



BUDGET ACTION BULLETIN

CALIFORNIA STATE ASSOCIATION OF COUNTIES

Revisions to 2009-10 State Budget Week of June 8, 2009

June 12, 2009

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

FROM: Paul McIntosh, CSAC Executive Director
Jim Wiltshire, Deputy Executive Director
Jean Kinney Hurst, CSAC Legislative Representative

RE: **Budget Action Bulletin #5**

Today, the Budget Conference Committee finalized a “first pass” through its agenda. After considering May Revision proposals from the Governor and from the Legislative Analyst’s Office (LAO), the Conference Committee took a number of actions that are relevant to counties. These actions, as well discussions on those that remain open, are outlined here.

It has been a tense week of meetings, with finger-pointing and barb-flying in the media, and a fair amount of confusion and misunderstanding about the details of various proposals. The Committee is also feeling the pressure of a June 15 deadline set by the State Controller, by which he believes a budget plan must be approved in order for the state to go to market with the short-term cashflow borrowing that it so desperately needs. As we report below, with so many items left to act upon, it is difficult to envision a circumstance by which the Legislature is able to act on a budget plan that fully resolves the \$24.3 billion deficit by the Controller’s June 15 deadline.

CSAC materials that have gone to the Conference Committee and the Legislature are available on our website, as well as reference materials for counties to use when discussing the various budget issues with your legislative delegation and the Administration.

WHAT YOU SHOULD DO

Evaluate the series of increasingly cataclysmic proposals before the Budget Conference Committee, identify the fiscal and “real-life” impacts on your county and the constituents you serve, and communicate the expected devastation to your legislative

delegation. We would ask that you give priority to the already-approved grab of local gas tax subventions (Highway Users Tax Account or HUTA) and make clear the impacts to your public works department, your ability to maintain your local streets and roads, your ability to manage and continue projects. As of today, the Conference Committee does not appreciate the magnitude of this reduction. It is up to counties to directly communicate the devastating impact of the HUTA raid on their communities.

WHAT'S BEEN HAPPENING

ADMINISTRATION OF JUSTICE

The Budget Conference Committee covered public safety items on June 10 and 11. While a majority of the issues were left open, the conferees did take action on a few areas of interest to counties.

LOCAL PUBLIC SAFETY FUNDS

Counties will recall that the Legislature dedicated a portion of the 0.5 percent Vehicle License Fee (VLF) increase approved in February to support local public safety. (Please see the [information sheet and FAQs](#) on the new local public safety funding structure, published jointly by CSAC, the sheriffs' association, and the chief probation officers' association.) The LAO offered, in its series of cost-saving alternatives, a proposal to redirect \$250 million in the VLF public safety funding (about half of the VLF funds dedicated to local public safety) back into the state General Fund. The LAO option initially proposed diverting funding for general public safety (COPS and rural and small county sheriffs) and local assistance programs (those administered through CalEMA), but leaving the remaining \$250 million to support probation programs (Juvenile Justice Crime Prevention Act and Juvenile Probation and Camps Funds). In presenting its proposal to the Conference Committee, the LAO indicated that other approaches could be taken — such as reducing by 50 percent all program funding in the new Local Safety and Protection Account — that achieve the same result.

The conferees discussed but took no action on the proposed diversion of local public safety funds. The commentary from conferees varied from several who clearly favor maintaining both the commitment to and fiscal support of local public safety programs to a smaller number who expressed concerns about untangling the state/local financing puzzle and making more sense of how to fund local services.

JUDICIAL BRANCH ISSUES

The Conference Committee took the following action on key court-related issues:

- **10 Percent Unallocated Reduction to Trial Courts.** The conferees approved an additional \$169 million cut to the trial courts, without providing specific direction on how the courts might achieve such a savings. Some discussion ensued on the

Administrative Office of the Courts’ proposal to close the courts one day per month, but it was acknowledged that this issue had not been resolved and discussions among stakeholders continue.

- **Court Security.** The Budget Conference Committee left open the court security funding item, acknowledging that discussions among stakeholders continue and that any action on this item must take into account what impact the court closure proposal would have in this area, if that option were approved. Recall that the Governor has proposed a \$7 increase in the court security fee to help close the court security funding shortfall.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

The conferees took no action on the range of budget proposals — some of which are internally inconsistent — to shave \$1.5 billion from CDCR’s budget. Development of a more comprehensive corrections “cut package” is being discussed in the Legislature, which is expected to be acted at some future point in the budget discussions. As counties will recall, the proposed reductions — to achieve the \$400 million unallocated reduction imposed by the Governor when he signed the February 2009–10 budget package as well as more than \$1 billion more in savings needed to help close the more current gap — contain a variety of programming cuts, as well as sentencing and parole reforms. The proposals are briefly summarized below:

