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UCC Summary
Governor's Proposed Budget 2019-20
January 10, 2019

Governor Newsom presented the state budget proposal for 2019-20 on January 10, 2019. Some of the major proposals include additional savings to the Rainy Day Fund, universal preschool, and universal health care.

Key proposals include:
- Additional funding to the Rainy Day Fund to prepare for recession.
- IHSS MOE - The Governor's budget provides funding to restructure and lessen the impact of the IHSS MOE on counties. Click here to see the Department of Finance's Report.
- As part of addressing child poverty, provides $56 million to local child support agencies to restructure the budgeting methodology and bring underfunded counties' allocation up to a more equitable level.
- Provides property tax backfill to those counties impacted by the recent wildfires.
- Provides $500 million in additional funding to local governments for homelessness programs.
- Provides major proposals to change local control on projects for affordable housing, proposed changes to the regional housing needs assessment, and waives CEQA for certain housing projects.

Program and State Department Proposals

Disaster Response

Property Tax Back-Fill

The Budget includes $31.3 million General Fund to backfill wildfire-related property tax revenue losses for cities, counties, and special districts. This includes funding for the following:
- $11.5 million to backfill entities in Butte, Lake, Los Angeles, Orange, Riverside, Shasta and Siskiyou counties for losses estimated to be incurred in 2019-20 as a result of the 2018 wildfires.
- $16.1 million to backfill entities in Butte County for losses estimated to be incurred in 2020-21 and 2021-22 due to the 2018 Camp Fire.
- $3.6 million to backfill entities in Lake County for losses estimated to be incurred in 2019-20, 2020-21, and 2021-22 resulting from the wildfires in 2015, 2016, and 2017.

The Budget includes an additional backfill amount for Butte and Lake counties given the magnitude of the fire damage in these counties will require additional time to reconstruct the impacted properties and restore them to the property tax rolls.

The wildfire-related property tax revenue losses incurred by K-14 schools are generally backfilled under the Proposition 98 school funding mechanism. The Budget estimates K-14 schools will incur $19 million in 2019-20 property tax revenue losses because of the November 2018 wildfires.

Early Education

The Budget proposes a comprehensive package that invests in three areas so that more children get the healthy start that prepares them and their families for years to come.

- Improving educational access through substantial investments in preschool, kindergarten and child care, and improving access to health care services through developmental screenings and referrals.
- Supporting parents with expanded paid family leave to promote family bonding, increased home visiting assistance, medical screenings, and student-parent scholarship awards.
- Easing the financial burden on parents with higher CalWORKs grants for low-income parents and expanding access to child savings accounts for kindergartners so their families can build assets and save for their education.

Environmental Protection

Cap and Trade

The Cap and Trade Program is an element of California's greenhouse gas emissions reduction strategy. Cap and Trade is a market-based mechanism that establishes a statewide limit for major sources of emissions by issuing a limited number of allowances per year. This establishes a price signal necessary to drive long-term investment in cleaner fuels and more efficient energy use, and provides covered entities the flexibility to reduce emissions in a cost-effective manner.

Proceeds from the Cap and Trade Program have facilitated approximately $9.3 billion in investments throughout California that further the state’s climate goals. The Budget proposes a $1 billion Cap and Trade Expenditure Plan to support programs that reduce or sequester greenhouse gases, including programs that benefit disadvantaged and low-income communities, and support training and apprenticeships necessary to transition the state’s workforce to a low carbon economy.

Health and Human Services

The Budget proposes a series of changes and investments to make health care more affordable and to continue making progress in achieving universal health care. The budget proposes to leverage the state’s purchasing power to maintain access to critical prescription drugs at a lower cost to taxpayers, employers, and consumers; increases subsidies and expands coverage to reduce the number of uninsured; and makes investments to increase prevention efforts, improve access, and reduce costs.

ACA

California has been a national leader in the implementation of the Affordable Care Act (ACA). As a result, California’s uninsured rate for non-elderly Californians dropped from 17.6 percent in 2012 to

10.4 percent in 2016 (a 40-percent reduction). To continue making progress in achieving universal coverage, the Budget proposes the following changes:

- Increase subsidies through Covered California for individuals with incomes between 250 and 400 percent of the federal poverty level, and expand subsidies to individuals with incomes between 400 and 600 percent of the federal poverty level to increase coverage and promote affordability. The increased subsidies will be funded by revenues generated by establishing a state individual mandate, modeled on the federal requirement enacted as part of the ACA, to obtain comprehensive health care coverage or pay a penalty.
- Building upon the children's Medi-Cal expansion under Chapter 18, Statutes of 2015 (SB 75), the Budget includes $260 million ($196.5 million General Fund) to expand full-scope Medi-Cal coverage to eligible young adults aged 19 through 25 regardless of immigration status, starting no sooner than July 1, 2019. About 75 percent of these adults are currently in the Medi-Cal system, and are either receiving restricted-scope benefits or services under SB 75. This expansion will provide full-scope coverage to approximately 138,000 undocumented adults in the first year.

