



**2017-18 GOVERNOR'S MAY REVISION
May 11, 2017**

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

FROM: Matt Cate, CSAC Executive Director
DeAnn Baker, CSAC Deputy Executive Director, Legislative Affairs
Graham Knaus, CSAC Deputy Executive Director, Operations & Member Services

RE: Governor's May Revision for 2017-18

Earlier today Governor Brown released the May Revision to his 2017-18 budget proposal following a month of returns in April that saw state revenues roughly on target with the Administration's estimates. In many ways the Governor's January budget served as a placeholder given the long list of unknowns facing the State: the ever-volatile source of major state funding from personal income taxes and capital gains; the impending sluggish economy following unprecedented growth over the last eight years; and a new Administration in Washington, D.C. that have proposed to make significant changes to federal programs and state funding levels.

Department of Finance's (DOF) revised revenue expectations increased total estimates by \$2.5 billion, based largely on strong showing by the stock market and personal income tax receipts. While this is positive news the Governor categorized this as a smaller loss than anticipated and not new revenue realized. The January budget proposal projected a \$5.8 billion dollar reduction from the previous budget year, which was revised to only \$3.3 billion. The Governor's commitment to a legacy of fiscal health continues, urging caution in light of ongoing uncertainty from the Trump Administration for health care and tax reform that poses to send California's budget into turmoil.

Governor Brown stressed the continued investment in schools, anti-poverty programs, and reducing state liabilities as part of the expanded government spending. The May

Revision offers funding on previously approved programs, some of which were threatened with cuts in the January budget, and debt payments:

- Partially mitigating impacts of the In-Home Supportive Services costs with appropriations to counties for the next four years (see below);
- School funding increase through the Local Control Formula by \$1.4 billion;
- Restoring the \$500 million child care to package from the 2016 that was “frozen” in the January budget proposal; and
- Paying down \$6 billion for unfunded pension liability to CalPERS, relying on the Proposition 2 Rainy Day Account.

This is in addition to the programs with on-going commitments approved in prior years:

- Repeal of Maximum Family Grant, which denied aid to children born to families while their parents were receiving aid;
- Cost of living adjustments for the Supplemental Security Income/ State Supplementary Payment (SSI/SSP);
- Continuation of the Earned Income Tax Credit for the poorest of California’s working families;
- Expansion of healthcare to undocumented children and Californians covered under the Affordable Care Act; and
- Raising the state minimum wage, which will increase to \$11 in 2018 and \$15 for overtime hours.

IHSS MOE Proposal Released

The Governor’s May Revision is a notable improvement over the January budget that contained an approximate \$623 million shift to counties beginning July 1, 2017, due to the elimination of the five-year county maintenance of effort (MOE) for the In Home Supportive Services (IHSS) program.

Over the past several weeks, CSAC leadership, County Executive Officers, and CSAC staff have been meeting with key members of the Governor’s administration, discussing ways to reduce the impact of the IHSS cost shift. As a result of these efforts, the May Revision includes \$1.1 billion in state general fund contributions over the next four years to mitigate the \$592.2 million cost shift to counties in year one and future years. The May Revision also contains a commitment going forward to review the costs of the program within the structure of 1991 Realignment and the impact of the inflation factor.

A detailed summary of the proposal is provided on page 17 of this Budget Action Bulletin.

Please note, this edition of the Budget Action Bulletin reflects changes since the [Governor's January Budget proposal](#). For more detail on any of these items, see the appropriate policy section below or contact [CSAC legislative staff](#).

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

SUMMARY CHARTS

2017-18 May Revision General Fund Budget Summary (\$ in millions)

	2016-17	2017-18
Prior Year Balance	\$4,515	\$723
Revenues and Transfers	\$118,540	\$125,912
Total Resources Available	\$123,055	\$126,635
Non-Proposition 98 Expenditures	\$71,729	\$71,166
Proposition 98 Expenditures	\$50,603	\$52,852
Total Expenditures	\$122,332	\$124,018
Fund Balance	\$723	\$2,617
Reserve For Liquidation of Encumbrances	\$980	\$980
Special Fund for Economic Uncertainties	-\$257	\$1,637
Budget Stabilization Account/Rainy Day Fund	\$6,713	\$8,488

General Fund Revenue Sources (\$ in millions)

	2016-17	2017-18	\$ Change	% Change
Personal Income Tax	\$83,161	\$88,961	\$5,800	7.0%
Sales and Use Tax	24,494	24,470	-24	-0.1%
Corporation Tax	10,210	10,894	684	6.7%
Insurance Tax	2,483	2,538	55	2.2%
Alcoholic Beverage Taxes and Fees	375	377	2	0.5%
Cigarette Tax	79	65	-14	-17.7%
Motor Vehicle Fees	24	24	0	0.0%
Other	727	358	-369	-50.8%
Subtotal	\$121,553	\$127,687	\$6,134	5.0%
Transfer to the Budget Stabilization / Rainy Day Fund	-3,013	-1,775	1,238	-41.1%
Total	\$118,540	\$125,912	\$7,372	6.2%

Long-Term Revenue Forecast – Three Largest Sources
(General Fund Revenue - \$ in billions)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average Yearly Growth
Personal Income Tax	\$78.7	\$83.2	\$89.0	\$91.2	\$93.8	\$96.9	4.2%
Sales and Use Tax	\$24.9	\$24.5	\$24.5	\$25.7	\$26.6	\$27.6	2.1%
Corporation Tax	\$10.5	\$10.2	\$10.9	\$11.2	\$11.8	\$12.3	3.2%
Total	\$114.1	\$117.9	\$124.3	\$128.1	\$132.2	\$136.8	3.7%
Growth	4.4%	3.3%	5.5%	3.1%	3.2%	3.5%	

General Fund Expenditures by Agency
(\$ in millions)

	2016-17	2017-18	\$ Change	% Change
Legislative, Judicial, Executive	\$3,507	\$3,333	-\$174	-5.0%
Business, Consumer Services & Housing	494	382	-112	-22.7%
Transportation	225	241	16	7.1%
Natural Resources	3,024	2,873	-151	-5.0%
Environmental Protection	90	85	-5	-5.6%
Health and Human Services	34,685	33,669	-1,016	-2.9%
Corrections and Rehabilitation	10,944	11,194	250	2.3%
K-12 Education	50,813	53,575	2,762	5.4%
Higher Education	14,606	14,743	137	0.9%
Labor and Workforce Development	179	127	-52	-29.1%
Government Operations	1,789	745	-1,044	-58.4%
General Government:				
Non-Agency Departments	805	692	-113	-14.0%
Tax Relief/Local Government	459	435	-24	-5.2%
Statewide Expenditures	712	1,924	1,212	170.2%
Total	\$122,332	\$124,018	\$1,686	1.4%

Administration of Justice

2011 Realignment

The Governor's May Revision updates revenue assumptions for 2011 Realignment programs. While the 2016-17 statewide bases for the Community Corrections Subaccount (AB 109) remains \$1.61 billion, the estimated growth funds that counties will receive this fall have substantially decreased from the previous estimate of \$59.1 million to a revised estimate of \$24.7 million, signifying a 55 percent drop. However, this may change before finalization in the fall.

