



The Rural Rundown

***A Summary of the
2018-19 State Budget Package***

June 14, 2018

**Rural County Representatives of California
1215 K Street, Suite 1650
Sacramento, California 95814
www.rcrcnet.org**

RCRC'S ANALYSIS OF THE 2018-19 STATE BUDGET PACKAGE

Earlier today, both houses of the Legislature approved the state's 2018-19 State Budget and a handful of budget trailer bills that assist in implementing the State Budget Package.

It should be noted that the State Budget Package remains incomplete – there are a number of remaining budget trailer bills awaiting action, including measures pertaining to Cap-and-Trade allocations and to address Disaster Response Emergency Operations. Over the next several days and weeks, further items will be considered and adopted.

Overview

The \$200 billion state spending plan includes \$139 billion in General Fund expenditures, \$57.1 billion in special fund expenditures, and \$3.9 billion in bond expenditures.

The State Budget Package maintains a balanced budget, preserves the State's core achievements and priorities, fully funds the Rainy Day Fund, and applies surplus revenue to address K-12 education, higher education, counteracting the effects of poverty, and strengthening infrastructure.

Key Issues/Changes for RCRC Member Counties

The Governor's 2018-19 State Budget Package:

- Continues to provide \$644,000 for the State's Payment in Lieu of Taxes (PILT) Program for 2018-19;
- Includes an additional \$96 million for wildfire prevention and forest health activities;
- Includes an additional \$133.3 million for cannabis-related activities;
- Includes an additional \$24 million for IHSS county administration;
- Includes an additional \$295 million from the General Fund to meet flood control infrastructure needs, including deferred maintenance;
- Includes a historic, one-time investment of more than \$700 million in mental health and homelessness; and,
- Provides over \$134 million to counties for upgrading voting systems.

The bills passed by the Legislature to construct a State spending plan include:

- SB 840, the main Budget Bill, which includes the bulk of the appropriations for the coming fiscal year;
- SB 841, the 2017-18 augmentations trailer bill, which appropriates funds from the General Fund for contingencies or emergencies;
- SB 848, the transportation trailer bill, which addresses a number of state and local transportation programs;
- SB 850, the housing trailer bill, which addresses housing programs and homelessness;
- SB 852, general government II trailer bill, which addresses a number of state government programs, including the state employee Memorandum of Understanding;

- SB 853, the developmental services trailer bill, which addresses a number of reforms and appropriates funding for programs aimed at the developmentally disabled;
- SB 854, the public resources trailer bill, which makes several changes to the Fish and Game, Food and Agriculture, Health and Safety, Public Resources, and Water Codes;
- AB 1817, the general government I trailer bill, which addresses a number of state government programs, including small business, CalSavers, and science centers;
- AB 1824, the general government IV trailer bill, which addresses a number of state government programs, including voting system replacements and veterans issues;
- AB 1825, the education II trailer bill, which addresses various education provisions, including Proposition 98 certification;
- AB 1826, the infrastructure trailer bill, which addresses ancillary improvements and any related or necessary deconstruction and infrastructure work on state buildings;
- AB 1830, the reserve accounts trailer bill, which addresses the Safety Net Reserve Fund;
- AB 1831, the infrastructure trailer bill II, which addresses Proposition 2, the creation of the Rail Infrastructure Account and the State Infrastructure and Maintenance Fund; and,
- AB 1834, the public safety bond trailer bill, which addresses the additional funding amount available for allocation to projects established by the Health Care Facility Improvement Program.

Administration of Justice, Corrections, and Law Enforcement

2011 Realignment of Public Safety Responsibilities to Counties. The funding mechanism for 2011 Realignment, including Assembly Bill 109 funds, resides outside the State Budget process. However, the State Budget Package does update estimates of expected base and growth revenue available in 2017-18 for all 2011 Realignment accounts and subaccounts, including the Community Corrections Subaccount that directly funds AB 109 programs and services. Using the most recent estimate, “base” funding for the Community Corrections Subaccount in 2018-19 is estimated to be \$1.328 billion. In addition, counties are projected to see more “growth” funds associated with the Community Corrections Subaccount – \$87 million in 2017-18 (which will be distributed in Fall 2018) and \$105.6 million in 2018-19 (which will be distributed in Fall 2019).

