



**GOVERNOR'S PROPOSED BUDGET FOR 2021-22  
JANUARY 8, 2021**

TO: CSAC Board of Directors  
County Administrative Officers

FROM: Graham Knaus, CSAC Executive Director  
Darby Kernan, CSAC Deputy Executive Director of Legislative Services

RE: **Governor's January Budget Proposal for 2021-22**

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While many Californians have gotten used to watching Governor Newsom present COVID-19 updates multiple times per week over the last ten months, today he gave a different briefing: his proposals for the 2021-22 state budget. The Governor focused on the need for early action in January to address COVID-19 and jumpstart California's recovery, while remaining mindful of multi-billion deficits looming in the near future.

The Governor emphasized that his budget reflects the urgent needs of Californians including billions of dollars to address homelessness, fight wildfires and the climate crisis, and build infrastructure. However, the budget misses the mark on at least two important issues by missing a chance to bolster local public health departments and by acknowledging the inequities created by the digital divide but failing to budget any funds or commit to any specific actions to close it.

The briefing and [the 380 page summary document](#) released this morning also highlight Governor Newsom's desire to tackle as many major issues as possible, with significant proposals in almost every budget category. Several of those proposals warrant close attention from counties, including:

- \$1.75 billion for homelessness, including for Project Homekey, behavioral health continuum infrastructure, and residential care facilities.
- \$1 billion for forest resilience.
- \$1.1 billion for CalAIM implementation.
- \$372 million placeholder for COVID-19 vaccine efforts.
- Over \$250 million to begin implementing the new Master Plan for Aging.
- \$500 million each for increased infill infrastructure grants and housing tax credits.
- Increased enforcement of state housing laws, including for local housing production.

The Governor is asking the Legislature to approve an \$11.2 billion recovery package in the current year, plus \$2.7 billion in the budget year. One area of emphasis in this package is relief for individuals and small businesses, which would include \$600 checks to low-income workers, an additional \$575 million for grants to small businesses and non-profit cultural institutions, and fee relief for hard-hit industries such as restaurants and personal services. The Governor is also proposing several billions of dollars in funding for schools: \$2 billion for reopening preparation and \$4.56 billion for extending learning opportunities, including expanded summer school.

These proposals and the others discussed below represent a starting point for debate among the state's policymakers, though in most years they avoid taking major actions until after the April tax returns and the Governor's updated proposals in the May Revision. Perhaps the Governor's call to immediate action on some proposals will spur unusually quick decision-making from lawmakers.

For questions about any of the issues in the budget summary, please contact the [CSAC legislative staff](#).

***If you would like to receive the Budget Action Bulletin electronically, please e-mail Amanda Yang, CSAC Legislative Assistant at [ayang@counties.org](mailto:ayang@counties.org).***

**2021-22 Governor's Budget**  
**Summary by Agency**  
(\$ in Millions)

State Agencies	General Fund	Special Funds	Bond Funds	Total State Funds
Legislative, Judicial, Executive	\$4,494	\$3,759	\$267	\$8,520
Business, Consumer Services & Housing	\$961	\$1,183	\$936	\$3,080
Transportation	\$421	\$17,532	\$214	\$18,364
Natural Resources	\$4,552	\$2,043	\$813	\$6,636
Environmental Protection	\$460	\$3,785	\$17	\$3,316
Health and Human Services	\$54,369	\$24,840	---	\$70,410
Corrections and Rehabilitation	\$13,089	\$2,913	---	\$15,929
K-12 Education	\$59,657	\$116	\$1,515	\$49,736
Higher Education	\$17,873	\$139	\$625	\$18,637
Labor and Workforce Development	\$684	\$855	---	\$1,539
Government Operations	\$3,051	\$337	\$8	\$3,396
General Government				
<i>Non-Agency Departments</i>	\$1,001	\$1,842	\$2	\$2,845
<i>Tax Relief/Local Government</i>	\$437	\$3,051	---	\$3,488
<i>Statewide Expenditures</i>	\$3,466	-\$1,071	\$1	\$2,396
<b>TOTAL</b>	<b>\$164,515</b>	<b>\$58,324</b>	<b>\$4,397</b>	<b>\$227,237</b>

**2021-22 Revenue Sources**  
(\$ in Millions)

Revenue Source	General Fund	Special Funds	Total	Change from 2020-21
Personal Income Tax	\$107,360	\$2,636	\$109,996	\$5,247
Sales and Use Tax	\$25,925	\$11,777	\$37,702	-\$738
Corporation Tax	\$16,636	---	\$16,636	-\$313
Highway users tax	---	\$8,639	\$8,639	\$616
Insurance Tax	\$3,919	---	\$3,319	\$66
Alcoholic Beverage Taxes and Fees	\$389	---	\$389	\$4
Cigarette Tax	\$46	\$ 1,556	\$1,602	-\$234
Motor Vehicle Fees	\$36	\$10,377	\$10,413	\$132
Other	\$7,697	\$23,140	\$30,837	-\$145
<b>Subtotal</b>	<b>\$161,408</b>	<b>\$58,125</b>	<b>\$219,533</b>	<b>\$4,636</b>
Transfer to the Budget Stabilization/ Rainy Day Fund	-\$3,038	\$3,038	---	---
<b>TOTAL</b>	<b>\$158,370</b>	<b>\$61,163</b>	<b>\$219,533</b>	<b>\$4,636</b>

**Homelessness**

The Governor’s January budget includes the below proposals to aid in California’s response to the homelessness crisis.

**Continued Homekey Acquisitions**

The Governor’s January budget proposal looks to build off the \$846 million allocated for Project Homekey acquisitions and operations to-date. This includes \$750 million one-time General Fund for the Department of Housing and Community Development to continue providing competitive grants for local governments to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings, and convert them into interim or permanent long-term housing. The Administration is also asking the Legislature for early action on \$250 million one-time General Fund in the current fiscal year to continue funding Project Homekey projects. The proposal also includes the same streamlining as last year’s program.



### **Behavioral Health Continuum Infrastructure**

The Governor’s January budget proposal also includes \$750 million to make outpatient treatment options more widely available and to help counties treat individuals in less restrictive, community-based, residential settings of care. The Department of Health Care Services will provide competitive grants to counties for the acquisition and rehabilitation of real estate assets to expand the community continuum of behavioral health treatment resources and infrastructure. Counties will be required to provide a local match and this proposal links to the repurposing of local jail construction funds discussed further in the Administration of Justice section.

### **Expanded Facilities to Support Housing**

Lastly, the Governor’s January budget proposal includes \$250 million one-time General Fund for the Department of Social Services to provide to counties for the acquisition or rehabilitation of Adult Residential Facilities and Residential Care Facilities for the Elderly.

## **Agriculture, Environment and Natural Resources**

The Governor’s January budget proposal includes significant investments to prepare for, and protect against, our changing climate. The proposal builds on legislative efforts, previous budget allocations, and ongoing policies to ensure that the state has adequate resources to mitigate climate risk, prepare for future events, and protect our the environmental health and safety.

### **Wildfire and Forest Resilience**

Over the past two years, local government leaders and other stakeholders have met regularly with the Administration under the Forest Management Task Force to provide input into the Forest Resilience Action Plan. This plan has been released in conjunction with the January budget proposal and includes a \$1 billion, one-time General Fund investment for forest resilience efforts. The proposal includes \$323 million in the current year with the remaining funds allocated in the following budget year. Funding is focused on regional approaches to forest resilience. In addition to the funding outlined below, the January budget includes an extension of \$200 million for forest health and fire prevention programs funded through the Cap-and-Trade program. These funds would have expired in 2023-24.

Forest resilience funding is prioritized in three areas: (1) expanding forest management; (2) securing fire breaks around vulnerable communities; and, (3) supporting home and community infrastructure hardening.

