



County of San Diego

HELEN N. ROBBINS-MEYER
CHIEF ADMINISTRATIVE OFFICER
(619) 531-6226
FAX: (619) 557-4060

CHIEF ADMINISTRATIVE OFFICE

1600 PACIFIC HIGHWAY, STE. 209, SAN DIEGO, CA 92101-2472

DONALD F. STEUER
ASST. CHIEF ADMINISTRATIVE OFFICER/
CHIEF OPERATING OFFICER
(619) 531-4940
FAX: (619) 557-4060

May 22, 2015

TO: Supervisor Bill Horn, Chairman
Supervisor Dave Roberts, Vice Chairman
Supervisor Greg Cox
Supervisor Dianne Jacob
Supervisor Ron Roberts

FROM: Helen Robbins-Meyer
Chief Administrative Officer

HIGHLIGHTS OF THE GOVERNOR'S FY 2015-16 STATE BUDGET MAY REVISION AND POTENTIAL COUNTY IMPACTS

On May 14, 2015, Governor Jerry Brown presented a revised state budget that proposes a \$115.3 billion spending plan for FY 2015-16. As a result of improving state revenues, the May Revision outlines higher spending than was outlined by the Governor in January. In announcing modifications to his Proposed FY 2015-16 State Budget the Governor cautioned that any revenue gains California is enjoying could be short lived.

The May Revision of the FY 2015-16 Proposed State Budget includes an increase in General Fund revenues of \$6.7 billion. Schools will primarily benefit from the increase in revenue as mandated under Proposition 98; however, the Governor's May Revision also accelerates payments of the last of the pre-2004 mandate debt owed to counties totaling \$765 million. To date, the County of San Diego is owed approximately \$58 million for performing programs and activities mandated by the state with nearly \$30 million of that total representing pre-2004 debt.

This is the first budget process after voters approved Proposition 2 last year, which funds the state's Rainy Day Fund to protect the State against future economic slowdowns. By the end of FY 2015-16 the constitutionally protected Rainy Day Fund would stand at \$3.5 billion.

The Governor's Proposed May Revision also maintains its commitment for 2011 Public Safety Realignment, which shifted lower level offenders from the State to local jurisdictions.

As the budget deliberations begin we will continue to monitor the draft budget trailer bills and will provide updates to you when appropriate. The State Legislature is required to pass a State Budget and forward it to the Governor by June 15th in advance of the end of the fiscal year on June 30th.

The attached document includes highlights of the Governor's FY 2015-16 State Budget May Revision and potential impacts to the County of San Diego. The items summarized reflect the topics addressed in the May Revision document. The budget items that were included in the summary of the Governor's January Proposed Budget, provided to your Board on January 22, 2015, are considered hold-over items if not addressed directly in the attached impact analysis of the May Revision.

The items included in the January and May versions of the Governor's Budget, as well as the discussions and changes made to them by the State Legislature, will be addressed and analyzed once the final FY 2015-16 State Budget is passed and signed by Governor Brown.

Respectfully,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer". The signature is fluid and cursive, with a long horizontal stroke at the end.

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

Attachment

cc: ACAO, CSG, FGGG, HHSA, LUEG, PSG, CNL, CLK, OSIA

**GOVERNOR'S MAY REVISION FISCAL YEAR 2015-16 STATE BUDGET
POTENTIAL IMPACTS ON THE COUNTY OF SAN DIEGO**



MISCELLANEOUS BUDGET

The State Budget and Economic Conditions (*Governor's May Revision Budget Summary, Pages 1-4*)

- The Governor's May Revision contains a \$6.7 billion increase in General Fund revenues compared to the January Proposed Budget which will go towards the State fulfilling voters' priorities of directing these revenues towards education and the Rainy Day Fund.
 - Proposition 98 increases General Fund spending by \$5.5 billion for K-12 schools and community colleges.
 - Proposition 2 requires that an additional \$633 million be saved in the Rainy Day Fund and an additional \$633 million be used to pay down debts and liabilities.
- Despite the increases in state revenue and the growth of the State's economy, the Governor expresses concern of a future recession and an economic downturn. The Governor's May Revision warns the State Budget has the potential of going in debt by more than \$2 billion in a few years based off current funding of programs and policies, and therefore, the Governor stated that the State cannot take on new ongoing spending commitments beyond those proposed in the May Revision.

