



THE RURAL RUNDOWN

June 15, 2020

**A SUMMARY OF THE
INITIAL 2020-21 STATE
BUDGET PACKAGE**

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RCRC'S PRELIMINARY ANALYSIS OF THE 2020-21 STATE BUDGET PACKAGE

Both houses of the Legislature approved the main 2020-21 State Budget and two budget trailer bills that assist in implementing the 2020-21 State Budget Package. It should be noted that the State Budget Package remains incomplete – the vast majority of the budget trailer bills still await action, including measures pertaining to criminal justice and corrections, resources, housing and homelessness, broadband, reform of the Department of Toxic Substances Control, and expenditures from the state's Cap-and-Trade auction proceeds, along with a supplemental budget bill to address outstanding issues with the current fiscal year which ends on June 30th. Over the next several days and weeks, it is expected these remaining issues will be considered and adopted.

It should be noted that the Legislature and the Governor do not have an agreement on the State Budget Package, which leaves some uncertainty as to the Governor's position on the proposed spending plan.

Overview

The \$142.9 billion state spending plan, of which \$147.8 billion is General Fund, attempts to address the estimated \$54 billion budget deficit promulgated by the novel coronavirus (COVID-19) pandemic. The State Budget Package also counts on \$14 billion in as-yet-unsecured federal funds and includes a number of trigger actions should those federal dollars not materialize. The Legislature's budget structure differs from the Governor's May Revision in that it assumes the federal funds up front then activates triggers based on a lack of federal funds. The Governor, on the other hand, proposed reductions to programs up front, then restoring those programs if the federal funds are made available. Should the federal dollars become a reality, the State Budget Package will end the year with total reserves of \$11 billion.

If the state is unable to secure all or a portion of the \$14 billion in federal funds, the state will undertake a number of trigger actions to backfill the deficit.

Key Issues/Changes for RCRC Member Counties

- Continues to provide \$644,000 for the State's Payment in Lieu of Taxes (PILT) Program for 2020-21;
- Provides for the release of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act monies to counties and cities;
- Delays action on Cap-and-Trade revenues for various greenhouse gas reduction programs, including SB 901 forest health and wildfire prevention activities and the FARMER Program;
- Fails to provide a \$3.6 million increase, along with an additional 10 percent reduction, from the current baseline for the University of California, Division of Agriculture and Natural Resources;
- Defers to a later discussion a \$1 billion backfill to Realignment programs to account for the loss of sales tax monies that support the Realignment structure; and,
- Provides \$50 million to the California Office of Emergency Services for community power resiliency projects to help local governments, special districts, and fairgrounds undertake actions to mitigate the impacts of future public safety power

shutoff (PSPS) events, and provides increased funding for the California Public Utilities Commission to review utility Wildfire Mitigation Plans and PSPS reports.

Bills passed by the Legislature to construct a state spending plan include:

- Senate Bill 74, the main Budget Bill, which includes the bulk of the appropriations for the coming fiscal year;
- Assembly Bill 76, the education finance trailer bill, which makes a number of education appropriations; and,
- Assembly Bill 85, the state taxes and charges trailer bill, which enacts various changes to state tax laws.

The State Budget Package adopted today includes language which would trigger a number of reductions in state spending if the federal government fails to provide additional funding of at least \$14 billion before September 1, 2020. Subsequently, the Director of the Department of Finance shall make a number of budget reduction that would be effective October 1, 2020. Of importance to counties is a funding reduction to backfill county realignment revenue by \$600 million (assuming \$1 billion is allocated for this backfill in subsequent budget actions, only \$400 million would remain in place). Other reductions include:

- Withdraw \$1.8 billion from the Budget Stabilization Account;
- Withdraw \$900 million from the Safety Net Reserve Fund;
- Defer the fourth-quarter contribution to the California Public Employees' Retirement System to the first quarter of the 2021–22 fiscal year;
- Maximize the use of additional special fund loans to the General Fund from funds made available as a result of the California Public Employees' Retirement System deferral described in paragraph (3);
- Defer \$5.9 billion in Proposition 98 (K-14 minimum guarantee funding) funds;
- Reduce General Fund appropriations to the University of California by \$370 million;
- Reduce General Fund appropriations to the California State University by \$400 million;
- Reduce General Fund appropriations for the Judiciary by \$100 million (this reduction shall not apply to any funding provided for dependency counsel, self help, court interpreters, or the Equal Access Fund); and,
- Reduce items of appropriation to reflect reductions in employee compensation to be achieved through the collective bargaining process for represented employees and through the Administration's existing authority to adjust compensation for non-represented employees. This is anticipated save at least \$1.5 billion to the General Fund.

Administration of Justice

2011 Realignment of Public Safety Responsibilities to Counties. In 2011, the Governor and Legislature enacted the realignment of various state programs to counties. The Governor's May Revision updated estimates for revenues dedicated to support these programs, including funds in the Community Corrections Subaccount

(implementation of Assembly Bill 109). Comparing January revenue estimates to those in the May Revision, “base” funding estimates for the Community Corrections Subaccount in the current fiscal year 2019-20 have been revised significantly downward from \$1.366 billion to \$1.152 billion, reflecting an eroding performance in state sales tax. A similar downward adjustment has been estimated for the Community Corrections Subaccount in 2020-21 from \$1.459 billion in the Governor’s January proposed Budget down to \$1.174 in the May Revision. In addition, the Governor’s May Revision estimated that counties will not see any “growth” funds associated with the Community Corrections Subaccount attributable to this fiscal year or next.

Funding for Realignment is provided primarily via a dedication of 1.0625 percent of the state portion of the sales tax rate, and secondarily through a portion of Vehicle License Fee (VLF) revenues. These revenue commitments are constitutionally protected following the passage of Proposition 30 (Temporary Taxes to Fund Education) in 2012. The 2011 Realignment fiscal structure also ensures continued funding for several local public safety subventions (rural sheriff grants, COPS, etc.), which are funded through VLF. Although VLF estimates have been revised downward, it is not as precipitous a drop as the sales tax, and the state estimates the VLF will largely rebound in 2020-21.