- Reclassification of property and drug-related wobblers as misdemeanors
- Alternative custody options for lower-risk offenders
- Elimination of rehabilitative program funding for prison inmates and parolees, except for court-ordered services
- Commutation of prison sentences for (and deportation of) certain undocumented criminal offenders
- Elimination of CDCR positions within the Division of Juvenile Justice and CDCR headquarters
- Various credit enhancements based on positive behavior and completion of rehabilitative programming
- Adjustment to felony property crime threshold
- Targeted risk-based parole supervision, including no parole primarily low- to moderate-risk offenders (although local law enforcement would retain authority for search and seizure for up to three years)
- Use of GPS as alternative sanction
- Additional, unspecified operational savings of up to \$300 million

DEPARTMENT OF JUSTICE (DOJ)

The Budget Conference Committee took action on two DOJ budget items that have serious impacts to counties:

ACTION

- **Forensic Lab Fees.** After a lengthy discussion about charging local and state entities fees for the use of DOJ forensic lab services, the Budget Conference Committee approved the LAO proposal to reduce DOJ’s forensic services budget by \$20 million with the expectation that a fee-for-service would backfill the reduction. The conferees expressed concerns about the impact on local entities in particular and about whether the expected savings level could be achieved. Nevertheless, conferees directed the DOJ to develop a fee-for-service schedule, taking into account the need for a hardship exemption and potentially a sliding scale based on ability to pay. Because this proposal would affect all state and local entities that make use of the DOJ forensic lab services, the specific county impact is not known at this time.
- **Bureau of Narcotic Enforcement (BNE).** The conferees adopted the LAO recommendation to reduce BNE funding by \$20 million. As counties are aware, BNE offers support through the operation and coordination of regional offices and assistance to multi-agency drug and gang task forces. To the extent that counties collaborate with BNE on any of these task force efforts, jurisdictions would experience a reduction in BNE resources.

BYRNE-JAG FEDERAL STIMULUS FUNDS

The budget conferees left open the one-time allocation of Byrne-JAG funds. The committee is in receipt of the principles and program recommendations adopted by the California Council on Criminal Justice (CCCJ) on June 2. The Legislature will make the final determination as to both (1) the specific programs to be funded and (2) the funding levels for each program selected. According to the American Recovery and Reinvestment Act (ARRA), the state must pass-through a minimum of 67 percent of the Byrne-JAG funds to local jurisdictions.

AGRICULTURE AND NATURAL RESOURCES

The Budget Conference Committee took no action on items in the area of Agriculture and Natural Resources, including Williamson Act, state parks, and forestry and fire protection.

With regard to the Williamson Act, the Conference Committee had a brief discussion about the impacts of eliminating subvention funding. Assembly Member Nielsen mentioned the alternative funding proposal that CSAC, the Regional Council of Rural Counties, the California Farm Bureau Federation, and a coalition of environmental groups have developed. This proposal would temporarily cut the subventions by 42 percent in addition to the 10 percent cut in 2008-09, leaving approximately \$20 million in subvention funding to local governments. The item was held open, and discussions will continue next week.

GOVERNMENT FINANCE AND OPERATIONS

SUSPENSION OF PROPOSITION 1A

The Conference Committee discussed this item briefly on June 12. The Department of Finance only recently released their proposal for the suspension and conferees received copies at the dais a half hour into their meeting. After a tense exchange, the Committee determined that they hadn't enough time to review the proposal and thus it remains open for future action.

Department of Finance's draft trailer bill language on the Proposition 1A suspension includes two measures: one that suspends the protections of Proposition 1A and one that outlines the funds authorized for loan, the mechanism for collection and allocation of funds, and the statutory requirements for securitizing the state's eventual repayment of the loan.

To be specific, the draft trailer bill indicates that the amount borrowed from each local agency shall not exceed 8 percent of the total amount of ad valorem property tax revenues, including amounts from the one percent base rate, rates for voter-approved bonds, the portion of property tax revenues derived from the vehicle license fee (VLF Swap), and the portion of property tax revenues derived from the exchange under the Triple Flip that were allocated to each entity in the 2008-09 year.

The amounts will be partially transferred to the county's ERAF (DOF anticipates about \$1.4 billion of the total shift will be transferred to ERAF) and the remaining amounts transferred to the county office of education. The funds that are transferred to the county office of education will then be used to pay for Medi-Cal or other state services in the county, before state funds are applied, until those amounts run out.