**Wildfire and Forest Resilience Expenditure Plan**  
(\$ in Millions)

Investment Category	Department	Program	Early Action 2020-21	Budget Year 2021-22	Amount
<b>Resilient Forests &amp; Landscapes</b>	Cal Fire	Forest Health Program	\$70	\$100	\$170
		Forest Improvement Program for Small Landowners	\$10	\$40	\$50
		Forest Legacy & Reforestation Nursery	\$8	\$17	\$25
		Urban Forestry	\$10	\$13	\$23
		Tribal Engagement	\$1	\$19	\$20
	State Parks, Fish & Wildlife & State Lands Commission	Stewardship of State-Owned Land	\$19	\$123	\$142
	Sierra Nevada & Tahoe Conservancies	Project Implementation in High-Risk Regions	\$21	\$61	\$82
<b>Wildfire Fuel Breaks</b>	Cal Fire	Cal Fire Unit Fire Prevention Projects	\$10	\$40	\$50
		Fire Prevention Grants	\$50	\$80	\$130
		Prescribed Fire & Hand Crews	\$15	\$35	\$50
	California Conservation Corps	Forestry Corps & Fuel Reduction Projects	\$0	\$20	\$20
	Department of Conservation	Regional Forest & Fire Capacity	\$25	\$60	\$85
<b>Community Hardening</b>	Cal OES & Cal Fire	Home Hardening	\$25	\$0	\$25
	Cal Fire	Defensible Space Inspectors	\$0	\$6	\$6
	Cal Fire & University of California	Land Use Planning & Public Education Outreach	\$0	\$7	\$7



<b>Science-Based Management</b>	Cal Fire	Ecological Monitoring, Research & Adaptive Management	\$3	\$17	\$20
	Natural Resources Agency	Remote Sensing	\$0	\$15	\$15
	Air Resources Board & Water Board	Permit Efficiencies	\$0	\$4	\$4
<b>Forest Sector Economic Stimulus</b>	IBank	Climate Catalyst Fund	\$47	\$2	\$49
	Cal Fire	Workforce Training	\$6	\$18	\$24
	Office of Planning & Research	Market Development	\$3	\$0	\$3
<b>TOTAL:</b>			<b>\$323</b>	<b>\$677</b>	<b>\$1 Billion</b>

## CLIMATE CHANGE

### Zero Emission Vehicles

The Administration has proposed securitizing approximately \$1 billion of vehicle registration fees, which were set to expire in 2024, to support the expansion of the California Energy Commission’s Clean Transportation Program. The budget also includes \$50 million General Fund (one-time) to support the installation of charging stations at state-owned facilities. An additional \$465 million from Cap-and-Trade funds is proposed to improve access to new and used zero-emission vehicles, including passenger cars, trucks, medium, and heavy duty vehicles.

### 30 by 2030 Biodiversity and Habitat Protection

The Governor signed [Executive Order N-82-20](#) in the fall of 2020 to accelerate biodiversity and habitat protections across all landscapes, including the state’s forests, agricultural, and conservation lands. The budget includes several investments, mainly from bond funds, to achieve the goal of 30 percent conservation by 2030.

#### *Restoration of Natural Areas and Ecosystems--\$248 million*

- \$125 million (bond funds) to support multi-benefit water quality, water supply and watershed protection, and restoration programs at the Natural Resources Agency.
- \$80 million (bond funds) to the Wildlife Conservation Board for programs related to the Pacific Flyway program, Wildlife and Fish Passage programs, and the Lower American River Conservancy.

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- \$43 million for river restoration in the San Joaquin and Delta watersheds.

*Flood Management*--\$183 million (mainly bonds funds) for ongoing flood management programs including flood risk management, emergency flood response in the Delta, and state-federal flood projects.

*Coastal Protection*--\$6.5 million (plus an additional \$10 million in out-years, bond funds) to support projects that improve biodiversity and climate resilience by increasing coastal and marine ecosystem health.

### **Water Efficiency and Sustainable Groundwater Management**

The Governor's January budget includes a one-time General Fund allocation of \$60 million for Sustainable Groundwater Management grants to support economic mitigation planning and groundwater implementation projects in critically over-drafted basins. The January budget also includes a one-time General Fund allocation of \$40 million to provide incentives that help farmers reduce irrigation water use and greenhouse gas emissions from agriculture pumping. These funds are to be split equally between the 2020-21 and 2021-22 budget years.

### **Cap & Trade Expenditure Plan**

The Governor's proposed January budget includes the allocation of \$1.37 billion in cap and trade expenditures. The program was suspended briefly in 2020 due to revenue forecast concerns related to the pandemic. The annually appropriated revenues from cap and trade are focused on several existing program areas, including CAL Fires' forest health and fuels reduction program, support for the AB 617 Air Quality Program, and investments in low carbon transportation, such as the Clean Vehicle Rebate Program. Notably, the plan does not include funding for waste diversion to CAL Recycle to help implement our organic waste diversion requirements.



**2021-22 Cap and Trade Expenditures**  
(\$ in millions)

Investment Category	Department	Program	Early Action 2020-21	Budget Year 2021-22	Amount
<b>Equity Programs</b>	Air Resources Board	AB 617 – Community Air Protection	\$125	\$140	\$265
		AB 617 – Local Air District Implementation	\$0	\$50	\$50
		AB 617 – Technical Assistance to Community Groups	\$0	\$10	\$10
	Water Board	Safe & Affordable Drinking Water (\$130 million total)	\$30	\$24	\$54
<b>Low Carbon Transportation &amp; ZEV Strategy</b>	Air Resources Board	Clean Trucks, Buses, & Off-Road Freight Equipment	\$165	\$150	\$315
		Agriculture Diesel Engine Replacement & Upgrades	\$90	\$80	\$170
		Clean Cars 4 All & Transportation Equity Projects	\$74	\$76	\$150
<b>Natural &amp; Working Lands</b>	Cal Fire	Healthy & Resilient Forests (SB 901) (\$75 million included in 2020 Budget)	\$125	\$200	\$325
	Department of Food & Agriculture	Healthy Soils	\$15	\$15	\$30
<b>TOTAL:</b>			<b>\$624</b>	<b>\$745</b>	<b>\$1.4 Billion</b>

## **AGRICULTURE AND CALIFORNIA FAIRS**

### **Regulatory and Reporting Efficiency**

The Governor's January budget includes \$6 million General Fund for regulatory alignment and efficiencies. This includes \$4 million to engage a consultant to evaluate and implement the alignment of regulatory reporting activities across state agencies to reduce unnecessary burdens to farmer and ranchers in their efforts to meet regulatory compliance. The proposal also supports an industry assessment to explore the establishment of a unified licensing portal at the Department Food and Agriculture.

### **Climate Catalyst Fund**

The Governor's January budget includes \$50 million one-time General Fund to the California Infrastructure and Economic Development Bank (IBank) to support Climate Smart Agriculture loans to advance climate-related on-farm programs.

### **Network of Fairs**

As California's fairgrounds were largely shuttered by the pandemic, revenues across the state were reduced, if not wholly eliminated. The 2020 budget included a one-time \$40 million allocation to pay for legally mandated civil service layoff costs. The Administration has committed to evaluating alternative business and governance structures throughout the Network of Fairs, however ongoing losses continue in these locally-important sites. The Governor's January budget includes a one-time \$50 million General Fund allocation to support state-affiliated fairground operating costs, and \$10 million for deferred maintenance at fairgrounds that are used for emergency operations.

## **EMERGENCY PREPAREDNESS AND RESPONSE**

With the ever-present threat of catastrophic wildfire, the Governor's proposed budget expands investments to CAL Fire, the Governor's Office of Emergency Services (Cal OES) and to local agencies to prepare for ongoing threats. The proposal also acknowledges the growing redirection of staff from existing programs to emergencies and proposes a review of this practice. In addition to budget-year proposals, the Governor proposes \$25 million (General Fund) to Cal OES and CAL Fire as an early budget action in the current year to support implementation of a home hardening pilot grant program.

### **California Disaster Assistance Act**

The Governor's January budget includes \$256 million one-time General Fund to assist local governments during and after emergency events. Funding will be used for repair, restoration, or replacement of public property damaged or destroyed during disaster events, and to reimburse local governments for emergency activities under a declared state of emergency.

### **CAL Fire Additional Fire Crews**

As part of the comprehensive forest and fire response package, the Governor's January budget includes \$143 million one-time and \$124 million ongoing General Fund to support 30 additional fire crews, 16 seasonal firefighter crews, and 14 California Conservation Corps fire crews. This is complemented by a \$24 million General Fund allocation for related capital outlay costs.

## **NATURAL RESOURCES**

The Governor's January budget proposes spending \$7.4 billion for programs in the California Natural Resources Agency. Funding is focused on climate resilience, equitable access to parks and wildlands, restoration and emergency response.

### **Deferred Maintenance for Levees, Parks and Wildlife Areas**

In addition to climate funding, the Governor's January budget includes \$75 million one-time General Fund for critical levee repair projects to enhance the state's resilience to catastrophic flooding. An additional \$20 million one-time General Fund is allocated to the Department of Parks and Recreation for critical deferred maintenance projects to enable improved access and enhanced visitor experiences. The Department of Fish and Wildlife is allocated \$6 million one-time General Fund to address the increased recreational use at state-owned properties that lack visitor amenities and basic signage.

