which makes various public resources provisions;
- SB 87, the transportation trailer bill, which addresses a number of state and local transportation programs;
- SB 90, the public employment trailer bill, which addresses the state contribution to the California State Teachers' Retirement System and the California Public Employees' Retirement System;
- SB 92, the taxation trailer bill, which makes various changes, including the exemption of sales and use tax on menstrual and diapers products;
- SB 93, the Budget Act of 2018 augmentation trailer bill, which appropriates an additional \$112.5 million from the General Fund for contingencies and emergencies;
- SB 94, the public safety trailer bill, which makes a number of revisions to several public safety programs;
- SB 95, the courts trailer bill, which makes a number of revisions relating to the operation of the courts;
- SB 96, the Emergency Telephone Users Surcharge Act trailer bill, which makes various changes to the state's 911 system;
- SB 105, the public safety facilities financing trailer bill, which enacts various corrections provisions; and,
- SB 106, the Budget Bill II, which includes additional appropriations for the coming fiscal year.

### **Administration of Justice, Corrections, and Law Enforcement**

**2011 Realignment of Public Safety Responsibilities to Counties.** In 2011, the Governor and Legislature enacted the realignment of various state programs to counties. The State Budget Package estimates revenues available to support these programs, including funds in the Community Corrections Subaccount (implementation of Assembly Bill 109). Comparing January revenue estimates to those in the Governor's May Revision, "base" funding estimates for the Community Corrections Subaccount in 2019-20 have been revised downward from \$1.41 billion to \$1.38 billion, reflecting a lower-than-expected performance in state sales tax. In addition, the State Budget Package estimates that counties will see the following in "growth" funds associated with the Community Corrections Subaccount: \$66.7 million in 2018-19 (which will be distributed in Fall 2019), and \$85.7 million in 2019-20 (which will be distributed in Fall 2020). These growth figures were pegged, respectively, at \$102.3 million and \$93.6 million in the Governor's January proposed Budget.

The 2011 Realignment fiscal structure also ensures continued funding for several local public safety subventions (rural sheriff grants, COPS, etc.). Funding for Realignment is made primarily via a dedication of 1.065 percent of the state portion of the sales tax rate,

and secondarily through a portion of Vehicle License Fee revenues. These revenue commitments are now constitutionally protected following the passage of Proposition 30 (Temporary Taxes to Fund Education) in 2012.

AB 109 funding is directed to counties from the state-level Community Corrections Subaccount. Annual funding from the Community Corrections Subaccount is dictated by the 2011 Realignment fiscal structure set forth in statute, and the overall funding level produced by the dedicated state sales tax within a given fiscal year. Actual allocations to counties are made according to a permanent formula developed several years ago by a nine-member County Administrative Officer committee, with the assistance of the California State Association of Counties.

Given special provisions around 2011 Realignment revenues, the funds flow continuously and automatically and, therefore, do not require annual appropriation via the State Budget.

**Additional County Probation Funding (Senate Bill 678).** The State Budget Package includes a proposed allocation of \$112.8 million in 2019-20 for incentive payments to county probation departments as a result of ongoing efforts to reduce state prison commitments of felony probationers. Under the provisions of Senate Bill 678 (Leno, 2009) and a revised allocation methodology enacted in 2015, counties share in the state savings that result from reduced felony probationers sent to state prison.

**Assembly Bill 109 Planning Grants.** The State Budget Package includes another one-time \$7.95 million appropriation for counties to revise and update their Community Corrections Partnership (CCP) plans. Each year since the passage of 2011 Realignment, the state has provided funds to support local implementation of AB 109, namely, the work in constructing and reviewing a county's CCP plan. Funds are allocated to each county as a fixed-dollar amount (\$100,000, \$150,000, or \$200,000) based on population. The Board of State and Community Corrections requires counties to report on the outcomes adopted by a county's CCP, and the ongoing progress in meeting those outcomes in order to receive the planning grant funds. **(Assembly Bill 74)**

**Courthouse Construction and Judicial Branch Deferred Maintenance.** The State Budget Package commits \$15 million to address deferred maintenance projects in courthouses, as well as \$20.2 million to support operations and maintenance of facilities constructed since 2007. In April, the Department of Finance made several related requests to address changes in projects costs for construction underway, including an additional appropriation of \$17.2 million to cover higher-than-anticipated bids associated with the construction of the New El Centro Courthouse in Imperial County. **(Assembly Bill 74)**

As approved by the Legislature, Assembly Bill 74 (the State Budget Bill) provided \$2.8 million towards a land acquisition for an El Dorado County Courthouse. However, Governor Newsom, using his line-item veto authority, eliminated the El Dorado County Courthouse appropriation and opined that the expenditure is premature until the Judicial Council completes the statutorily-required statewide facilities needs assessment.

**Judgeship Funding.** The State Budget Package includes \$30 million in 2019-20 (and \$36.5 million annually beginning in 2020-21) to fund 25 previously authorized superior court judgeships. Distribution of the judicial positions will be determined by the Judicial Council's Judicial Needs Assessment, expected to be updated in late summer 2019. The 2018 preliminary update demonstrates that 127 additional judicial officers are needed to meet statewide workload demands. Although Riverside and San Bernardino Counties have – by a significant margin – the most severe judgeship need, a number of RCRC member counties also have a demonstrated shortfall between funded judicial positions and assessed judicial need. The State Budget Package also provides funding for sheriff-provided court security associated with the new judicial officers. **(Senate Bill 74 and Senate Bill 95)**

**Juvenile Justice.** The State Budget Package moves the Division of Juvenile Justice (DJJ) out of the California Department of Corrections and Rehabilitation (CDCR) to a new department within the Health and Human Services Agency, effective July 1, 2020. The State Budget Package includes \$1.2 million for staff needed to facilitate the transition, and to launch a new independent training institute that will train staff on best practices and cultivate the cultural change needed to accompany the department's enhanced focus on rehabilitative and therapeutic approaches. **(Senate Bill 94)**

**Peace Officer Standards and Training.** The State Budget Package appropriates \$34.9 million ongoing to Peace Officer Standards and Training (POST) to restore the department to previous funding levels that support peace officer training and local assistance. For 2019-20 and 2020-21, \$20 million is prioritized for use of force and de-escalation training. **(Assembly Bill 74)**

**Proposition 47.** The State Budget Package updates its estimate of state savings associated with the implementation of Proposition 47 at a slightly lower amount of \$78.4 million, attributable to reduced levels of adult incarceration and taking into account changes to court and parole system workload.

Approved by California voters in 2014, Proposition 47 reduces penalties for a variety of specified offenses, and dedicates the 'savings' from prosecuting and housing these offenders into programs that support K-12 schools for at-risk youth, victim services, and mental health and drug treatment. Proposition 47 requires the Department of Finance to calculate savings associated with the measure annually. The state savings figure for the current year will be finalized, pursuant to provisions in the proposition, in August 2019.

**Proposition 57.** The State Budget Package includes \$14.8 million in funding for county probation departments to supervise a temporary increase in the Post-Release Community Supervision (PRCS) population as a result of implementation of Proposition 57. California voters approved Proposition 57 in November 2016, allowing certain non-violent felons serving a sentence in state prison to seek early parole consideration. The measure also empowered the Department of Corrections and Rehabilitation (CDCR) to readjust credit-earning rules so that inmates can earn earlier release opportunities. **(Assembly Bill 74)**

Further, the State Budget Package requires CDCR to report to the Legislature and Legislative Analyst's Office regarding any proposed regulatory changes associated with Proposition 57 credit earning provisions. **(Senate Bill 94)**

**State Crime Laboratories.** The State Budget Package provides an additional \$25 million to backfill the continued decline in revenues in the DNA Identification Fund, which will help assure continued processing of evidence for counties. Furthermore, additional monies are provided to maintain and replace forensic laboratory equipment. Local law enforcement agencies in 46 counties (nearly all rural) utilize state labs for analysis of forensic evidence. The purpose of the statewide laboratory system, which was established by the Legislature in 1973, was to provide quality and consistent forensic services. **(Assembly Bill 74)**

**Standards and Training for Corrections.** The State Budget Package includes an ongoing augmentation of \$6.2 million to the Board of State and Community Corrections for purposes of reimbursing local agency costs for training of local corrections personnel. This augmentation brings the overall dedication of funding for Standards and Training for Corrections to \$21 million, which is more reflective of historic funding levels. **(Assembly Bill 74)**

**Trial Court Budget Reserves.** The State Budget Package increases the trial court reserve cap to 3 percent beginning June 30, 2020. Beginning in the 2013-14 State Budget, trial courts were limited to a 1 percent year-over-year budget reserve. In recognition that this restriction has presented considerable operational challenges for trial courts, the Governor proposed a modification to the limit. **(Senate Bill 95)**

**Trial Court Security – New Court Facilities.** The State Budget Package includes \$7 million – the same amount in the last several budgets given that no new court facilities have qualified for the upcoming fiscal year – to address increased court security costs from new (post-Realignment) trial court construction.