Ongoing and New Commitments (*Governor's May Revision Budget Summary, Pages 2, 6-8, 26-29, 39-40, 102*)

- The Governor continues to focus on key efforts and programs referenced in the January Proposed Budget such as the Local Control Funding Formula, federal health care reform, public safety realignment, the Water Action Plan, and the Cap and Trade expenditure plan.
- The Governor's May Revision commits new spending in three additional areas:
 - Creating the California Earned Income Tax Credit which will provide \$380 million in benefits to assist the State's lowest-income workers.
 - Holding tuition flat at the State's universities for California undergraduate students for two more years by providing increased ongoing funding to California State University and temporary assistance to the University of California to pay down its unfunded pension liability.
 - Providing health care and other safety net services to qualified immigrants who gain "deferred action" status should the courts allow the federal government to proceed with implementing President Obama's Executive Order on immigration.

State's Cash Flow (*California State Controller's Office, Press Release: CA Controller's April Cash Report Shows Receipts more than \$1.8 Billion over Projections, May 11, 2015*)

- April receipts for the State's General Fund surpassed expectations by more than \$1.8 billion.
- Personal income tax revenue was \$13.8 billion, which was 13.3 percent higher than anticipated in the Governor's January Proposed Budget. April sales tax receipts were \$169 million above projections in the proposed budget, while corporate tax receipts came in \$96.9 million higher than expected.

State Mandate Reimbursement (*Governor's May Revision Budget Summary, Pages 80-81*)

- The Governor's May Revision completes the reimbursement to counties, cities and special districts for mandate costs incurred prior to 2004.
- As discussed in the Governor's Proposed Budget, a trigger mechanism was included in the 2014 Budget Act to take effect should the FY 2015-16 May Revision revenues exceed the 2014 May Revision estimates. Due to the increase in General Fund revenue, the trigger mechanism was pulled in the May Revision which will provide \$232 million in additional reimbursement to local agencies. As a result, the entire remaining debt obligation for pre-2004 mandates of \$765 million is scheduled to be paid to local governments and counties are expected to receive 77 percent, or \$589 million, statewide.

- According to the California State Association of Counties, the anticipated payments for pre-2004 mandate reimbursements for each county will be delivered in two installments this summer. First, in late June the State Controller's Office is expected to send the principal amount owed, and then in early August the State Controller's Office is expected to repay the interest owed to local agencies.

County Impact

- The County of San Diego is expected to receive nearly \$29.6 million in reimbursements.

COMMUNITY SERVICES

Dissolution of Redevelopment Agencies (*Governor's May Revision Budget Summary, Pages 77-78*)

- The Governor's May Revision includes trailer bill language to the proposed Redevelopment Agency (RDA) dissolution legislation covering areas such as findings of completion, stranded 2011 bond proceeds, property tax override revenues, highway infrastructure improvements, litigation expenses, and reentered agreements.

County Impact

- Most of these revisions appear to have little or no impact on the County of San Diego Successor Agency. The State's intent to reduce Oversight Board involvement and to streamline the retirement of enforceable obligations still remains, and may have some impact on certain County activities in the administration of successor agencies' enforceable obligations. However, the specific impact is unknown at this time.
- The simplification of the dissolution process will impose an unknown workload on the County's Auditor and Controller for assuming the role of the countywide oversight board.
- The amount of residual distribution redirected to the County General Fund and Library Fund is unknown at this time.

FINANCE AND GENERAL GOVERNMENT

State Payment In Lieu of Taxes (PILT) Funding

- The Governor's May Revision did not offer any further information related to Payment in Lieu of Taxes (PILT) payments. The State PILT program is designed to offset adverse impacts to county property tax revenues that result when the State acquires private property for wildlife management areas. Unfortunately, the State has not made annual PILT payments in more than a decade. The Governor's January Proposed Budget included \$644,000 in funding for the State Department of Fish and Wildlife PILT program for payments to counties for FY 2015-16, but did not include funding for past overdue PILT payments.