### **Matching Federal Funds**

With the passage of the Federal Land and Water Conservation Fund, the state proposes to allocate \$6.3 million General Fund and \$6.3 million in Federal funds, to provide a state match to the increased federal allocations.

### **Forests in State Park Properties**

The Governor's January budget includes \$85 million one-time General Fund to increase the pace and scale of forest management in state parks.

### **Boating and Waterways Fiscal Stability**

In order to address an ongoing structural deficit at the Department of Boating and Waterways, the Governor's January budget includes both funding shifts and statutory fee increases. The budget shifts an ongoing allocation of Harbors and Watercraft Funds to the State Water Project, to the General Fund, to continue the state's commitment to the Davis-Dolwig Act. In addition, the budget proposes increases to the vessel registration fee resulting in an anticipated \$20 million of additional ongoing revenues.

## **Fish and Wildlife**

Over the past two years, the Department of Fish and Wildlife has undergone a major service-based budget review to stabilize its budget, modernize department functions, and advance sustainable resources. The budget includes \$41 million to support the department and to provide strategic investments. These one-time General Fund investments include:

- \$7 million to respond to human-wildlife conflict incidents, strengthen education in local communities, and update capture technologies.
- \$7 million to modernize fish hatcheries to provide greater operational reliability and improve fish survival.
- \$9 million to purchase a fixed-wing aircraft and offshore patrol vessel for monitoring and enforcement.
- \$750,000 to modernize the licensing platform for fishing and hunting licenses including providing a mobile application to display fishing and hunting licenses.

## **ENVIRONMENTAL PROTECTION**

The Governor’s January budget proposes spending \$4.3 billion for programs in the California Environmental Protection Agency. Funding is focused on environmental equity, program reforms and fiscal stability.

### **Recycling**

The Governor’s January budget focuses on closing the “circular economy” by reducing the generation of waste throughout the life-cycle of a product. The budget does not include additional funding or support for the reduction of organic materials in landfills but does include \$5 million for Beverage Container Recycling pilot projects, including funding for more take back facilities in underserved areas.

### **Department of Toxic Substances Control**

Over the past several years, the Legislature has proposed numerous reform proposals to allow the Department of Toxic Substances Control to improve its stewardship of public resources while maintaining fiscal stability and transparency. The Governor is proposing a comprehensive reform that includes changes to statutory fee authority and advancing local site cleanup and enforcement. The budget includes \$3 million to create a five-member Board of Environmental Safety to set fees through regulation, hear permit appeals and provide strategic guidance to the department. As an interim measure, the Governor’s January budget includes \$35 million one-time General Fund to support the Hazardous Waste Control and Toxic Substances Control accounts.

## **Cannabis**

The 2020 Governor’s January budget includes a proposal to consolidate state cannabis operations into one entity. This proposal was put on hold due to the pandemic but has been re-introduced this year. The January budget proposes to consolidate the three cannabis licensing entities into a single Department of Cannabis Control by July 2021. Currently, the Bureau of Cannabis Control, the Department of Food Agriculture, and the Department of Public Health all share unique responsibilities in licensing various parts of the cannabis industry. The Administration’s proposal would centralize and align regulatory functions in a new stand-alone department that would create a single point of contact for cannabis licensees and local governments.

The budget also proposes statutory changes to establish permanent funding authority for a \$15 million local equity grant program to be administered by the Governor’s Office of Business and Economic Development (GO-Biz). The funding will be directed to facilitating greater equity in business ownership and employment in the cannabis market.

Under Proposition 64, expenditures from the Cannabis Tax Fund are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act. This is followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Governor’s January budget estimates \$443 million will be available for these purposes in 2021-22. The proposed allocation for the fund is as follows:

- Education, prevention, and treatment of youth substance use disorders and school retention – 60 percent (\$265.9 million);
- Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation – 20 percent (\$88.6 million);
- Public safety related activities – 20 percent (\$88.6 million).

## **Administration of Justice**

### **Local Public Safety**

#### *Division of Juvenile Justice (DJJ) Realignment*

The Governor’s January budget proposal notes the pending implementation of the DJJ realignment outlined in [Chapter 337, Statutes of 2020 \(SB 823\)](#). As a reminder, SB 823 included General Fund resources for counties of \$46.5 million in 2021-22, \$122.9 million in 2022-23, \$195.9 million in 2023-24, and \$212.7 million ongoing, beginning in 2024-25. The legislation also includes a growth factor upon full implementation. Additionally, the Board of State and

# ACTION

Community Corrections is currently working to allocate a \$9.6 million grant program for implementation efforts. Lastly, the Governor's January Budget indicates DJJ will close on June 30, 2023, which is a new development.

#### *Investments in County Probation Departments*

The Governor's January budget proposal includes an early action investment of \$50 million one-time General Fund to county probation departments. These funds are meant to build off of county probation success with major prior reforms like [Chapter 608, Statutes of 2009 \(SB 678\)](#), 2011 Realignment, and earlier juvenile justice reforms as county probation departments prepare to implement new reforms like [Chapter 328, Statutes of 2020 \(AB 1950\)](#) and DJJ realignment (SB 823). These new funds may be used for a broad range of services with an emphasis on keeping juveniles and adults out of the criminal justice system, moving them quickly and successfully through the system, and keeping them from reentering the system.

Because the COVID-19 pandemic and implementation of AB 1950 have both impacted the data being utilized for the SB 678 (Community Corrections Performance Incentive Grant) calculation, the Governor's January Budget proposal also includes \$122.9 million ongoing to county probation departments for SB 678. This allocation is based on the highest payment to the individual counties over the prior three fiscal years and would be in lieu of the current statutory formula.

The Governor's January budget proposal also includes \$19.5 million in 2021-22 for county probation departments to supervise the temporary increase in the average daily population of offenders on Post-Release Community Supervision as a result of the implementation of Proposition 57.

#### *2011 Public Safety Realignment*

The Governor's January Budget proposal updates revenue assumptions for 2011 Public Safety Realignment programs. As a reminder, 2019-20 was the first year that 2011 Realignment did not receive growth funding so the 2020-21 Community Corrections Subaccount base remains \$1.366 billion. The updated January revenue projections estimate Community Corrections growth of \$75.9 million in 2020-21. This would create a new base of \$1.442 billion for 2021-22. However, January estimates show revenue will not reach that level in 2021-22 and will only total \$1.408 billion, resulting in no growth for 2021-22. CSAC will provide individual county estimates in the coming weeks for the 2020-21 growth.

### *Suspension of Intake to State Prisons*

Although the California Department of Corrections and Rehabilitation (CDCR) resumed intake from county jails in August, conditions warranted closing intake again in November. The Governor's January budget notes that CDCR plans to resume intake with continued precautions including offering testing to all inmates upon intake and instituting a mandatory 14-day quarantine period in its reception centers. Due to the additional time that state offenders have spent in county jails, as of December 1, 2020, the state has provided \$38.8 million General Fund to county sheriffs and corrections departments. An additional payment of \$40.4 million is pending and current projections suggest a total of \$163.4 million in additional reimbursements through June 30, 2021.

### *Proposition 47 Savings Estimate*

Proposition 47, passed by the voters in November 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes and permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Each year, state savings from the implementation of Proposition 47 is required to be transferred and re-allocated in grant programs as specified in the initiative. The Governor's January budget proposal estimates total state savings of \$114.8 million.

### *County Jail Relinquishments*

The Governor's January budget proposal states that there is approximately \$202 million in available county jail construction funds from prior rounds of awards. The available funds are the result of multiple relinquishments and some project savings. The Administration notes they are supportive of reallocating these funds to purchase or modify community mental health facilities which are further discussed in the Homelessness section of this document.

### *Community Corrections Partnership Planning Grants*

The Governor's January budget continues the \$7.9 million General Fund provided to counties for Community Corrections Partnership planning and convening.

### **California Department of Corrections and Rehabilitation**

The Governor's January budget proposal includes a total of \$12.7 billion General Fund for CDCR. Due to the impacts of COVID-19, state intake closures from county jail, early release programs, and Proposition 57, the adult inmate population has declined substantially. The average daily adult inmate population for 2020-21 is projected to total 97,950 and decrease another 2,626 in 2021-22. As a result of these population declines, CDCR plans to close Deuel Vocational Institution by September 2021 and a second state-operated prison in 2022-23.