In 2011, the Legislature realigned California's trial court security funding scheme so the state would pay counties directly, rather than indirectly through the courts. Similar to other criminal justice realignment programs, a fixed percentage of sales tax revenue is allocated to each county to pay for trial court security. A number of recently-constructed courthouses have resulted in increased court security costs since enactment of 2011 Realignment, most notably in Calaveras County and San Benito County. To receive monies, counties must demonstrate to the Department of Finance the need for increased trial court security staff as a result of the post-Realignment (after October 9, 2011) opening of newer and oftentimes larger courthouses.

RCRC continues to work with the California State Sheriff's Association and the California State Association of Counties to ensure that counties experiencing deficiencies in their trial court security funding are able to properly staff these recently-opened facilities. **(Assembly Bill 74)**

**Violence Intervention and Prevention Grants.** The State Budget Package renews and increases funding for a long-standing program administered through the Board of State

and Community Corrections (BSCC). The California Violence Prevention and Intervention Program (Cal-VIP) provides grant funds to cities and community-based organizations for specified violence reduction activities. This year's budget increases funding on a one-time basis by \$21 million (for a total of \$30 million available in 2019-20); program funding would revert to \$9 million in future budget years. Of particular note is that the State Budget Package requires that \$3 million of the Cal-VIP funding be set aside for competitive grants to cities with populations of 40,000 or less. More information on the grant program is available on the BSCC's website. **(Assembly Bill 74)**

**California Environmental Protection Agency**

**Assembly Bill 32 Cap-and-Trade Proceeds.** The State Budget Package allocates more than \$1.36 billion from the state's Cap-and-Trade auction proceeds via the Greenhouse Gas Reduction Fund (GGRF) to support programs that decrease or sequester emissions from greenhouse gases (GHG), which is around \$100 million more than was proposed in the Governor's May Revision. The added funds are from an expected uptick in the revenues from the Cap-and-Trade auction proceeds, allowing for a higher expenditure level than expected earlier in the year. Some of the funds were re-allocated from existing programs to create new programs addressing wildfire prevention and readiness activities in the wildland urban interface (WUI), while the "new" \$100 million is largely being allocated to the State Water Resources Control Board for improvements to the state's Safe Drinking Water program.

The final Cap-and-Trade Expenditure Plan also preserves key allocations proposed by the Governor in January, including the \$200 million to the California Department of Forestry and Fire Protection (CAL FIRE) for forest health and prescribed fire programs promised in last year's Senate Bill 901 (Dodd). Attempts to redirect those funds away from forest management and restoration programs to home hardening and other wildfire preparedness efforts by special interest groups were unsuccessful due to advocacy by RCRC and other stakeholders heavily involved in originally securing the inclusion of the funds in SB 901. The final Cap-and-Trade Expenditure Plan also includes only \$25 million for organics waste diversion implementation, despite the Senate recommending a \$75 million allocation, and RCRC and other partners advocating for a \$100 million funding level. This allocation is consistent with prior funding for the program, but with the California Department of Resources Recycling and Recovery (CalRecycle) set to finalize its Senate Bill 1383 short-lived climate pollution regulations in the next few months, funding for infrastructure and implementation will be vital to the program's success. **(Assembly Bill 74)**

Key allocations in the final Cap-and-Trade Expenditure Plan include:

- \$200 million to CAL FIRE for forest health, resilience, and wildfire prevention programs, including \$35 million for prescribed burn projects, as prescribed in 2018's Senate Bill 901 (Dodd). These funds will aid in implementing the state's Forest Carbon Plan and Strategic Fire Plan, as well as the new forest health provisions passed as part of SB 901, and will include grants to local agencies, including counties, for forest health programs around communities.
- \$25 million to CalRecycle for waste diversion programs, including implementation of Senate Bill 1383's (Lara) short-lived climate pollutant reduction requirements.



- \$100 million to the State Water Resources Control Board for the state's Safe Drinking Water Program.
- \$10 million to CAL FIRE to create various programs for fire prevention and preparedness in the wildland urban interface (WUI), consisting of:
  - \$1 million for a new fire outreach and extension program consisting of 17 fire extension advisors located in selected counties;
  - \$250,000 to reimburse counties for training to local planners on how to address land use planning issues in the WUI;
  - \$250,000 to the Office of Planning and Research to inventory and publish on its website local planning best practices that can be reflected in ordinances and enforcement practices undertaken at the local level in the WUI;
  - \$6 million for a block grant program to county groups to help implement fire prevention and preparedness community action in collaboration with University of California fire advisors, resource conservation districts, and others; and,
  - \$2.5 million to reimburse counties for maintenance of evacuation routes during emergencies.
- \$62 million for climate smart agriculture programs, including \$28 million for the Healthy Soils Program, and \$34 million for methane reduction programs.
- \$65 million to replace and upgrade diesel engines and equipment in the agricultural sector.
- \$182 million for low-carbon transportation programs with a focus on diesel emissions reductions including incentives for zero-emission trucks, transit buses, and freight equipment and programs to help individuals replace older, higher emission passenger vehicles.
- \$35 million to the Workforce Development Board for apprenticeship programs to help prepare workers for a carbon-neutral economy.
- \$3million for a study to determine the key actions the state must take to achieve a carbon-neutral economy.

The final 2019-20 Cap-and-Trade Expenditure Plan included in the 2019-20 State Budget Package is as follows:

### 2019-20 Cap-and-Trade Expenditure Plan

Investment Category	Department	Program	Final (In Millions)
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$245
		AB 617 - Local Air District Implementation	\$20
		Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$238
		Clean Trucks, Buses & Off-Road Freight Equipment	\$182
		Enhanced Fleet Modernization Program	\$65

		Agricultural Diesel Engine Replacement and Upgrades	\$65
Climate Smart Agriculture	Department of Food & Agriculture	Healthy Soils	\$28
		Methane Reduction	\$34
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$165
		Prescribed Fire & Fuel Reduction	\$35
		Wildland-Urban Interface and Other Fire Prevention Activities	\$10
		Urban Forestry	\$10
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$25
	Air Resources Board	SB 1013 – HFC Program	\$1
Integrated Climate Action: Mitigation and Resilience	Coastal Commission & SF Bay Conservation and Development Commission	Coastal Resilience	\$3
	Community Services & Development	Low-Income Weatherization	\$10
	California Natural Resources Agency	Urban Greening	\$30
	California Conservation Corps	Energy Corps	\$6
	Strategic Growth Council	Transformative Climate Communities	\$60
Climate and Clean Energy Research	Strategic Growth Council	Climate Change Research	\$5
	California Environmental Protection Agency	Transition to a Carbon-Neutral Economy	\$3
Technical Assistance	Strategic Growth Council	Technical Assistance to Disadvantaged Communities	\$2
Workforce Training	Workforce Development Board	Apprenticeships for a Green Economy	\$35
Safe Drinking Water	State Water Resources Control Board	Safe Drinking Water	\$100
<b>Total</b>			<b>\$1,367</b>

**Department of Toxic Substances Control Insolvency.** The State Budget Package includes a one-time appropriation of \$27.5 million from the General Fund to the Department of Toxic Substances Control (DTSC) to offset DTSC's structural budget imbalance for FY 2019-20. This one-time augmentation is part of the stop-gap solution proposed in the Governor's May Revision that buys the Administration more time to develop a fee package that adequately supports DTSC's operations. DTSC's structural deficit will impair its ability to effectively oversee hazardous waste management, impact

the state's ability to perform post-cleanup monitoring of Superfund/National Priority List sites (as required by federal law), and significantly delay the clean-up of newly identified contaminated sites for which there are no responsible parties. **(Assembly Bill 74)**

RCRC will closely track attempts to modify and increase those fees that support DTSC's operations and will engage in attempts to improve DTSC's permitting and oversight operations and its responsiveness to stakeholders.