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.

Additional County Probation Funding (Senate Bill 678). The State Budget Package allocates \$109.3 million in 2018-19 – an increase of \$2.9 million from the Governor’s January proposed Budget – 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 \$7.9 million appropriation for counties to revise and update their Community Corrections Partnership (CCP) plans. Since the passage of 2011 Realignment, the State has provided funds to support local implementation of Assembly Bill 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 conditions receipt of the AB 109 planning grant on a county’s submission of information on the outcomes adopted by a county’s CCP, and the ongoing progress in meeting those outcomes. Funds will be distributed to counties complying with the reporting requirements by January 31, 2019.

Courthouse Construction and Judicial Branch Deferred Maintenance. The State Budget Package authorizes \$1.3 billion in lease revenue bonds backed by the General Fund to restart the stalled courthouse capital program. These resources are intended to fund construction of ten new courthouse projects over the next two years, including facilities in the following RCRC member counties: Imperial, Shasta, Siskiyou, and Tuolumne (in 2018-19), and Glenn (in 2019-20).

As part of the State Budget Package, an additional, one-time investment of \$50 million will be directed to address deferred maintenance across the judicial branch. This investment appears as a component of the larger commitment of one-time resources for statewide infrastructure purposes. **(Senate Bill 840)**

County Law Libraries. The State Budget Package provides a one-time General Fund appropriation of \$16.5 million to address shortfalls in county law library funding. **(Senate Bill 840)**

Crime Labs. The State Budget Package includes \$11.4 million in one-time funding for statewide forensics services to offset the decline in revenues in the DNA Identification Fund. **(Senate Bill 840)**

Judicial Branch Augmentation. The State Budget Package provides an augmentation of \$133 million to the trial courts, \$75 million in discretionary funding for the Judicial Council, and establishes legislative intent that \$10 million should be provided for court reporters in family court. **(Senate Bill 840)**

Proposition 57. The State Budget Package provides \$23.2 million in funding for county probation departments to supervise a temporary increase in the Post-Release Community Supervision (PRCS). 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 Rehabilitations to readjust credit-earning rules so that inmates can earn earlier release opportunities.

Trial Court Security. The State Budget Package includes \$7 million in ongoing General Fund monies to offset increased trial court security costs associated with the new court facilities that were activated after October 9, 2011 (post-2011 Realignment). Calaveras and San Benito Counties receive supplemental court security funding from that source.

California Environmental Protection Agency

Beverage Container Recycling Program. The State Budget Package does not include reforms to the Beverage Container Recycling Program (commonly known as the Bottle Bill). It does, however, provide funding for Senate Bill 458 (Weiner, 2017) pilot projects to increase Certified Recycling Centers in underserved and rural areas for the next three fiscal years. The State Budget Package also includes a provision to extend the market development payments that expired January 1, 2018, to reclaimers of empty plastic beverage containers and product manufacturers of recycled plastic products through fiscal year 2012/22. **(Senate Bill 840/Senate Bill 854)**

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. **(Senate Bill 840)**

In last year's State Budget Package, an additional \$1.065 million one-time appropriation was included to expand the rural CUPA support program to an additional 11 rural counties that do not receive the money. This one-time funding was included as a Budget Change Proposal, and was the precursor to an expected permanent legislative fix. This money is not included in the 2018-19 State Budget Packet.