The repayment of the Proposition 1A "loan" is also provided, with interest to "fully offset borrowing costs" associated with securitization. The repayment is supposed to take priority over certain other state payments, with the exception of schools, debt service on general obligation bonds, and debt service on other outstanding short term borrowing of the state. The trailer bill appropriates funds to the State Controller to make the repayment no later than June 30, 2013.

Draft language also includes securitization authorization and provisions that allow for the purchase of this loan "repayment" by investors.

Conferees indicated their significant concerns with the proposal to suspend Proposition 1A. Senator Dutton, in particular, noted that it seemed inappropriate to borrow property tax revenues from local governments to fund a reserve. DOF countered that, if

the Committee did not agree to a 1A suspension, they would have to provide \$2 billion in additional budget cuts elsewhere.

MANDATES

As counties are aware, the Governor's May Revision includes a proposal to suspend all reimbursable mandates, except for those relating to law enforcement or property tax administration. The Conference Committee considered this item on Friday, and, after much consternation, decided to leave the item open.

The LAO offered an alternative to the committee. (You can view their handout on this issue [here](#).) The LAO proposes handling a number of mandates differently, in particular, repealing mandates that can be linked to voter-approved initiatives and deleting funding for those mandates that are not absolutely required to be funded.

The conferees were specifically focused on two mandates: the Brown Act and Animal Adoption mandates. Conferees were obviously concerned about eliminating the requirement of local agencies to adhere to the Brown Act, for purposes of public access to meetings and other government decisions. LAO recommended in this instance to modify the law to make the existing Brown Act construct advisory for local entities to comply with Proposition 59 of 2004.

Conferees were also worried about suspending the mandate that requires local agencies to keep animals in shelters for six days. This mandate is one of the more expensive ones, at nearly \$25 million annually. LAO recommended that this measure be repealed and that the prior requirement for holding an animal of three days be reinstated into law. However, conferees were confused about the requirements that would be in place if the mandate were suspended. DOF assured the committee that the three-day hold would be in effect; LAO countered that the suspension of a mandate doesn't create new law and that it would be the choice of the local agency as to how long the animal would be kept. After much back and forth, the entire item was left open for future action.

CASH MANAGEMENT

The Conference Committee briefly discussed the various cash management proposals put forth by the Administration to help manage the state's significant cash shortfall in 2009-10. As counties are aware, in addition to cash deferrals already approved in the 2009-10 budget, there are new proposals to defer both Mental Health Services Act (MHSA) funds (\$300 million) and the first two quarters of Proposition 42 payments (\$288 million). The MHSA funds would be deferred and repaid from one month to the next and would finally be caught up in June 2010.

The Conference Committee held this item open, as it will be the final item considered once all other budget actions have been taken. For the LAO's handout on this issue, click [here](#).

HEALTH AND HUMAN SERVICES

The Budget Conference Committee completed its first pass through the health and human services budget items on June 10. The following is a summary of the actions taken to date by subject area.

CALWORKS

The Conference Committee rejected the Governor's proposal to eliminate the CalWORKs program. They did not take action on the other proposals, such as modifying the safety net and child only cases, self-sufficiency reviews, and reducing grants. However, the Committee directed staff to work on alternatives and expressed interest in the LAO's options.

A number of other budget items related to CalWORKs, including Medi-Cal items and the fund shifts within realignment, remain open.

CHILD WELFARE SERVICES

The Conference Committee rejected the Administration's proposal to cut the child welfare allocation to counties by \$110 million (\$70 million General Fund). The Committee, however, expressed interest in a LAO alternative to suspend the current "hold harmless" budgeting methodology. The hold harmless budget methodology was established as a way to provide counties with a predictable and consistent level of base funding and an incentive to reduce foster care caseloads. The methodology is grounded in both policy and fiscal rationale that consistent base funding locally promotes stable services for families, and incentives for further improvements in the system. The LAO proposal would save \$9.7 million in 2009-10, but may result in costs in future years.

The Committee also took action to reduce rates by 10 percent for Group Homes, Foster Family Agencies, and Seriously Emotionally Disturbed (SED) children in these facilities. The committee rejected the rate reduction to specialized care and clothing allowance rates.

PROPOSITION 36

The Conference Committee held open for further discussion the elimination of Proposition 36 funding. Members indicated that they wanted to look at program funding in the context of the corrections budget.

CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

The Conference Committee held open the proposals to eliminate CAPI and the California Food Assistance Program (CFAP). Please recall that many CAPI recipients would become eligible for county General Assistance programs.