**Office of the Secretary for Environmental Protection/Rural Certified Unified Program Agency Assistance.** The State Budget Package maintains the same level of funding, \$835,000, for the continued reimbursement of qualified Certified Unified Program Agencies (CUPAs) located in thirteen low-population counties. **(Assembly Bill 74)**

**State Water Resources Control Board.** The State Budget Package includes \$2.5 million in one-time General Fund monies to continue funding the placement and filling of temporary water tanks for households that lost their water supply because of a dry well.

The State Budget Package also includes \$12.5 million in one-time General Fund monies to projects/communities in the southern San Joaquin Valley, including: \$4 million to Sanger to repair a water tank and well, as well as connect the community of Tombstone to Sanger's centralized water system; \$2.5 million for a new water and tertiary treatment plant for Tulare County; \$1 million to Tulare and Fresno counties to improve access to water in communities such as Orosi and Del Rey; \$1.5 million for storage and recharge projects in Selma; \$1 million to Dinuba to replace a well; and, \$2.5 million to bring small communities in Tulare and Kern counties into compliance with safe drinking water standards and remove arsenic from water supplies. **(Assembly Bill 74)**

**Sustainable Pest Management.** The State Budget Package includes a one-time increase of \$5.7 million in General Fund monies to the Department of Pesticide Regulation (DPR) to assist in the transition to safer pesticide alternatives, particularly as DPR commences the regulatory process to cancel the registration of chlorpyrifos. This action was announced on May 6, 2019.

Chlorpyrifos is an insecticide used primarily on nut and fruit trees, as well as vegetable and grain crops grown in California. Acute exposure has been under close scrutiny for some time given the serious risks to human health, especially in children and sensitive populations. Over the last few years, DPR has taken actions to significantly reduce the use and exposure through protective mitigation measures to further restrict its use. This action by DPR does not affect RCRC member counties directly; however, it may have implications to the workload of County Agricultural Commissioners. **(Assembly Bill 74)**

**Temporary Assistance for Certified Recycling Centers.** The State Budget Package includes \$5 million to provide temporary assistance of \$1,000 per month to roughly 400 low-volume beverage container recyclers, which are often located in rural areas. With the closure of many certified recycling centers, it is increasingly difficult for consumers to redeem their beverage containers, especially in rural counties. This modest assistance will help sustain those recycling centers at the greatest risk of closure. **(Assembly Bill 74)**

RCRC continues to press for broader programmatic changes that significantly increase consumer access to beverage container redemption opportunities. Without convenient redemption opportunities, the Beverage Container Recycling program can easily become a regressive tax that disproportionately impacts lower-income Californians.

### **Education**

**Broadband Infrastructure Grant Program.** The State Budget Package provides \$7.5 million in one-time non-Proposition 98 funding for the Broadband Infrastructure Grant Program to improve broadband infrastructure in K-12 schools. The Department of Education will contract with the Corporation for Education Network Initiatives in California to administer the program and identify broadband connectivity solutions to the most poorly connected school sites. This funding is in addition to the \$26.7 million appropriated in the 2014-15 State Budget Package for broadband infrastructure projects necessary to support computer-based assessments, and \$50 million in funding in the 2015-16 State Budget Package to help schools with inadequate bandwidth upgrade their external connection to the Internet. **(Assembly Bill 75)**

**Community Colleges.** The State Budget Package provides for two years of tuition-free community college attendance. To accomplish this goal, a total of \$46 million is provided to include a second year of tuition-free community college. First-time students enrolled in classes full-time at any of California's 115 community colleges already have the first year of tuition waived at participating campuses. This additional funding builds on the "California College Promise" spearheaded by the Legislature in 2017. **(Senate Bill 77)**

**University of California/Cooperative Extension.** The State Budget Package maintains the funding proposed in the Governor's January proposed Budget and the Governor's May Revision of \$72.6 million for the UC Agriculture and Natural Resources division (commonly referred to as UCCE). This level of funding has remained virtually unchanged since the early 2000's. However, in the 2018-19 State Budget Package the Legislature created a specific line item to ensure monies for UCCE are provided. To some degree, the line item inoculates the UCCE program from being swept into the overall budget for the University of California. **(Assembly Bill 74)**

### **Emergency Preparedness, Response and Recovery**

**Disaster Preparedness, Response and Recovery.** In 2018, California suffered its most devastating wildfire year to date, with more than 100 fatalities, and 22,700 structures and 1.8 million acres destroyed. As wildfire becomes the most urgent natural disaster facing California, the State Budget Package contains more than \$300 million dedicated to disaster preparedness, creates new programs in response to the ongoing wildfire crisis, and augments several programs to enhance the state's general disaster response capabilities.

Expanding Firefighting Surge Capacity and Improving Use of Technology: The State Budget Package includes \$95.1 million in General Fund support to the California Department of Forestry and Fire Protection (CAL FIRE) for new year-round fire engines, expanded heavy fire equipment operator staffing during emergency wildfire events, accelerated replacement of fire engines and other mobile equipment, and the operation of five additional CAL FIRE/California Conservation Corps fire crews. These funds will

also allow CAL FIRE to dedicate staff to reviewing data gathered via remote sensing technology, satellite imagery, and other technology to support development of more effective initial and extended fire suppression strategies, and will be used to add 100 fire detection cameras linked into the existing command centers to provide additional data on conditions. Finally, these funds include an expanded health and wellness program to help maintain the long-term physical and mental health and wellbeing of CAL FIRE firefighters. **(Assembly Bill 74)**

Immediate Aid to School Restart Operations: The State Budget Package includes \$13.8 million from the Federal Trust Fund to assist local educational agencies with expenses related to reopening schools after the 2017 Northern and Southern California wildfires. **(Assembly Bill 74)**

Property Tax Backfills: The State Budget Package includes \$518,000 in General Fund monies to reimburse Los Angeles, Mendocino, Napa, Orange, San Diego, Solano, Tuolumne, and Ventura Counties for 2018-19 property tax losses resulting from the 2018 wildfires. This is in addition to the \$31.3 million enacted by the Legislature in February 2019 via Assembly Bill 72, which provided \$11.5 million for local agencies in Butte, Lake, Los Angeles, Orange, Riverside, Shasta, and Siskiyou Counties for estimated losses in 2019-20 as a result of the 2018 wildfires, \$16.1 million for local agencies in Butte County for estimated losses in 2020-21 and 2021-22 due to the 2018 Camp Fire, and \$3.6 million for local agencies in Lake County for estimated losses in 2019-20, 2020-21, and 2021-22 due to the wildfires in 2015, 2016, and 2017. **(Assembly Bill 74)**

Wildfire Recovery: The State Budget Package allocates \$10 million in General Fund monies to support local communities in Butte County in the recovery process from the devastation of the 2018 Camp Fire, which destroyed more than 18,000 structures, and 90 percent of the Town of Paradise. The package also dedicates \$15 million in General Fund monies to provide additional relief to local agencies statewide that have been impacted by wildfires. **(Assembly Bill 74)**

Dedicated Debris Removal Team: The State Budget Package includes \$2.8 million in ongoing General Fund monies to the Department of Resources Recycling and Recovery (CalRecycle) to establish a dedicated debris removal team, and to assist local governments in the preparation of debris removal plans for future incidents. **(Assembly Bill 74)**