## **Judicial Branch**

### *Reducing Criminal Fines and Fees for Low Income Californians*

[Chapter 92, Statutes of 2020 \(AB 1869\)](#) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees imposed to recover costs related to providing public defense and probation supervision, commencing July 1, 2021. CSAC supported this legislation as it included a General Fund backfill for the impact it will have on local revenue and program delivery. We will continue to work with stakeholders throughout the year on the allocation of these resources as criminal justice fees are one of CSAC's top priorities.

Additionally, the Governor's January budget proposal includes \$12.3 million General Fund in 2021-22, increasing to \$58.4 million ongoing General Fund by 2024-25, to expand statewide a current eight-court pilot program that allows indigent and low-income individuals to apply online to have their fines and fees from infractions reduced in accordance with their ability to pay. This proposed funding level includes a backfill of lost trial court revenue at the state level but does not include funding to backfill local revenue impacts.

## **Department of Justice**

The Governor's January budget proposes \$13 million General Fund in 2021-22 for the implementation of [Chapter 326, Statutes of 2020 \(AB 1506\)](#). Funds will be used to establish three teams across the state to conduct investigations of incidents of an officer-involved shooting resulting in the death of an unarmed civilian.

## **Department of State Hospitals**

The Governor's January budget proposal includes \$2.5 billion (\$2.3 billion General Fund) in 2021-22 for support of the Department of State Hospitals (DSH) programs. The patient population for DSH is expected to reach 6,361 by the end of 2021-22. This projected number includes patients receiving competency treatment in jail-based settings.

### *Felony Incompetent to Stand Trial*

The Department of State Hospitals continues to experience a growing number of incompetent to stand trial (IST) commitments who are referred from trial courts and are awaiting admission to the state hospital system, which has been further exacerbated by the COVID-19 pandemic. The number of ISTs awaiting placement into DSH was approximately 1,428 individuals in December 2020.

The Governor's January budget includes the following proposals to address the number of ISTs pending placement by increasing local capacity to provide treatment, housing, and other necessary supportive services:



- Community Care Demonstration Project for Felony IST (CCDP-IST) – The January budget includes \$232 million General Fund in 2021-22 and \$136.4 million General Fund in 2022-23 and ongoing to contract with three counties to provide a continuum of services to felony ISTs in the county as opposed to state hospitals. This proposal is projected to serve up to 1,252 ISTs in the county continuum of care settings in 2021-22. This is similar to a proposal from last year that was not ultimately included in the final budget.
- Expansion of Community Based Restoration (CBR) – The January budget includes General Fund dollars in the amounts of \$9.8 million in 2020-21, \$4.5 million in 2021-22 and \$5 million in 2022-23 and ongoing to expand the current Los Angeles County CBR program beginning in 2021-22 and establish new CBR programs in additional counties.
- Reappropriation and Expansion of the IST Diversion Program – The January budget includes \$46.4 million one-time General Fund, available over three years, to expand the current IST Diversion program in both current and new counties.
- Expansion of the Jail-Based Competency Treatment Program – The January budget includes \$785,000 General Fund in 2020-21 and \$6.3 million General Fund in 2021-22 and ongoing to expand the program to seven additional counties. The expansion is estimated to increase capacity by up to 31 beds in 2021-22.

## Government Finance and Administration

### Revenue Estimates

Despite the COVID-19 recession, California’s revenues have been impacted less than was predicted last year. This is largely because the COVID-19 Recession has had a disproportionate impact on low-wage taxpayers, while California’s tax structure relies more heavily on high-wage incomes. In fact, General Fund revenue is higher than the 2020 Budget Act projections by nearly \$71 billion for 2019-20 through 2021-22. This is due to three key factors: a less severe recession than forecasted, unequal distribution of wage losses among low-wage workers, and a stronger stock market than anticipated.

The impact of the pandemic on the current year to the budget year by about 2.5 percent from \$26.6 billion to \$25.9 billion for the General Fund. Local revenues based on statewide collections, such as Proposition 172, would decrease commensurately. The decline could grow if the Stress Test model comes to fruition and economic slowing spreads to high-income households. Unlike sales tax, statewide property tax revenues are projected to increase by a little over 4.5 percent in 2020-21 and 5.6 percent in 2021-22.

### Economic Outlook

The Budget estimates unemployment rate to average 8.5 percent in 2021, which is a drop from 10.3 percent in November 2020. However, this is still a significant number compared to the

record low of 3.9 percent unemployment the state hit in January 2020. An optimistic economic model by the Department of Finance, which depends on continued federal assistance, projects that job recovery could return to pre-pandemic levels within three years. To meet this federal assistance would include further Paycheck Protection Program loans, extended Pandemic Unemployment Assistance, an unemployment supplement of \$600 per week through the end of 2021, and an extension of the state eviction moratorium through the end of 2021.

Despite the potential of an optimistic economic recovery, California is still in a lingering recession with risks looming. The Department of Finance also modeled a Stress Test scenario where economic recovery would more closely resemble the Great Recession. Under this model, California would lose both high and low wage jobs in the first half of 2021, with economic consequences rippling out to slow full recovery until 2028. The Stress Test was run under the assumption of no further federal assistance.

### **Tax Proposals**

The Governor proposes two tax changes that would negatively affect county revenues. The first would allow companies who construct or add electric vehicle charging and hydrogen fueling stations to avoid property taxes due to the new construction for ten years. It would apply to construction completed before 2024. The second proposal would double to \$200 million the sales tax exclusion program for manufacturers that purchase certain types of equipment, such as automation systems. The budget does not indicate that the state would reimburse counties or other local agencies for the associated revenue losses.

## **Health and Human Services**

### **REALIGNMENT**

The Governor's January budget proposal includes revenue assumptions for 1991 Realignment and 2011 Realignment. Due to the impacts of COVID-19, Realignment revenues decreased and failed to reach base for both 1991 Realignment and 2011 Realignment in 2019-20. The projections for 2020-21 indicate that Realignment revenues will increase by 5.6 percent over 2019-20 levels. This would result in \$341.3 million in 1991 growth, including \$68.9 million for caseload growth, and \$188 million in 2011 growth in the Support Services Subaccount. However, revenues are then projected to decrease again in 2021-22 by 1.9 percent. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

### **Delay of HHS Program Suspensions**

The 2020 Budget Act included provisions that would suspend several California Health and Human Services (HHS) investments on December 31, 2021 if there are not sufficient revenues available. The Governor's January budget proposal would delay these suspensions by an additional year to December 31, 2022. Some of the HHS investments impacted by these suspensions include the restoration of the seven percent cut in IHSS services hours, the new Family Urgent Response System (FURS) for foster youth and caregivers, Proposition 56 supplemental payment increases, and developmental services payment increases.

## **HEALTH**

### **Local COVID-19 Assistance**

The Governor included a placeholder amount of roughly \$372 million in current year emergency funds for COVID-19 vaccination distribution, logistics, and a public awareness campaign to boost vaccine uptake. Department of Finance Director Keely Bosler indicated that this amount is a placeholder and that Governor Newsom would be working with the Legislature to determine the needs and spending levels for COVID-19 vaccination activities.

For a range of additional COVID-19 proposals related to businesses, housing, criminal justice, and environment, please see the corresponding CSAC issue area sections within this document.

### **California Advancing and Innovating Medi-Cal (CalAIM)**

Governor Newsom included investments in the ambitious proposal to streamline and improve the state's Medi-Cal program which was previously delayed due to COVID-19 impacts. He proposes investing \$1.1 billion (\$531.9 million General Fund) in 2021-22, growing to \$1.5 billion (\$755.5 million General Fund) in 2023-24, to implement CalAIM initiatives proposed to begin January 1, 2022. The Governor anticipates phasing out infrastructure funding, which will be used to increase coordination between counties and health plans and implement behavioral health payment reform, in 2024-25, resulting in the ongoing funding decreasing to \$846.4 million (\$423 million General Fund) per year.

Please note that the Governor also specifies that the \$750 million one-time General Fund investments to acquire real estate assets for behavioral health treatment will complement the CalAIM efforts and investments. More information on the \$750 million General Fund investment can be found in the Homelessness section of this document.

### **Student Mental Health**

The Governor's January budget provides a one-time \$400 million (\$200 million General Fund) proposal for Medi-Cal managed care plans to coordinate with county behavioral health departments and schools with the goal of increasing school behavioral health and early

preventative and intervention services. The one-time funding will be issued over multiple years and administered by the Department of Health Care Services. The budget additionally includes one-time investment of \$25 million of the state's Mental Health Services Act (MHSA) administrative funding to be used for the Mental Health Student Services Act Partnership Grant administered by the Mental Health Services Oversight and Accountability Commission.