AB 109 funding is directed to counties from the state-level Community Corrections Subaccount. Annual funding amounts to the Community Corrections Subaccount are 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.

At the time of this writing, a Realignment backfill has not been provided in the State Budget Package to help ameliorate the loss in revenues that support the Realignment structure. If the final State Budget Package includes a Realignment revenue backfill that is broadly applied across all 1991 and 2011 realigned programs, counties would see a one-time infusion of additional resources. The Realignment backfill remains part of the active state budget negotiations.

Additional County Probation Funding and Senate Bill 678 Funding. The State Budget Package provides \$12.9 million to county probation departments to supervise a temporary increase in the daily population of offenders on Post Release Community Supervision 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. Additionally, the State Budget Package provides \$112.7 million in 2020-21 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. (**Senate Bill 74**)

Court Facility Construction. The State Budget Package dedicated \$2 billion out of the state's Five-Year Infrastructure Plan to support trial court facility construction and rehabilitation. The Governor's May Revision suspends that proposal and also withdraws a \$43.6 million General Fund support to begin the design and construction of courthouse projects in a manner consistent with the facilities reassessment recently completed by the Judicial Council. (**Senate Bill 74**)

County Law Libraries. The State Budget Package provides \$7 million in one-time funding to assist county law libraries. (**Senate Bill 74**)

Juvenile Justice. The Governor's May Revision proposes to transfer the responsibility of managing all youth offenders from facilities operated by the Division of Juvenile Justice (DJJ) to local jurisdictions. Under the proposal, DJJ would cease the intake of new juvenile offenders effective January 1, 2021 and commence the closure process at the state's three facilities and the fire camp through the matriculation of the current population. Furthermore, the Governor's May Revision proposal would direct a portion of the state's savings from the closure of DJJ to support counties' new responsibilities. In recognition that some youth offenders in DJJ require addressing sex behavior/mental health needs, \$2.4 million would be provided in 2020-21, increasing to \$9.6 million on an on-going basis. Ultimately, these monies would be provided through a competitive grant program administered by the Board of State and Community Corrections.

The DJJ realignment proposal remains part of active negotiations towards a State Budget Package. RCRC has joined its county partners to advocate for a delayed implementation date, additional resources, and enhanced financing protections.

Proposition 47. The State Budget Package estimates state savings associated with the implementation of Proposition 47 to \$102.9 million – a slight reduction of \$19.6 million from the Governor's January proposed Budget estimates. Approved by voters in 2014, Proposition 47 reduces penalties for a variety of specified offenses, and dedicates the state correctional 'savings' 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 annual savings associated with the measure. The state savings figure for the current year will be finalized, pursuant to provisions in the proposition, in August 2020. (**Senate Bill 74**)

State Crime Laboratories. The State Budget Package provides \$35.8 million for 2020-21 in one-time funds to backfill the continued decline in revenues in the DNA Identification Fund, which will help assure continued processing of evidence for counties. The Package eliminated the \$7.3 million for forensic services equipment and maintenance, but includes provisional language to allow for the augmentation of the DNA Identification Fund subject to notification to the Joint Legislative Budget Committee. 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. (**Senate Bill 74**)

State Prison Closures. The State Budget Package provides for the closure of two state owned and operated prisons, of which have not been determined. The first facility is slated to commence closure in 2021-22 and the second prison to commence closure in 2022-23. (**Senate Bill 74**)

Supplemental Funding for Local Indigent Defense. The State Budget Package provides assistance to improve the delivery of indigent defense at the local level. Specifically, the State Budget Package includes \$4 million to support the Office of the State Public Defender's mission to include enhancing the quality of indigent defense at the local level. Additionally, the State Budget Package includes a one-time allocation of \$10 million for the Board of State and Community Corrections to administer, in consultation with the State Public Defender, a pilot program to augment local funding for indigent criminal defense. (**Senate Bill 74**)

California Environmental Protection Agency

Assembly Bill 32 Cap-and-Trade Proceeds. The State Budget Package does not include an Expenditure Plan for the Assembly Bill 32 Cap-and-Trade Auction proceeds. The Legislature is delaying action on appropriating the discretionary portion of the funds, which populate the Greenhouse Gas Reduction Fund (GGRF), until a future date when a clearer picture of what the anticipated 2020-21 auction proceeds might look like. Note that the May quarterly Cap-and-Trade auction brought just \$25 million in revenues to California due to COVID-19-related industry shutdowns, which was down from more than \$600 million in February's auction — a 96 percent drop in revenue. The Governor's May Revision proposed a "pay-as-you-go" mechanism for spending auction proceeds, prioritizing initial auction proceeds for three specific programs, then authorizing expenditures for the remainder based on quarterly Cap-and-Trade auction proceeds. The three priority programs are:

- Funding for forest health, resilience and wildfire prevention programs. This includes \$200 million to the California Department of Forestry and Fire Protection for forest health, resilience, and wildfire prevention programs, including prescribed burn projects, as prescribed in 2018's Senate Bill 901 (Dodd), as well as \$8.3 million to help fund the Wildfire Mitigation Financial Assistance Program pursuant to 2019's Assembly Bill 38 (Wood) to help with home hardening and defensible space efforts;
- Investments in air quality improvements in disadvantaged communities, including \$50 million for agricultural diesel engine upgrades (including the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program) and \$235 million for community air pollution mitigation measures pursuant to 2017's Assembly Bill 617 (Garcia); and,
- Funding for the Safe Drinking Water program.

It remains to be seen whether the Legislature will adopt the Governor's "pay-as-you-go" system of allocating the much sought after GGRF funds if the August Cap-and-Trade auction revenues are as meager as the May auction. Regardless, RCRC will continue to advocate that the state keep forest health and fire prevention funding among its top priorities, and also consider expenditures for important programs such as the FARMER

Program. However, with what will likely be a severe cut in funding for solid waste short-lived climate pollutant regulations, RCRC has continued to request a delay in implementation and will continue seeking an alternative compliance path for small, rural jurisdictions.