County Impact

- The County portion of the FY 2015-16 payment is currently unknown.
- The State owes the County nearly \$800,000 in overdue PILT payments dating back to FY 1999-2000.

HEALTH AND HUMAN SERVICES

Health Care Reform Implementation – Medi-Cal Expansion (*Governor's May Revision Budget Summary, Page 42*)

- California continues the implementation of Health Care Reform, also known as the Affordable Care Act. Since January 1, 2014, more than 5 million Californians have obtained health insurance through Covered California or through Medi-Cal. Total Medi-Cal enrollment is projected to be 12.4 million in 2015-16. The Governor's May Revision includes costs of \$2.9 billion in FY 2015-16 related to the mandatory expansion, and \$14 billion for the optional expansion. The May Revision also includes \$125 million for managed care rate increases in FY 2015-16.
- The May Revision proposes a Health Homes Program that includes \$61.6 million in non-state funds for additional payments to health plans beginning in January 2016. The program will provide comprehensive care management, care coordination, health promotion, and comprehensive transitional care for beneficiaries with complex needs.

County Impact

- No fiscal impact to the County.

County Medi-Cal Administration (*Governor's May Revision Budget Summary, Page 42*)

- County workers conduct Medi-Cal eligibility work on behalf of the State. Caseload has grown significantly since the implementation of the Affordable Care Act. As a result counties require additional resources for administration of the program. The Governor's May Revision includes an additional \$150 million in FY 2015-16.

County Impact

- The proposed \$150 million additional is the same amount that was added to FY 2014-15 and thus keeps the County flat with this year's allocation.
- The California State Association of Counties and the California Welfare Directors' Association (CWDA) are working with the state and counties to ensure that county Medi-Cal administration activities are properly funded.

Medi-Cal Provider Rates (*California Department of Health Care Services May 2015 Medi-Cal Estimate, Page 304*)

- State Assembly Bill 97 in 2011 reduced most Medi-Cal provider rates by up to 10 percent. The 2014 Budget Act assumed retroactive recoupment of rate reductions for some services, and it also exempted additional providers including various distinct-part nursing facilities. The Governor's January Proposed Budget assumed an estimated \$130 million annual cost to the State for these exemptions.

County Impact

- In the Governor's May Revision, the State would postpone by one year to begin recouping the retroactive rate reduction for the Edgemoor Skilled Nursing Facility beginning April 2016 over a 66-month period. HHSA is projecting the State will take back \$14.7 million. However, HHSA has designated \$6 million in reserves for this clawback, and supplemental claims that will be resubmitted for additional federal funds are expected to offset the remaining amount owed.

In-Home Supportive Services (IHSS) (*Governor's May Revision Budget Summary, Page 43*)

- The Governor's May Revision adjusts the In-Home Supportive Services (IHSS) caseload increase of \$147.6 million in FY 2014-15 and \$179.1 million in FY 2015-16 associated primarily with increases in caseload, hours per case, and costs per hour.
- In January 2015, a federal court vacated the United States Department of Labor rule that required overtime pay for IHSS workers under the Fair Labor Standards Act (FLSA). The federal government appealed this decision but in the interim, the State has halted implementation of the rule until the legality of the rule is determined. The Administration is not expecting a final court decision before the end of FY 2014-15, however, if the rule is upheld, implementation could begin right away. The Governor's FY 2014-15 Enacted Budget included \$184 million for implementation in FY 2014-15 and \$316 million in FY 2015-16. To date, none of the FY 2014-15 funds have been spent. SB 855 (2014) includes a provision requiring any unspent FLSA related funding in the current year resulting from delayed federal implementation of the rule be used for other purposes within the IHSS program. The May Revision uses these one-time unspent funds to partially offset the \$326.7 million increased IHSS costs described above. The May Revision continues to assume full-year funding in FY 2015-16 for implementation of the federal rule.

County Impact

- Under the terms of the IHSS MOE, there is no fiscal impact to the County associated with the implementation of the FLSA should it go through.