### **Mental Health Services Act Flexibilities**

The Governor proposes additional Mental Health Services Act statutory changes to extend current emergency flexibilities until 2022. Flexibilities include permitting county behavioral health departments to spend down prudent reserves, use existing MHSA spending plans without updating if new plans are delayed due to COVID-19, and authorize the use of funds in the Community Services and Supports component to meet local behavioral health needs regardless of the category requirements.

### **Telehealth Flexibilities**

The Governor's January budget proposal includes \$94.8 million (\$34 million General Fund) ongoing funding to make recent telehealth flexibilities permanent and to include remote patient monitoring as a Medi-Cal benefit effective July 1, 2021.

### **Claiming Adjustments**

The Governor's January budget proposal includes \$249.8 million General Fund in 2020-21 and \$279.1 million General Fund 2021-22 for retroactive and ongoing costs for state-only populations in dental, pharmacy, and managed care, targeted case management and behavioral health costs.

### **Medi-Cal Caseload Impacts**

The proposal projects an increase in caseloads due to COVID-19 impacts. Due to the anticipated caseload growth, the Governor's January budget proposes \$5.4 billion (\$1.7 billion General Fund) in 2020-21 and \$13.5 billion (\$4.3 billion General Fund) in 2021-22.

### **Medi-Cal County Administration**

The Governor's January budget proposal provides an increase of \$65.4 million (\$22.9 million General Fund) for Medi-Cal county administration over the 2020-21 funding level. This increase results from an adjustment based on the growth in the California Consumer Price Index that is included in the Medi-Cal County Administration methodology.

### **Proposition 56 Supplemental Payment Programs**

The Governor's January budget includes a proposal to delay the suspension of Proposition 56 programs by 12 months. The delay in this suspension is attributed to the improved short term

revenue outlooks for the state. The budget includes \$3.2 billion (\$275.3 million General Fund, \$717.8 million Proposition 56 Fund, and \$2.2 billion federal funds) for 2021-22.

## **HUMAN SERVICES**

### **Aging Programs**

On January 6, 2021, the Governor released the [California Master Plan for Aging](#). CSAC was engaged throughout the stakeholder process and has provided a [brief summary](#) of the Master Plan. The Governor's January budget proposal includes several investments that build upon initiatives identified in the Master Plan. These investments include \$250 million to preserve and expand housing for low-income seniors (further details in the Homelessness section), expansion of Aging and Disability Resource Connections (ADRC) that provide a no wrong door network for aging services, and the IHSS provider back-up system (further details in the IHSS section). Also included is a \$5 million placeholder for spring proposals that would move forward with implementation of the Master Plan. CSAC is fully engaged with the Administration and the Legislature on the Master Plan for Aging, including the recommendation related to the local leadership structure for aging programs, and will continue that advocacy moving forward as the aging budget proposals are further developed.

### **In-Home Supportive Services**

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2021-22, the Governor's January budget proposal includes \$16.5 billion for IHSS, of which \$5.3 billion is from the General Fund. This is a 10 percent increase in General Fund costs over the 2020-21 costs. The budget proposal estimates that average monthly caseload will increase by 3.9 percent over the prior year projection to a total of 593,000 recipients in 2021-22. These costs also reflect \$1.2 billion (\$557.6 million General Fund) for the state minimum wage increases.

#### *IHSS County Administration*

The Governor's January budget proposal would no longer freeze county administration funding at the 2019-20 level. This results in \$17.8 million General Fund being included for 2021-22 to reflect adjustments for caseload and the Consumer Price Index.

#### *IHSS Back-up Providers*

The Governor's January budget proposal includes a one-time extension of \$5.3 million General Fund through December 31, 2021 for the IHSS back-up provider system and back-up provider wage differential.

## **Child Welfare and Foster Care**

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect. The Governor's January budget proposal includes \$700.1 million General Fund for services to children and families. This is a decrease of \$22.6 million General Fund from the 2020 Budget Act, a result of decreased caseload and one-time child welfare services funding.

### *Child Welfare Services COVID-19 Supports*

The Governor's January budget proposal includes \$61.1 million General Fund in 2021-22 for various support services in response to the COVID-19 pandemic. This includes funding for quarantine needs for foster youth and caregivers, temporary extension of assistance payments to emergency caregivers, temporary assistance payments to youth who turn 21 years of age while in extended foster care through December 31, 2021, assistance to families with youth who are at risk of entering foster care, and several other investments.

### *Family First Prevention Services Act (FFPSA)*

The Governor's January Budget proposal includes \$61.1 million (\$42.7 million) General Fund for implementation of the federal FFPSA. Specifically, this funding would be used for implementation of Part IV that establishes new criteria for non-foster home placement settings eligible for Title IV-E maintenance payments. Please note that administration officials have indicated that this funding amount is an estimate and that it will be refined as conversations with the new Biden administration continue.

### *Child Welfare Social Workers*

The January budget proposal includes \$10.1 million (\$5.9 million General Fund) for child welfare workforce development. The funding would establish a regional training academy for child welfare social workers in northern California, increase ongoing training for social workers and managers, and be used to assess training effectiveness.

### *Out of State Youth Returning to California*

In December, the Department of Social Services announced that it was decertifying all out-of-state group homes and requiring counties to find a California placement for these youth within 45 days. As a current year budget augmentation, \$5.2 million General Fund was provided in December to support county capacity building, supportive services, COVID-19 quarantine, and technical assistance to successfully transition these youth into safe placements within California.

## **Child Support Programs**

The 2020 Budget Act pulled back on funding increases for Local Child Support Agencies and reduced funding to 2018 levels. This cut would have been restored had the state received

sufficient federal funding by October 15, 2020, but that did not occur. The Governor's January budget proposal includes \$24.9 million (\$8.5 million General Fund) ongoing for LCSAs to improve child support collections and services.

### **CalWORKs**

The California Work Opportunity and Responsibility to Kids program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's January budget proposal includes \$7.4 billion for CalWORKs program expenditures. The average monthly caseload is expected to increase by 19 percent from the revised 2020-21 projection.

#### *CalWORKs Time on Aid Exemption*

The 48-month time on aid requirement for CalWORKs recipients has been temporarily suspended to allow adults to continue receiving benefits based on a COVID-19 good cause exemption. The budget includes one-time funding of \$46.1 million General Fund for this temporary exemption.

#### *CalWORKs Grant Increase*

The Governor's January budget proposal provides funding for the 1.5 percent increase in the CalWORKs grant levels that is set to take effect October 1, 2021. The increased grant costs total \$50.1 million in 2021-22.

### **CalFresh**

The CalFresh program is California's version of the federal Supplemental Nutrition Assistance Program (SNAP), which provides food benefits to low-income individuals and families. CalFresh caseload increased by 18.3 percent in 2019-20 and is projected to increase 24 percent in 2020-21 and 17.1 percent in 2021-22.

#### *California Food Assistance Program (CFAP)*

CFAP Emergency Allotments bring CalFresh households to the maximum allotment for their household size. The Governor's January budget proposal includes \$11.4 million one-time General Fund for CFAP Emergency Allotments, which are projected to continue through December 2021.

#### *Food Banks*

The Governor's January budget proposal includes \$30 million one-time General Fund for the Department of Social Services to fund food banks and existing Emergency Food Assistance Program providers. This funding would be used to mitigate increases in nutrition assistance needs of Californians.

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

The federal Social Security Department administers monthly supplemental security income (SSI) payments to eligible aged, blind and disabled persons. California has augmented SSI payments with a state supplementary payment (SSP) payment. The state also provides state-only funded monthly payments to the aged, blind and disabled legal immigrants who do not qualify for SSI/SSP, through the Cash Assistance Program for Immigrants (CAPI). The Governor's January budget proposal includes \$2.69 billion General Fund for SSI/SSP programs, a decrease of 0.6 percent from 2020-21. SSI/SSP recipients will see an increase of approximately \$17 for individuals and \$26 for couples to the maximum grant levels.

### **Early Learning Programs**

The 2020 Budget Act shifted early learning and child care programs from the Department of Education to the Department of Social Services effective July 1, 2021. The Governor's January budget proposal shifts \$31.7 million to the Department of Social Services to reflect this transition and includes total funding of \$3.1 billion for the various programs. In addition, \$55 million in one-time General Fund is included to support child care providers and families during the pandemic. To move forward with implementation of the Master Plan for Early Learning and Care, the Governor's January budget proposal includes an increase of \$44.3 million to expand child care vouchers.