Community Based Transitional Housing Program

The 2016 Budget Act included \$25 million for a newly created program that encourages local governments to support transitional housing that provides treatment and reentry programming to individuals and offenders released from the criminal justice system. The May Revision broadens the purposes for which cities and counties may use their program funds. The proposed statutory changes do the following:

- Allow cities and counties to provide a portion of their program funds to the facility operator, if the facility operator agrees to use those funds for facility operations and services to residents. There is no limit on the amount the local jurisdiction may provide the facility operator.
- Allow cities and counties to use program funds for other purposes that their governing boards determine are in furtherance of the program's goals.

Proposition 47 – Drug Sentencing

Proposition 47 was approved by voters in November 2014, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing.

Proposition 47 requires state savings resulting from the proposition to be transferred into the Safe Neighborhoods and Schools Fund. The May Revision projects savings of \$45.6 million when comparing the population for 2016-17 with the 2013-14 population. This is an increase of \$3.5 million over the estimated savings in 2015-16 and an increase of \$2.6 million over the Governor's January budget proposal. Savings are currently estimated to increase to approximately \$75 million by 2019-20.

Proposition 57 – Sentencing Reform for Juveniles and Adults

Proposition 57, passed by voters last November, reforms the juvenile and adult criminal justice system in California by creating a parole consideration process for non-violent offenders who have served the full term of their primary criminal offense in state prison. The Governor’s January budget proposal estimated that Proposition 57 would result in a net savings of \$22.4 million in 2017-18, growing to a net savings of approximately \$140 million in 2020-21. In the May Revision, the estimate for 2017-18 savings increases to \$38.8 million, growing to a net savings of \$186 million in 2020-21.

Post Release Community Supervision

The May Revision increases the funding for Post Release Community Supervision (PRCS) to \$15.4 million. This funding is for local probation departments to supervise the increase in the average daily population of offenders on PRCS as a result of the implementation of court ordered measures and Proposition 57.

State Hospitals

The Department of State Hospitals continues to experience a significant increase in the number of Incompetent to Stand Trial (IST) referrals from local courts. While the Administration has continued to add capacity for this population at the state and local level, the IST pending placement waitlist is at 550 individuals as of May 2017. The May Revision includes \$3.1 million from the General Fund to establish 24 additional jail-based competency treatment programs. The Administration continues to work with counties and other partners to look for solutions including exploring opportunities for joint-use facilities that would provide services to both State Hospital patients and appropriate jail populations.

Agriculture, Environment and Natural Resources

CONCLUDING THE EMERGENCY DROUGHT RESPONSE

In April, the Governor ended the statewide drought emergency. The recent drought encompassed the driest four consecutive years in California history, and the recent 2016-17 winter and spring have been extremely wet. Snowpack and reservoir levels are high, and some parts of the state have experienced record precipitation.

The end of the drought is a positive step but long-term drought impacts remain. Additionally, the dramatic swing experienced over the last few years illustrates the need for a flexible approach to address and adapt to variability associated with climate change.

The Governor’s January budget proposal included \$178.7 million in emergency drought funding for a variety of program areas, including local assistance for small water systems, tree mortality, enhanced fire protection, and funding to implement the Governor’s Executive Order on water conservation. In the May Revision, the proposed funding for drought response is reduced by \$115 million for a total of \$63 million. The bulk of this funding is for Cal Fire for enhanced fire protection. Additional funding is included to close out various drought-related activities.

Continuing Drought Response (All Funds)

Investment Category	Department	Program	January Proposed (millions)	May Revise (millions)	Increase (Decrease) (millions)
Protecting Water Supplies & Water Conservation	Department of Water Resources	Local Assistance for Small Communities	\$5	\$5	\$0
	Water Board	Water Rights Management	\$5.3	\$0.6	(\$4.7)
	Department of Water Resources	Drought Management and Response	\$7	\$0	(\$7)
	Department of Water Resources	Save Our Water Campaign	\$2	\$1	\$0
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$91	\$41.7	(\$49.3)



	Office of Emergency Services	California Disaster Assistance Act	\$52.7	\$8.5	(\$44.2)
		State Operations Center	\$4	\$0	(\$4)
Protecting Fish and Wildlife	Department of Fish and Wildlife	Emergency Fish Rescues and Monitoring	\$8.2	\$2.6	(\$5.6)
		Delta Smelt Resiliency Strategy	\$3.5	\$3.5	\$0
TOTAL			\$178.7	\$62.9	(\$115)

Tree Mortality

The drought and subsequent bark beetle infestation of our forests has resulted in an estimated 100 million dead and dying trees throughout the Sierra. As counties are well aware, the Governor issued an Executive Order in October 2015 directing state and local entities as well as utilities to remove dead and dying trees that threaten critical infrastructure and pose a health and safety risk. The Governor’s Tree Mortality Task Force has been working diligently to implement the Executive Order with many counties actively participating.

The May Revision includes reduced funding levels for the removal of dead or dying trees compared to the January budget proposal. A total of \$8.5 million is included for Cal OES for the California Disaster Assistance Act (CDAA), with \$2 million for local agencies to aid in the removal of dead or dying trees. This is a reduction of \$44.2 million from the Governor’s January budget proposal, which included \$52.7 million for CDAA.

The funding proposal to assist with the effort and the increased fire risk posed by the state of our forests was also reduced. The May Revision includes \$38.7 million in General Fund and \$3 million in State Responsibility Area (SRA) funds for Cal Fire to increase fire protection. This is \$49.2 million lower than the \$91 million included in the Governor’s January budget proposal.