The originally proposed 2020-21 Cap-and-Trade Expenditure Plan is as follows:

Investment Category	Department	Program	Final (In Millions)
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$200
		AB 617 - Local Air District Implementation	\$25
		AB 617 - Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$125
		Clean Trucks, Buses & Off-Road Freight Equipment	\$150
		Enhanced Fleet Modernization Program	\$75
		Agricultural Diesel Engine Replacement and Upgrades, including the FARMER program	\$50
Climate Smart Agriculture	Department of Food & Agriculture	Healthy Soils	\$18
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$165
		Prescribed Fire & Fuel Reduction	\$35
		2019 Fire Safety and Prevention Legislation	\$8
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$15
	Department of Food and Agriculture	Methane Reduction	\$20
Integrated Climate Action: Mitigation and Resilience	Coastal Commission & SF Bay Conservation and Development Commission	Coastal Resilience	\$4
	California Conservation Corps	Energy Corps	\$7
Research and Technical Assistance	Natural Resources Agency, California Energy Commission, Office of Planning and Research, and Strategic Growth Council	Climate Change Research, Technical Assistance to Disadvantaged Communities and Capacity Building	\$25
Workforce Training	Workforce Development Board	Apprenticeships and Job Creation/Just Transition Strategies for a Carbon Neutral Economy	\$33
Total			\$965

Capital Improvement Projects in RCRC Counties. The State Budget Package contains many capital outlay projects in RCRC member counties, including:

- Replacement of the existing CCC Ukiah Residential Center - \$61.582 million (Mendocino County).
- CAL FIRE C-130 air attack base infrastructure improvements in Chico - \$1.886 million for preliminary plans and working drawings (Butte County) and Paso Robles - \$297,000 for working drawings (San Luis Obispo County).
- Replacement of CAL FIRE's Ishi Conservation Camp kitchen facilities - \$10.708 million (Tehama County).
- Replacement of CAL FIRE's San Luis Obispo Unit Headquarters facility - \$35.012 million for working drawings and construction (San Luis Obispo County).
- CAL FIRE Bieber Forest Fire Station/Helitack Base - \$24.638 million (Lassen County).
- Replacement of CAL FIRE's Lake/Napa Unit Auto Shop and Warehouse - \$2.102 million for the acquisition and preliminary plans phase of project, which is expected to cost \$22.411 million total (Napa County).
- Sediment track-out prevention improvements at the Department of Parks and Recreation's Oceano Dunes State Vehicle Recreation Area - \$872,000 San Luis Obispo County).
- Construction of a new visitor center building at the Department of Parks and Recreation's Colonel Allensworth State Historic Park - \$572,000 (Tulare County).
- Replacement of the Founders Grove restroom at the Department of Parks and Recreation's Humboldt Redwoods State Park - \$225,000 (Humboldt County).
- Upgrading the stormwater system at Argonaut Dam to prevent flooding in the City of Jackson - \$2.1 million (Amador County).
- Expenditure of significant bond funding for various flood improvement projects, including the Lower Elkhorn Basin Levee Setback Bryte project (Yolo County), the Lower Yolo Bypass Project, the Tisdale Weir and Bypass Program (Sutter County), the Cache Creek Settling Basin Project (Yolo County), Knights Landing Outfall Gates Project (Yolo County), and the Weir 4 Project (Sutter County).

Withdrawal of Funding Proposals and Capital Outlay Projects. As a result of sharply declining revenues, the State Budget Package does not include several major funding programs that were part of the Governor's January proposed Budget. Items that will no longer be funded include:

- **Climate Catalyst Fund.** Would have allocated \$1 billion total over several fiscal years to provide low-interest loans to jump-start climate-related technologies and infrastructure that face barriers to access funding in the private market.
- **Climate Resilience Bond.** Would have placed a \$4.75 billion climate resilience bond on the November 2020 ballot. Among other things, the bond would have invested in water resilience, sustainable groundwater management, safe drinking water, flood protection, hardening critical community infrastructure, forest health projects, address sea-level rise, Salton Sea air quality and habitat improvements, and community

resilience centers. Many of these projects were also contained in the Governor's Water Resiliency Portfolio.

- **California Conservation Corps Butte Conservation Camp.** Withdraws \$2.745 million for the working drawings phase to replace the Butte Conservation Camp. (Butte County)
- **CAL FIRE Intermountain Conservation Camp.** Withdraws \$3.831 million for the preliminary plans phase of a project to replace CAL FIRE's Intermountain Conservation Camp. (Lassen County)
- **CAL FIRE Howard Forest Helitack Base.** Withdraws \$550,000 for the acquisition phase of CAL FIRE's Howard Forest Helitack Base. (Mendocino County)
- **CAL FIRE Kneeland Helitack Base.** Withdraws \$859,000 for the acquisition phase of CAL FIRE's Kneeland Helitack Base replacement project. (Humboldt County)
- **CAL FIRE Shasta Trinity Unit Headquarters.** Reduces funding for CAL FIRE's proposed Shasta Trinity Unit Headquarters project by \$5.998 million. (Shasta County)
- **California Indian Heritage Center.** Reverts \$95 million for the preparation of working drawings and construction of the proposed California Indian Heritage Center. (Yolo County)
- **CHP Quincy Replacement Facility Proposal.** Withdraws \$38.1 million for the design-build phase of the project. (Plumas County)
- **CHP Humboldt Area Office.** Withdraws \$2.1 million for the acquisition phase of a project to replace the CHP's Humboldt Area Office. (Humboldt County)

Cap-and-Trade Program Changes. The State Budget Package allocates \$200,000 to the California Air Resources Board from the Air Pollution Control Fund to conduct a rulemaking to consider changes to the Cap-and-Trade Program. The Legislature deferred action on this program, as well as the other programs funded by Cap-and-Trade auction, until August, at which time it is anticipated there will be a clearer understanding of auction proceeds, as well as the level of federal funding that might be forthcoming. (**Senate Bill 74**)

Certified Unified Program Agencies. The State Budget Package reduces funding for the Unified Program Account, which supports the Certified Unified Program Agencies (CUPAs), by \$750,000 for 2020-21. CUPAs provide local regulatory support and inspections of hazardous waste and hazardous materials for many RCRC member counties. (**Senate Bill 74**)