CalWORKs

- CalWORKs Grant Increase--The Budget includes $347.6 million General Fund in 2019-20 to raise grant levels to 50 percent of the projected 2019 federal poverty level, effective October 1, 2019. Full-year costs of the proposed grant increase are estimated to be $455.4 million. As a result, the maximum grant level for an assistance unit of three will increase from $785 to $888 per month.
- Home Visiting Services--The Budget includes $78.9 million to provide home visiting services to an anticipated 16,000 eligible CalWORKs families in 2019-20. Approximately 15,000 cases are estimated to be served on an annual basis beginning in 2020-21.
- Single Allocation Methodology--The Budget includes a one-time augmentation of $93.6 million for the county single allocation. The Administration will continue to work with representatives of counties and county welfare directors to develop recommendations for revising the single allocation budgeting methodology for the Employment Services component as part of the May Revision.
- County Indigent Health Savings-- The Budget reflects $617.7 million in projected county indigent health savings in 2019-20 to offset General Fund costs in the CalWORKs program, a decrease of $155.5 million from 2018-19. The decrease is more than offset by additional indigent health savings (based on the latest reconciliation) of $315 million available from 2016-17.
- Safety Net Reserve Increase-- The Budget increases the Safety Net Reserve Fund by $700 million, bringing the total amount in the fund to $900 million. These funds will be available for CalWORKs and Medi-Cal services and benefits during an economic downturn.

Early Childhood Health and Wellness

<u>Adverse Childhood Experiences (ACEs) and Developmental Screenings</u>

The Budget proposes $45 million ($22.5 million federal funds and $22.5 million Proposition 56 funds) to the Department of Health Care Services for ACEs screenings for children and adults in the Medi-Cal program. Beginning no sooner than January 1, 2020 this proposal provides ACEs screenings to children and adults under age 65 at least once every three years, and supports increased referrals to appropriate services depending upon screening results. The Department of Health Care Services will work with stakeholders to develop a screening tool for children and will utilize an existing assessment for adults.

The Budget proposes $60 million ($30 million federal funds and $30 million Proposition 56 funds) for the Department of Health Care Services to increase developmental screenings for children. Developmental screenings assess a child's educational, social, and emotional development and are recommended for children at 9 months, 18 months, and 30 months of age.

The increased ACEs and developmental screenings are expected to help identify families at risk so that providers can refer them to other services.

Home Visiting and Black Infant Health Programs
Home visiting services for children aged 0-3 that provide interventions to high-risk pregnant and parenting women in California will help improve health outcomes in key areas ranging from low-birth weight and infant mortality to immunizations and language development. Another goal of home visit program is to reduce the occurrences of adverse childhood experiences. Therefore, the Budget proposes to expand these services as described below.

The Budget proposes $78.9 million in a mix of federal funds and General Fund to provide home visiting services to eligible CalWORKs families in 2019-20. Services will be provided to pregnant women and families with a child under the age of two for up to 24 months, with priority given to first-time parents. The services are intended to help young families reach self-sufficiency by improving family engagement practices, supporting healthy development of young children living in poverty, and preparing parents for employment. Participating counties will leverage existing, evidence-based program models currently being implemented across the state. Approximately 15,000 cases will be served on an annual basis beginning in 2020-21.

The Budget proposes $30.5 million General Fund to expand home visiting programs and the Black Infant Health Program in the Department of Public Health. Of this amount $23 million is for the expansion of home visiting services with a focus on low-income, young mothers and the use of a wider range of home visiting models based on varying family needs. The remaining $7.5 million is to increase participation in the Black Infant Health Program to improve African-American infant and maternal health through case management services, including home visiting. This funding will allow more families to be reached with these important services and support development and implementation of more cost-effective models, as well as more culturally appropriate services.