## **Housing**

Governor Newsom's January budget proposal includes investments to promote the development of affordable housing, a commitment to continuing to assist renters affected by the COVID-19 pandemic, and new efforts and funding to ensure that local jurisdictions comply with state housing laws.

### **Funding to Accelerate Housing Production**

The budget proposal includes a one-time \$500 million investment from the General Fund for the Infill Infrastructure Grant Program and a third round of \$500 million in low-income housing tax credits. The Administration is requesting that the Legislature take early action on \$250 million of the Infill Infrastructure Grant Program funding to promote housing construction during the COVID-19 pandemic. CSAC will request implementing language similar to the 2019 program, which created an over-the-counter process for small and rural agencies and included definitions of infill that make it feasible for projects in unincorporated areas to be funded.



### **Federal Rent Assistance and Eviction Protections**

The Governor is requesting the Legislature’s speedy passage of COVID-19 eviction protection legislation, as well as early budget action to deploy all of the \$2.6 billion in federal rent assistance allocated to California and local governments—\$1.4 billion of which is allocated to the state and \$1.2 billion of which is directly allocated to local governments with populations over 200,000. It is unclear how the Governor proposes to link the funding directly allocated to counties and cities from the United States Treasury to the state budget proposal. In his budget press conference, however, the Governor referenced the federal rental assistance funding in the context of the ongoing debate on extension of the statewide COVID-19 eviction protections. As counties recall, key tenant and landlord protections from [Chapter 37, Statutes of 2020 \(AB 3088\)](#) will expire on February 1, 2021 without additional action.

### **Enforcement of State Housing Laws**

The budget proposal also includes \$2 million from the General Fund for the Department of Fair Employment and Housing to advance fair housing principles by conducting outreach and enforcement and \$4.3 million from the General Fund to create a Housing Accountability Unit within the Department of Housing and Community Development (HCD). CSAC is awaiting additional details on this new unit, which the proposal states will provide technical assistance and monitor and enforce current housing production laws.

### **Local Housing Policy Incentives**

The proposed budget also states that the Administration will continue to work to improve the regional housing need allocation process and work with local jurisdictions to promote pro-housing policies. HCD’s “pro-housing regulations,” which the Administration has touted as a way to encourage local agencies to take a favorable approach to new housing development through incentives in competitive state grant programs, are expected to be released in early 2021. CSAC previously solicited feedback from counties and provided comments on an initial draft of the “prohousing policy framework” in November 2019.

**1991 Realignment Estimate at 2021 Governor's Budget**

\$s in Thousands

Amount	2019-20 State Fiscal Year						Totals
	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$-	\$2,296,188	\$-	\$443,649	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,050,566	216,223	-	152,435	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2019-20<sup>1/</sup></b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
	<b>2020-21 State Fiscal Year</b>						
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$23,890	\$2,296,188	\$-	\$419,759	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,016,414	216,223	-	186,586	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,040,304</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$606,346</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$6,372	\$21,182	\$68,917	\$36,594	-	\$50,632	\$183,698
Caseload Subaccount	-	-	(68,917)	-	-	-	(68,917)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	(6,372)	(21,182)	-	(36,594)	-	(50,632)	(114,780)
Vehicle License Fee Growth Account	8,747	29,077	-	50,233	-	69,503	157,559
<b>Subtotal Growth</b>	<b>\$15,119</b>	<b>\$50,259</b>	<b>\$68,917</b>	<b>\$86,826</b>	<b>\$-</b>	<b>\$120,135</b>	<b>\$341,257</b>
<b>Total Realignment 2020-21<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,090,564</b>	<b>\$2,581,328</b>	<b>\$86,826</b>	<b>\$606,346</b>	<b>\$513,938</b>	<b>\$5,999,553</b>
<i>Change From Prior Year</i>	<i>\$15,119</i>	<i>\$39,998</i>	<i>\$68,917</i>	<i>\$86,826</i>	<i>\$10,262</i>	<i>\$120,135</i>	<i>\$341,257</i>
	<b>2021-22 State Fiscal Year</b>						
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$-	\$2,345,276	\$25,545	\$460,934	\$152,263	\$3,736,906
Vehicle License Fee Account	367,663	1,096,570	212,429	47,288	113,889	354,063	2,191,902
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2021-22<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<i>Change From Prior Year</i>	<i>\$0</i>	<i>\$6,005</i>	<i>-\$23,624</i>	<i>-\$13,993</i>	<i>-\$31,523</i>	<i>-\$7,611</i>	<i>-\$70,745</i>

<sup>1/</sup> Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

## 2011 Realignment Estimate at 2021 Governor's Budget

(\$ millions)

	2019-20	2019-20 Growth	2020-21	2020-21 Growth	2021-22	2021-22 Growth
<b>Law Enforcement Services</b>	<b>\$2,600.4</b>		<b>\$2,633.8</b>		<b>\$2,682.7</b>	
Trial Court Security Subaccount	558.2	0.0	567.0	\$10.1	563.7	0.0
Enhancing Law Enforcement Activities Subaccount	489.9	\$224.4	489.9	247.3	489.9	\$210.7
Community Corrections Subaccount	1,344.7	0.0	1,366.0	75.9	1,408.3	0.0
District Attorney and Public Defender Subaccount	40.9	0.0	41.6	5.1	45.5	0.0
Juvenile Justice Subaccount	166.7	0.0	169.3	10.0	175.3	0.0
<i>Youthful Offender Block Grant Special Account</i>	(157.5)	-	(160.0)	(9.4)	(165.6)	-
<i>Juvenile Reentry Grant Special Account</i>	(9.2)	-	(9.3)	(0.6)	(9.7)	-
<b>Growth, Law Enforcement Services</b>		<b>224.4</b>		<b>348.4</b>	<b>0.0</b>	<b>210.7</b>
<b>Mental Health</b>	<b>\$1,120.6</b>	0.0	<b>\$1,120.6</b>	\$9.4	<b>\$1,120.6</b>	0.0
<b>Support Services</b>	<b>\$3,825.1</b>		<b>\$3,885.6</b>		<b>\$3,969.3</b>	
Protective Services Subaccount	2,359.9	0.0	2,397.2	\$84.6	2,423.9	0.0
Behavioral Health Subaccount	1,465.2	0.0	1,488.4	94.0	1,545.4	0.0
<i>Women and Children's Residential Treatment Services</i>	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>0.0</b>		<b>188.0</b>	<b>0.0</b>	
<b>Account Total and Growth</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</b>	
<b>Revenue</b>						
1.0625% Sales Tax	\$7,050.2		\$7,427.2		\$7,276.7	
General Fund Backfill	6.0		12.0		6.0	
Motor Vehicle License Fee	747.3		749.0		788.1	
<b>Revenue Total</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</b>	

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).