Implementation of the Wildfire Prevention and Recovery Legislative Package: The State Budget Package includes funding for implementation of the Wildfire Prevention and Recovery Legislative Package of 2018, including \$3.4 million from the Greenhouse Gas Reduction Fund to the Air Resources Board to enhance air quality and smoke monitoring, forecasting, and modeling activities to align with the anticipated increase in prescribed burns associated with Senate Bill 1260 (Jackson), and \$7.9 million to the State Water Resources Control Board and the Department of Fish and Wildlife (DFW) to support efforts to review timber harvest plan exemptions pursuant to Senate Bill 901 (Dodd). RCRC supported both bills in 2018 as measures that will help the state reach its long-term forest management and wildfire prevention goals. **(Assembly Bill 74)**

Mutual Aid System: The 2019-20 State Budget Package includes \$25 million in ongoing General Fund monies for prepositioning of existing California Governor's Office of Emergency Services (CalOES) and local government resources that are part of the statewide mutual aid system. This is a continuation of the funds that RCRC advocated for as part of the Disaster Readiness for Safer Communities (D-RiSC) coalition to secure in the 2018-19 State Budget Package. **(Assembly Bill 74)**

9-1-1 System Upgrades: The State Budget Package includes a one-time investment of \$60 million to the State Emergency Telephone Number Account (SETNA) to continue improvements to the state's current 9-1-1 system. The goal is to begin upgrading the California Public Safety Microwave Network from an analog system to a digital system in the current year to enhance emergency response communications. The investment would reduce reliance on the SETNA fee during the 9-1-1 enhancement process, but is contingent on legislation to modernize the SETNA fee structure, which would be implemented January 1, 2020, and generate around \$170 million annually during the build-out. The fee would be adjusted annually based on actual costs, and create a more stable funding structure to allow CalOES to implement a statewide Next Generation 9-1-1 system. **(Assembly Bill 74)**

Broadband Communication and 9-1-1 Integration: The State Budget Package contains \$1 million from the SETNA fund to support the implementation of emergency communications coordination and First Responder Network Authority broadband network services to ensure that the state maintains an established 9-1-1 system while transitioning towards the Next Generation 9-1-1 system. **(Assembly Bill 74)**

State Water Board Emergency Response: The State Budget Package includes \$1 million in ongoing General Fund monies to the State Water Resources Control Board (SWRCB) to improve emergency response capabilities between the SWRCB, regional water boards, and other state entities during emergencies to help lessen the water impacts of disasters on vulnerable populations. **(Assembly Bill 74)**

Housing Disaster Response and Recovery Unit: The State Budget Package provides \$2 million to the Department of Housing and Community Development to create a permanent Disaster and Response Recovery Unit to provide housing expertise during statewide disaster recovery efforts, and to hire a consultant to conduct local needs assessments related to the 2018 Camp and Woolsey Fires. **(Assembly Bill 74)**

Public Education: The State Budget Package contains a one-time General Fund allocation of \$50 million to jumpstart a comprehensive, statewide educational campaign on disaster preparedness and safety. The effort will include local grants to address local and regional needs with an emphasis on public health and safety. **(Assembly Bill 74)**

Public Safety Radios: The State Budget Package includes \$59.5 million for CalOES to develop and implement the California Interoperable Public Safety Radio System to allow various agencies the ability to communicate with each other more effectively during an emergency. **(Assembly Bill 74)**

CAL FIRE Deferred Maintenance: The State Budget Package includes \$3 million to CAL FIRE as part of the state's ongoing effort to address the statewide backlog of deferred maintenance. **(Assembly Bill 74)**

**Public Safety Power Shutdown.** The State Budget Package includes \$75 million for the California Office of Emergency Services (CalOES) for state and local preparation and response related to Public Safety Power Shutdown (PSPS) actions initiated to reduce the risk of utility-initiated wildfires during severe weather. PSPS events are likely to substantially increase in many rural communities, leaving affected areas without power for extended periods of time. Funding will likely support installing back-up power at California Department of Forestry and Fire Protection (CAL FIRE) and CalOES facilities, local planning and training, and establishing community centers with backup power and air conditioning. **(Assembly Bill 74)**

RCRC has been very active at the California Public Utilities Commission (CPUC), and has party status in both the De-Energization Rulemaking Proceeding and the Utility Wildfire Mitigation Plans Rulemaking Proceeding. RCRC will continue to engage in CPUC de-energization proceedings, especially with respect to how notice is provided to local governments and how utilities will be required to mitigate impacts to sensitive populations. RCRC continues to believe that utilities bear some responsibility for mitigating the impacts of PSPS events, and that PSPSs should be used by utilities as a last resort to avoid wildfire risk, not just as a way for utilities to reduce liability.

### **General Government**

**Cannabis.** The State Budget Package addresses a number of items related to cannabis. First, it authorizes a licensing authority (i.e. the California Department of Food and Agriculture) to issue a citation to a licensed or unlicensed person for violations of existing law or regulations. Accompanying this, licensing authorities can assess administrative fines not to exceed \$5,000 per violation for licensees and \$30,000 per violation for an unlicensed person, per day. The proceeds from citations must be used for the recovery of investigation and enforcement costs and deposited into the Cannabis Control Fund.

In addition, the State Budget Package extends the California Environmental Quality Act exemption relative to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. This exemption is in place until July 1, 2021. Finally, the State Budget Package establishes a more robust provisional licensing scheme for all cannabis license types. The provisional scheme will last through January 1, 2025 with each holder of a provisional license validation for 12 months. The goal for this licensing option scheme is to ensure transition from temporary licenses to annual licenses, which involve a more rigorous set of standards. **(Assembly Bill 97)**

**County Revenues/Basic Aid Districts.** The State Budget Package includes \$144,000 to reimburse Alpine County for funding shortfalls in their Educational Revenue Augmentation Fund (ERAF). Funding shortfalls in Alpine County's ERAF are triggered under a complex formula associated with having all of its school district(s) as Basic Aid. Over the past several years, RCRC has joined advocacy efforts to secure monies

for a number of RCRC member counties that are experiencing shortfalls in property tax revenues. **(Assembly Bill 74)**

**Emergency Telephone Users Surcharge Act.** The State Budget Package restructures the 911 emergency system user fees to reflect technology advancements and consumer phone usage. This restructuring stabilizes the funding for the existing 911 system while funding the build out of the Next Generation 911 system that will replace the current antiquated 911 network. Specifically, the State Budget Package replaces the current user fee structure with a flat fee based assessment between zero cents (\$0.00) and eighty cents (\$0.80) per access line per month to be charged on all wirelines, wireless and Voice over IP lines. **(Senate Bill 96)**

**Fairs.** The State Budget Package maintains the commitment in the Governor's January proposed Budget to include \$7 million to address deferred maintenance within the network of the state's fairs. It also maintains the ongoing commitment of approximately \$2.6 million for the support of local fairs, which is consistent with the last five enacted State Budget Packages. Commencing in the 2015-16 State Budget Package, \$2.6 million in ongoing monies was to be directed to the Fairs and Expositions Fund for redistribution to improve the financial situation of smaller fairs, as well as provide training for Fair Board members.

In 2017, the Legislature enacted RCRC-supported Assembly Bill 1499 (Gray), which dedicates the state portion of the Sales and Use Tax collected from transactions at fairgrounds to support the network of fairs.

**Paid Family Leave.** The State Budget Package expands the wage supplement for California's Paid Family Leave program by allowing an additional two weeks of paid leave. California's current system offers six weeks of paid leave for new parents, at levels ranging from 60 to 70 percent of their compensation. The current paid family leave scheme is funded by a payroll tax on employees. The State Budget Package will expand the paid leave to eight weeks, effective July 1, 2020.

It should be noted that Governor Newsom has outlined a goal of ensuring that all newborns and newly adopted babies can be cared for by a parent or a close family member for the first six months. Under the State Budget Package, each parent in a two-parent family will be entitled to eight weeks of Paid Family Leave, totaling four months of leave for both - which the Governor has described as a "down payment" on his six month goal.