Child Savings Accounts
To support and encourage families to build assets for their children's post-secondary education, the Administration proposes $50 million one-time General Fund to support pilot projects and partnerships with First 5 California, local First 5 Commissions, local government, and philanthropy. These pilot programs will support development or strengthening of cost-effective models that can be replicated or expanded to increase access to Child Savings Accounts among incoming kindergartners.

CCR
In 2017, California began implementation of the Continuum of Care Reform (CCR), as enacted in Chapter 773, Statutes of 2015 (AB 403). The reforms emphasize home-based family care; improve

children’s access to services without having to change out-of-home placements to get those services; and increase the role of children, youth and families in assessment and case planning. The reforms also provide for greater coordination of child welfare and mental health services.

Significant Adjustment:

- Continuum of Care Reform—The Budget includes $416.9 million ($301.7 million General Fund) to continue implementation of CCR. This funding reflects ongoing support for child and family teams, approval of resource families, and continued emphasis of home-based, family care placements with supportive services rather than group home care placements for children in foster care. Although significant progress has been made with the transition of youth in foster care from group homes to Short-Term Residential Therapeutic Programs beginning January 1, 2017, assumptions on caseload movement were revised to more accurately reflect the pace of implementation.

Addressing the Rising Costs of Prescription Drugs

The Budget proposes steps to use the state’s purchasing power to achieve a single-payer system or prescription drugs in California. Absent federal action to address these rising costs, the sate must do what is in its power to get better prices from pharmaceutical manufacturers for taxpayers, employers, and consumers.

The Budget proposes to transition all pharmacy services for Medi-Cal managed care to a fee-for-service benefit. A fee-for-service pharmacy program will increase drug rebate savings and help the state secure better prices by allowing California to negotiate with pharmaceutical manufacturers on behalf of a much larger population of Medi-Cal beneficiaries. Such a standardized drug benefit will reduce confusion among beneficiaries without sacrificing quality or outcomes. This proposal is estimated to result in hundreds of millions of dollars in annual savings starting in fiscal year 2021-22.

In addition, to leverage its purchasing power and achieve lower prices to taxpayers, employers, and consumers across the state, the Administration will strengthen the existing California Pharmaceutical Collaborative to obtain lower prices for drugs purchased directly or indirectly by the state, excluding the Medi-Cal program. The Administration will also seek legislative changes to create a bulk purchasing prescription drug program to be accessed by public and private payers alike. Together, these efforts will make the state a single purchaser for prescription drugs and allow Californians to obtain necessary drugs at a much lower cost.

2011 Realignment Funding

The budget updates 2011 Realignment revenue estimates across all programs and services. Those details can be found on page 81 of the Governor’s Budget Summary and will be updated again at the May Revision.

IHSS

The IHSS program provides domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. These services are provided to help individuals remain safely in their homes and prevent costly institutionalization. The budget includes $12.7 billion ($4.3 billion General Fund) for the IHSS program in 2019-20, a

15.2-percent increase in General Fund costs over the revised 2018-19 level. Average monthly caseload in this program is estimated to be 564,000 recipients in 2019-20, a 4.5-percent increase compared to the revised 2018-19 projection.

Significant Adjustments:

Restoration of 7-Percent Across-the-Board Service Hours Reduction---Due to enactment of the management care organization tax, the 7-percent across-the-board reduction in IHSS services hours was restored for the duration of the managed care organization tax. Under current law, the managed care organization tax will expire on July 1, 2019. While the Budget does not assume an extension of the tax, it does propose to restore the 7-percent reduction effective July 1, 2019. The cost to restore the 7-percent reduction is estimated to be $342.3 million General Fund in 2019-20. This will protect services for vulnerable individuals served by IHSS.

Revised County IHSS Maintenance-of-Effort--- A new Maintenance-of-Effort (MOE) was negotiated in 2017, which reset the base for counties' share of program costs and applies an annual inflation factor to the MOE beginning in 2018-19 under specified conditions. The Budget proposes to adjust the IHSS MOE inflation factor, redirect 1991 Realignment back to county indigent health and mental health services, and reduce counties' IHSS MOE to $1.56 billion, thereby increasing General Fund costs by $241.7 million in 2019-20. A 4-percent annual inflation factor will be applied to the MOE beginning in 2020-21. This action reflects a recognition that the state and federal government have taken actions that increase IHSS costs beyond available 1991 Realignment revenues for this program.

IHSS County Administration--- The Budget includes an ongoing increase of $15.4 million General Fund for IHSS county administration to reflect revised benefit rate assumptions, for a total of $326 million General Fund for IHSS county administration.