CalWORKs (*Governor's May Revision Budget Summary, Page 43*)

- The Governor's May Revision adjusts the CalWORKs Caseload decrease of \$97 million in FY 2015-16 to reflect revised caseload projections since the Governor's January Proposed Budget. CalWORKs caseload continues to decline with a projected 539,000 in FY 2014-15 and 525,000 in FY 2015-16.

County Impact

- There is no fiscal impact to the County.

Coordinated Care Initiative (CCI) and the Multipurpose Senior Services Program (MSSP) (*Department of Health Care Services Proposed Trailer Bill Language 650 – MSSP Transition Timeline*)

- The Multipurpose Senior Service Program (MSSP), a federal waiver program, is part of the State's Coordinated Care Initiative (CCI), a three year demonstration project integrating medical and home and community based care for seniors and persons with disabilities on Medi-Cal or Medicare. These services are provided by five managed care companies in San Diego. HHSA operates MSSP and the In-Home Supportive Services program, two programs in the CCI. This recently introduced trailer bill calls for a delay in transitioning MSSP to managed care until December 31, 2017.

County Impact

- The shift in timelines will allow for the readiness criteria to be fully developed and reviewed as well as ensure that CCI continues to be operational prior to MSSP shifting to managed care.

Earned Income Tax Credit (EITC) (*Governor's May Revision Budget Summary, Page 102*)

- The Governor's May Revision proposes an Earned Income Tax Credit (EITC) to help the poorest working families in California. The proposed state program complements the existing federal EITC and would be for households with an income of less than \$6,580 if there are no dependents or less than \$13,870 if there are three or more dependents. The proposed credit would match 85 percent of the federal credit at the lowest income levels, providing an average estimated household benefit of \$460 annually for 825,000 families with a maximum benefit of \$2,653. The credit will be available starting with tax returns filed for wages earned in 2015.

County Impact

- No fiscal impact to County.

Presidential Immigration Actions (*Governor's May Revision Budget Summary, Page 39*)

- The Governor's May Revision commits new spending for providing health care and other safety net services to qualified immigrants who gain "deferred action" status should the courts allow the federal government to proceed with implementing President Obama's Executive Order on immigration.
- The President of the United States announced executive actions on November 20, 2014, that would allow certain undocumented immigrants to temporarily remain in the United States without fear of deportation. This was intended to provide stability to the immigrants' families and boost the economy. These individuals would be recognized as having "Permanent Residence Under Color of Law" due to their deferred action status. "Permanent Residence Under Color of Law" status qualifies individuals for state-funded full-scope Medi-Cal, In-Home Supportive Services (IHSS), and Cash Assistance Payments for Immigrants (CAPI). Under federal rules, the status does not allow individuals to qualify for Covered California, CalWORKs, or CalFresh. On February 16, 2015, a federal district court enjoined implementation of these actions, the Obama Administration has appealed and if the Administration prevails, the annual cost to provide the State benefits would be approximately \$200 million state-wide.

County Impact

- The County's caseloads for Medi-Cal, IHSS and CAPI would be expected to grow somewhat given the newly eligible population. Additionally, some growth in CalWORKs and CalFresh would occur due to additional immigrants coming forward to apply for these benefits on behalf of their eligible children. The State is proposing additional administrative funding to cover the increased workload.
- Certain individuals who are above the Medi-Cal Federal Poverty Level for Medi-Cal and are ineligible for Covered California may potentially be eligible to the County Medical Services Program. Fiscal impact is unknown.

LAND USE AND ENVIRONMENT

Climate Change (*Governor's May Revision Budget Summary, Pages 63-67*)

- The Cap and Trade program was established to address climate change by capping greenhouse gas emissions from the largest sources and establishing a market mechanism under which those businesses that invest in green technology and reduce their emissions under the cap can trade their remaining allowance. As part of this program, the California Air Resources Board holds auctions to allow market participants to buy emissions allowances directly. The current year FY 2014-15 Enacted Budget established a long-term expenditure plan for Cap and Trade auction revenues. The Governor's May Revision proposes \$2.2 billion in funding, \$1.2 billion more than what the Administration proposed in January, for distribution to the programs and issues identified in the long-term expenditure plan and for several new programs. These include the Affordable Housing and Sustainable Communities Program, Agricultural Energy and Operational Efficiency, wetlands and watershed restoration, waste diversion and new programs such as the drought related Water & Energy Technology Program, a healthy soils program and rebates for water efficient appliances.