Education

Career Technical Education. The State Budget Package includes an ongoing increase of \$150 million to establish a K-12 specific component of the Strong Workforce Program to support Career Technical Education programs that are aligned with needed industry skills. The State Budget Package also includes \$14 million to fund Workforce Pathway Coordinators, Technical Assistance Providers, and the consortia administrative costs. **(Senate Bill 840)**

University of California (UC), Agriculture and Natural Resources Division. The State Budget Package creates a new budget item for the Agriculture and Natural Resources Division, which has previously been included within the budget of the University of California Office of the President. Funding for the division remains at \$113.4 million General Fund. This action does not change the level of funding for the division; it merely increases transparency in UC funding. **(Senate Bill 840)**

General Government

Cannabis Regulatory Structure. The State Budget Package provides an additional \$133.3 million for cannabis-related regulation activities. Specifically, the State Budget Package includes a General Fund loan of up to \$59 million to the Cannabis Control Fund to support cannabis activities. The three main cannabis licensing agencies will each additionally receive a significant funding augmentation (\$28.3 million to the Department of Food and Agriculture; \$33.9 million to the Department of Consumer Affairs; and \$10.6 million to the Department of Public Health), as will the state agencies responsible for collecting taxes and fees from cannabis businesses.

Initial proceeds from state cannabis excise taxes are running below expectations. The additional monies being provided will help with better revenue collection and regulatory compliance among various cannabis-related stakeholders. **(Senate Bill 840)**

County Revenues/Basic Aid Districts. The State Budget Package includes nearly \$138,000 to reimburse Alpine County for funding shortfalls in their Sales and Use Tax and Vehicle License Fee adjustment amounts (Triple Flip and Swap). Funding shortfalls in Alpine County's Triple Flip and Swap 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 allocations. **(Senate Bill 840)**

State Mandates. The State Budget Package maintains suspensions of mandates that are not related to law enforcement or property taxes, consistent with the 2017-18 State Budget Package. The State Budget Package provides \$34.7 million for sixteen mandates funded in previous years, and also includes the \$4 million block grant program for the Interagency Child Abuse and Neglect (ICAN) Investigation Reports mandate, which was established in the 2015-16 State Budget Package. Suspending mandates has become a regular part of the State Budget as it allows the State to avoid making payments to local agencies by removing their responsibility to perform mandated functions. However, oftentimes, a discontinuation of some of these mandates could lead to lawsuits and other county liabilities, making discontinuation of these mandates even less practical. **(Senate Bill 840)**

The State Budget Package includes \$280.5 million plus interest to local agencies for long-standing State liability associated with repealed or expired Assembly Bill 3632 mandates related to services provided by counties to seriously emotionally disturbed children. **(Senate Bill 840)**

Voting Systems Replacement. The State Budget Package includes \$134 million to assist counties in replacing outdated voting equipment. This effort creates 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. **(Senate Bill 1824)**

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. The State Budget Package 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.

Wildfire Response and Recovery. The State Budget Package includes a number of additional investments in the state's emergency response and recovery capacity as a result of the devastating 2017 wildfires that occurred in California and the ongoing flooding and other lingering consequences of the fires.

California Office of Emergency Services

The Office of Emergency Services (CalOES) will receive funding for various programs, including:

- Public Safety Communications - \$15 million from the State Emergency Telephone Number Account (SETNA) to begin a five-year plan to upgrade the California Public Safety Microwave Network from an analog system to a digital system, plus \$11.5 million from SETNA to support the Next Generation 9-1-1 system proposed in the Governor's January proposed Budget. **(Senate Bill 840)**
- Recovery Program Workload - 8.4 million Federal Trust Fund and \$2.8 million General Fund to address increased workload related to disaster recovery activities. This is an \$8.4 million increase over the Governor's May Revision. **(Senate Bill 840)**
- Disaster Service Worker Volunteer Program - \$1.7 million from the General Fund to provide timely worker's compensation benefits to injured workers and eligible survivors. This is an increase from the \$675,000 proposed in the Governor's May Revision. **(Senate Bill 840)**
- Hazard Mitigation Program - \$3.2 million from the Federal Trust Fund for hazard mitigation activities throughout the State. **(Senate Bill 840)**
- Regional Hazardous Materials Response Program - \$3.36 million from the General Fund in 2018-19 and \$3.14 million in 2019-20 and 2020-21 to provide support for planning, response and mitigation in the event of a release of hazardous materials. **(Senate Bill 840)**
- Situational Awareness and Collaboration Tool - An additional \$353,000 from the General Fund and \$325,000 in reimbursements for CalOES to manage and train local agencies on the use of the tool, which is used to coordinate various disaster response efforts. **(Senate Bill 840)**