The Administration will convene a task force to consider different options to phase-in and expand Paid Family Leave to meet the Administration's Paid Family Leave goal of six months. By November 2019, the task force will issue recommendations for consideration in the 2020-21 State Budget Package. The remaining details on how to finance this expansion remain unclear.

The Paid Family Leave program is separate from the laws requiring employers to allow employees time off from work to care for family members (Federal and California family and medical leave laws require counties to provide eligible employees with up to 12 weeks



of time off per year to care for themselves and family members). The expansion of Paid Family Leave consequently does not directly affect the amount of time off counties must allow eligible employees; however, the expanded benefits may encourage some employees to take longer leaves in practice. The effects of implementing this benefit may be subject to collective bargaining. **(Senate Bill 83)**

**Sales Tax Exemption for Menstrual and Diapers Products.** The State Budget Package exempts menstrual products, including tampons, sanitary napkins, menstrual sponges and cups, and children's diapers from sales and use tax (both the state and local portions) for two years – from January 1, 2020, to December 31, 2021. The State Budget Package includes provisions intended to backfill counties for the loss of 2011 Realignment obligations associated with the sales and use tax exemption for menstrual and diapers products. The Governor's May Revision had originally proposed the sales and use tax exemption without backfilling local governments for revenue losses that were expected to be \$21.5 million statewide in 2019-20, and \$41 million each subsequent year. **(Senate Bill 92)**

**State Mandates.** The State Budget Package maintains suspensions of mandates that are not related to law enforcement or property taxes, consistent with previous years' State Budgets. However, the State Budget Package does include \$15.1 million to repay, with interest, the pre-July 1, 2004 debt associated with four expired or repealed state mandates: Binding Arbitration, Fire Safety Inspections of Care Facilities, Backgrounds Screening, and Racial Profiling - Law Enforcement Training. This action fully pays the pre-2004 deferred mandate debt as authorized by Proposition 2. **(Assembly Bill 74)**

**Voting Systems Replacement.** The State Budget Package includes an additional one-time allocation of \$87.2 million in General Fund monies to counties in replacing and upgrading county voting equipment. This additional appropriation builds upon last year's budget enactment of \$134 million to assist counties in replacing outdated voting equipment. Last year's effort created a dollar-for-dollar match program for the purchase of hardware, software, and initial licensing for the replacement of voting systems purchased after April 29, 2015. However, this year's effort revises the match requirement. For counties with more than 50 precincts, a 25 percent county match is required; for counties with fewer than 50 precincts, no county match is required. **(Assembly Bill 74 and Senate Bill 82)**

With the enactment of Senate Bill 450 (Allen, 2016), counties are undergoing dramatic changes in the way elections are administered. SB 450 authorizes counties to conduct elections using the "vote center" model. SB 450 allows specified counties on or after January 1, 2018 to conduct any election as an all-mailed ballot election at the discretion of the Board of Supervisors, if certain conditions are satisfied. In 2020, all other counties could utilize this option, with the exception of Los Angeles County. This voting system assistance program anticipates that counties with more than 50 precincts will go to a vote center model, and counties with fewer than 50 precincts will continue with the precinct model. The State Budget Package also includes \$3.8 million for voter education and outreach on the new vote center model.

**Williamson Act.** The State Budget Package continues to only include \$1,000 for the Williamson Act program. This is the lowest possible dollar figure that allows the program to remain in the State Budget.

The Williamson Act, also known as the California Land Conservation Act of 1965, authorizes cities and counties to enter into agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 10 years in exchange for lower assessed valuations for property tax purposes. **(Assembly Bill 74)**

## **Health and Human Services**

### **Health Care Access**

**Premium Affordability Assistance and Individual Mandate Penalty:** The State Budget Package includes the creation of an individual mandate penalty on individuals who do not obtain health care coverage in California and provides subsidies to low income individual (individuals below 138 percent of the federal poverty level) to cover the standard premium for health care coverage. This is a direct result of Congress eliminating the individual mandate as a component of the Affordable Care Act. The State Budget Package also provides additional health care coverage premium subsidies to individuals between 400 and 600 percent of the Federal Poverty Line. General Fund subsidies and penalty revenue offsets include **(Assembly Bill 78/Senate Bill 78):**

<b>Fiscal Year</b>	<b>Proposed Subsidy</b>	<b>Projected Revenue</b>	<b>Penalty</b>
2019-20	\$295.3 million	\$317.2 million	
2020-21	\$330.4 million	\$335.9 million	
2021-22	\$379.9 million	\$352.8 million	

**Expansion of Medi-Cal to Undocumented Adults and the County Medical Services Program:** As of this writing, the issue of the County Medical Services Program (CMSP) is pending final action from the Legislature and Governor Newsom. The State Budget bill expands full-scope Medi-Cal benefits to young adults ages 19 through 25, regardless of immigration status. In order to pay for a portion of the Medi-Cal expansion, a budget trailer bill awaiting Governor Newsom's signature, will redirect 1991 Realignment payments to the CMSP until its reserve is reduced to two years of operating expenses. **(Senate Bill 80 and Senate Bill 104)**

**Health Care Workforce:** The State Budget Package provides \$120 million in Proposition 56 funding (\$240 million total funds) for additional awards in the Physicians and Dentists Loan Repayment Program, \$46.3 million one-time General Fund for Mental Health Workforce Development, \$1 million one-time General Fund to provide loan repayments for former foster youth serving as mental health providers in specified areas, and \$2.7 million General Fund one-time funding for psychiatry fellowships.

### **In-Home Supportive Services (IHSS)**

**IHSS Maintenance-of-Effort (MOE):** The State Budget Package resets the base for counties' share of IHSS program costs and adjusts the MOE annual inflation factor.

Specifically, the State Budget Package revises the MOE that was negotiated in 2017, including: 1) adjusting the annual inflation factor down from 7% to 4% beginning in 2020-21; 2) restoring 1991 Realignment growth revenue for health and mental health; and, 3) reducing counties' IHSS MOE to \$1.56 billion. Additionally, once the state minimum wage reaches \$15 per hour, state participation in future county negotiated IHSS wage and/or health benefit increases will be 35 percent and the implementing county will be responsible for 65 percent. Currently, the cost-sharing ratio is 65-percent state/35-percent county for wage/health benefit increases negotiated by counties. **(Senate Bill 80)**

**IHSS Collective Bargaining Agreements:** The State Budget Package includes penalties for counties that fail to come to a collective bargaining agreement with IHSS workers. Components of the State Budget Package add a new requirement in state law that any county that goes to mediation must hold a public hearing within three days of the fact-finding panel's public release of its findings and recommended settlement terms. Additionally, the State Budget Package authorizes a withholding of 1991 Realignment funds when all of the following conditions are met:

- 1) The parties have completed mediation and fact-finding;
- 2) The fact-finding panel has issued findings of fact and recommended settlement terms that are more favorable to the employee organization than those proposed by the public authority or nonprofit consortium;
- 3) The parties do not reach a collective bargaining agreement within 90 days after the release of the fact-finding panel's recommended settlement terms; and,
- 4) The collective bargaining agreement for IHSS providers in the county has expired.