However, the May Revision also includes ongoing resources for Cal Fire to respond to climate adaptation changes. With several recent “hottest year” records, the fire season has lengthened and the number of wildfires has increased dramatically. The May

Revision includes \$42 million in General Fund and \$309,000 from various special funds and reimbursements to expand the state's firefighting capabilities and expand the fire season. The funding will support 42 additional fire engines, capacity to staff engines and helitack bases one month earlier in the spring, and extended peak staffing levels by two weeks into the fall season. The goal is to reduce fire risk from climate change, drought, and tree mortality by completing more fuel reduction projects during the off-peak season. The General Fund costs will be offset by lower expenditures in Cal Fire's Emergency Fund.

Making Water Conservation a Way of Life

Despite the Governor calling an end to the drought in April, the Administration continues to focus on water conservation and their initiative to Make Water Conservation a Way of Life. Building off his 2016 Executive Order on water conservation, the May Revision includes additional funding to the State Water Resources Control Board to implement policy to:

- Require the State Water Resources Control Board, in consultation with the Department of Water Resources, to set long term urban water use efficiency standards by May 20, 2021;
- Allow the State Water Board to set interim standards to ensure that progress begins before the long-term standards are adopted in 2021;
- Include a robust public participation process to provide the State Water Board and Department with critical input from local agencies, tribal governments, nongovernmental organizations, the business sector, academics, and others.

In addition, the proposal would include agricultural water suppliers and require them to:

- Develop an annual water budget for the agricultural water service area;
- Identify agricultural water management objectives and implementation plans;
- Quantify measures to increase water use efficiency;
- Develop an adequate drought plan for periods of limited supply.

ENHANCING DAM SAFETY AND FLOOD CONTROL

In response to the event at the Oroville Dam in February, the Governor is including additional funding in the May Revision for increased dam safety. Specifically, the Administration is proposing legislation to require dams to have emergency action plans, updated every 10 years, and require dams to have updated inundation maps. In

addition, the proposal would increase the Dam Safety Fund within the Department of Water Resources to help improve action plans and conduct additional and more extensive evaluations.

The May Revision also include an increase of \$387 million in Proposition 1 bond dollars to accelerate and enhance flood protection in the Central Valley , the Sacramento- San Joaquin Delta and other areas of the state facing significant flood risk.

CANNABIS REGULATION

With the passage of Proposition 64, the Adult Use of Marijuana Act (AUMA) and the Medical Cannabis and Regulatory Safety Act (MCRSA), California will be regulating and taxing cannabis for medical and recreational purposes. The January budget proposal included \$51.4 million for the regulation of cannabis in 2017-18 to fund state regulatory activities, processing of licenses, and enforcement. The May Revision builds off this effort and includes an additional \$43.2 million for additional cannabis-related activities, for a total of \$94.6 million in 2017-18. The Administration has also released updated [trailer bill language](#) on April 28 that seeks to consolidate and streamline the regulatory frameworks under both AUMA and MCRSA, creating one single regulatory system. CSAC is working with the Administration, Legislature and stakeholders to ensure that the streamlined regulatory system respects all local control provisions included in AUMA and MCRSA. Proposition 64 requires the state to start issuing licenses for recreational cannabis beginning January 1, 2018. Please see the proposed funding chart on the following page.

2017-18 Proposed Cannabis Resources
(multiple funds)

Investment Category	Department	Program	January Proposed (millions)	May Revise (millions)	Increase (Decrease) (millions)
Licensing	Bureau of Cannabis Control	Dispensaries, microbusinesses, distributors, testing laboratories	\$4.4	\$5.1	\$0.7
	Department of Public Health	Manufacturers	\$0	\$1.8	\$1.8
	Department of Food and Agriculture	Cultivation	\$1.6	\$3.9	\$2.3
Enforcement	Bureau of Cannabis Control	Inspection and Investigation	\$7.9	\$7.9	\$0
	Department of Public Health	Manufacturers	\$0	\$2.5	\$2.5
	Department of Food and Agriculture	Inspection and Investigation	\$3	\$3.4	\$0.4
	Department of Fish and Wildlife	Law enforcement support for compliance investigations	\$0	\$6.5	\$6.5
	State Water Resources Control Board	Inspection and Investigation	\$0	\$7.3	\$7.3
Regulatory Devel.	Department of Fish and Wildlife	Develop conditions for licenses and permits	\$0	\$2.4	\$2.4
Information Technology	Bureau of Cannabis Control	Licensing System	\$5.1	\$5.1	\$0
	Department of Public Health	Licensing System	\$1.4	\$2.3	\$0.9
	Department of Food and Agriculture	Track and Trace, and Licensing System	\$16.9	\$18.1	\$1.2
	State Water Resources Control Board	Cannabis Identification and Prioritization System	\$0	\$0.9	\$0.9
Laboratory Services	Bureau of Cannabis Control	Testing Lab Contract	\$1.2	\$1.2	\$0
	Department of Public Health	Cannabis Testing	(\$0.4)	\$0.2	\$0.6
Permitting	Department of Fish and Wildlife	Permitting for Lake and Streambed Alterations	\$0	\$6.8	\$6.8
	State Water Resources	Water Quality Rights	\$0	\$1.3	\$1.3



Control Board					
Restoration Grants	Department of Fish and Wildlife	Local Assistance	\$0	\$1.5	\$1.5
Admin and Oversight	Bureau of Cannabis Control	Legal, Budgets, Accounting, Human Resources	\$4	\$4	\$0
	Department of Public Health	Education, Training, and Outreach	\$0	\$3.5	\$3.5
	Department of Food and Agriculture	Legal, Budgets, Accounting, Human Resources, and Outreach	\$0.9	\$0.9	\$0
	Board of Equalization	Excise Tax Implementation	\$5.4	\$5.4	\$0
	State Water Resources Control Board	Fee Collections	\$0	\$0.3	\$0.3
	Cannabis Control Appeals Panel	Appeals Panel Operations	\$0	\$1	\$1
	Department of Pesticide Regulation	Training, Outreach, Education, and Worker Safety	\$0	\$1.3	\$1.3
	TOTAL			\$51.4	\$94.6

Significant Adjustments:

- Department of Fish and Wildlife (DFW) – \$17.2 million from multiple fund sources and 63 positions to support the development and implementation of the regulatory programs by the California Department of Food and Agriculture and the State Water Board. DFW will consult on fish and wildlife considerations related to the development of regulations and provide law enforcement to support regulatory compliance efforts.
- Water Board – \$9.8 million from multiple fund sources and 65 positions to develop a statewide water quality permit and expanded water rights registration process for cannabis cultivation.
- Department of Pesticide Regulation – \$1.3 million from the Cannabis Control Fund to develop and update guidelines for pesticide use on cannabis, and prepare training programs and outreach materials.
- Cannabis Control Appeals Panel – \$1 million from the Cannabis Control Fund and 8 positions to provide resources for the operations of the Appeals Panel.