Mendocino Complex Fire Cleanup. The State Budget Package includes an additional \$2.2 million General Fund for the Department of Resources Recycling and Recovery (CalRecycle) to complete residential debris removal operations related to the 2018 Mendocino Complex Fire. (**Senate Bill 74**)

Solid Waste and Recycling Management. The State Budget Package provides funding to CalRecycle for a number of programs related to solid waste and recycling management, including:

- \$454,000 from the Pharmaceutical and Sharps Stewardship Fund for the Pharmaceutical and Sharps Waste Stewardship Program enforcement;
- \$119,000 from the Carpet Stewardship Account for the Carpet Stewardship Program, pursuant to 2019's Assembly Bill 729 (Chu);
- \$367,000 in special funds for solid waste reporting, inspection, and enforcement;
- \$390,000 to finance infrastructure and mechanisms to implement 2019's Assembly Bill 1583 (Eggman) related to in-state recycling manufacturing infrastructure;
- \$200,000 for extended producer responsibility program expenditure authority realignment; and,
- \$126,000 from the Beverage Container Recycling Fund for the Beverage Container Redemption Pilot Project Grant Program, pursuant to 2017's Senate Bill 458 (Wiener). (**Senate Bill 74**)

Economic Development

Assistance for Small Businesses. The State Budget Package includes \$50 million for the California Infrastructure and Economic Development Bank's Small Business Finance Center for its small business loan guarantee program. (**Senate Bill 74**)

Waiving the Minimum Franchise Tax. The State Budget Package waives the \$800 minimum franchise tax paid during the first year of operation of a new limited liability company, limited partnership, and limited liability partnership, thereby bringing their tax treatment in line with corporations. This first year franchise tax waiver is expected to provide approximately \$100 million in tax relief annually and applies only to businesses created between January 1, 2021 and January 1, 2024. (**Assembly Bill 85**)

Emergency Preparedness, Response and Recovery

The State Budget Package acknowledges the state's continued urgent need to mitigate wildfire risk and respond to the 2020 wildfire season and beyond. The State Budget Package maintains many of the wildfire and emergency response allocations included in the Governor's May Revision, including funding to aid local governments with response to public safety power shutoffs (PSPS) and help for residents in high-fire risk areas to harden their homes and maintain their defensible space, and augments current year spending for a number of emergency response and recovery items.

California Department of Forestry and Fire Protection. The State Budget Package maintains \$85.6 million in support for permanent firefighting positions to give the California Department of Forestry and Fire Protection (CAL FIRE) operation flexibility through fire season based on fire conditions, but rejects an additional \$49.5 million in support proposed in the Governor's May Revision. The resources will allow for coverage when CAL FIRE staff are undertaking training or utilizing sick/vacation days, while also providing additional staffing during major wildfire incidents and weather events. The resources will also be available to operate additional fire engines when fire conditions require an increase to the existing year-round engines, and to pre-position firefighting personnel in high-risk areas by adding a fourth firefighter on a portion of CAL FIRE engines. These additional staffing resources will augment existing permanently funded firefighting pre-positioning resources. (**Senate Bill 74**)

Community Power Resiliency. The State Budget Package includes \$50 million for local government projects undertaken to improve community power resiliency by reducing the impact of public safety power shutoff (PSPS) events on critical facilities and infrastructure, including schools, county election offices, and food storage reserves.

RCRC strongly supported this proposal and cautioned against including a local match requirement that would disproportionately impact some of the hardest-pressed areas of the state.

RCRC has joined a coalition of local government organizations urging minor changes to the budget bill language to facilitate the timely award of funding and minimize near-term PSPS impacts. The coalition will work to ensure that future budget clean-up measures make the necessary changes and that the California Governor's Office of Emergency Services' program guidelines facilitate the expeditious allocation of funds to help minimize the impacts of future PSPS events. (**Senate Bill 74**)

Wildfire Forecast and Threat Intelligence Integration Center. In 2019, the Legislature enacted Senate Bill 209 (Dodd) requiring CalOES and CAL FIRE to establish a Wildfire Forecast and Threat Intelligence Integration Center (Center). The purpose of the Center is to provide intelligence and data to government agencies to help predict wildfire threats, to develop intelligence products for entities involved in wildfire risk mitigation efforts, and to serve as a centralized hub for fire forecasting, weather information, and other analysis to help plan for wildfire response in real-time. RCRC supported SB 209 as a way to guide fire risk management, better preposition scarce resources, and coordinate responses to active fire events. The Governor's January proposed Budget included \$9 million for establishment of the Center, but the State Budget Package maintains the Governor's May Revision's proposed reduction of the proposal to \$2 million from General Fund. (**Senate Bill 74**)

Wildfire Mitigation Financial Assistance Program — Home Hardening. The State Budget Package affirms the Governor's May Revision withdrawal of the \$110.1 million in the Governor's January proposed Budget to implement 2019's Assembly Bill 38 (Wood), which established the Wildfire Mitigation Financial Assistance Program (Program) through July 1, 2025. The Program is designed to help residents in low-income, high-fire risk communities with home hardening projects and defensible space maintenance. The State Budget Package includes the additional CAL FIRE defensible space inspections and a regional fire prevention capacity review, pursuant to AB 38, to be funded by an \$8.3 million Greenhouse Gas Reduction Fund allocation subject to fund availability. The Legislature deferred action on this program, as well as the other programs funded by Cap-and-Trade auction, until August, at which time it is anticipated there will be a clearer understanding of auction proceeds, as well as the level of federal funding that might be forthcoming.