### FY 2018-19 Redirection Summary

CMSP	Previously Redirected	Calculated Redirection		Reconciliation
Alpine	\$ 13,150.00	\$ 13,150.00		\$ -
Amador	\$ 620,264.00	\$ 620,264.00		\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00		\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00		\$ -
Colusa	\$ 799,988.00	\$ 799,988.00		\$ -
Del Norte	\$ 781,358.00	\$ 781,358.00		\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00		\$ -
Glenn	\$ 787,933.00	\$ 787,933.00		\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00		\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00		\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00		\$ -
Kings	\$ 2,832,833.00	\$ 2,832,833.00		\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00		\$ -
Lassen	\$ 687,113.00	\$ 687,113.00		\$ -
Madera	\$ 2,882,147.00	\$ 2,882,147.00		\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00		\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00		\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00		\$ -
Modoc	\$ 469,034.00	\$ 469,034.00		\$ -
Mono	\$ 369,309.00	\$ 369,309.00		\$ -
Napa	\$ 3,062,967.00	\$ 3,062,967.00		\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00		\$ -
Plumas	\$ 905,192.00	\$ 905,192.00		\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00		\$ -
Shasta	\$ 5,361,013.00	\$ 5,361,013.00		\$ -
Sierra	\$ 135,888.00	\$ 135,888.00		\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00		\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00		\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00		\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00		\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00		\$ -
Trinity	\$ 611,497.00	\$ 611,497.00		\$ -
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00		\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00		\$ -
CMSP Board	\$ 197,862,822.64	\$ 197,862,822.64		\$ -
<b>SUBTOTAL</b>	<b>\$ 286,931,783.64</b>	<b>\$ 286,931,783.64</b>		<b>\$ -</b>
Article 13 60/40	Previously Redirected	Calculated Redirection		Reconciliation
Placer	\$ 3,296,743.16	\$ 3,296,743.16		\$ -
Sacramento	\$ 32,279,301.56	\$ 32,279,301.56		\$ -
Santa Barbara	\$ 8,233,107.35	\$ 8,233,107.35		\$ -
Stanislaus	\$ 11,046,059.75	\$ 11,046,059.75		\$ -
Yolo	\$ 3,564,692.61	\$ 3,564,692.61		\$ -
<b>SUBTOTAL</b>	<b>\$ 58,419,904.43</b>	<b>\$ 58,419,904.43</b>		<b>\$ -</b>
Article 13 Formula	Previously Redirected	Calculated Redirection		Reconciliation
Fresno	\$ 15,870,462.29	\$ 15,780,162.91	MAX	\$ (90,299.38)
Merced	\$ 2,664,441.60	\$ 2,855,007.25		\$ 190,565.65
Orange	\$ 42,141,401.92	\$ 41,934,485.56	MAX	\$ (206,916.36)
San Diego	\$ 45,580,024.19	\$ 45,343,628.71	MAX	\$ (236,395.48)
San Luis Obispo	\$ 2,924,593.06	\$ 2,907,965.73	MAX	\$ (16,627.33)
Santa Cruz	\$ 3,804,676.74	\$ 3,783,881.86	MAX	\$ (20,794.88)
Tulare	\$ 6,269,266.56	\$ 6,456,411.76		\$ 187,145.20
<b>SUBTOTAL</b>	<b>\$ 119,254,866.36</b>	<b>\$ 119,061,543.77</b>		<b>\$ (193,322.59)</b>
DPH	Previously Redirected	Calculated Redirection		Reconciliation
Alameda	\$ 17,325,352.32	\$ 44,442,266.97		\$ 27,116,914.65
Contra Costa	\$ 22,752,379.49	\$ -		\$ (22,752,379.49)
Kern	\$ 15,919,192.42	\$ 16,109,427.59	MAX	\$ 190,235.17
Los Angeles	\$ 77,492,118.60	\$ 190,367,988.23		\$ 112,875,869.63
Monterey	\$ 5,980,818.72	\$ 5,968,850.21	MAX	\$ (11,968.51)
Riverside	\$ 37,482,823.06	\$ 38,576,295.67	MAX	\$ 1,093,472.61
San Bernardino	\$ 30,268,154.88	\$ 30,281,940.51	MAX	\$ 13,785.63
San Francisco	\$ 6,405,058.44	\$ -		\$ (6,405,058.44)
San Joaquin	\$ 18,765,181.26	\$ -		\$ (18,765,181.26)
San Mateo	\$ 15,917,973.36	\$ 2,244,410.79		\$ (13,673,562.57)
Santa Clara	\$ 40,172,117.39	\$ 4,229,703.05		\$ (35,942,414.34)
Ventura	\$ 14,047,453.65	\$ 15,317,457.66	MAX	\$ 1,270,004.01
<b>SUBTOTAL</b>	<b>\$ 302,528,623.59</b>	<b>\$ 347,538,340.68</b>		<b>\$ 45,009,717.09</b>
<b>DHCS Total</b>	<b>\$ 421,783,489.95</b>	<b>\$ 466,599,884.45</b>		<b>\$ 44,816,394.50</b>
<b>Grand Total</b>	<b>\$ 767,135,178.02</b>	<b>\$ 811,951,572.52</b>		<b>\$ 44,816,394.50</b>

**FY21/22 Interim  
Redirection Calculation**

CMSP	21-22 Realignment		Maintenance of Effort	60% Realignment + 60% MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 43,310.73	\$ 115,674.02	\$ 21,465.00	\$ 108,269.85	\$ 13,150.00	\$ 95,119.85	\$ 13,150.00
Amador	\$ 597,006.96	\$ 1,586,127.27	\$ 278,460.00	\$ 1,476,956.54	\$ 620,264.00	\$ 856,692.54	\$ 620,264.00
Butte	\$ 4,193,884.40	\$ 10,635,103.51	\$ 724,304.00	\$ 9,331,975.14	\$ 5,950,593.00	\$ 3,381,382.14	\$ 5,950,593.00
Calaveras	\$ 644,343.58	\$ 1,685,602.81	\$ -	\$ 1,397,967.83	\$ 913,959.00	\$ 484,008.83	\$ 913,959.00
Colusa	\$ 515,226.85	\$ 1,350,548.88	\$ 237,754.00	\$ 1,262,117.84	\$ 799,988.00	\$ 462,129.84	\$ 799,988.00
Del Norte	\$ 593,498.13	\$ 1,565,338.74	\$ 44,324.00	\$ 1,321,896.52	\$ 781,358.00	\$ 540,538.52	\$ 781,358.00
El Dorado	\$ 2,362,244.44	\$ 6,159,776.57	\$ 704,192.00	\$ 5,535,727.81	\$ 3,535,288.00	\$ 2,000,439.81	\$ 3,535,288.00
Glenn	\$ 574,387.37	\$ 1,508,702.85	\$ 58,501.00	\$ 1,284,954.74	\$ 787,933.00	\$ 497,021.74	\$ 787,933.00
Humboldt	\$ 4,200,127.41	\$ 10,865,593.14	\$ 589,711.00	\$ 9,393,258.93	\$ 6,883,182.00	\$ 2,510,076.93	\$ 6,883,182.00
Imperial	\$ 4,197,937.66	\$ 10,693,681.75	\$ 772,088.00	\$ 9,398,224.44	\$ 6,394,422.00	\$ 3,003,802.44	\$ 6,394,422.00
Inyo	\$ 783,069.15	\$ 2,057,472.71	\$ 561,262.00	\$ 2,041,082.32	\$ 1,100,257.00	\$ 940,825.32	\$ 1,100,257.00
Kings	\$ 2,075,618.41	\$ 5,262,991.71	\$ 466,273.00	\$ 4,682,929.87	\$ 2,832,833.00	\$ 1,850,096.87	\$ 2,832,833.00
Lake	\$ 898,471.11	\$ 2,271,595.53	\$ 118,222.00	\$ 1,972,973.18	\$ 1,022,963.00	\$ 950,010.18	\$ 1,022,963.00
Lassen	\$ 609,319.04	\$ 1,615,251.52	\$ 119,938.00	\$ 1,406,705.14	\$ 687,113.00	\$ 719,592.14	\$ 687,113.00
Madera	\$ 2,072,589.70	\$ 5,205,604.73	\$ 81,788.00	\$ 4,415,989.46	\$ 2,882,147.00	\$ 1,533,842.46	\$ 2,882,147.00
Marin	\$ 4,762,857.24	\$ 12,473,753.99	\$ 1,196,515.00	\$ 11,059,875.74	\$ 7,725,909.00	\$ 3,333,966.74	\$ 7,725,909.00
Mariposa	\$ 331,988.45	\$ 874,127.85	\$ -	\$ 723,669.78	\$ 435,062.00	\$ 288,607.78	\$ 435,062.00
Mendocino	\$ 1,308,596.19	\$ 3,318,343.24	\$ 347,945.00	\$ 2,984,930.66	\$ 1,654,999.00	\$ 1,329,931.66	\$ 1,654,999.00
Modoc	\$ 366,443.89	\$ 961,929.64	\$ 70,462.00	\$ 839,301.32	\$ 469,034.00	\$ 370,267.32	\$ 469,034.00
Mono	\$ 493,265.18	\$ 1,314,656.77	\$ 409,928.00	\$ 1,330,709.97	\$ 369,309.00	\$ 961,400.97	\$ 369,309.00
Napa	\$ 2,008,657.52	\$ 5,223,518.92	\$ 546,957.00	\$ 4,667,480.07	\$ 3,062,967.00	\$ 1,604,513.07	\$ 3,062,967.00
Nevada	\$ 1,278,278.86	\$ 3,298,395.61	\$ 96,375.00	\$ 2,803,829.68	\$ 1,860,793.00	\$ 943,036.68	\$ 1,860,793.00
Plumas	\$ 551,591.08	\$ 1,420,752.65	\$ 66,295.00	\$ 1,223,183.24	\$ 905,192.00	\$ 317,991.24	\$ 905,192.00
San Benito	\$ 755,095.86	\$ 1,986,422.43	\$ -	\$ 1,644,910.97	\$ 1,086,011.00	\$ 558,899.97	\$ 1,086,011.00
Shasta	\$ 3,642,248.34	\$ 9,170,514.59	\$ 184,049.00	\$ 7,798,087.16	\$ 5,361,013.00	\$ 2,437,074.16	\$ 5,361,013.00
Sierra	\$ 120,857.28	\$ 314,590.55	\$ 7,330.00	\$ 265,666.70	\$ 135,888.00	\$ 129,778.70	\$ 135,888.00
Siskiyou	\$ 981,029.55	\$ 2,559,995.67	\$ 287,627.00	\$ 2,297,191.33	\$ 1,372,034.00	\$ 925,157.33	\$ 1,372,034.00
Solano	\$ 5,153,852.60	\$ 12,922,942.27	\$ 115,800.00	\$ 10,915,556.92	\$ 6,871,127.00	\$ 4,044,429.92	\$ 6,871,127.00
Sonoma	\$ 8,342,877.31	\$ 21,285,697.83	\$ 438,234.00	\$ 18,040,085.49	\$ 13,183,359.00	\$ 4,856,726.49	\$ 13,183,359.00
Sutter	\$ 1,943,371.20	\$ 5,103,903.10	\$ 674,240.00	\$ 4,632,908.58	\$ 2,996,118.00	\$ 1,636,790.58	\$ 2,996,118.00
Tehama	\$ 1,305,186.35	\$ 3,417,782.83	\$ 446,992.00	\$ 3,101,976.71	\$ 1,912,299.00	\$ 1,189,677.71	\$ 1,912,299.00
Trinity	\$ 534,024.98	\$ 1,406,887.76	\$ 292,662.00	\$ 1,340,144.84	\$ 611,497.00	\$ 728,647.84	\$ 611,497.00
Tuolumne	\$ 1,003,373.99	\$ 2,641,772.62	\$ 305,830.00	\$ 2,370,585.97	\$ 1,455,320.00	\$ 915,265.97	\$ 1,455,320.00
Yuba	\$ 1,662,250.26	\$ 4,166,077.91	\$ 187,701.00	\$ 3,609,617.50	\$ 2,395,580.00	\$ 1,214,037.50	\$ 2,395,580.00
Yolo	\$ 1,448,318.87	\$ 3,769,942.67	\$ 1,081,388.00	\$ 3,779,789.72	\$ 943,110.00	\$ 2,836,679.72	\$ 943,110.00
CMSP Board	\$ 60,174,669.92	\$ 182,537,642.31	\$ -	\$ 145,627,387.34	NA	NA	\$ 242,712,312.23
<b>SUBTOTAL</b>	<b>\$ 122,529,869.86</b>	<b>\$ 342,748,716.95</b>	<b>\$ 11,534,612.00</b>	<b>\$ 286,087,919.28</b>	<b>\$ 90,012,071.00</b>	<b>\$ 50,448,460.94</b>	<b>\$ 332,724,383.23</b>