ACTION

- Bureau of Cannabis Control (formerly known as the Bureau of Marijuana Regulation) – \$664,000 from the Cannabis Control Fund and 5 positions for environmental review as required by CEQA.
- Department of Public Health – \$9.3 million from the Cannabis Control Fund to implement cannabis manufacturer regulations, licensing, enforcement, training and information technology activities.
- Department of Food & Agriculture –\$3.9 million from the Cannabis Control Fund and ten positions for required environmental impact review activities.

Government Finance and Administration

The May Revision leaves much unchanged from the Governor’s January budget proposal. This includes the grant program for counties to partner with the US Census Bureau, the insufficient ERAF funding backfill, and funding to support the State-County Assessors’ Partnership Program provided in the Governor’s January budget proposal all remain unchanged in the revised budget proposal. Changes since the Governor’s January budget are detailed below.

EMPLOYEE RELATIONS

In-Home Supportive Services (IHSS) Proposal

The Administration and CSAC have been in close negotiations in the months following DOF action that ended the Coordinated Care Initiative (CCI), which included the key aspect of IHSS bargaining responsibilities being held by the state instead of counties. With the return of collective bargaining to all counties the May Revision proposal includes the changes below. For a full summary of the IHSS proposal, please see the Health and Human Services policy section of on page 17 of this document.

1) Minimum Wage: The May Revision maintains the cost-sharing for minimum wage agreements above the state participation level of \$12.10 per hour for wages and benefits. Specifically, it maintains the 35 percent county/65 percent state share. It also proposes that the state participation cap should be \$1.10 above the hourly minimum wage established by SB 3 (Chapter 4, Statutes of 2016), with adjustments for inflation once the minimum wage reaches \$15 per hour. The May Revision also provides that for counties that are at or above the current state cap of \$12.10, the state would maintain its 65 percent share up to a 10-percent increase over three years.

2) Collective Bargaining: Effective July 1, the May Revision proposes that unions representing IHSS workers may appeal to the Public Employment Relations Board (PERB) if MOE bargaining is not concluded within nine months. IHSS workers for both CCI and non-CCI counties are already under the purview of PERB, which does not have any additional authority when making determinations impacting this group of represented employees.

Public Employment Relations Board (PERB) Funding Augmentation

The May Revision includes a General Fund expenditure of \$750,000 for PERB to “address the Board’s budgetary pressures and provide the appropriate level of funding to support existing permanent positions.” Currently, PERB suffers a backlog of cases, preventing the Board from providing timely decisions that currently take on average 190 days. While the appropriation is dedicated to support existing positions and not create new ones, the augmentation is intended to increase PERB’s efficiency.

GOVERNANCE AND FINANCE

Board of Equalization (BOE) Audit and Corrective Action

The May Revision summarizes the Department of Finance (DOF) [evaluation](#) of the BOE’s sales and use tax reporting and the elected officers outreach activities. Their findings pointed to several troubling concerns related to operations and policies, or the lack thereof, that ran counter to state law and budgetary and legislative directives. It also showed a failure by the BOE to demonstrate a corrective action plan to remedy a gross misallocation of sales tax to counties, making it impossible for DOF to determine the size and scope of the error that could possibly range from \$100 million to \$300 million in favor of the state General Fund.

Governor Brown issued a letter in response to the evaluation that included, among other things, instructions for legislative leadership to convene and identify statutory changes to provide corrective steps by June 2017. CSAC issued a letter shortly thereafter requesting the opportunity to serve as a partner with the Administration and legislative leadership given counties’ role in service delivery on behalf of the State.

ACTION

Also of note for the BOE, part of the IHSS proposal would include repayment forgiveness for any amounts that counties may owe to the state through 2015-16 because of the BOE's miscalculations of sales tax.

STATE ECONOMIC FORECAST

For the near term, revenue forecasts for 2015-16 through 2017-18 have increased by \$2.5 billion compared to the Governor's January budget. This is attributed to strong stock market performance and higher personal income tax receipts despite lower-than expected sales tax receipts, which were revised down by \$1.2 billion. Corporation tax revenues showed a minor increase due to lower refunds and higher payments.

The May Revision reports moderate growth is expected for four more years, which would add to one of the longest periods of growth since World War II. The long term forecast show an average yearly growth rate of 3.7%. Total general fund revenues are expected to grow from \$114.1 billion in 2015-16 to \$136.8 billion in 2020-21.

Risks to the state's economic stability include stock market correction, geopolitical risks such as wars in the Middle East or conflicts in Asia or European Union, and the lingering threat of a recession. The risk of recession could be exacerbated by California's housing growth that lags behind population growth and could potentially limit job markets as well as consumer spending.

Sales and Use Tax Projections

Sales and use tax is one of the state's "Big Three" revenues and is of particular importance to counties as the primary source of funding for 1991 and 2011 Realignment, Proposition 172 funds for public safety, transportation, and other local programs. Counties receive almost half of sales and use tax revenues collected by the state.

As expected, the May Revision shows below average growth rates for sales and use taxes. Revised projections estimate that sales and use taxes will generate approximately \$24.5 billion in general fund revenues in both 2016-17 and 2017-18. This is slightly lower than the January budget proposal which estimated \$25 billion in 2016-17 and \$25.2 billion in 2017-18.

The May Revision cites weak business spending, lower housing permits, and inflation in house and medical costs as likely contributors to the lower sales tax revenues.

Property Tax Projections

Property taxes are primarily a source of local revenue, but high-level estimates are included in the state's budget due to the complicated interactions with Proposition 98. The May Revision estimates that statewide property tax revenue will increase 4.9 percent in 2016-17 and 5.4 percent in 2017-18. This is a minor change from the Governor's January budget proposal which projected 5.9 percent growth in 2016-17 and 5.3 percent in 2017-18.