Medi-Cal

Full-Scope Medi-Cal Expansion for Undocumented Adults--- The budget expands full-scope Medi-Cal coverage to undocumented adults aged 19 through 25 in 2019-20. As the state takes responsibility for providing care to these newly eligible individuals, county costs and responsibilities are expected to decrease. To reflect this shift, starting in 2019-20, the Budget assumes changes to AB 85 redirection amounts for the County Medical Service Program Board's and certain other counties' indigent care realignment revenue. These adjustments will result in the availability of additional realignment funds to offset General Fund costs in CalWORKs. Net costs after accounting for the associated In-Home Supportive Services benefits and the revised AB 85 redirection amount are approximately $133.5 million General Fund.

Medi-Cal County Administration-- The Budget includes $2.1 billion ($723.6 million General Fund) in 2019-20 for county eligibility determination activities, and increase of $53 million over the 2018-19 level of funding based on growth in California Consumer Price Index (2.63 percent).

Investing in Prevention to Improve Health Outcomes and Reduce Costs

To increase the availability of care, including mental health, primary care, family planning services, and dental care, the Budget extends the supplemental payments to Medi-Cal providers and the increased funding for the family PACT program. The Budget also includes an additional $50 million in Proposition 56 funds for family planning services in the Medi-Cal program.

According to a 2015 analysis by the Department of Health Care Services, 5 percent of Medi-Cal beneficiaries account for 51 percent of costs, and the top 1 percent account for 27 percent of costs. To reduce costs and better manage the care of these high cost Medi-Cal enrollees, the Budget invests $360 million ($180 million in Proposition 56 funds) for a program that encourages Medi-Cal managed care providers to meet goals in critical areas, such as management of chronic disease and behavioral health integration.

State Hospitals

The Department of State Hospitals administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients, The Budget includes $2 billion ($1.8 billion General Fund) in 2019-20 for support of the Department. The patient population is expected to reach 6,722 by the end of 2019-20.

Incompetent to Stand Trial (IST)

The Department continues to experience a significant number of IST commitments—who are referred from local courts—awaiting admission to the state hospital system. Although the rate of increase the Department has experienced in recent years has slowed, the number of ISTs pending placement into the state hospital system remains high, and was above 800 individuals in December 2018.

To help address this need, the Budget includes $18.6 million General Fund and 119.3 positions for the second phase of the Metropolitan State Hospital's secured treatment area expansion. When completed in 2019, it will provide a total of 236 additional secured forensic beds for the treatment of ISTs at the Metropolitan State Hospital. Furthermore, the Budget includes $12.3 million General Fund to allow the Department to contract for up to 74 additional jail-based competency restoration treatment beds through the county jail treatment programs. These efforts are intended to reduce the pending placement time for ISTs and the waitlist.

Homelessness

Recent federal data estimates the state's homeless population at 134,278 in 2017—25 percent of the nation's homeless population. While national homelessness has decreased by 13 percent since 2010, homelessness in California has increased by 9 percent in the same period.

Though the number of sheltered individuals has remained relatively constant in recent years, changes in the unsheltered population drive swings in total population. The state's homeless count includes individuals from vulnerable populations---the largest being severely mentally ill (26 percent), followed by victims of domestic violence (24 percent), youth (13 percent), and veterans (9 percent). These statistics highlight the importance of providing shelter as well as connecting people with necessary support services to address underlying problems that are often exacerbated by living on the streets.

Responding to Homelessness
The Budget includes $500 million General Fund one-time for jurisdictions that site and build emergency shelters, navigation centers, or supportive housing.

Regional Planning-$300 Million
Jurisdictions that establish joint regional plans to address homelessness will be eligible for funding. The Business, Consumer Services and Housing Agency will distribute funds through federally designated areas (200) million) and the eleven most populous cities in the state ($100 million). Plans must include regional coordination between counties and cities and report all funds currently being used to provide housing and services to the homeless population in their regions (including but not limited to Mental Health Services Act funds, realignment funds, and dedicated city and county funds). Funds must be spent on expanding or developing shelters and navigation centers.

Meeting Milestones-$200 million
Jurisdictions that show progress toward developing housing and shelters, including permitting new supportive housing units or constructing emergency shelters and navigation centers, will be eligible to receive additional funds for general purposes.