MENTAL HEALTH

The Conference Committee took the following actions on mental health issues:

- **Early Periodic Screening Diagnosis and Treatment (EPSDT) Program.** On a unanimous vote, the Committee voted to adopt the Administration's proposal for EPSDT funding 2009-10. Specifically, they voted to:
 1. Reduce by \$53.4 million General Fund to reflect elimination of state support for county programs developed using Mental Health Services Act (MHSA) funds that the state Department of Mental Health (DMH) contends increased services within EPSDT.
 2. Increase by \$226.7 million General Fund to reflect the failure of Proposition 1E and the use of MHSA funds.
 3. Increase by \$19 million General Fund to reflect the *Emily Q* court order requiring DMH to implement a nine-point plan regarding therapeutic behavioral services (TBS) services.
 4. Decrease by \$4.9 million to reflect revised caseload and expenditures.
 5. Decrease of \$122.1 million General Fund to reflect enhanced federal funds under the American Recovery and Reinvestment Act of 2009 (ARRA).

The total amount of adjustment approved for EPSDT funds is \$364.8 million (with an additional \$674.1 million expected for federal reimbursements), which overall reflects a reduction over the current year of \$14.6 million.

- **Prior Year Cost Settlement for EPSDT.** The May Revise proposed funding a deficiency that the state owes counties for cost report settlements in the amount of \$15.8 million for 2006-07. The Committee, instead, chose to defer payment of the deficiency to 2010-11.
- **Medi-Cal Managed Care.** On a unanimous vote, the Committee adopted the Administration's proposal to essentially cut in half (from \$225 million to \$113.4 million) its allocation to counties for the Medi-Cal Managed Care program. Specifically, the committee voted to:
 1. Eliminate state support for mental health services other than "federally required inpatient hospitalization and medication services," for a reduction of \$64 million General Fund. According to the Administration, "no changes to the existing Federal Waiver are necessary." Also according to the

Administration, "county Mental Health Plans can choose to provide outpatient services on their own."

2. Provide an increase of \$4.1 million General Fund for increases to patient caseload and technical adjustments.
3. Adjust the allocation "to recognize increased federal funds as provided in ARRA," for a reduction of \$53.5 million General Fund, and a corresponding increase in federal funds.

- **Defer \$52 Million in AB 3632 Mandate Payment to Counties.** Despite a very clear statement by the LAO staff that the state is constitutionally obligated (under Proposition 1A) to fully fund state mandates or suspend or repeal them, the Committee voted to approve the Administration's proposal to defer \$52 million of the \$104 million that is in the approved 2009-10 budget to pay counties for past mandate claims (2006-07 and 2007-08).

IN-HOME SUPPORTIVE SERVICES (IHSS)

The Conference Committee held open the IHSS proposals from the Administration, including reducing wages to \$8 per hour, limiting IHSS services to consumers, and the fraud initiative. The Committee expressed interest in an aging package that would address changes to IHSS, Adult Day Health Care, and the Multipurpose Senior Services Program (MSSP). The Committee also held open the proposals to eliminate Adult Day Health Care and MSSP.

HEALTHY FAMILIES PROGRAM

The Conference Committee held open the proposal to eliminate the Healthy Families program for the 930,000 children currently served. Additionally, the committee held open the proposal to cap eligibility at 200 percent of the federal poverty level (currently the program serves children up to 250 percent FPL).

HIV/AIDS PROGRAMS

The Conference Committee held open a number of items related to HIV and AIDS programs, including the AIDS Drug Assistance Program, Therapeutic Monitoring Program, HIV education and prevention, and the Office of AIDS.

MEDI-CAL

The Conference Committee took the following actions on Medi-Cal issues:

- **Eliminate Certified Application Assistance.** The Conference Committee adopted the proposal to eliminate certified application assistance for \$2.7 million in savings. This assistance helps individuals enroll and remain in subsidized children's' health insurance coverage.

ACTION

- **Family Planning Services Rates.** The Conference Committee rejected the reduced rates for family planning services to the pre-January 2008 level, which saves \$36.8 million.
- **Non-emergency services for undocumented immigrants,** including breast and cervical cancer treatment and postpartum care [excludes prenatal and long-term care]. The Conference Committee rejected elimination of these services.
- **Institutions for Mental Disease** ancillary services payments – the Committee voted to adopt elimination of this funding, \$14.2 million.
- **Dialysis.** The Conference Committee rejected the elimination of dialysis.
- **Non-digestive nutrition.** The Conference Committee rejected elimination of this service.
- **Breast and cervical cancer treatment for women over 65 and men.** The Conference Committee rejected elimination of these services.