California Disaster Assistance Act. The State Budget Package preserves the Governor's May Revision increase of California Disaster Assistance Act (CDAA) funding, bringing the one-time CDAA funding for 2020-21 to \$38.2 million. CDAA funds can be accessed by local governments in response to a state of emergency, including wildfires

and flood response. The total allocation proposed for CDAA funding with this increase is \$100.8 million. (**Senate Bill 74**)

Consolidation of Fire Camps. The Governor's May Revision proposed to consolidate any fire camp that is not currently at capacity, and anticipates the closure of eight camps that will be selected in coordination with CAL FIRE. It is estimated that the closures will result in a cost savings of \$7.4 million in General Fund monies in 2020-21 and \$14.7 million ongoing. This item has not yet been considered by the Legislature, but will likely be taken up in future legislation.

Community Resiliency to De-Energization Events. The State Budget Package maintains \$50 million from the General Fund to support community power resiliency projects. Outside of the budget process, two legislative proposals to clarify authority for locals to declare PSPS emergencies will help local governments access state funding to offset PSPS response costs. RCRC is seeking some clarifying changes to the budget bill language to ensure that local governments have access to the funds.

As the PG&E bankruptcy proceeding draws to a close, the utility has agreed to significant management and oversight changes. Furthermore, the California Public Utilities Commission has imposed a diverse set of new rules and requirements to reduce the risk of future wildfires, minimize the need for PSPS events, and mitigate their impacts.

RCRC continues strong legislative and regulatory advocacy to increase vegetation management, reduce wildfire risk, reduce the need for and mitigate the impacts of PSPS events, and assist local wildfire and PSPS response costs. (**Senate Bill 74**)

Joint Institute for Wood Products Innovation. The State Budget Package allocates \$425,000 from the Timber Regulation and Forest Restoration Fund for the development and implementation of the Joint Institute for Wood Products Innovation, consistent with recommendations in the Forest Carbon Plan. (**Senate Bill 74**)

Public Utilities Commission Personnel Increases – Wildfire Safety. The State Budget Package includes funding for 63 additional positions at the California Public Utilities Commission (CPUC) for utility wildfire safety activities to implement Senate Bill 901 (Dodd, Chapter 626, Statutes of 2018), Assembly Bill 1054 (Holden, Chapter 79, Statutes of 2019), and Assembly Bill 111 (Committee on Budget, Chapter 81, Statutes of 2019) and nine administrative positions. Additionally, the State Budget Package funds 16 three-year limited term positions for allocation of wildfire damages and 15 three-year limited term positions for CPUC process streamlining and efficiency improvements. (**Senate Bill 74**)

General Government

Allocation of CARES Act Monies to Counties. The State Budget Package allocates \$1.3 billion of the remaining Coronavirus Aid, Relief, and Economic Security (CARES) Act funding directly to counties based on population size. The CARES Act provided nearly \$9.5 billion of relief to the State of California, counties and cities to address COVID-19-related costs. Under the CARES Act, counties and cities above 500,000 in population

received a direct allocation; however, cities and counties under 500,000 are reliant upon the state for the allocation. The allocation allows all of California's 58 counties to receive an allocation of the remaining \$1.3 billion. These monies must be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic. These funds shall be allocated based on the share of each county's population relative to the total population of the state, taking into account prior direct allocation of funding from the federal CARES Act.

In addition to monies being awarded to counties, \$500 million in CARES Act is being allocated directly to cities, to be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic. Of importance to cities located in RCRC member counties, \$275 million to cities with a population of less than 300,000 will be allocated based on the share of each city's population relative to the total population of the cities. A city receiving funding pursuant to this subparagraph shall not receive less than \$50,000.

Allocation of these monies is contingent on adherence to federal guidance and the state's stay-at-home orders and will be released upon jurisdictions' certification of both. CARES Act funds must be used by December 30, 2020. The Department of Finance has the authority to ensure that these funds are expended in a timely manner and has the authority to reallocate funds if, by September 1, 2020, it looks that funds will not be expended fully by the end of the year. (**Senate Bill 74**)

Animal Shelter Grant Program. The State Budget Package does not provide funding for a local shelter grant program. The Governor's January proposed Budget would have provided \$50 million in General Fund monies for a five-year program established within the University of California Davis Koret Shelter Medicine Program, which would have been available to animal shelters for training and assistance, in order to decrease dog and cat euthanization rates. The Governor's May Revision continued with the creation of the program, but decreased the appropriation to \$5 million. However, the Legislature rejected the Governor's proposals and set aside the program in whole.

Cannabis Regulatory Structure. The State Budget Package does not consolidate the state's three main cannabis licensing agencies into one single agency. Furthermore, the Administration will continue to work with impacted stakeholders to propose a different point of collection of certain cannabis-related excise taxes and will announce that work-product in January.

Cannabis licensing and enforcement activities will continue and are paid for with special funds as a result of excise taxes levied on cannabis products. The State Budget Package provides monies for a variety of purposes pursuant to Proposition 64 (which was approved by the voters in 2016 to create a licensing and regulatory framework for adult-use cannabis), including cannabis licensing, environmental protection and public safety. There is an anticipation of lower-than-expected cannabis excise tax receipts.

Elections. The State Budget Package provides \$35 million to assist with the conducting of the November 2020 General Election. The use of this money could be available for vote-by-mail, expanding early voting and online registration, and improving the safety of voting in-person (including the placement of polling place workers and their personal protective equipment needs). In addition, the State Budget Package gives the Secretary of State the authority to spend approximately \$65 million in federal funds to help meet statewide mandates stemming from the Help America Vote Act of 2002.