California Disaster Assistance Act

The State Budget Package includes a one-time augmentation of \$49.5 million from the General Fund to the California Disaster Assistance Act (CDAA) fund, which is used to restore public real property destroyed by disaster and reimburse local government costs

associated with certain activities undertaken in response to a state of emergency. This brings the total proposed CDAA funding for 2018-19 to \$121.7 million. **(Senate Bill 840)**

California Department of Resources, Recycling and Recovery

The State Budget Package includes \$1.3 million from the Integrated Waste Management Fund to establish a disaster recovery and response team of subject matter experts for disaster recovery and debris removal. **(Senate Bill 840)**

California Department of Education

The State Budget Package includes \$14 million from the Federal Trust Fund to assist local educational agencies that serve an area impacted by a covered disaster or emergency in the restart of operations, reopening, and reenrolling students in elementary and secondary schools. The Governor's May Revision had originally proposed these funds for CalOES. **(Senate Bill 840)**

Local Property Tax Backfill

The State Budget Package includes nearly \$33 million General Fund to backfill property tax revenue losses that cities, counties, and special districts will incur in 2017-18 and 2018-19 due to the 2017 wildfires, an increase from the \$23.7 million estimated in the Governor's January proposed Budget. Local governments must submit claims to the Department of Finance for review, and the funds will be available for encumbrance or expenditure until June 30, 2020. **(Senate Bill 840)**

Mutual Aid Equipment and Technology

The State Budget Package includes \$25 million for equipment and technology grants to augment local first responders to help pre-position for disaster events such as high severity wildfires. RCRC advocated as part of the Disaster Readiness for Safer Communities (D-RiSC) coalition to obtain these funds for local first response agencies. **(Senate Bill 840)**

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. **(Senate Bill 840)**

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.

Government Operations

The State Budget Package provides \$90.3 million to the Government Operations Agency for the 2020 Census Outreach effort, which shall remain available through June 30, 2021. This effort will help ensure an adequate Census count in all areas of California. This is a \$50 million increase over the Governor's May Revision. At time of this publication, details on the allocation schedule was not available in the main budget bill or trailer bill language. **(Senate Bill 840)**

Health and Human Services

CalWORKS Single Allocation. The State Budget Package includes a \$23.6 million increase from the Governor's May Revision to bring the total single allocation funding to the same level in 2018-19 as in 2017-18. **(Senate Bill 840)**

Continuum of Care Reform. The State Budget Package includes \$6.3 million for Family Resource Approval to assist with the continued effort to reduce the backlog in application processing and approvals. Additionally, the State Budget Package includes \$4.8 million for Level of Care Assessments to assist with the implementation of this new tool starting July 1, 2018. There is no funding for the Child and Adolescent Needs Assessment (CANS), however, supplemental report language was adopted to require an assessment of workload and costs to county child welfare services agencies to implement the CANS assessment process beyond existing assessment requirements. **(Senate Bill 840)**

Health Care Affordability. The State Budget Package includes provisions intended to gather data for future policy discussions on health care coverage in California. Specifically, the State Budget Package includes the following:

- \$60 million one-time General Fund allocation for implementation of the Health Care Cost Transparency Database intended to provide greater transparency regarding health care costs;
- \$5 million one-time General Fund allocation to establish the Council on Health Care Delivery Systems that is required to develop a plan that will provide health care coverage and access to all Californians through a unified financing system; and,
- Language requiring Covered California, on or before February 1, 2019, to develop options for providing financial assistance to help low- and middle-income Californians access health care coverage. **(Senate Bill 840)**