The Conference Committee held the following Medi-Cal items open:

- **Federal Medi-Cal Flexibility & Stabilization.** The May Revision document includes a placeholder to pursue \$1 billion in savings to the Medi-Cal program by requesting a federal waiver.
- **Legal immigrants** (Qualified Alien or Permanently Residing in the U.S. under Color of Law (PRUCOL)). Proposes to reduce the scope of benefits available to legal immigrants, age 20 and older, from full-scope Medi-Cal to emergency services, pregnancy, long-term care and breast and cervical cancer treatment. This proposal would save \$125 million.
- **Private Hospitals.** Reduce Medi-Cal payments to private hospitals by 10 percent to achieve \$20 million in savings. This is commensurate to the public hospitals reduction included in the 2009 Budget Act.
- **Drug Medi-Cal.** Reduce Drug Medi-Cal rates by 10 percent, for \$8.8 million in savings. This proposal affects substance abuse treatment providers. The Committee expressed interest in re-examining the methodology for a rate reduction.
- **Skilled Nursing Facility.** Freeze reimbursement rates effective August 1, 2009.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTAL PAYMENT (SSI/SSP)

The Conference Committee held open the Administration's proposal to reduce SSI/SSP grants to the minimum allowed under federal law. Under the Administration's proposals, grants for individuals would be reduced from 94 to 92 percent of federal poverty and grants for couples would be reduced from 123 to 116 percent of poverty. As of January 2009, the grants for individuals were at 100 percent of poverty and grants for couples were at 130 percent of poverty.

ACTION

PUBLIC HEALTH ACTIONS

The Conference Committee took the following actions on public health issues:

Children’s Dental Disease program. The Conference Committee adopted the Administration’s proposal to suspend the Children’s Dental Disease program for a savings of \$2.9 million.

Proposition 99. The Conference Committee eliminated Proposition 99 fund for county health services, including,

- \$22.3 million for reimbursement to Emergency Physicians,
- \$2.5 million for Rural Health Services, and
- \$800,000 for Managed Care

The Committee also reduced the asthma program by \$438,000. These funds and the county health services funds are being redirected to backfill the General Fund support within the Medi-Cal program to fund the Orthopaedic Hospital Settlement.

The Conference Committee also

- Eliminated \$4.5 million for the Breast Cancer Early Detection Program. The Proposition 99 funds would be backfilled by a one-time augmentation from the Breast Cancer Control Account.
- Reduction of \$4.9 million Proposition 99 funds from Access for Infants and Mothers.
- Reduction of \$6.6 million in Proposition 99 funds from the Major Risk Medical Insurance Program.

Domestic Violence Programs. The Conference Committee adopted a 20 percent reduction (\$4.08 million) in funding that supports services for victims of domestic violence through a network of 94 domestic violence shelters and centers. The Administration proposed eliminating the full \$20.4 million.

Immunization Assistance. The Conference Committee adopted the LAO’s proposal to suspend \$18 million in General Fund support for assistance to local health departments for immunizations. The reduction is on a one-time basis due to the \$23 million in federal ARRA funds coming to California.

HOUSING, LAND USE AND TRANSPORTATION

The Budget Conference Committee took action to raid local transportation revenues with devastating consequences for jobs loss and economic recovery in the State. It is estimated that this loss of infrastructure investment would eliminate \$10 to \$14 billion

ACTION

in economic activity. Transportation dollars feed the local, state, and nation's economic engine. This is not the time to strip away transportation dollars.

CSAC surveyed the 58 counties and found that a loss of this magnitude would result in thousands of layoffs in public work's departments across the State—3,930 and counting. This would not only have a ripple effect through other county departments, but would spread to the private sector, including the construction industry and road material providers.

At times of economic downturn, public investment in infrastructure can provide a significant spark to the economy as recognized by Congress and the Obama Administration in passing the American Recovery and Reinvestment Act. These actions run completely contrary to the federal efforts—negating the benefits at the local level. Specific details on the cuts are below.

HIGHWAY USER TAX ACCOUNT

As previously reported, the DOF proposed to redirect \$986 million in 2009-10 from the local share of the excise tax on gasoline, also known as the highway user tax account (HUTA), for general fund bond debt service. The DOF proposal also included a redirection of \$745 million from the local share of HUTA to the General Fund on a permanent basis beginning in 2010-11.

The LAO proposed to borrow the entire local share in 2009-10, estimated at just over \$1 billion. This was a one-time proposal which would have provided for payback within three years.

The Budget Conference Committee accepted a modified proposal and acted to take \$986 million of the local share of the gas tax in 2009-10 and \$745 million in 2010-11. To be clear – this action does not include paying back these funds to cities and counties. This would result in a loss of \$865.5 million to counties. Further, we share the concerns of the cities that this will result in a permanent loss of this local portion of the gas tax.