In early April and subsequently early June, the Governor issued Executive Orders to require counties to conduct the 2020 General Election via all-mail balloting; however, in his Executive Orders, there are requirements to host in-person voting opportunities. The Governor's May Revision re-enforced the recent Executive Order by suggesting that the Administration will work with the Legislature and the Secretary of State to best determine how in-person voting opportunities will be implemented. Accompanying the Executive Orders, the Legislature is poised in the coming days to enact Assembly Bill 860 (Berman) which, generally speaking, requires county registrars to mail a ballot to every register voter for the November 2020 General Election. (**Senate Bill 74**)

Fairs. The State Budget Package also includes \$18.6 million to be disbursed to specified fairs as a result of sales tax generated at those fairs and required to be disbursed as per regulations developed by the California Department of Food and Agriculture (CDFA). (Assembly Bill 1499; Gray, 2017). (**Senate Bill 74**)

Fresno-Merced Food Innovation Corridor. The State Budget Package maintains \$2 million in funding to continue the planning process related to the establishment of the Fresno-Merced Food Innovation Corridor. This initiative is designed to stimulate research and development supporting advanced sustainable agricultural production and high-quality jobs in the San Joaquin Valley. The CDFA will continue to lead the planning of this initiative in collaboration with the Governor's Office of Business and Economic Development, regional partners, the University of California Merced, and the California State University Fresno. (**Senate Bill 74**)

Revenue Generation. The State Budget Package includes several measures to raise revenues for the General Fund, including:

- **Net Operating Loss Suspension.** Suspends the ability for taxpayers with a net income over \$1 million to use net operating losses (NOL) to reduce personal income taxes and corporation taxes for 2020, 2021, and 2022. NOLs are created when a taxpayer's expenses exceed revenues in a given year. Those losses can be deducted from taxable income for the following year and can be carried forward for up to 20 years. This suspension is anticipated to increase General Fund revenues by \$1.8 billion.
- **Limitation on the Use of Business Tax Credits.** Prohibits businesses from being able to claim more than \$5 million in tax credits per year in 2020, 2021, and 2022. While the State Budget Package limits the ability to use business tax credits in 2020, 2021, and 2022, it also provides that the amount of any credit disallowed pursuant to this change will remain a credit carryover for a commensurate number of years. This

is anticipated to generate \$2 billion for the General Fund in 2020-21. By pairing the net operating loss suspension with the business tax credit limitation, the State Budget Package is expected to generate \$611 million for the General Fund.

- **Used Car Dealers Sales Tax.** Expedites the payment of sales taxes by used car dealers by requiring sales tax payments to be remitted to the state at the same time registration fees are paid to the Department of Motor Vehicles (DMV). Currently, used car dealers must promptly pay registration fees to DMV and remit sales taxes through periodic tax returns filed with the Department of Tax and Fee Administration. While DMV would be prohibited from issuing the vehicle registration until the sales tax is remitted to the state, the purchaser can obtain registration by providing documentation that the sales tax was paid to the dealer. The timing change is expected to improve sales tax compliance and generate \$12 million in 2020-21 and \$24 million in 2021-22.

These changes will all increase revenues to the General Fund. (**Assembly Bill 85**)

Extends Sales Tax Exemption for Diapers and Menstrual Products. The State Budget Package extends by one year the existing sales tax exemptions for diapers and menstrual products. This sales tax exemption was scheduled to expire on January 1, 2022 and is estimated to reduce General Fund revenue by approximately \$48 million annually. As is currently the practice, the state will not reimburse local governments for lost sales tax revenues associated with these exemptions. (**Assembly Bill 85**)

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, providing \$41.1 million General Fund for a select list of funded mandates (see table). The State Budget Package also includes \$4 million to continue the county-optimal block grant program for activities identified as reimbursable state mandates in the Interagency Child Abuse and Neglect Investigation Reports (CSM-00-TC-22) mandate. (**Senate Bill 74**)

Williamson Act. The State Budget Package includes \$1,000 for the Open Space Subvention Program, which 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.

In Fiscal Year 2003-04, then-Governor Schwarzenegger proposed to save approximately \$39 million by ending the state subventions. The first cuts came in 2008-09 when a budget trailer bill reduced the state subventions by 10 percent. The 2009-10 State Budget reduced the subventions to \$27.8 million. However, Governor Schwarzenegger essentially eliminated the subventions by cutting the appropriation to \$1,000. (**Senate Bill 74**)

Health and Human Services

County Medical Services Program. The State Budget Package maintains the County Medical Services Program (CMSP) reserve and rejects the Governor's May Revision proposal to shift funds from the CMSP reserves to offset CalWORKs costs. The Administration had proposed to shift \$50 million of the reserves in each of the next four fiscal years.

Homelessness. The State Budget Package provides \$550 million of the federal Coronavirus Aid, Relief, and Economic Security Act funding to the California Housing and Community Development Department to assist individuals and families that are experiencing homelessness, or at-risk of homelessness, due to the COVID-19 pandemic. Funding is allocated for the acquisition or rehabilitation of buildings that can be used for permanent or interim housing, including motels, apartments, manufactured homes, and adult residential facilities. Although additional detail on allocation methodology and eligibility will be needed, the State Budget Package broadly outlines appropriate uses of funding and requires compliance with Housing First Principles.

Additionally, the State Budget Package appropriates \$350 million to the California Business, Consumer Services and Housing Agency to address homelessness, noting that additional legislation will be needed to outline a specific funding structure. This funding provision replaces the Governor's January proposed Budget item that allocated \$750 million in one-time General Fund for the creation of the California Access to Housing and Services Fund (CAHS). CAHS was intended to assist individuals in rental housing, as well as spur development of new housing units. (**Senate Bill 74**)

In-Home Supportive Services. The State Budget Package continues current allowable In-Home Support Services (IHSS) service hours and rejects the Governor's May Revision proposal that, absent additional and sufficient federal funds, would have cut service hours by seven percent effective January 1, 2021. The State Budget Package also rejects the Governor's May Revision proposal that assumed a savings of \$9.2 million General Fund in 2020-21 from the Department of Social Services entering into a contract with the state Case Management, Information, and Payroll System vendor to perform IHSS payroll functions.

However, the State Budget Package does freeze IHSS county administration funding at the 2019-20 level, as proposed in the Governor's May Revision. The State Budget also includes funds for IHSS services for undocumented persons over age 65 for whom expansion of Medi-Cal will be implemented, if funds are available, starting January 1, 2022.