Health and Human Services

IN-HOME SUPPORTIVE SERVICES (IHSS) Proposal

The Governor's May Revision is a notable improvement over the January 10 proposed budget that contained an approximate \$623 million shift to counties beginning July 1, 2017, due to the elimination of the five-year county maintenance of effort (MOE) for the In Home Supportive Services (IHSS) program. The May Revision now includes \$1.1 billion in state general fund contributions over the next four years to mitigate the full revised \$592.2 million IHSS cost shift to counties as well as an ongoing state general fund contribution into future years.

Counties will recall that the Governor's January budget eliminated the county MOE and its attendant 3.5% annual inflator and reinstated the existing nonfederal IHSS cost sharing ratio of 65 percent state and 35 percent county.

The May Revision instead reinstates a county MOE structure with no inflator in 2017-18, rising to five percent in 2018-19, and seven percent in 2019-20 and beyond. It includes some protection for economic downturns by allowing the inflator to be reduced in half and as low as zero depending on sales tax performance starting in year three. The new MOE will have a new base, which will be developed with county input.

ACTION

This proposal would also redirect all Vehicle License Fee (VLF) growth revenues – not base revenues – from the 1991 Realignment Health, Mental Health, and County Medical Services Program (CMSP) subaccounts for three years. This VLF growth redirection would be halved in years four and five. The redirected CMSP revenues would be available to mitigate impacts to the 35 CMSP counties. The state would continue to redirect VLF growth from the Health Subaccount under AB 85 (Chapter 24, Statutes of 2013) to continue to fund state CalWORKs costs.

Overall, counties general funds are largely protected in years one and two by the significant state general fund contribution outlined in the May Revision and low annual, combined with existing 1991 Realignment growth revenues and other changes in how counties are reimbursed for costs in the IHSS program. It represents only a small increase in costs beyond what was anticipated under the expired MOE.

However, as structured in the May Revision, the seven percent inflator beginning in year three is problematic for counties and will lead to county general fund impacts, despite the continued state general fund contribution proposed for those years. Because of significant concerns for county general fund beginning with year three of the proposal, the Governor has agreed to include a reopener clause for counties.

Further, the proposal contains additional elements to lessen the impact on counties, including holding counties harmless from the Board of Equalization's (BOE) as-yet-unquantified error through fiscal year 15-16 in allocating Proposition 172, 1991 Realignment, and 2011 realignment revenues to counties. The estimated value of this forgiveness ranges from \$100 to \$300 million and would protect each county's realignment base revenues.

The Governor has also agreed to fund all county administrative costs associated with the IHSS program through the current budget year.

The proposal also suspends the county responsibility for a statutory 3.5 percent annual increase in Institutions for Mental Disease (IMD) rates in any year in which the Mental Health Subaccount does not receive its full growth allocation.

For counties that may experience a financial hardship under this proposal, the state would entertain an individual low-interest loan on a case-by-case basis. All elements of these loans – their structure, timeline, and required documentation – have yet to be developed.

Additional information regarding collective bargaining and minimum wage and benefits cost-sharing may be found in the Government Finance and Administration policy section of this document on page 14.

AB 85 REDIRECTION

The May Revision includes an increase in the estimated amount of revenue that will be redirected from each county's 1991 Realignment Health Subaccount under AB 85 (Chapter 24, Statutes of 2013). The current year estimate was \$585.9 million, and the 2017-18 year redirection has been increased by \$143 million from January estimates to \$688.8 million. Further, the 2014-15 reconciliation is preliminarily showing that counties saved \$255.6 million more in that year than was redirected; the May Revision assumes reimbursement to the state by counties of this funding. Final reconciliation will be completed in June 2017.

DUALS DEMONSTRATION PILOT

As summarized earlier, the Governor's January budget proposal dismantled the Coordinated Care Initiative (CCI). However, also in January, the Governor proposed reinstating three programmatic components of the CCI. The May Revision continues:

- 1) Extension of the Cal MediConnect program
- 2) Mandatory enrollment of dually eligible beneficiaries
- 3) Long-term services and supports integration into managed care, except IHSS

This change represents a decrease of approximately \$12 million General Fund savings compared to the Governor's January budget proposal due to a decrease of participants choosing to participate in the pilot. The May Revision states that continuing the duals demonstration program provides the potential to reduce health care and improve health outcomes for individuals that maintain their Cal MediConnect enrollment.

MEDI-CAL

The May Revision reflects that the Medi-Cal shortfall has decreased by approximately \$620 million General Fund compared to the Governor's January budget proposal. This reduction is largely due to savings from drug rebates in Medi-Cal managed care, retroactive managed care rate adjustments, and slower caseload growth than previously estimated. Medi-Cal program expenditures are expected to exceed the appropriation included in the Governor's January budget proposal by approximately \$1.1 billion.

The May Revision includes \$495,000 (\$248,000 General Fund) to upgrade the system that is used to produce the Medi-Cal estimate, which will enhance system stability and improve flexibility to make it more adaptable to changes in the Medi-Cal program.

Proposition 56

Based on updated revenue projections, the May Revision includes an increase of \$19.8 million in the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 allocation to Medi-Cal. The overall revenue from Proposition 56 increased by \$23.3 million compared to the Governor's January budget proposal.

BEHAVIORAL HEALTH

Performance Outcomes System

The May Revision includes \$6.2 million General Fund for the implementation of functional assessment tools for populations receiving specialty mental health services through county mental health plans. The assessment tools will be used to track outcomes for Medi-Cal mental health services provided to child up to the age of 21 using data from both a clinician's and caregiver's perspective. The revised funding in the May Revision reflects training, staff, and information technology costs associated with implementation of the newly selected functional assessment tools.

Federal Cures Act Opioid Targeted Response Grant

The May Revision reflects \$44.7 million in federal funding to reflect the award of the federal Opioid State Targeted Response grant. This grant will allow for increased medication-assisted treatment for individuals with substance use disorders. The Department of Health Care Services will establish 15 systems where a Narcotic Treatment Program will serve as a hub and there are regional physicians approved to prescribe medication-assisted treatment serving as spokes. For counties that do not

have a Narcotic Treatment Program, the lead entity could be the county, and alcohol and other drug facility, a federally qualified health center, or other group. Narcotic Treatment Programs will begin providing expanded substance use disorder services by September 1, 2017, as is required under the grant provisions.