PROPOSITION 42

The DOF also proposed to suspend the first two quarters of the local portion of Proposition 42 in 2009-10, equivalent to another \$288 million from local government. The LAO proposed to borrow the entire portion of the state and local share of Prop 42, or about \$600 million from counties and cities. Ultimately, the Conference Committee rejected all proposals to borrow Proposition 42 in 2009-10 at this time.

However, CSAC understands that DOF intends to borrow the first two quarter payments of Proposition 42 from cities and counties for cash flow purposes, which is equivalent to \$288 million—half of which is the county share.

A chart at the end of this document outlines the cuts and borrowing to counties described above.

PROPOSITION 1B: LOCAL STREETS AND ROADS ACCOUNT

The conferees, in order to backfill the loss of HUTA funds, took action to appropriate the remaining \$700 million in Proposition 1B Local Streets and Roads funds, with \$258 million remaining for cities and \$443 million remaining for counties. This is a one-time solution, however, and doesn't even make up the entire amount lost to the State from HUTA alone in 2009-10. Furthermore, many counties have already committed these funds to projects and will be unable to use it to backfill operations and maintenance needs.

Trailer bill language would give locals more time to spend prior appropriations of Proposition 1B to address the current "use it or lose it" provisions. Below is a chart detailing how much each county has remaining in unallocated Proposition 1B funds:

COUNTY	NO. OF REGISTERED VEHICLES (4/08)	NO. OF MAINTAINED MILEAGE (4/08)	PROJECTED REVENUE FY 2008-09 (Estimated)
Alameda	1,149,575	495.39	\$ 13,939,081
Alpine	2,038	134.96	\$ 249,026
Amador	51,051	410.84	\$ 1,269,546
Butte	211,423	1,353.70	\$ 4,675,913
Calaveras	67,318	689.22	\$ 1,920,792
Colusa	25,929	716.75	\$ 1,494,828
Contra Costa	851,398	659.84	\$ 10,813,657
Del Norte	25,932	300.88	\$ 799,118
El Dorado	209,802	1,075.50	\$ 4,192,002
Fresno	670,649	3,563.16	\$ 13,609,575
Glenn	33,370	863.19	\$ 1,824,691
Humboldt	137,005	1,205.06	\$ 3,578,542
Imperial	139,950	2,561.57	\$ 5,881,570
Inyo	26,116	1,133.10	\$ 2,193,525
Kern	630,683	3,327.67	\$ 12,759,811
Kings	98,731	946.10	\$ 2,708,805
Lake	79,421	612.36	\$ 1,930,236
Lassen	35,722	878.64	\$ 1,877,359
Los Angeles	7,054,048	2,966.98	\$ 85,411,455
Madera	120,519	1,532.06	\$ 3,937,598
Marin	226,626	419.82	\$ 3,286,911
Mariposa	26,599	560.41	\$ 1,240,912
Mendocino	104,206	1,018.92	\$ 2,893,071
Merced	190,480	1,726.96	\$ 5,061,536
Modoc	13,187	987.40	\$ 1,802,316
Mono	16,452	684.42	\$ 1,332,661
Monterey	326,055	1,242.60	\$ 5,797,357

COUNTY	NO. OF REGISTERED VEHICLES (4/08)	NO. OF MAINTAINED MILEAGE (4/08)	PROJECTED REVENUE FY 2008-09 (Estimated)
Napa	129,175	445.01	\$ 2,217,675
Nevada	120,739	560.79	\$ 2,315,169
Orange	2,353,013	313.86	\$ 27,359,961
Placer	346,883	1,052.75	\$ 5,717,272
Plumas	33,470	687.96	\$ 1,532,670
Riverside	1,577,871	2,671.26	\$ 22,463,809
Sacramento	1,140,198	2,194.40	\$ 16,674,596
San Benito	51,651	383.63	\$ 1,230,865
San Bernardino	1,548,162	2,822.22	\$ 22,377,551
San Diego	2,451,387	1,921.25	\$ 31,171,032
San Francisco	448,004	930.75	\$ 6,666,399
San Joaquin	532,969	1,653.70	\$ 8,844,877
San Luis Obispo	267,197	1,321.49	\$ 5,258,097
San Mateo	650,661	313.12	\$ 7,944,297
Santa Barbara	345,484	892.68	\$ 5,433,522
Santa Clara	1,399,998	684.10	\$ 17,110,739
Santa Cruz	225,039	602.94	\$ 3,575,171
Shasta	206,029	1,191.19	\$ 4,342,515
Sierra	5,289	390.25	\$ 713,211
Siskiyou	62,487	1,361.34	\$ 2,990,160
Solano	348,017	586.95	\$ 4,950,920
Sonoma	450,716	1,384.62	\$ 7,456,653
Stanislaus	420,414	1,545.37	\$ 7,380,004
Sutter	87,191	786.69	\$ 2,310,504
Tehama	64,133	1,089.38	\$ 2,553,940
Trinity	19,367	698.14	\$ 1,388,860
Tulare	322,713	3,047.10	\$ 8,778,182
Tuolumne	71,821	607.16	\$ 1,834,864
Ventura	699,159	545.51	\$ 8,886,178
Yolo	167,229	794.60	\$ 3,236,528
Yuba	62,559	650.59	\$ 1,801,894
TOTAL	29,133,310	66,198.30	\$443,000,000