County Impact

- Although local governments are eligible under several of the programs funded under the Cap and Trade expenditure plan, the plan does not specifically allocate any funding to projects within San Diego County. County staff will monitor the available programs for any related funding opportunities.

Department of Public Health – Beach Water Quality Testing (*Governor's Proposed Budget Public Health Detail, Section 4265, Page 3*)

- The Governor's Proposed Budget includes \$384,000 for the California Department of Public Health (CDPH) to proceed with the development of the implementation plan for the use of the rapid Quantitative Polymerase Chain Reaction (QPCR) testing method for beach water quality monitoring.

County Impact

- This proposed CDPH funding would be a step toward implementation of rapid testing for beach water quality monitoring. Signed into law in 2014, the County's sponsorship bill, State Senate Bill 1395, opened the door to allow the use of the QPCR method for beach water quality monitoring provided that the local environmental health department demonstrates that the method is a reliable indicator of microbial contamination through side-by-side testing with the current test method. Before QPCR can be utilized as a replacement for the current culture-based methods at specific beaches, CDPH must establish certification of an optimized QPCR method, and develop a beach vetting process along with QPCR beach acceptance criteria.

Emergency Drought Response (*Governor's May Revision Budget Summary, Pages 8, 55-62*)

- The State of California has experienced four consecutive years of below-average rain and snow resulting in severe drought conditions. In January 2014, the Governor declared a state of emergency and on April 1, 2015 issued Executive Order B-29-15, which directed the State Water Resources Control Board to reduce potable urban water use by 25 percent statewide. The Governor's May Revision notes that since January 2014, the State has appropriated approximately \$1.9 billion for drought assistance. The May Revision includes an additional \$2.2 billion in one-time resources to address drought impacts. The additional proposed funding would come primarily from acceleration of Proposition 1 (Water Bond) spending, but also includes General Fund and Cap and Trade funds. The May Revision proposes to direct this funding to a number of drought related issues, including public education, agricultural water conservation, stormwater management, groundwater sustainability, wastewater treatment and water recycling, among others.

County Impact

- County staff will monitor the available programs for any related funding opportunities.

Toxic Substance Control (*Governor's May Revision Budget Summary, Page 74*)

- The Department of Toxic Substance Control (DTSC) protects residents and the environment from the harmful effects of toxic substances by restoring contaminated properties, enforcing hazardous waste laws, reducing hazardous waste generation, and encouraging the manufacture of chemically-safer products. The Governor's May Revision proposes additional resources to support DTSC's hazardous waste enforcement efforts by providing \$1.4 million for improving Hazardous Waste Enforcement Program Performance and \$2.1 million for the Enhanced Enforcement Initiative.

County Impact

- No anticipated direct impact on local Certified Unified Program Agencies (CUPA). The additional enforcement initiative could help counties when DTSC conducts inspections and enforcement of serious violators in disproportionately impacted communities since these actions could potentially be done in coordination with the County Department of Environmental Health.

Transportation (*Governor's May Revision Budget Summary, Pages 69-71*)

- Similar to the Governor's January Proposed Budget, the Governor's May Revision highlights the transportation funding shortfall, but does not identify any new sources of funding for transportation infrastructure. The May Revision focuses on the State's "core responsibility" of maintaining and operating the State's network of highways and interstates, and improving the highest priority freight corridors.

County Impact

- Highway User Tax Account (HUTA) funding is one of the primary funding sources for local streets and roads. HUTA revenue comes from an excise tax on gasoline. Gas tax revenues were reduced by the Board of Equalization from 36 cents per gallon to 30 cents per gallon, which is anticipated to result in a negative impact of approximately \$15 million to the HUTA revenue the Department of Public Works will receive in FY 2015-16.