Beginning July 1, 2019, any county that has not reached an agreement after the release of the fact-finding panel's recommended settlement terms released prior to June 30, 2019, shall have 90 days to reach an agreement with the employee organization. If no agreement is reached within 90 days, the withholding shall occur on October 1, 2019. The amount of the 1991 Realignment funding withholding shall be equivalent to 1 percent of the county's 2018-19 fiscal year IHSS Maintenance of Effort requirement. The Public Employment Relations Board shall provide written notification to the county and the employee organization within 15 days of determining that the county is subject to a 1991 Realignment withholding. The board shall also notify the Department of Finance and the State Controller of the withholding assessment. By January 10, 2020, the department shall report to the fiscal committees of the Legislature on the status of all IHSS bargaining contracts in each county. The Department of Finance (DOF) shall also provide an update to the report on the status of the bargaining contracts no later than May 14, 2020. The DOC shall consult with the appropriate employee organizations and the California State Association of Counties to determine the status of bargaining contracts in each county for purposes of producing the reports required pursuant to this subdivision. The provisions sunset on January 1, 2021. **(Senate Bill 80)**

**Continuum of Care Reform:** The State Budget Package provides over \$300 million General Fund for Continuum of Care related activities, including: \$21.6 million (\$26.7 million total funds) to extend funding on one-time basis to counties for Foster Family Recruitment, Retention and Support; \$14.4 million General Fund (\$20.3 million total funds) to support county child welfare administration activities association with the

Resource Family Approval (RFA) process; \$54.5 million GF (\$74.4 million total funds) in 2019-20, of which \$49.5 million General Fund (\$67.6 million total funds) for continued implementation of Child and Family Teams; and, \$4.1 million for to continue Emergency Caregiver Funding at the time of placement. In 2015, Assembly Bill 403 enacted a comprehensive reform foster care system, commonly known as Continuum of Care reform. **(Senate Bill 80)**

### **Housing and Homelessness**

**Homelessness.** As of this writing, the issue of homelessness is pending final action from the Legislature and Governor Newsom. The State Budget bill provides \$650 million in one-time General Fund money to the Business, Consumer Services and Housing Agency (Agency) be allocated to counties, cities, and the Continuums of Care (COCs). A pending budget trailer bill awaiting action in the Legislature, creates the Homeless Housing, Assistance and Prevent Program (Program) to distribute the funding, to be administered by Agency. The Program provides jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. Specifically, budget trailer bill language provides \$275 million to cities with a population greater than 300,000 individuals, \$175 million to counties, and \$190 million to COCs based on their respective share of the 2019 Point in Time count of homeless individuals, unless a jurisdiction can demonstrate that a significant change in methodology occurred since the last Point in Time count. **(Assembly Bill 74 and Assembly Bill 101)**

**Housing.** As of this writing, the issue of homelessness is pending final action from the Legislature and Governor Newsom. The State Budget bill provides a total of \$750 million in one-time funding for housing-related incentives. A budget trailer bill awaiting action in the Legislature outlines funding distribution and imposes a penalty scheme for jurisdiction that fail to submit a compliant housing element to the California Housing and Community Development Department (HCD). Specifically, funding for housing related incentives outlined in budget trailer bill includes:

- \$500 million in grants to fund infrastructure improvements like water, sewer, other utility service improvements, streets, roads, other transit linkages, sidewalks, and other streetscape improvements for eligible cities and counties through the Infill Infrastructure Grant (IIG) Program of 2019. The IIG program provides a rural set-aside of \$90 million for counties with a population of less than 250,000 as of January 1, 2019, or any city within those counties, in an over-the-counter process. In order to be eligible for the IIG program, jurisdictions must have a compliant housing element, be current on submittal of the annual progress report, and show that the infrastructure improvements that would be funded by the IIG program would support housing.
- \$250 million in planning grants for regional governing entities and local jurisdictions. Specifically, the budget trailer bill directs \$125 million to regional entities (Council of Governments) and \$125 million to local jurisdictions for technical assistance, preparation and adoption of planning documents, and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the Regional Housing Need Assessment process.

- Additional investments in the budget trailer bill include \$500 million for the Low-Income Tax Credit program and \$500 million for the Mixed-Income Loan Program.

The budget trailer bill includes incentives to cities and counties that submit a compliant housing element to HCD and adopt “prohousing local policies.” Incentives include award preferences in existing grant programs, including the Affordable Housing and Sustainable Communities Program and the Transformative Climate Communities Program, and any other program that may allow application bonus points. The “prohousing” designation will be defined through regulation, but will include local policies that facilitate the planning, approval, or construction of housing such as streamlining, by-right zoning, limiting development impact fees, and reducing parking criteria.

The budget trailer bill sets forth a notification and penalty structure for local jurisdictions that fail to submit a compliant housing element. Specifically, if the court finds that a housing element is not substantially compliant with state law, and the city or county fails to come into compliance after several required meetings and court orders, the following fines may be imposed:

- Within 12 months of the court’s order: \$10,000 - \$100,000 per month
- Within 15 months of the court’s order: \$30,000-\$300,000 per month
- Within 18 months of the court order: \$60,000-\$600,000 per month

If a local jurisdiction fails to come into compliance with the orders of the court after 18 months, the court may appoint a receiver to bring the housing element into compliance. **(Assembly Bill 74 and Assembly Bill 101)**

**No Place Like Home.** The State Budget Package provides for a \$7 million General Fund loan for the No Place Like Home (NPLH) program in order to meet funding needs of the program. The NPLH program provides for grant funding to local governments for permanent supportive housing for individuals experiencing homelessness. The program is funded by the issuance of \$2 billion dollars in general obligation bonds. This loan to the program is necessary to due to the delay in deposit of bond proceeds into the NPLH fund. **(Senate Bill 74)**

### **Resources**

**Bay Delta Water Quality.** The State Budget Package includes revenue originating from the passage of Proposition 68, approved by California voters in 2018. Proposition 68 authorized \$4 billion in general obligation bonds for a variety of the state’s natural resource needs. The State Budget Package includes \$70 million of the \$200 million authorized for implementation of voluntary agreements that provide multi-benefit water quality, water supply, and watershed protection and restoration for the watersheds of the state to achieve the objectives of integrating regulatory and voluntary efforts, implementing an updated State Water Resources Control Boards’ San Francisco Bay/Sacramento-San Joaquin Delta Estuary Water Quality Control Plan, and ensuring ecological benefits. In addition, language is included to require the California Natural Resources Agency to provide a report to the legislative subcommittees with jurisdiction regarding the expenditure of funds related to voluntary agreements including: (1) a list of projects for which the agency has approved expenditure of these funds and the

associated costs of the projects; (2) assurance that this funding will not be used to fulfill any current mitigation requirements; (3) confirmation that the use of the funding is consistent with existing water quality standards; and (4) a list of the criteria used to select the projects. An update on the status of the voluntary agreements is also required. **(Assembly Bill 74)**

**Butte Conservation Camp.** The State Budget Package includes \$2.65 million for the preliminary phase to replace the Butte Conservation Camp in Butte County to update the facility to current operational requirements. **(Assembly Bill 74)**

**Butte County Fire Department.** The State Budget Package provides \$2 million for contracts with Butte County to support operation of one year-round Butte County Fire Department fire station, and to meet other budgetary needs. **(Assembly Bill 74)**

**California Department of Fish and Wildlife.** The State Budget Package provides \$17 million for the California Department of Fish and Wildlife to provide fish screens for the water conveyance tunnel between Lake Nacimiento and Lake San Antonio in San Luis Obispo County. This funding will assist in securing the water supplies of project users dependent on flows out of the reservoir complex. Not more than 5 percent is available for administrative costs. **(Assembly Bill 74)**

**California Department of Food and Agriculture.** The State Budget Package includes new authority for the distribution of any moneys in the “unclaimed gas tax” reserve account for expenditure on statewide agricultural programs as agreed upon by the Secretary of Food and Agriculture and county agricultural commissioners. With this authority in place, there will be additional flexibility to direct funding to county agricultural programs relative to each county’s expenditures from the preceding fiscal year. **(Senate Bill 85)**

The State Budget Package also includes an additional \$600,000 from the Environmental License Plate Fund (\$200,000 per year for three years) for the California Department of Food and Agriculture (CDFA) for the collections of rare plants under the state’s California Biodiversity Initiative. In addition, budget bill language was added requiring collaboration between CDFA and the California Department of Fish and Wildlife on the implementation of this activity. **(Assembly Bill 74)**

The State Budget Package provides one-time General Fund monies for the following: \$2 million for the Center for Food and Agriculture in San Rafael; \$300,000 for the Santa Barbara Earl Warren Showgrounds; \$5 million for the Seed Bank; and, \$500,000 for the Homeless Garden in Santa Cruz. **(Assembly Bill 74)**