STATE HIGHWAY ACCOUNT

The Conference Committee also moved to borrow \$135 million from the State Highway Account (SHA) in 2009-10; however, the SHA will be paid back in full in the future.

LOCAL AIRPORT GRANTS

Finally, the Committee also voted to suspend local airport grants in 2009-10, resulting in \$4 million in General Fund relief.

SPILLOVER

Recognizing the perpetual significant cuts to transit in previous budgets, the Conference Committee held open the item to redirect an additional \$336 million in spillover funds to the General Fund. Many of the conferees were vocal about their desire to find a solution to fund transit operations.



WHAT'S GOING TO HAPPEN NEXT

The Budget Conference Committee is “on call” this weekend. It is anticipated that the majority of the work will be behind closed doors, with the next public meeting taking place on Monday. Although the State Controller has appealed to the Legislature to develop a clear plan for closing the gaping budget gap, the Conference Committee still has a number of alternative proposals to develop. The pressure to come to agreement will only mount as July approaches.

STAY TUNED FOR THE NEXT BUDGET ACTION BULLETIN!

If you would like to receive the Budget Action Bulletin electronically, please e-mail Amanda Yang, CSAC Legislative Assistant, at ayang@counties.org. We're happy to accommodate you!

ACTION



BUDGET ACTION BULLETIN

CALIFORNIA STATE ASSOCIATION OF COUNTIES

IMPACT OF HUTA RAID: 2009-10 AND 2010-11

COUNTY	HIGHWAY USERS TAX ACCOUNT			PROPOSITION 42	TOTAL LOSS in 2009-10
	ACTUAL 2007-08 HUTA	Estimated 2009-10 HUTA Loss	Estimated 2010-11 HUTA Loss	Estimated 2009-10 Prop 42 Borrowing	
Alameda	\$19,898,240	\$17,814,577	\$13,460,304	\$4,530,988	\$35,805,869
Alpine	\$498,489	\$446,289	\$337,206	\$80,948	\$864,443
Amador	\$1,353,919	\$1,212,142	\$915,868	\$412,674	\$2,540,685
Butte	\$4,804,985	\$4,301,826	\$3,250,366	\$1,519,936	\$9,072,129
Calaveras	\$1,982,699	\$1,775,078	\$1,341,210	\$624,366	\$3,740,655
Colusa	\$1,287,461	\$1,152,643	\$870,912	\$485,903	\$2,509,458
Contra Costa	\$15,650,625	\$14,011,755	\$10,586,975	\$3,515,049	\$28,113,779
Del Norte	\$750,491	\$671,902	\$507,675	\$259,758	\$1,439,335
El Dorado	\$6,152,023	\$5,507,808	\$4,161,579	\$1,362,637	\$11,032,025
Fresno	\$14,134,653	\$12,654,530	\$9,561,486	\$4,423,880	\$26,639,896
Glenn	\$1,573,956	\$1,409,137	\$1,064,713	\$593,127	\$3,066,978
Humboldt	\$3,464,509	\$3,101,719	\$2,343,591	\$1,163,228	\$6,608,539
Imperial	\$4,798,709	\$4,296,208	\$3,246,120	\$1,911,842	\$9,454,171
Inyo	\$1,947,607	\$1,743,662	\$1,317,472	\$713,019	\$3,774,153
Kern	\$14,349,014	\$12,846,444	\$9,706,491	\$4,147,659	\$26,700,595
Kings	\$2,405,305	\$2,153,431	\$1,627,085	\$880,515	\$4,661,032
Lake	\$2,032,222	\$1,819,416	\$1,374,710	\$627,436	\$3,821,562
Lassen	\$1,848,500	\$1,654,933	\$1,250,431	\$610,248	\$3,515,612
Los Angeles	\$123,050,953	\$110,165,559	\$83,238,683	\$27,763,543	\$221,167,785
Madera	\$3,453,234	\$3,091,625	\$2,335,964	\$1,279,942	\$6,707,532
Marin	\$4,310,620	\$3,859,229	\$2,915,949	\$1,068,431	\$7,843,610
Mariposa	\$1,177,631	\$1,054,314	\$796,617	\$403,366	\$2,254,297
Mendocino	\$2,792,799	\$2,500,348	\$1,889,208	\$940,411	\$5,329,968
Merced	\$4,632,347	\$4,147,266	\$3,133,583	\$1,645,285	\$8,926,135
Modoc	\$1,656,171	\$1,482,744	\$1,120,328	\$585,855	\$3,188,928
Mono	\$1,416,115	\$1,267,825	\$957,941	\$433,190	\$2,658,957
Monterey	\$6,826,134	\$6,111,329	\$4,617,586	\$1,884,468	\$12,613,384
Napa	\$2,694,985	\$2,412,777	\$1,823,041	\$720,869	\$4,956,688
Nevada	\$2,893,492	\$2,590,497	\$1,957,323	\$752,560	\$5,300,380
Orange	\$23,000,004	\$20,591,537	\$15,558,514	\$8,893,531	\$45,043,582
Placer	\$8,427,022	\$7,544,578	\$5,700,518	\$1,858,436	\$15,103,533
Plumas	\$2,073,760	\$1,856,604	\$1,402,809	\$498,204	\$3,757,618
Riverside	\$29,544,199	\$26,450,450	\$19,985,381	\$7,302,005	\$53,737,837
Sacramento	\$22,380,701	\$20,037,085	\$15,139,582	\$5,420,185	\$40,596,852
San Benito	\$1,234,222	\$1,104,979	\$834,898	\$400,101	\$2,339,979
San Bernardino	\$29,149,803	\$26,097,354	\$19,718,589	\$7,273,967	\$53,089,910
San Diego	\$43,993,745	\$39,386,899	\$29,759,878	\$10,132,344	\$79,279,122