PUBLIC SAFETY

High-Cost Drugs (*Governor's May Revision Budget Summary, Pages 40-41*)

- The Federal Food and Drug Administration recently approved new Hepatitis C drugs that are effective but also extremely expensive, and data shows that there are high numbers of individuals with Hepatitis C in state prison, state hospitals, county jails and enrolled in Medi-Cal and the AIDS Drug-Assistance Program.
- The Governor's May Revision allocates \$228 million of the \$300 million that was set aside for high-cost drugs in the Governor's January Proposed Budget to the Department of Health Care Services, the Department of State Hospitals, and the Department of Corrections and Rehabilitation.
- Two workgroups will be convened with state departments and local entities to discuss clinical and procurement issues with the goal of developing a proposal for inclusion in the FY 2016-17 Governor's Budget.
 - The clinical workgroup will discuss high-cost drugs that are pending federal approval and how they could affect existing clinical guidelines.
 - The procurement workgroup will examine aspects of relevant entities' pharmacy benefit manager contracts, the availability of pricing information, and the activities and functions of state entities procuring drugs or negotiating prices and supplemental rebates.

County Impact

- Hepatitis C medications would cost the San Diego County Sheriff's Department approximately \$100,000 per inmate, per year. Due to the increased county length of stay for certain inmates following the implementation of Assembly Bill 109, Public Safety Realignment (2011), a greater number of inmates with Hepatitis C are being treated in county jails.

Restoration of Competency (*Governor's May Revision Budget Summary, Page 45*)

- The Governor's May Revision includes \$10.1 million in General Fund dollars to expand the Restoration of Competency Program by up to 108 beds to address the existing placement waitlist. The State proposes that the treatment of certain Incompetent to Stand Trial patients occur in county jails rather than inpatient treatment at a state hospital. Including these new beds, the total number of Restoration beds is expected to be approximately 148 by the end of 2015-16.

County Impact

- Additional resources would be needed in order for the San Diego County Sheriff's Department to perform restoration of competency in the jails effectively and appropriately.

Prison Population Cap (*Governor's May Revision Budget Summary, Pages 47-50*)

- Given the magnitude of the projected population decline as a result of Proposition 47 and the need to maintain sufficient capacity compared with the final population cap of 137.5 percent, the Administration has developed a revised contract bed plan for the Governor's May Revision that focuses on reducing the use of out-of-state contract beds.
- The May Revision includes savings of \$73.3 million General Fund in 2015-16 tied to the reduction of approximately 4,000 out-of-state contract beds by June 2016.
- Further reductions to the use of out-of-state beds beyond 4,000 in 2015-16 could jeopardize ongoing compliance with the 137.5 percent population cap, as the total inmate population is projected to increase in 2016-17 and ongoing.
- A long-term plan will be developed for the FY 2016-17 Governor's Budget which will take the following into account:
 - California Department of Correction and Rehabilitation's growing population trends, housing limitations, and rehabilitation goals;
 - Any use of contract beds on an ongoing basis, including in-state contract beds, out-of-state contract beds, and the leasing of the California City correctional facility;

- A permanent solution for the decaying infrastructure of the California Rehabilitation Center;
 - The need for durable population reductions to stay below 137.5 percent of design capacity, such as the current, court-ordered population reduction measures; and
 - The impact of population-reduction measures on fire camps.
- Unknown County Impact

Community Corrections Performance Incentive Grant (*Governor's May Revision Budget Summary, Pages 50-51*)

- The Governor's May Revision includes an additional \$1.1 million for a total of \$125.8 million for county probation departments that demonstrate success in reducing the number of individuals sent to county jail or state prison.
- A revised allocation formula is proposed to include all types of local felony supervision, refocus this grant on local supervision admissions to state prison, and reward counties' past success.
- The proposed formula will provide the following:
 - Incentive funding to counties that decrease their state prison admissions below a 2013 baseline.
 - Reductions in state prison admissions for new crimes for individuals on felony probation, Mandatory Supervision and Post Release Community Supervision will be funded at 50 percent of the State's estimated contracted rate per offender, while reductions in state prison admissions for technical revocations by felony probationers will be funded at 75 percent of the State's estimated contract bed rate per offender.
 - Counties with a state prison admission rate 50 percent below the State average will receive a high-performance grant.
 - Adds a past performance allocation for counties which is equal to 60 percent of the average of the highest two years of past payments.