Streamlining California Environmental Quality Act (CEQA)
The Administration will propose legislation to accelerate the construction of homeless shelters, navigation centers and new supportive housing units by allowing for a streamlined CEQA process with accelerated judicial review of challenges to an Environmental Impact Report. This is similar to the process outlined in Chapter 354, Statues of 2011 (AB 900), and recent bills providing streamlined environmental reviews for sports stadiums.

Supplemental Security Income (SSI) Advocacy
The Housing and Disability Advocacy Program (HDAP) were established as a county match program to assist homeless, disabled individuals with applying for disability benefit programs, while also providing housing supports. The program includes outreach, case management, benefits advocacy, and housing support to all program participants. Participating counties are required to match any state funds on a dollar-for-dollar basis. The 2017 Budget Act included on-time funding of $45 million General Fund, available over three years, for this program. The Budget proposes an annual appropriation of $25 million General Fund beginning in 2019-20 to continue this program.

Whole Person Care Pilot Programs
The Budget invests $100 million General Fund (one-time with multi-year spending authority) for the Whole Person Care Pilot programs that provide housing services.

The Whole Person Care Pilot program coordinates health, behavioral health (including mental health and substance use disorder services), and social services, as applicable, in a patient-centered manner with the goal of improved beneficiary health and well-being. Many of these pilot programs target individuals who are experiencing homelessness, or who are at risk of homelessness, and have a demonstrated medical need for housing and/or supportive services. The Department of Health Care Services will develop a funding allocation methodology for this augmentation that considers various factors, such as prevalence of homelessness, cost of living, and performance. This funding will be used to match local county investments in health and housing services with a focus on the homelessness mentally ill population.

Housing and Local Government

Increasing Housing Production

While some local jurisdictions have used these tools and contributed to their housing supply, more production across the state is necessary to address the larger housing crisis. The Budget includes significant investments (totaling $1.3 billion General Fund plus expanded tax credits) to remove barriers and increase long-term housing production, particularly for low- and moderate-income housing.

Short-Term Planning and Production Grants

The Budget includes $750 million General Fund one-time to partner with and incentivize local governments to jump-start housing production through technical assistance and general purpose funding. The Department of Housing and Community Development (HCD) will establish higher short-term statewide goals for new housing production across all income levels and will allocate these goals to local jurisdictions. Local governments will receive grants ($250 million of the $750 million) to support technical assistance and staffing to develop plans to reach these higher goals. This includes, but is not limited to: rezoning for greater density, completing environmental clearance, permitting units, and revamping local processes to speed up production. The state will review these efforts and certify that certain milestones have been reached. As jurisdictions reach these milestones, funding ($500 million of the $750 million) will be available to cities and counties for general purposes.

Long Term Statewide Housing Production Strategy - RHNA

The Administration will develop a strategy to revamp the current Regional Housing Needs Assessment (RHNA) process, which determines the amount and type of housing regions and local jurisdictions must produce to meet their need. Under Chapter 370, Statutes of 2017 (AB 72) and Chapter 958, Statutes of 2018 (AB 686), HCD will be taking a more active role in housing element reviews. Moving from an advisory role, HCD will now oversee and enforce regional housing goals and production. HCD will determine a methodology for allocating housing needs to regions and local jurisdictions, with local input.

These long-term housing production targets will be more ambitious than the short-term housing goals mentioned above. As HCD develops these targets, local jurisdictions will have time to begin reformulating their housing plans, using the grants above to leverage other sources of funding, such as their general funds and private dollars, to meet their targets.

Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals.

Moderate-Income Housing Production

The Budget makes a sizable investment of $500 million General Fund one-time in the development of housing for moderate-income households. The California Housing Finance Agency (CalHFA) will expand its Mixed-Income Loan Program, which provides loans to developers for mixed-income developments that include housing for moderate-income households at a lower subsidy level than traditional state programs.

This additional investment will jump-start the estimated $43 million in annual SB 2 (Chapter 364, Statutes of 2017) revenues dedicated for this purpose, and pair with the proposed tax credit program targeting households with incomes between 60 to 80 percent of Area Median Income.

Expanded State Housing Tax Credit Program

The Budget proposes to expand the state tax credit program in 2019-20 up to $500 million, and up to $500 million annually thereafter upon an appropriation. The additional authority includes $300 million for the existing state tax credit program, targeted at new construction projects that pair with the underutilized 4 percent federal tax credit program. The remaining $200 million will be allocated through a new program that targets housing development for households with incomes between 60 to 80 percent of Area Median Income, a population not typically served by the state's housing programs. This investment will serve as a down payment toward producing more mixed-income housing, in combination with CalHFA's Mixed-Income Loan Program expansion detailed above.