SOCIAL SERVICES

Continuum of Care Reform

The May Revision includes an increase of \$11.2 million General Fund to implement a higher hourly rate for county social workers and probation staff for certain administrative components, as well as to provide foster youth with relative caregivers the same infant supplement grant and dual agency rates as federally eligible foster youth.

CalWORKs

The May Revision includes a decrease of \$19.1 million General Fund and federal Temporary Assistance for Needy Families (TANF) block grant funds in 2017-17, and \$35.5 million General Fund and TANF in 2017-18 to reflect updated caseload and average cost per case projections.

Child Care

The Governor has relented on his January budget proposal to slash increases for child care and preschool programs. He wants to fund the increases in provider reimbursement rates and additional 2,900 full-day State Preschool slots. The increase in the Standard Reimbursement Rate will cost \$67.6 million General Fund to reflect the 10 percent increase agreed upon in the 2016 Budget Act, as well as a six percent increase for State Preschool and other direct-contracted child care and development providers, starting on July 1. The additional full-day State Preschool slots will cost \$7.9 million. Costs in both CalWORKs Stage 2 and 3 child care will decrease due to lower caseloads and lower costs per case.

Supplemental Security Income/State Supplementary Payment

The May Revision includes a decrease of \$34.1 million General Fund in 2016-17 and a decrease of \$37.3 million General Fund in 2017-18 to reflect updated caseload and

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average cost per case projections in these payments to California’s aged, blind, and disabled.

Housing, Land Use and Transportation

Transportation Funding

The Governor’s May Revision includes the first partial year of revenues from the April passage of Senate Bill 1 (Beall). While SB 1 will raise an average of \$5.2 billion per year in new transportation funding at full implementation, \$2.8 billion is expected in 2017-18. The first new fuel tax rates imposed by the bill will begin in November 2017 and the value-based “transportation improvement fee” will be implemented in January 2018.

Cities and counties will split Road Maintenance and Rehabilitation Account (RMRA) funding from SB 1 evenly with the State. In 2017-18, \$445 million (which includes \$75 million in loan repayments) will be allocated to cities and counties by formula and equal amounts will be allocated to state highways. RMRA funds are continuously appropriated and will begin to flow to counties in monthly apportionments from the State Controller’s Office by February 2018.

These new local RMRA funds are accompanied by additional reporting and eligibility requirements. Specifically, counties and cities may use RMRA funds for transportation projects that, “include, but are not limited to” the following:

- Road maintenance and rehabilitation;
- safety projects;
- Railroad grade separations;
- Complete street components, including active transportation, bicycle and pedestrian facilities, transit facilities, drainage, and stormwater capture projects;
- Traffic control devices; and
- Local match for state/federal funds for eligible projects.

In order to receive an apportionment of RMRA funding, counties must first submit to the California Transportation Commission (CTC) an annual list of projects proposed to be constructed with RMRA funding pursuant to a budget adopted at a public meeting. This initial list will not limit the flexible use of funds as long as the funds are only used on eligible projects. Similar reporting is required after RMRA funds are expended.

The initial project list adopted along with the county budget must include the following information:

- Project descriptions;
- The location of each proposed project;
- The schedule for each project's completion; and
- The estimated useful life of each improvement.

The CTC is in the early stages of developing guidance for both reporting requirements and have sought input from CSAC. While CSAC encourages counties to incorporate their proposed RMRA project lists in their recommended 2017-18 budgets, we have been assured that these initial reports will not be due to the CTC prior to September 15, 2017.

Transportation Revenue Estimates

Based on the shared revenue estimates included in the May Revision, CSAC does not anticipate updating our 2017-18 estimates of county Highway User Tax Account revenues and Road Maintenance and Rehabilitation Account revenues distributed to counties in April. CSAC will keep counties informed as reporting guidelines are developed, including a determination of whether loan repayment funding will be subject to RMRA eligibility and reporting requirements.

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

Appendices

- 1) 1991 Realignment Summary Chart
- 2) 2011 Realignment Summary Chart
- 3) 2017-18 HUTA and SB 1 Estimated Funding Chart

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CALIFORNIA STATE ASSOCIATION OF COUNTIES

1991 Realignment Estimated Revenues and Expenditures - 2017 May Revision
(Dollars in Thousands)

2015-16 State Fiscal Year							
Amount	CalWORKs		Social	Mental	Family	Child	Totals
	MOE	Health	Services	Health	Support	Poverty	
Base Funding							
Sales Tax Account	\$752,888	\$-	\$1,856,413	\$33,967	\$443,909	\$88,224	\$3,175,401
Vehicle License Fee Account	367,663	820,971	58,142	48,754	301,813	104,384	1,701,727
Total Base	\$1,120,551	\$820,971	\$1,914,555	\$82,721	\$745,722	\$192,608	\$4,877,128
General Growth Carryover from 2014-15 ¹						69,480	69,480
Growth Funding							
Sales Tax Growth Account:	-	-	57,388	-	-	-	57,388
Caseload Subaccount	-	-	(57,388)	-	-	-	(57,388)
County Medical Services Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	42,243	-	46,116	-	56,080	144,439
Total Growth	\$-	\$42,243	\$57,388	\$46,116	\$-	\$56,080	\$201,827
General Growth Carryover to 2016-17 ¹						(37,255)	(37,255)
Total Realignment 2015-16²	\$1,120,551	\$863,214	\$1,971,943	\$128,837	\$745,722	\$280,913	\$5,111,180
2016-17 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,888	\$-	\$1,913,802	\$33,967	\$443,909	\$88,224	\$3,232,790
Vehicle License Fee Account	367,663	1,035,645	58,142	94,870	129,381	160,465	1,846,166
Total Base	\$1,120,551	\$1,035,645	\$1,971,944	\$128,837	\$573,290	\$248,689	\$5,078,956
General Growth Carryover from 2015-16 ¹	-	-	-	-	-	37,255	37,255
Growth Funding							
Sales Tax Growth Account:	-	-	45,417	-	-	-	45,417
Caseload Subaccount	-	-	(45,417)	-	-	-	(45,417)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	32,954	-	35,976	-	43,749	112,679
VLF Growth Redirection ³	-	(32,954)	68,930	(35,976)	-	-	-
Total Growth	\$-	\$-	\$114,347	\$-	\$-	\$43,749	\$158,096
Total Realignment 2016-17²	\$1,120,551	\$1,035,645	\$2,086,291	\$128,837	\$573,290	\$329,693	\$5,274,307
2017-18 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,888	\$-	\$1,959,218	\$33,967	\$443,909	\$88,224	\$3,278,206
Vehicle License Fee Account	367,663	943,527	127,073	94,870	221,499	204,214	1,958,846
Total Base	\$1,120,551	\$943,527	\$2,086,291	\$128,837	\$665,408	\$292,438	\$5,237,052
Growth Funding							
Sales Tax Growth Account:	-	-	140,378	-	-	-	140,378
Caseload Subaccount	-	-	(140,378)	-	-	-	(140,378)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	28,273	-	30,866	-	37,535	96,674
VLF Growth Redirection ³	-	(28,273)	59,139	(30,866)	-	-	-
Total Growth	\$-	\$-	\$199,517	\$-	\$-	\$37,535	\$237,052
Total Realignment 2017-18²	\$1,120,551	\$943,527	\$2,285,808	\$128,837	\$665,408	\$329,973	\$5,474,104