**California Department of Parks and Recreation.** The State Budget Package includes an additional funding of \$45.6 million to address the California Department of Parks and Recreation’s deferred maintenance backlog: \$34 million in General Fund monies, and \$11.6 million from Proposition 68 funds. In addition, \$30.5 million in one-time General Fund monies are being provided to a number of parks in urban areas to update parks for the state’s urban centers. **(Assembly Bill 74)**

**California Department of Forestry and Fire Protection Shasta/Trinity Unit Headquarters.** The State Budget Package includes \$4.3 million for preliminary actions to relocate the CAL FIRE Shasta/Trinity Unit headquarters facility. **(Assembly Bill 74)**

**California Department of Forestry and Fire Protection Butte Fire Center Facility Replacement.** The State Budget Package provides \$2.6 million for preliminary actions to replace the CAL FIRE Butte Fire Center. **(Assembly Bill 74)**

**California Department of Forestry and Fire Protection Humboldt/Del Norte Unit Headquarters.** The State Budget Package includes \$1.86 million for preliminary actions to relocate the CAL FIRE Humboldt/Del Norte Unit headquarters facility. **(Assembly Bill 74)**

**California Department of Forestry and Fire Protection Hollister Air Attack-Bear Valley Fire Station/Helitack Base Relocation.** The State Budget Package includes \$12.1 million for preliminary actions to acquire a new facility to relocate the CAL FIRE Hollister Air Attack-Bear Valley Fire Station/Helitack Base. **(Assembly Bill 74)**

**California Department of Forestry and Fire Protection Paso Robles Air Attack Base.** The State Budget Package includes \$285,000 for infrastructure improvements to CAL FIRE's Paso Robles Air Attack Base. **(Assembly Bill 74)**

**Defensible Space Assistance Program.** The State Budget Package includes \$5 million in General Fund monies to assist low-income residents in complying with their defensible space requirements through regionally led grant programs in up to three counties that contain a very high wildfire hazard severity zone. Groups eligible for grants include, but are not limited to, local governments, fire safe councils, and resource conservation districts.

RCRC supported the creation of this grant program early in the budget process recognizing the need for aid to low-income residents in rural communities with completing their defensible space and safeguarding their homes against wildfire. **(Assembly Bill 74)**

**Ishi Conservation Camp.** The State Budget Package includes \$5.3 million to fund increased costs associated with the Ishi Conservation Camp: Replace Kitchen project, which the Department of Finance may authorize prior to awarding the construction contract. **(Assembly Bill 74)**

**Office of the State Fire Marshal.** The State Budget Package includes trailer bill language that allows a city or county to delegate fire and panic safety inspection responsibilities to either the chief building official or chief housing official. The new language also contains provisions allowing a city or county fire department that inspects a building used as a public or private school for compliance with building standards adopted by the State Fire Marshal to charge and collect a fee for the inspection in an amount sufficient to pay the costs of that inspection. Finally, new provisions allow a governing body of a city, county, or district that relies on an all-volunteer fire department for provision of fire protection services, to request either the State Fire Marshal or another city or county with regular full-time members of a regularly organized fire department to

enforce building standards and other regulations adopted by the State Fire Marshal. **(Senate Bill 85)**

**Shot Hole Borer Invasive Beetles.** The State Budget Package includes \$5 million in one-time General Fund monies for local assistance to cure or suppress diseases associated with the invasive Shot Hole Borer beetle. **(Assembly Bill 74)**

**State Payment in Lieu of Taxes.** The State Budget Package makes no changes to the \$644,000 in funding to the State Payment in Lieu of Taxes (PILT) program from the Governor's January proposed Budget; however, it does not include funding for arrearages of approximately \$8 million, accumulated over several budget cycles in the early 2000's.

California's State PILT was established in 1949 to offset adverse impacts to county property tax revenues that result when the state acquires private property for wildlife management areas. This program provides modest funding to 36 counties to offset these losses. **(Assembly Bill 74)**

**State Responsibility Area Fee Backfill.** The State Budget Package includes \$84 million to the California Department of Forestry and Fire Protection (CAL FIRE) from the Greenhouse Gas Reduction Fund (GGRF) to backfill funds that would've been collected if the State Responsibility Area (SRA) fee were still in effect. These funds are used for fire prevention activities. The SRA fee was suspended in 2017 as part of a deal between the Brown Administration and the Legislature to extend the Cap-and-Trade Auction Program through 2030. There were discussions at the Legislature to lift the suspension on the fee in this package, but RCRC and other stakeholders successfully advocated against such an action, and successfully secured the continued backfill from the GGRF. **(Assembly Bill 74)**

### **Transportation**

The State Budget Package continues to implement the Road Repair and Accountability Act of 2017 (commonly known as Senate Bill 1), which provides monies for state and local transportation infrastructure. Funding for SB 1 is derived from recent increases in motor fuel taxes and vehicle registration fees. The State Budget Package estimates an average of \$5.4 billion per year over the next ten years for a mix of state and local transportation projects.

The State Budget Package provides \$4.8 billion in new SB 1 funding. Of this amount, \$1.2 billion is available to all cities and counties for local road repairs, and another \$1.2 billion is available for the repair and maintenance of the state highway system. \$400 million is available to repair and maintain the state's bridges and culverts. \$307 million is available to improve trade corridors, and \$250 million is available to increase flow throughout congested commute corridors. The State Budget Package also reflects \$458 million for local transit operations, and \$386 million for capital improvements for transit, commuter, and intercity rail. The RCRC Board of Directors adopted a "support" position on SB 1 when it was considered in 2017, and reiterated that sentiment when members of the Board of Directors voted to oppose Proposition 6 (which had the effect of repealing the recent increases in motor fuel taxes and vehicle registration fees associated with SB 1). **(Senate Bill 87)**



**Repayment of Transportation Loans.** The State Budget Package repays all outstanding General Fund transportation loans, no later than June 30, 2020. This includes \$236 million from the Traffic Congestion Relief Fund, and \$ 873 million in loaded weight fees. All remaining weight fee revenues are required to be repaid by 2020-21.

**Short Line Railroads.** The State Budget Package directs the California Transportation Commission to establish a statewide competitive grant program to fund short-line railroad projects such as railroad reconstruction, maintenance, upgrades, or replacements.

### **Water**

**California Department of Water Resources.** The State Budget Package includes one-time funding of \$9.25 million in General Fund monies for the Atmospheric River Research Program. This funding is for research to improve observations, forecasts, and decisions related to understanding atmospheric river precipitation events. **(Assembly Bill 74)**

**Flood Protection.** The State Budget Package includes \$92.5 million to the Department of Water Resources (DWR) for multi-benefit flood projects, including \$16 million for the Yolo Bypass Phase I implementation, and \$3 million for the Tisdale Weir and Bypass Program. These funds originate from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014. In addition, DWR was also allocated \$98 million from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund for a number of projects including: \$8.52 million for the Reclamation District 17 flood project; 7.88 million for the Southport Setback Levee project; \$55 million for Yolo Bypass Phase I Implementation; \$3 million for the Paradise Cut flood project; and \$15 million for the Butte Slough Outfall Gates project. These funds shall be available for expenditure or to be encumbered until 30 June 2022. **(Assembly Bill 74)**

**Safe and Affordable Drinking Water.** The Governor's proposal to establish a new special fund for the State Water Board to assist communities, particularly disadvantaged communities, in paying for the short-term and longer-term costs of obtaining access to safe and affordable drinking water was not included in the final package. However, the State Budget Package included \$100 million from the Greenhouse Gas Reduction Fund, \$30 million from the General Fund, and \$3.4 million to the State Water Resources Control Board from the General Fund for administrative start-up costs. **(Assembly Bill 74)**

As of this writing, the program to implement the Safe and Affordable Drinking Water Fund is pending action from the Legislature and Governor Newsom. The Legislature continues to consider a policy measure, which would set up the framework of the Safe and Affordable Drinking Water Fund, where the \$130 million provided in the State Budget Package would be deposited. Senate Bill 200 would do the following: identify water systems that consistently fail to provide an adequate supply of safe drinking water; determine the amount of money needed to remedy the situation; facilitate consolidation of failing systems; target aquifers at the greatest risk of water quality issues; and provide operation and maintenance funding for communities unable to do so internally. Additionally, this measure specifies that five percent of the GGFR is continuously appropriated beginning in 2020 with an annual cap of \$130 million. The General Fund will act as a backstop in the event that the Safe Drinking Water Fund falls short. The funding will sunset in June 2030.