Health Care Workforce. The State Budget Package includes funding for the following programs intended to increase access to qualified health care professionals in underserved areas:

- \$40 million one-time General Fund allocation for Graduate Medical Education Program within the University of California (UC);
- \$15 million one-time General Fund allocation for the Psychiatric Graduate Medical Education Program utilizing psychiatric telemedicine within UC; and,
- \$10 million one-time (Proposition 63 State Administration Fund) for the Workforce and Education Training Program at the Office of Statewide Health Planning and Development. **(Senate Bill 840)**

In-Home Support Services Administration. The State Budget Package includes \$15.4 million (General Fund) in additional funding above May Revision for the In-Home Supportive Services program to reflect revised workload and budget assumptions. This

brings the state funding of county administration costs to 2016-17 nonfederal expenditure levels. **(Senate Bill 840)**

Local Emergency Medical Service Agencies. The State Budget Package includes \$2.6 million to support the seven Local Emergency Medical Service Agencies (LEMSAs), consistent with previous General Fund support in recent years. Most RCRC counties participate in LEMSAs to meet their State obligations for emergency medical care services. **(Senate Bill 840)**

Domestic Violence Services. The State Budget Package increases funding by \$10 million for the California Office of Emergency Services to provide additional domestic violence service providers for projects that include emergency “safe” homes or shelters for victims and their families. Specifically, \$5 million of the increased funding is allocated to the Family Violence Prevention Program and \$5 million is allocated to the Rape Crisis Program. **(Senate Bill 840)**

Housing and Homelessness

The State Budget Package includes numerous funding increases and policy changes to address affordable housing and homelessness. These efforts reflect many months of negotiation between the Administration and the Legislature and continues the investments made in the last several years. In September, Governor Brown signed Senate Bill 2 (Atkins) into law, imposing a recording fee on real estate documents, and Senate Bill 3 (Beall) which, if approved by the voters in November, authorizes \$4 billion in bond funding for affordable housing. Additionally, in 2016, the “No Place Like Home” Program was established (AB 1618, Assembly Budget Committee) which authorizes \$2 billion in bond funding for the creation of permanent supportive housing for persons experiencing homelessness.

Emergency Solutions and Housing Program/Housing for a Healthy California Program. The State Budget Package provides that the revenue from the first year of the real estate recording fee created by Senate Bill 2 that must be made available to assist those experiencing homelessness, be split between the Housing for a Healthy California Program and the Emergency Solutions and Housing Program. This does not alter the SB 2 revenue (50 percent of the total first year revenue) available to local governments to update planning documents and zoning ordinances in order to streamline housing production. **(Senate Bill 850)**

CalWORKs Housing Support Program. The State Budget Package includes an increase of \$24.2 million to help CalWORKs families secure permanent housing. This increase brings total program funding to \$95 million annually. **(Senate Bill 840)**

CalWORKs Homeless Assistance Program. The State Budget Package includes \$8.1 million in 2018-19 and \$15.3 million in 2019-20 to increase the daily payment rate for temporary assistance for families who are homeless or face imminent eviction. For a family of four, the rate will increase from \$65 to \$85 beginning January 1, 2019. **(Senate Bill 840)**

Home Safe Pilot Program. The State Budget Package includes \$15 million one-time funding for a pilot program with Adult Protective Services; funding will be available over a three-year period with a local match. The pilot was proposed by the County Welfare Directors Association and was supported by several counties. The pilot will provide housing-related support to seniors experiencing homelessness or at risk of losing their homes by providing temporary rental or utility assistance, housing repairs, landlord mediation and case management. **(Senate Bill 840)**