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

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

³ The May Revision proposes to temporarily redirect Vehicle License Fee growth revenues from Health and Mental Health to Social Services to fund county In-Home Supportive Services program costs.

2011 Realignment Estimate¹ - at 2017 May Revision

	<u>2015-16</u>	<u>2015-16</u> <u>Growth</u>	<u>2016-17</u>	<u>2016-17</u> <u>Growth</u>	<u>2017-18</u>	<u>2017-18</u> <u>Growth</u>
Law Enforcement Services	\$2,289.1		\$2,361.2		\$2,394.3	
Trial Court Security Subaccount	532.5	7.2	539.7	3.3	543.0	8.4
Enhancing Law Enforcement Activities Subaccount ²	489.9	116.0	489.9	170.5	489.9	202.9
Community Corrections Subaccount	1,107.5	54.1	1,161.6	24.7	1,186.4	63.0
District Attorney and Public Defender Subaccount	24.3	3.6	27.9	1.6	29.6	4.2
Juvenile Justice Subaccount	134.9	7.2	142.1	3.3	145.4	8.4
<i>Youthful Offender Block Grant Special Account</i>	(127.5)	(6.8)	(134.3)	(3.1)	(137.4)	(7.9)
<i>Juvenile Reentry Grant Special Account</i>	(7.4)	(0.4)	(7.8)	(0.2)	(8.0)	(0.5)
Growth, Law Enforcement Services		188.1		203.4		286.9
Mental Health³	1,120.6	6.7	1,120.6	3.1	1,120.6	7.8
Support Services	3,277.6		3,404.9		3,463.1	
Protective Services Subaccount	2,109.2	60.3	2,169.5	27.6	2,197.1	70.1
Behavioral Health Subaccount	1,168.4	67.0	1,235.4	30.6	1,266.0	77.9
<i>Women and Children's Residential Treatment Services</i>	(5.1)	-	(5.1)	-	(5.1)	-
Growth, Support Services		134.0		61.3		155.8
Account Total and Growth	\$7,009.4		\$7,151.4		\$7,420.7	
Revenue						
1.0625% Sales Tax	6,403.5		6,491.1		6,727.6	
Motor Vehicle License Fee	605.9		660.4		692.8	
Revenue Total	\$7,009.4		\$7,151.5		\$7,420.4	

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹ Dollars in millions.

² Base Allocation is capped at \$489.9 million. Growth does not add to the base.

³ Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

Estimated County Highway User Tax Account Revenues - FY 2017-18					New Revenues - SB 1		
COUNTY	HUTA 2103	HUTA 2104	HUTA 2105	HUTA 2106	Loan Repayment	RMRA	TOTAL
ALAMEDA	\$4,070,514	\$13,678,745	\$6,326,644	\$329,479	\$1,163,261	\$5,862,836	\$31,431,477
ALPINE	\$78,317	\$229,860	\$113,847	\$22,216	\$22,381	\$112,801	\$579,422
AMADOR	\$373,460	\$661,419	\$499,104	\$157,798	\$106,726	\$537,901	\$2,336,409
BUTTE	\$1,332,051	\$2,516,405	\$1,780,195	\$348,568	\$380,670	\$1,918,578	\$8,276,467
CALAVERAS	\$570,086	\$946,434	\$761,881	\$256,141	\$162,918	\$821,106	\$3,518,566
COLUSA	\$447,283	\$608,668	\$597,762	\$94,250	\$127,823	\$644,229	\$2,520,015
CONTRA COSTA	\$3,399,208	\$10,980,268	\$5,296,466	\$746,973	\$971,417	\$4,895,942	\$26,290,275
DEL NORTE	\$232,690	\$319,754	\$310,975	\$91,064	\$66,498	\$335,148	\$1,356,128
EL DORADO	\$1,200,852	\$3,247,052	\$1,760,464	\$650,904	\$343,176	\$1,729,609	\$8,932,057
FRESNO	\$4,080,730	\$8,447,557	\$5,453,616	\$862,327	\$1,166,181	\$5,877,551	\$25,887,961
GLENN	\$542,869	\$738,269	\$725,507	\$109,226	\$155,140	\$781,904	\$3,052,914
HUMBOLDT	\$1,059,389	\$1,714,560	\$1,415,801	\$329,515	\$302,749	\$1,525,857	\$6,347,872
IMPERIAL	\$1,844,092	\$2,307,982	\$2,464,502	\$316,245	\$527,000	\$2,656,079	\$10,115,899
INYO	\$654,259	\$963,611	\$874,372	\$97,684	\$186,972	\$942,341	\$3,719,241
KERN	\$3,840,448	\$7,898,473	\$5,132,494	\$1,728,421	\$1,097,513	\$5,531,467	\$25,228,816
KINGS	\$804,444	\$1,199,250	\$1,075,084	\$167,885	\$229,892	\$1,158,655	\$4,635,211
LAKE	\$569,126	\$950,770	\$760,597	\$263,456	\$162,643	\$819,722	\$3,526,314
LASSEN	\$553,345	\$931,133	\$739,507	\$104,896	\$158,133	\$796,993	\$3,284,007
LOS ANGELES	\$24,594,585	\$82,269,792	\$38,080,812	\$2,047,354	\$7,028,577	\$35,424,029	\$189,445,150
MADERA	\$1,166,217	\$1,493,603	\$1,558,568	\$359,663	\$333,278	\$1,679,723	\$6,591,052
MARIN	\$924,205	\$2,578,978	\$1,275,654	\$245,529	\$264,117	\$1,331,149	\$6,619,631
MARIPOSA	\$364,993	\$549,052	\$487,789	\$109,322	\$104,307	\$525,707	\$2,141,170
MENDOCINO	\$852,578	\$1,301,069	\$1,139,412	\$325,074	\$243,648	\$1,227,984	\$5,089,765
MERCED	\$1,541,713	\$2,373,931	\$2,060,394	\$431,508	\$440,587	\$2,220,558	\$9,068,690
MODOC	\$534,496	\$846,905	\$714,317	\$51,684	\$152,747	\$769,844	\$3,069,993
MONO	\$395,834	\$754,188	\$529,005	\$26,477	\$113,120	\$570,127	\$2,388,751
MONTEREY	\$1,681,718	\$3,818,587	\$2,247,500	\$644,628	\$480,597	\$2,422,209	\$11,295,238
NAPA	\$650,906	\$1,549,121	\$869,890	\$262,708	\$186,014	\$937,511	\$4,456,150
NEVADA	\$666,594	\$1,654,149	\$890,857	\$257,856	\$190,498	\$960,107	\$4,620,061
ORANGE	\$8,398,147	\$29,335,719	\$13,479,052	\$509,106	\$2,400,001	\$12,096,005	\$66,218,029
PLACER	\$1,730,979	\$5,258,593	\$2,658,248	\$627,202	\$494,675	\$2,493,161	\$13,262,858
PLUMAS	\$439,711	\$1,147,294	\$587,643	\$123,262	\$125,659	\$633,324	\$3,056,894
RIVERSIDE	\$6,750,822	\$20,164,152	\$9,567,513	\$1,019,887	\$1,929,232	\$9,723,332	\$49,154,937