### 2019-20 Funded Mandates

Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)
Crime Victims' Domestic Violence Incident Reports (Ch. 1022, Stats. 1999) (99-TC-08)
Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
Domestic Violence Arrests and Victims Assistance (Chs. 698 and 702 , Stats. 1998) (98-TC-14)
Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM-96-281-01)
Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
Local Agency Ethics (Ch. 700, Stats. 2005) (07-TC-04)
Medi-Cal Beneficiary Death Notices (Chs. 102 and 1163, Stats. 1981) (CSM- 4032)
Medi-Cal Eligibility of Juvenile Offenders (Ch. 657, Stats. 2006) (08-TC-04)
Peace Officer Personnel Records: Unfounded Complaints and Discovery (Ch. 630, Stats. 1978; Ch. 741, Stats. 1994) (00-TC-24)
Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)
Sexually Violent Predators (Chs. 762 and 763)
State Authorized Risk Assessment Tool for Sex Offenders (Chs. 336, 337, 886, Stats. 2006; Ch. 579, Stats. 2007) (08-TC-03)
Tuberculosis Control (Ch. 676, Stats. 1993; Ch. 685, Stats. 1994; Ch. 116, Stats. 1997; and Ch. 763, Stats. 2002) (03-TC-14)
Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4317 and CSM-4355)

## 2019-20 Suspended Mandates

Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
Absentee Ballots-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
Accounting for Local Revenue Realignment (Ch. 162, Stats. 2003; Ch. 211, Stats. 2004; Ch. 610, Stats. 2004) (05-TC-01)
Adult Felony Restitution (Ch. 1123, Stats. 1977) (04-LM-08)
AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM-4392)
Airport Land Use Commission/Plans (Ch. 644, Stats. 1994) (CSM-4507)
Animal Adoption (Ch. 752, Stats. 1998) (04-PGA-01, 98-TC-11)
Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM-4357)
California Public Records Act (Ch. 463, Stats. 1992; Ch. 982, Stats. 2000; Ch. 355, Stats. 2001) (02-TC-10 and 02-TC-51)
Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
Coroners' Costs (Ch. 498, Stats. 1977) (04-LM-07)
County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03)
Crime Statistics Reports for the Department of Justice (Ch. 1172, Stats. 1989, Ch. 1338, Stats. 1992, Ch. 1230, Stats. 1993, Ch. 933, Stats. 1998, Ch. 571, Stats. 1999, Ch. 626, Stats. 2000) (02-TC-04 and, 02- TC-11) and Crime Statistics Reports for the Department of Justice Amended (Ch. 700, Stats. 2004) (07-TC-10)
Crime Victims' Domestic Violence Incident Reports II (Ch. 901, Stats. 1984) (02-TC-18)
Deaf Teletype Equipment (Ch. 502, Stats. 1980) (04-LM-11)
Developmentally Disabled Attorneys' Services (Ch. 694, Stats. 1975) (04-LM-03)
DNA Database & Amendments to Postmortem Examinations: Unidentified Bodies (Ch. 822, Stats. 2000; Ch. 467, Stats. 2001) (00-TC-27, 02-TC-39)
Domestic Violence Background Checks (Ch. 713, Stats. 2001) (01-TC-29)
Domestic Violence Information (Ch. 1609, Stats. 1984) (CSM-4222)
Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
Extended Commitment, Youth Authority (Ch. 267, Stats. 1998) (98-TC-13)

False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
Fifteen-Day Close of Voter Registration (Ch. 899, Stats. 2000) (01-TC-15)
Firearm Hearings for Discharged Inpatients (Chs. 9 and 177, Stats. 1990) (99-TC-11)
Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
Handicapped Voter Access Information (Ch. 494, Stats. 1979) (CSM-4363)
Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
Identity Theft (Ch. 956, Stats. 2000) (03-TC-08)
In-Home Supportive Services II (Ch. 445, Stats. 2000; Ch. 90, Stats. 1999) (00-TC-23)
Inmate AIDS Testing (Ch. 1579, Stats. 1988; Ch. 768, Stats. 1991) (CSM-4369 and CSM-4429)
Interagency Child Abuse and Neglect Investigation Reports Mandate (Ch. 958, Stats. 1977) (00-TC-22)
Judiciary Proceedings (Ch. 644, Stats. 1980) (CSM-4366)
Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM-4431)
Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM-4204 and CSM-4485)
Mandate Reimbursement Process II (Ch. 890, Stats. 2004) (05-TC-05)
Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991) (98-TC-09)
Mentally Disordered Offenders: Treatment as a Condition of Parole (Ch. 228, Stats. 1989; Ch. 706, Stats. 1994) (00-TC-28, 05-TC-06)
Mentally Disordered Sex Offenders' Recommitments (Ch. 1036, Stats. 1978) (04-LM-09)
Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
Missing Persons Report (Ch. 1456, Stats. 1988; Ch. 59, Stats. 1993) (CSM-4255, CSM-4368, and CSM-4484)
Modified Primary Election (Ch. 898, Stats. 2000) (01-TC-13)

Not Guilty by Reason of Insanity (Ch. 1114, Stats. 1979) (CSM-2753)
Open Meetings Act/Brown Act Reform (Ch. 641, Stats. 1986) (CSM-4257 and CSM-4469)
Pacific Beach Safety: Water Quality and Closures (Ch. 961, Stats. 1992) (CSM- 4432)
Perinatal Services (Ch. 1603, Stats. 1990) (CSM-4397)
Permanent Absent Voters II (Ch. 922, Stats. 2001, Ch. 664, Stats. 2002, and Ch. 347, Stats. 2003) (03-TC-11)
Personal Safety Alarm Devices (8 Cal. Code Regs. 3401 (c)) (CSM-4087)
Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08)
Pocket Masks (Ch. 1334, Stats. 1987) (CSM-4291)
Post Conviction: DNA Court Proceedings (Ch. 943, Stats. 2001) (00-TC-21, 01-TC-08)
Post Election Manual Tally (2 Cal. Code Regs., 20120 to 20127, incl.) (10-TC-08)
Postmortem Examinations : Unidentified Bodies, Human Remains (Ch. 284, Stats. 2000) (00-TC-18)
Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM-4427)
Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-01)
Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211 and 4298)
School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; and Ch. 739, Stats. 1997) (CSM 4433 and 97-TC-22)
Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195)
Senior Citizens Property Tax Postponement (Ch. 1242, Stats. 1977; Ch. 43, Stats. 197 8 ) (CSM-4359)
Sex Crime Confidentiality (Ch. 502, Stats. 1992; Ch. 36, 1993-94 1st Ex. Sess.) (98-TC-21)
Sex Offenders: Disclosure by Law Enforcement Officers (Chs. 908 and 909, Stats. 1996) (97-TC-15)

Sheriffs Court Security Services (Ch. 22, Stats. 2009) (09-TC-02)
SIDS Autopsies (Ch. 955, Stats. 1989) (CSM-4393)
SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM-4424)
SIDS Training for Firefighters (Ch. 1111, Stats. 1989) (CSM-4412)
Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
Structural and Wildland Firefighter Safety Clothing and Equipment (8 Cal. Code Regs., 3401 to 3410, incl.) (CSM-4261-4281)
Threats Against Peace Officers (Ch. 1249, Stats. 1992; Ch. 666, Stats. 1995) (CSM-96-365-02)
Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992) (97-TC-13)
Victims' Statements-Minors (Ch. 332, Stats. 1981) (04-LM-14)
Voter Identification Procedures (Ch. 260, Stats. 2000) (03-TC-23)
Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)