COUNTY	HIGHWAY USERS TAX ACCOUNT			PROPOSITION 42	TOTAL LOSS in 2009-10
	ACTUAL 2007-08 HUTA	Estimated 2009-10 HUTA Loss	Estimated 2010-11 HUTA Loss	Estimated 2009-10 Prop 42 Borrowing	
San Francisco	\$7,785,584	\$6,970,310	\$5,266,613	\$2,166,956	\$14,403,879
San Joaquin	\$10,356,136	\$9,271,684	\$7,005,481	\$2,875,084	\$19,152,249
San Luis Obispo	\$5,809,367	\$5,201,034	\$3,929,787	\$1,709,178	\$10,840,000
San Mateo	\$11,539,671	\$10,331,284	\$7,806,092	\$2,582,345	\$20,719,721
Santa Barbara	\$7,028,340	\$6,292,361	\$4,754,370	\$1,766,201	\$12,812,932
Santa Clara	\$23,942,584	\$21,435,414	\$16,196,129	\$5,561,956	\$43,193,499
Santa Cruz	\$4,842,797	\$4,335,679	\$3,275,944	\$1,162,132	\$8,773,756
Shasta	\$4,766,460	\$4,267,335	\$3,224,305	\$1,411,562	\$8,903,203
Sierra	\$824,380	\$738,054	\$557,657	\$231,834	\$1,527,546
Siskiyou	\$2,990,004	\$2,676,903	\$2,022,609	\$971,971	\$5,671,484
Solano	\$6,146,377	\$5,502,754	\$4,157,760	\$1,609,329	\$11,269,843
Sonoma	\$9,040,041	\$8,093,405	\$6,115,199	\$2,423,833	\$16,632,437
Stanislaus	\$8,369,396	\$7,492,987	\$5,661,537	\$2,398,918	\$15,553,442
Sutter	\$2,106,151	\$1,885,603	\$1,424,720	\$751,044	\$4,061,368
Tehama	\$2,231,529	\$1,997,853	\$1,509,534	\$830,175	\$4,337,562
Trinity	\$1,439,884	\$1,289,105	\$974,020	\$451,458	\$2,714,583
Tulare	\$7,835,167	\$7,014,701	\$5,300,154	\$2,853,405	\$15,168,260
Tuolumne	\$2,136,798	\$1,913,041	\$1,445,452	\$596,434	\$3,954,927
Ventura	\$12,737,662	\$11,403,826	\$8,616,481	\$2,888,509	\$22,908,817
Yolo	\$3,346,008	\$2,995,627	\$2,263,430	\$1,052,054	\$6,311,112
Yuba	\$1,747,503	\$1,564,511	\$1,182,110	\$585,717	\$3,332,339
TOTAL	\$550,663,207	\$493,000,000	\$372,500,000	\$144,000,001	\$1,009,500,001