Article 13 60/40	21-22 Realignment		Maintenance of Effort	FY 10-11 Total Realignment		MOE Capped at 14.6% of 10-11 Realignment	Redirection
	Sales Tax	VLF		Sales Tax	VLF		
Placer	\$ 1,473,303.58	\$ 3,632,344.58	\$ 368,490.00	\$ 1,223,351.24	\$ 3,475,002.90	\$ 368,490.00	\$ 3,284,482.89
Sacramento	\$ 13,398,935.16	\$ 33,858,065.81	\$ 7,128,508.00	\$ 11,073,547.81	\$ 32,428,453.58	\$ 6,351,292.20	\$ 32,164,975.90
Santa Barbara	\$ 3,294,910.88	\$ 8,756,910.36	\$ 3,794,166.00	\$ 2,695,565.51	\$ 8,405,681.53	\$ 1,620,782.07	\$ 8,203,561.98
Stanislaus	\$ 4,553,093.14	\$ 11,617,789.63	\$ 3,510,803.00	\$ 3,756,009.76	\$ 11,132,596.16	\$ 2,173,736.46	\$ 11,006,771.55
<b>SUBTOTAL</b>	<b>\$ 22,720,242.76</b>	<b>\$ 57,865,110.38</b>	<b>\$ 14,801,967.00</b>	<b>\$ 18,748,474.32</b>	<b>\$ 55,441,734.17</b>	<b>\$ 10,514,300.74</b>	<b>\$ 54,659,792.33</b>

Article 13 Formula	21-22 Realignment		Health Realignment Indigent Care %	Total Revenue FY 21-22	Total Costs FY 21-22	Savings	Calculated Redirection
	Sales Tax	VLF					
Fresno*	\$ 9,937,095.96	\$ 25,678,283.77	44.38%				\$ 15,806,105.52
Merced*	\$ 2,424,737.09	\$ 5,813,153.21	43.41%				\$ 3,576,068.18
Orange*	\$ 24,597,625.02	\$ 56,098,068.54	52.02%				\$ 41,977,899.79
San Diego*	\$ 29,436,768.92	\$ 62,612,297.17	49.33%				\$ 45,407,804.30
San Luis Obispo*	\$ 1,801,010.73	\$ 4,751,716.96	44.45%				\$ 2,912,687.46
Santa Cruz*	\$ 2,195,170.10	\$ 5,934,182.93	46.61%				\$ 3,789,091.45
Tulare	\$ 4,226,915.39	\$ 10,375,141.45	47.88%	\$ 8,804,247.69	\$ 852,472.86	\$ 7,951,774.83	\$ 6,361,419.86
<b>SUBTOTAL</b>	<b>\$ 74,619,323.22</b>	<b>\$ 171,262,844.02</b>		<b>\$ 8,804,247.69</b>	<b>\$ 852,472.86</b>	<b>\$ 7,951,774.83</b>	<b>\$ 119,831,076.57</b>

\*Opted for Historical Percentage

DPH	21-22 Realignment		Health Realignment Indigent Care %	Total Revenue FY 21-22	Total Costs FY 21-22	Savings	Calculated Redirection
	Sales Tax	VLF					
Alameda	\$ 15,400,185.61	\$ 41,343,478.12	81.68%	\$ 519,237,099.85	\$ 639,050,563.26	\$ (119,813,463.41)	\$ -
Contra Costa	\$ 7,904,567.60	\$ 21,002,122.85	80.50%	\$ 491,168,724.34	\$ 596,746,326.08	\$ (105,577,601.74)	\$ -
Kern	\$ 6,729,015.35	\$ 17,484,562.38	66.26%	\$ 258,628,648.60	\$ 238,315,459.21	\$ 20,313,189.38	\$ 16,043,916.61
Los Angeles	\$ 122,423,217.95	\$ 330,935,901.97	83.00%	\$ 5,061,069,069.54	\$ 5,772,724,000.00	\$ (711,654,930.46)	\$ -
Monterey	\$ 3,191,921.23	\$ 8,509,618.66	51.19%	\$ 213,976,509.86	\$ 206,259,941.73	\$ 7,716,568.13	\$ 5,990,018.27
Riverside	\$ 12,814,298.65	\$ 32,686,499.31	84.44%	\$ 272,231,932.23	\$ 327,820,319.57	\$ (55,588,387.35)	\$ -
San Bernardino	\$ 15,359,768.41	\$ 36,431,663.28	58.54%	\$ 483,031,791.80	\$ 408,825,961.81	\$ 74,205,829.99	\$ 30,318,704.11
San Francisco	\$ 23,353,765.06	\$ 63,116,924.58	57.36%	\$ 607,109,115.73	\$ 825,384,602.39	\$ (218,275,486.66)	\$ -
San Joaquin	\$ 5,901,609.16	\$ 14,325,485.00	96.74%	\$ 204,903,338.85	\$ 320,232,933.65	\$ (115,329,594.80)	\$ -
San Mateo	\$ 5,494,131.36	\$ 14,657,630.44	80.82%	\$ 176,999,929.34	\$ 224,900,844.83	\$ (47,900,915.49)	\$ -
Santa Clara	\$ 13,314,241.23	\$ 35,245,889.30	85.00%	\$ 784,795,154.06	\$ 925,273,522.23	\$ (140,478,368.17)	\$ -
Ventura	\$ 5,225,957.31	\$ 13,696,312.06	80.62%	\$ 332,730,863.33	\$ 311,877,079.57	\$ 20,853,783.76	\$ 15,255,133.57
<b>SUBTOTAL</b>	<b>\$ 237,112,678.94</b>	<b>\$ 629,436,087.96</b>		<b>\$ 9,405,882,177.53</b>	<b>\$ 10,797,411,554.34</b>	<b>\$ (1,391,529,376.81)</b>	<b>\$ 67,607,772.56</b>

**21-22 Interim Redirection \$ 574,823,024.68**