Homeless Coordinating and Financing Council. The State Budget Package includes \$500,000 and three positions to expand the Homeless Coordinating and Financing Council (Senate Bill 1380, Mitchell) and moves it to the Business, Consumer Service, and Housing Agency. The Council will provide guidance on homelessness and develop a statewide plan in collaboration with state and local agencies. **(Senate Bill 850)**

Homeless Emergency Aid Program. The State Budget Package includes \$500 million one-time (General Fund) for block grants for local governments to respond to homelessness through the creation of the Homeless Emergency Aid Program, Specifically, funding is outlined as follows:

- \$250 million is allocated to counties through Continuums of Care (COCs) utilizing a formula based on point-in-time (PIT) count of homeless persons in each COC. Each COC is grouped based on PIT count and allocated funds based on that grouping, as specified;
- \$150 million is directly allocated to a city (or city and county) with a population over 330,000; and,
- \$100 million is allocated to COCs based on PIT count of homeless persons in each COC. **(Senate Bill 850)**

Homeless Outreach and Treatment Services. The State Budget Package includes a one-time augmentation of \$50 million for the Department of Health Care Services to provide counties with funding for multi-disciplinary teams to support intensive outreach, treatment and related services for homeless individuals in need mental health services. **(Senate Bill 840)**

Homeless Youth and Exploitation Program. The State Budget Package includes one-time funding of \$1 million through the California Office of Emergency Services to augment the Homeless Youth and Exploitation Program for homeless youth shelters. **(Senate Bill 840)**

Resources

California Department of Food & Agriculture. The State Budget includes \$139,000 from the General Fund to implement the Farmer Equity Act of 2017 (AB 1348, Aguiar-Curry) to ensure the inclusion of socially disadvantaged farmers and ranchers in the food and agricultural policies and programs of the Department.

The State Budget Package includes \$5 million from the General Fund for the Department and CAL FIRE to coordinate and conduct prevention and suppression activities relating to the invasive shot hole borer beetle. **(Senate Bill 840)**

Cap-and-Trade Expenditure Plan. Action on the Cap-and-Trade Expenditure Plan has been deferred, and is likely to take place sometime in August. Outstanding issues include funding levels for transportation programs, waste diversion, and the Transformative Climate Communities program, although both the Senate and Assembly agreed to additional funding for forest health programs beyond what was proposed in the Governor’s May Revision. The additional funds will cover prescribed burn programs and urban forestry projects.

Natural Resources Agency. The State Budget Package adds 37 miles of the upper Mokelumne River to the California Wild and Scenic Rivers System. Assembly Bill 142 (Bigelow, 2015) required the Secretary of the California Natural Resources Agency to analyze the suitability of adding the upper Mokelumne River into the system and to submit a report to the legislature by December 31, 2017, with clear recommendations for each of the designated segments. **(Senate Bill 854)**

The State Budget Package includes \$250,000 from the Environmental License Plate Fund to implement Assembly Bill 707 (2017, Aguiar-Curry) which authorized the Blue Ribbon Committee for the Rehabilitation of Clear Lake. **(Senate Bill 840)**

California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All (Proposition 68). The State Budget Package includes revenue originating from the passage of Proposition 68, approved on the June 2018 ballot. Proposition 68 authorizes \$4 billion in general obligation bonds for a variety of the state’s natural resources needs. Proceeds from the bond are to be allocated for parks, water and flood control, ocean and coastal protection, safe drinking water, groundwater management, and climate resiliency and preparedness. This includes approximately \$1 billion for the first year of funding for many of these programs during the first year of implementation with a focus on those projects designated as “shovel ready”. Of this amount, \$123 million is directed to climate resiliency, including coastal protection.