The Legislature notes forthcoming legislation will modify, extend, and codify actions taken in the IHSS program by the Governor through Executive Order and departmental guidance to grant flexibilities to counties in the administration of the program during the stay-at-home order and to provide protections and services to individuals who are recipients of services during the COVID-19 pandemic. Additional statutory changes will also provide for county indemnification policies to recognize the COVID-19 crisis and

prevent unwarranted penalties and other adverse consequences for counties in light of the extraordinary circumstances. (**Senate Bill 74**)

Mental Health Services Act. The State Budget Package includes provisions to pause reversion of county the Mental Health Services Act (MHSA) funds for 12 months to allow counties to renegotiate plans with Mental Health Services Oversight and Accountability Commission (MHSOAC) that reflect the COVID-19 pandemic. Additional changes allow the MHSOAC to enter into contracts for previously authorized expenditures including, but not limited to, school mental health, youth drop-in centers, and early psychosis prevention, and authorizes the MHSOAC to redirect existing resources to support suicide prevention and COVID-19 response activities.

The State Budget Package includes two positions and expenditure authority from the Mental Health Services Fund of \$272,000 annually to support administrative responsibilities in analyzing Prevention and Early Intervention program reports, providing logistical support, developing meeting materials, and providing technical assistance to counties.

The Governor's January proposed Budget indicated that the Administration intended to update the MHSA, which was passed in 2004, to better focus on people with "mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention for youth." However, with the COVID-19 pandemic, the Governor's May Revision pulled back any larger discussions of revamping MHSA. (**Senate Bill 74**)

Public Health. The State Budget Package removes language that suspended funding for sexually transmitted disease, human immunodeficiency virus, and hepatitis C prevention programs adopted in the 2019-20 State Budget. Subsequently, the State Budget Package maintains ongoing funding for these programs.

During legislative budget hearings, the California Department of Public Health (CDPH) was questioned about its plans to spend additional federal funds for COVID-19 testing. California will receive CDC-Epidemiology and Laboratory Capacity funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Administration did not provide a plan to the Legislature for spending the additional federal funds for testing, therefore the State Budget Package does not include details on this provision. CDPH will continue to work outside of the budget process to provide a spending plan for CARES Act funding, including possibly allocating these federal funds to local health departments. (**Senate Bill 74**)

Skilled Nursing Facilities. The State Budget Package includes the reauthorization of a quality assurance fee on free-standing skilled nursing facilities (SNF) that supports the non-federal share of reimbursement increases to these facilities. This fee was originally enacted by Assembly Bill 1629 (Frommer, Chapter 875, Statutes of 2004), and the current authority for the fee expires on July 31, 2020. The reauthorization of the quality assurance fee allows the SNF reform framework included in the Governor's January proposed

Budget to move forward. This reform will switch the SNF funding structure away from a cost-based methodology to one based on value and quality. (**Senate Bill 74**)

Housing

Housing Funds. The State Budget Package maintains funding for several state housing programs which were scheduled for \$565 million in funding reversions as contained in the Governor's May Revision. Specifically, the State Budget Package maintains \$500 million in funding over four years to support mixed-income housing developments through the California Housing Finance Agency as well as funding for the Infill Infrastructure Grant Program of 2019, which supports the construction of needed infrastructure for housing production. (**Senate Bill 74**)

State Housing Tax Credit Program. The State Budget Package maintains the \$500 million for the state's Low-Income Housing Tax Credits tax credit program as included in the Governor's January proposed Budget. The state's tax credit program, in conjunction with federal tax credits, helps close the gap in available funding for affordable housing developments. The 2019-20 State Budget included an appropriation of \$500 million for this program, and authorized the sum annually, upon appropriation through the State Budget. (**Senate Bill 85**)

Resources

Department of Parks & Recreation. The State Budget Package maintains \$5 million from the General Fund to create a new state park. The State Budget Package also maintains \$4.6 million from various bond funds to acquire inholdings and \$6.1 million from Proposition 68 bond funds to expand access to state parks in urban areas and make improvements to parks serving disadvantaged communities. (**Senate Bill 74**)

State Payment in Lieu of Taxes. The State Budget Package maintains the \$644,000 in funding to the Payment in Lieu of Taxes program from previous years. Not included was funding for the approximately \$8 million accumulated over several budget cycles in the 2000's. (**Senate Bill 74**)

Telecommunication

Broadband. The State Budget Package significantly reduces the Governor's Broadband For All plan, which was broadly outlined in the Governor's January proposed Budget. The State Budget Package includes \$2.8 million and three additional limited-term positions for the California Public Utilities Commission to be used to identify which areas of the state lack sufficient access to broadband, specifically utilizing the CalSPEED program. Additional forthcoming legislation is anticipated to better enable telecommunications providers to compete for federal funding with the intent of improving access to broadband internet in California. (**Senate Bill 74**)

Transportation

California Department of Transportation. The State Budget Package reflects the need to fund and continue planning and engineering work on projects that are slated for construction/repair. Also, the State Budget Package estimates \$1.8 billion in motor fuel taxes to be lost over the next several years due to the COVID-19 pandemic resulting,

primarily, from stay-at-home orders whereby motorists are not purchasing typical amounts of fuel. Finally, the State Budget Package does not include a transfer of \$130 million in interest earnings from the State Highway Account to the General Fund. The State Highway Account is one of the funds used for maintaining the state's highway system. (**Senate Bill 74**)

Water

New River Improvement Project. The State Budget Package includes \$28 million (\$18 million General Fund and \$10 million Proposition 68) to implement projects identified in the New River Improvement Program. These projects will mitigate the impact of cross-border pollution that has made the New River the most polluted river in the United States and will improve the quality of life in Imperial County. (**Senate Bill 74**)

Paradise Irrigation District. The State Budget Package restores the second year of a two-year funding commitment to the Paradise Irrigation District (PID), which is the water purveyor to the community of Paradise and operates on a fee-for-service basis. The Camp Fire in Butte County destroyed over 90 percent of the service basis of the community, thereby impeding PID's ability to remain in operation. As part of the 2019-20 State Budget, the budget included \$7.37 million to be disbursed over two budget cycles. The Governor's May Revision proposed eliminating \$3.7 million in second year funding. (**Senate Bill 74**)

Salton Sea Management Plan. The State Budget Package maintains \$19.3 million of Proposition 68 bond funds to address air quality and habitat restoration objectives at the Salton Sea through implementation of the North Lake Pilot Project. The State Budget Package also includes approval for two positions for the Salton Sea Management Plan operations. (**Senate Bill 74**)