Estimated County Highway User Tax Account Revenues - FY 2017-18					New Revenues - SB 1		
COUNTY	HUTA 2103	HUTA 2104	HUTA 2105	HUTA 2106	Loan Repayment	RMRA	TOTAL
SACRAMENTO	\$5,020,475	\$13,957,953	\$7,086,322	\$1,732,324	\$1,434,738	\$7,231,081	\$36,462,893
SAN BENITO	\$377,374	\$683,384	\$504,335	\$124,917	\$107,845	\$543,539	\$2,341,395
SAN BERNARDINO	\$6,535,738	\$19,801,451	\$9,401,028	\$1,013,961	\$1,867,766	\$9,413,542	\$48,033,487
SAN DIEGO	\$9,407,835	\$30,141,692	\$14,272,588	\$1,460,153	\$2,688,547	\$13,550,277	\$71,521,093
SAN FRANCISCO	\$1,913,589	\$5,172,978	\$2,557,380	\$9,600	\$546,861	\$2,756,177	\$12,956,585
SF (City Portion)*	\$3,428,805	\$0	\$4,977,556	\$1,682,340	\$979,875	\$4,938,570	\$16,007,146
SAN JOAQUIN	\$2,715,601	\$6,737,278	\$3,629,214	\$643,366	\$776,057	\$3,911,330	\$18,412,846
SAN LUIS OBISPO	\$1,563,585	\$3,222,861	\$2,089,624	\$515,050	\$446,837	\$2,252,060	\$10,090,019
SAN MATEO	\$2,285,792	\$7,590,134	\$3,548,928	\$267,772	\$653,228	\$3,292,268	\$17,638,121
SANTA BARBARA	\$1,594,862	\$4,174,538	\$2,202,196	\$701,483	\$455,776	\$2,297,109	\$11,425,964
SANTA CLARA	\$5,113,806	\$17,101,142	\$7,830,577	\$237,036	\$1,461,410	\$7,365,507	\$39,109,480
SANTA CRUZ	\$1,054,437	\$2,765,782	\$1,488,304	\$529,566	\$301,334	\$1,518,726	\$7,658,149
SHASTA	\$1,231,014	\$2,504,775	\$1,645,165	\$325,199	\$351,796	\$1,773,052	\$7,831,002
SIERRA	\$213,574	\$428,053	\$285,428	\$29,038	\$61,035	\$307,615	\$1,324,743
SISKIYOU	\$881,988	\$1,636,044	\$1,178,717	\$165,676	\$252,052	\$1,270,344	\$5,384,822
SOLANO	\$1,478,380	\$4,251,512	\$1,992,297	\$159,759	\$422,488	\$2,129,337	\$10,433,772
SONOMA	\$2,219,485	\$5,505,715	\$2,966,190	\$760,143	\$634,279	\$3,196,765	\$15,282,577
STANISLAUS	\$2,181,844	\$5,087,178	\$2,915,884	\$532,023	\$623,522	\$3,142,549	\$14,482,999
SUTTER	\$671,734	\$1,075,446	\$897,726	\$152,968	\$191,966	\$967,510	\$3,957,350
TEHAMA	\$764,730	\$1,002,726	\$1,022,009	\$204,025	\$218,543	\$1,101,454	\$4,313,486
TRINITY	\$409,514	\$767,518	\$547,287	\$83,577	\$117,030	\$589,831	\$2,514,758
TULARE	\$2,647,627	\$4,085,378	\$3,538,372	\$534,596	\$756,632	\$3,813,426	\$15,376,031
TUOLUMNE	\$534,987	\$1,053,050	\$714,973	\$259,187	\$152,887	\$770,551	\$3,485,635
VENTURA	\$2,579,195	\$8,274,607	\$3,967,845	\$510,852	\$737,076	\$3,714,862	\$19,784,437
YOLO	\$941,570	\$2,020,410	\$1,258,343	\$133,958	\$269,079	\$1,356,160	\$5,979,520
YUBA	\$535,603	\$795,053	\$715,797	\$216,542	\$153,063	\$771,439	\$3,187,497
TOTALS	\$134,649,805	\$363,272,000	\$195,469,556	\$26,703,422	\$38,479,875	\$193,938,570	\$952,513,227

* Add'l City Revenue	HUTA 2107	HUTA 2107.5
San Francisco City	\$6,506,811	\$20,000