Additional Proposition 68 funds are proposed to be expended through either the California Water Action Plan or are incorporated into the State Budget for the Department of Parks and Recreation. **(Senate Bill 840)**

Department of Fish and Wildlife. The State Budget Package provides \$609.7 million for the Department of Fish and Wildlife, including \$50.6 million of ongoing funding to support programs that protect fish and wildlife. This funding provides \$19.6 million to address the non-dedicated Fish and Game Preservation Fund imbalance, and an additional \$31 million to implement specific priorities identified in the 2017 stakeholder process to expand conservation efforts, improve and increase hunting and fishing participation and enhance enforcement. **(Senate Bill 840)**

Department of Parks and Recreation. The State Budget Package includes additional funding for state and local parks and outdoor recreation from two primary sources: Senate

Bill 1 (Beall), motor vehicle fuel tax revenues, and California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All (Proposition 68) funds.

SB 1 Funds: The State Budget Package includes \$80 million for State Parks for programs in the following areas:

- \$42 million in funding to increase services, improve access, and address deferred maintenance at State Parks; and
- \$38 million in permanent funding to address the structural imbalance of the State Parks and Recreation Fund plus funding for such programs as abandoned water craft abatement and off-highway vehicle recreation.

Proposition 68 Funds: The State Budget Package includes over \$1 billion for multiple programs that improve and rehabilitate local park facilities. The State Budget includes \$277 million to provide grants under the “safe neighborhood parks” initiative for critically underserved communities; and, \$186 million to provide per capita grants for the acquisition and development of parks and recreation lands in urban and rural areas. **(Senate Bill 840)**

State Payment in Lieu of Taxes. The State Budget Package includes \$644,000 (full payment) for State Payment in Lieu of Taxes (PILT).

California State PILT was established in 1949 to offset adverse impacts to county property tax revenue that occur when the State acquires private property for wildlife management areas. However, the Department of Fish and Wildlife, prior to Fiscal Year 2015-16, had not made the annual State PILT payments in more than a decade, accumulating in an arrearage of more than \$8 million to 36 eligible counties. **(Senate Bill 840)**

RCRC’s advocacy efforts have focused on ensuring current year payments are included in the budget, as well as advocating for payment of the arrears, albeit with no success to date. In addition, RCRC continues to work with key legislators to reverse the current language that makes State PILT payments permissive.

Surface Mining and Reclamation Act (SMARA). The State Budget requires lead agencies to submit SMARA documents to the Division of Mine Reclamation electronically within varying specified timeframes based upon the type of document. **(Senate Bill 854)**

Wildfire Prevention and Forest Health. The State Budget Package includes an additional \$96 million from various funds for forest health and wildfire prevention activities, consistent with the Governor’s May Revision. The allocations will largely be focused on carrying out the key recommendations in the Forest Carbon Plan, including doubling the acres treated on State and private lands from 250,000 acres to 500,000 acres and establishing a wood products market in California. The forest health allocations are as follows:

- Prescribed Fire and Fuels Reduction - An additional \$26 million from the Timber Regulation and Forest Restoration Fund to the California Department of Forestry

and Fire Protection (CAL FIRE) to complete additional fuel reduction projects through the operation of six year-round prescribed fire crews and implementation of a forest health research and monitoring program, allowing CAL FIRE to treat 60,000 acres per year. **(Senate Bill 840)**

- Sierra Regional Forest Health Projects - An additional \$36.3 million from the California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Fund (Proposition 68) to the Sierra Nevada Conservancy to expand its Watershed Improvement Program and implement Forest Carbon Plan activities. **(Senate Bill 840)**
- Legacy Forests at State Parks - An additional \$15 million from Proposition 68 funds for the Department of Parks and Recreation to protect and restore forests in State parks. **(Senate Bill 840)**
- Watershed Coordinator Grants - An additional \$1.9 million from the Environmental License Plate Fund for the Department of Conservation to provide local grants for the development of watershed improvement plans. **(Senate Bill 840)**
- Markets for Wood Products - An additional \$2.3 million from the Timber Regulation and Forest Restoration Fund for programs to encourage the development of an innovative wood products market in California, including establishment of a Joint Institute for Wood Products Innovation, financial support for wood product manufacturing, and local grants to showcase the design of mass timber buildings. **(Senate Bill 840)**
- The remaining \$14.2 million for various departments for a wide array of grants and forest health programs. **(Senate Bill 840)**

A Forest Management Task Force was recently convened to coordinate the forest health and wildfire prevention efforts, and RCRC will remain engaged in the new Task Force to carry over our efforts from our membership on both the Forest Climate Action Team, which was responsible for drafting the Forest Carbon Plan, and the Governor's Tree Mortality Task Force.