State Water Resources Control Board. The State Budget Package prioritized funding for the implementation of the Safe Affordable Drinking Water Fund, as authorized by Senate Bill 200 (Monning, 2019), based upon future Cap-and-Trade auction proceeds, as one of four key areas. As noted elsewhere, the Legislature deferred action on this program, as well as the other programs funded by Cap-and-Trade auction, until August, at which time it is anticipated there will be a clearer understanding of auction proceeds as well as the level of federal funding that might be forthcoming. (**Senate Bill 74**)

Sustainable Groundwater Management Act. The State Budget Package includes \$9.6 million for the Department of Water Resources to provide technical and related assistance to local Groundwater Management Agencies as they begin implementing the first round of approved groundwater sustainability plans (GSP). This is in addition to \$26 million of Proposition 68 bond funds that will be accessed to fund Sustainable Groundwater Management Act-related capital and infrastructure projects in approved GSPs. (**Senate Bill 74**)

Water Resilience Portfolio. The State Budget Package comports with the Governor's May Revision withdrawing the Climate Resiliency Bond which would have funded a variety of infrastructure projects within the Water Resilience Portfolio. By agreeing with

this action, the Administration will limit implementation of the Portfolio by focusing on flood control investments (consistent with the Central Valley Flood Protection Board's adopted plan) and similar projects that can be advanced within existing program investments.

2020-21 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 Employee Organizations, Impasse Procedures II (Ch. 314, Stats. 2012)
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)
U Visa Form 918, Victims of Crime: Non-Immigrant Status (Ch. 721, Stats. 2015)

2020-21 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 Realignments (Ch. 162, Stats. 2003; Ch. 211, Stats. 2004; Ch. 610, Stats. 2004) (05-TC-01)
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)
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)

Firearm Hearings for Discharged Inpatients (Chs. 9 and 177, Stats. 1990) (99-TC-11)
Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
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)

Voter Identification Procedures (Ch. 260, Stats. 2000) (03-TC-2
3)

Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)

Special Fund Loans

To help plug the \$54 billion budget deficit, Senate Bill 74 contains over \$2 billion in loans from various special funds to the General Fund. These loans have varying payback triggers, but generally require repayment when funds are needed in the individual special fund account. Those loans include the following, which do NOT reflect a handful of loans made from other special funds to offset traditional General Fund expenditures:

\$550 million from the Underground Storage Tank Cleanup Fund
\$300 million from the California Public Utilities Commission's LifeLine program, which provides discounts on home phone and cell phone services to qualified households.
\$107 million from the Labor and Workforce Development Fund
\$100 million from the AIDS Drug Assistance Program
\$85 million from the Gambling Control Fund
\$60 million from the California Public Utilities Commission's California Advanced Services Fund, which is used to bridge the "digital divide" in unserved and underserved areas in the state
\$60 million from the California Public Utilities Commission's High Cost Fund B, which provides subsidies to carriers of last resort for providing basic local telephone service to residential customers in high-cost areas
\$60 million from the High Polluter Repair or Removal Account
\$60 million from the Occupancy Compliance Monitoring Account
\$60 million from the Tax Credit Allocation Fee Account
\$50 million from the Fingerprint Fees Account
\$40 million from the Hospital Building Fund
\$35 million from the Disability Access Account
\$35 million from the Public School Planning, Design, and Construction Review Revolving Fund
\$32 million from the State Lands Commission's School Land Bank Fund
\$32 million from the Traffic Congestion Relief Fund
\$30 million from the Board of Registered Nursing Fund
\$30 million from the Oil Spill Response Trust Fund
\$30 million from the Vehicle Inspection and Repair Fund
\$29 million from the Air Pollution Control Fund
\$25 million from the Alternative and Renewable Fuel and Vehicle Technology Fund
\$25 million from the Barbering and Cosmetology Contingent Fund
\$25 million from the Site Cleanup Subaccount
\$21 million from the Local Airport Loan Account
\$20 million from the Renewable Resource Trust Fund
\$20 million from the Electronic Waste Recovery and Recycling Account
\$17 million loan from the Environmental Enhancement and Mitigation Program Fund
\$15 million from the Mobilehome Park Purchase Fund
\$14 million from the Teacher Credentials Fund

\$11 million from the Victims of Corporate Fraud Compensation Fund
\$10 million from the Accountancy Fund
\$10 million from the Hazardous and Idle-Deserted Well Abatement Fund
\$8 million from the Family Law Trust Fund
\$7.4 million from the Building Standards Administration Special Revolving Fund
\$7.3 million from the Gambling Control Fines and Penalties Account
\$6.5 million from the Firearms Safety and Enforcement Special Fund
\$6.5 million from the Oil Spill Prevention and Administration Fund
\$6.4 million loan from the Firearm Safety Account
\$5.4 million from the Strong-Motion Instrumentation and Seismic Hazard Mapping Fund
\$5 million from the Appellate Court Trust Fund
\$5 million from the Health Insurance Counseling and Advocacy Program Fund
\$5 million from the State Dentistry Fund
\$4 million from the California Debt Limit Allocation Committee Fund
\$4 million from the Diesel Emission Reduction Fund
\$4 million from the Solid Waste Disposal Site Cleanup Trust Fund
\$3.4 million from the Enhanced Fleet Modernization Subaccount, High Polluter Repair or Removal Account
\$3 million from the California Hazardous Liquid Pipeline Safety Fund
\$3 million from the California Energy Commission's Energy Technologies Research, Development, and Demonstration Account
\$3 million from the Genetic Disease Testing Fund
\$3 million from the Health Statistics Special Fund
\$3 million from the Infant Botulism Treatment and Prevention Fund
\$3 million from the Rental Housing Construction Fund
\$2.8 million from the Forest Resources Improvement Fund
\$2.4 million from the Pharmacy Board Contingent Fund
\$2 million from the Managed Care Fund
\$1.5 million from the Predevelopment Loan Fund
\$1 million from the Emergency Housing and Assistance Fund
\$900,000 from the Psychology Fund