County Impact

- The Probation Department anticipates receiving \$2.2 million of these funds.

Amnesty Program (*Governor's May Revision Budget Summary, Pages 51-52*)

- The Governor's January Proposed Budget included an 18-month outstanding debt amnesty program that would be administered by the courts and counties, consistent with existing delinquent debt collection programs.
- The amnesty program would authorize individuals with past due court-ordered debt, that was due prior to January 1, 2013 related to traffic infractions and certain misdemeanors, to pay outstanding delinquent debt at a 50 percent reduction if the individual meets specified eligibility criteria.
- The Governor's May Revision updates the amnesty program by waiving the \$300 court-imposed assessment fee pursuant to the Penal Code and replacing it with a \$50 amnesty administrative fee for the courts to recover their costs of running the program, and by allowing individuals whose driver licenses have been suspended due to Failure To Appear or Failure To Pay related to traffic offenses to reinstate their licenses as part of the program. These individuals would agree to either make one payment or sign up for a payment plan, supported by a wage garnishment agreement in the event that the individual fails to make a payment.

Unknown County Impact

Peace Officer Standards and Training (*Governor's May Revision Budget Summary, Pages 52-53*)

- The Commission on Peace Officer Standard and Training's budget is categorized into three main areas: administration, contracts for training courses, and reimbursement of training costs.
- In January 2014, due to declining revenues, the Commission on Peace Officer Standards and Training instituted an 18-month reduction plan that relied heavily on reducing the reimbursement of training costs provided to local law enforcement agencies that attend training.
- The May Revision refines this by reducing administrative costs (\$800,000), slightly increasing the current reduction of contracted, non-mandated training courses (\$1.9 million), and continuing the suspension of reimbursements for local law enforcement to backfill behind officers participating in training (\$2.5 million).
- The proposed reduction, coupled with the delinquent-debt amnesty program, will allow the Commission to reinstate the reimbursement of travel and per diem costs of approximately \$4.4 million which will help reduce the cost of training for local law enforcement agencies.

Unknown County Impact

Emergency Drought Response (*Governor's May Revision Budget Summary, Pages 55-62*)

- California Department of Forestry and Fire Protection (CAL FIRE)
 - The Governor's May Revision proposes \$53.8 million General Fund to enhance the State's firefighter surge capacity, retain seasonal firefighters beyond the budgeted fire season, and enhance air attack capabilities to suppress wildfires.
County Impact
 - While there is no direct fiscal impact to the County, there may be an increase to local CAL FIRE resources.
- Office of Emergency Services
 - The Governor's May Revision includes \$22.2 million General Fund to support local jurisdictions using the California Disaster Assistance Act program for approved drought-related projects, including but not limited to restoring and replacing public infrastructure that sustained drought-related damages, and emergency protective measures such as delivering water to individuals without drinking or potable water.
Unknown County Impact

Judicial Branch (*Governor's May Revision Budget Summary, Page 89*)

- The Governor's May Revision includes an additional \$15.5 million in General Fund dollars to reflect a further reduction of fines and penalty revenues estimated to be collected in 2015-16, for a total of \$66.2 million that is available for transfer to the Trial Court Trust Fund.
County Impact
 - No direct County impact. However, in light of reductions in past budget cycles, the Superior Court will benefit from these funds to help sustain the Superior Court's operations.

2011 Realignment Revenue Estimates (*Governor's May Revision Budget Detail, Section 5196*)

- The Governor's May Revision assumes continued funding for the overall 2011 Realignment program from two state sources: a sales tax of 1.0625 percent and Vehicle License Fees. Sales tax growth projections in the May Revision have been revised slightly upward for public safety accounts compared to the Governor's Proposed Budget.
County Impact
 - Continues the allocation of sales tax and vehicle license fee funds to the County to support law enforcement activities, juvenile justice programs and court security responsibilities.
 - The amount available for 2011 Public Safety Realignment / AB 109 responsibilities is dependent on actual state revenues.