Transportation

The State Budget Package provides substantial new transportation funding for both state and local governments, primarily from the enactment of Senate Bill 1 (Beall) last year. The State Budget Packet also allows cities and counties to borrow from other internal city and county revenue streams and reimburse themselves with future year apportionments from SB 1. **(Senate Bill 848)**

The State Budget Package also provides the 24 Self-Help counties (counties that have enacted a countywide sales tax measure dedicated for transportation projects) a limitation on the administrative costs the California Department of Transportation charges for the work it does on their behalf to 10 percent. This provision sunsets in three years. **(Senate Bill 848)**

Water

Department of Water Resources. The State Budget Package includes \$3.4 billion to fund a variety of the Department of Water Resources (DWR) programs. Approximately \$119.4 million comes from the General Fund. DWR also operates the State Water Project, which is supported primarily by fees generated from the State Water Project contractors.

The State Budget Package includes funding DWR to review inundation maps, emergency action plans, and related activities. **(Senate Bill 840)**

Water California Water Action Plan. The California Water Action Plan (Plan) continues to serve as the Administration's blueprint to address California's water and ecosystem needs. The State Budget Package includes the following additional appropriations to continue implementation of the Plan:

Groundwater Sustainability: An increase of \$61.8 million from Proposition 68 to support three key efforts: (1) providing technical assistance to aid in the development of groundwater sustainability plans; (2) supplementing existing planning grants to support groundwater sustainability agency efforts to achieve sustainable groundwater management; and, (3) grants to support implementation of groundwater projects.

Another \$84 million from Proposition 68 is included for the State Water Board to support regional groundwater treatment and remediation activities that prevent and/or reduce contamination of groundwater used for drinking water. Included in this allocation is \$10 million for technical assistance for drought and groundwater investments.

Salton Sea Restoration: An increase of \$30 million from Proposition 68 to the California Natural Resources Agency to fund Phase I of the ten-year plan.

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 rejected. Instead, the State Budget Package includes placeholder trailer bill language to allow discussions to continue through the remainder of the 2018 Legislative Session. With that, the State Budget Package includes a one-time loan from the Underground Storage Tank Cleanup Fund of \$4.7 million as well as setting aside \$23.5 million from the General Fund for allocation to safe drinking water actions also for consideration by the Legislature later this Session. **(Senate Bill 840)**

Flood Protection. The State Budget Package includes \$295 million on a one-time basis from the General Fund to increase the flood system resiliency and reduce catastrophic flooding, consistent with the Governor's May Revision. This funding includes \$170 million to support the state cost-share of U.S. Army Corps of Engineers' urban flood control projects, \$100 million for deferred maintenance, and \$25 million to support ongoing levee maintenance. These allocations will largely focus on carrying out the key recommendations in the Central Valley Flood Protection Plan.

This funding is in addition to \$103.5 million from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All (Proposition 68) funds, for (1) multi-benefit flood control projects that achieve public safety and fish and wildlife improvements; (2) a new floodplain management; and, (3) for the Sutter Butte Flood Management Agency for sediment management. **(Senate Bill 840)**

The CVFPP identified an integrated systemwide approach to flood management and implementation at a cost of \$17 to \$20 billion in flood system investment needs over the next 30 years. California voters have previously approved several general obligation bonds that provided approximately \$5 billion for flood control improvement, of which there is approximately \$284 million remaining, and recently approved Proposition 68, which included an additional \$550 million for flood protection and repair. **(Senate Bill 840)**

2018-19 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)

2018-19 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)
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)
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)
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)
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)
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)