These tax credit investments are coupled with a redesign of the existing tax credit programs to promote cost containment and increase the construction of new units.

Economic Development Tools Made More Attractive

Various economic development tools have been introduced following the dissolution of Redevelopment Agencies (RDAs), including Enhanced Infrastructure Financing Districts (EIFDs). However, only three EIFDs have been formed since statute created them in 2014. EIFDs can be created by cities or counties without voter approval and expend tax increment revenues without voter approval. However, an EIFD must receive 55-percent voter approval to issue debt.

The Budget encourages the formation of additional EIFDs through removal of the 55-percent voter approval requirement to issue debt. This change will allow EIFDs to support longer-term infrastructure commitments, similar to former RDAs.

The state will also make EIFDs a more attractive economic tool by pairing them with the federal Opportunity Zones program. To make Opportunity Zones more effective, the state will conform to federal law allowing for deferred and reduced taxes on capital gains in Opportunity Zones for investments in green technology or in affordable housing, and for exclusion of gains on such investments in Opportunity Zones held for 10 years or more. Additionally, the Governor's Office of Business and Economic Development will help foster relationships between local EIFDs and investors to facilitate investments for disadvantaged communities or other targeted areas. The state will explore layering additional programs on Opportunity Zones and EIFDs to increase the production of affordable and moderate-income housing.

Mental Health

Early Psychosis Research and Treatment

Given the link between early treatment of psychosis and more successful outcomes, the Budget includes $25 million General Fund to better detect and intervene when young people have had, or are at high risk of experiencing, psychosis. Specifically, these one-time grant funds will be used for projects that demonstrate innovative approaches to detect and intervene when a young person has experienced a first episode of psychosis.

Expedite the Allocation of No Place Like Home Bond Funding
Voters approved the No Place Like Home $2 billion bond program (to be repaid with Mental Health Services Act revenues) in November 2018 election. These bonds will help provide supportive multifamily housing for individuals experiencing mental illness who are either homeless or at risk of homelessness. The Administration will accelerate No Place Like Home program awards and, combined with the additional tax credits and state investments included in the Budget (see the Housing and Local Government chapter), provide needed gap financing for developers to increase the production of affordable housing units.

Changes to 1991 Realignment Funding for County Mental Health
The changes proposed to the counties' share of In-Home Supportive services program costs result in additional 1991 Realignment funding for county mental health programs. The increase in revenues for county mental health programs in 2019-20 is estimated to be approximately $70 million, for a total of $84 million in growth funding for these programs.

Public Safety

Reorganization of the Division of Juvenile Justice to Health and Human Services
The Division of Juvenile Justice is projected to have a population of 759 young offenders in 2019-20 and focuses on providing rehabilitative programming designed for young offenders. Given the Division's focus on improving rehabilitation, the Budget proposes to move youth correctional facilities from the CDCR to a new department under the Health and Human Services Agency. This change will enable the state to better provide youth offenders with services needed to be successful when they are released.

Commission on Peace Officers Standards and Training
In 2014-15, funding for the Commission on Peace Officer Standards and Training (POST) began decreasing significantly, driven by a decline in criminal fine and fee revenues which were the primary funding source for POST. In response, POST has been forced to significantly scale back its support for local law enforcement training. For example, it has reduced or eliminated reimbursement payments for local law enforcement agencies to attend training courses. In addition, POST has also postponed updating curriculum that it believes need revision to reflect current best practices.

The Budget includes $14.9 million General Fund to restore POST to its historical budget level prior to the decline in fine and fee revenues. This funding will allow POST to restore many of the program cuts it was forced to make in recent years. It will also be used to implement new, and update existing, training curriculum so that courses reflect current best practices in areas such as verbal communication and listening skills, cultural awareness and diversity, de-escalation techniques, and engagement with individuals suffering from mental health or homelessness issues.

In addition, the Budget includes $20 million General Fund to make permanent a one-time augmentation included in the 2018 Budget Act for training on use of force and de-escalation and engaging with individuals experiencing a mental health crisis.

Post-Release Community Supervision

The Budget includes $11.8 million General Fund 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.

Proposition 47

Voters passed Proposition 47 in November 2014, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. The Department of Finance currently estimates net General Fund savings of $78.5 million from Proposition 47 when comparing 2018-19 to 2013-14, an increase of $13.8 million over the estimated savings in 2017-18. These funds will be allocated according to the formula outlined in the initiative.