County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER
File #: 18-084 Board Meeting Date: 2/13/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager
Connie Juarez-Diroll, Legislative Officer

Subject: 2018 Legislative Session Program and Analysis of the Governor's Proposed FY 2018-19 Budget

RECOMMENDATION:
Recommendation to:

A) Adopt a resolution approving San Mateo County's 2018 Legislative Session Program; and

B) Accept analysis of the Governor's Proposed 2018-19 Budget.

San Mateo County's 2018 Legislative Session Program

BACKGROUND:
The 2018 Legislative Session Program for San Mateo County details state and federal legislative priorities for the County in the new legislative sessions. These priorities, in combination with standing positions and policies taken by your Board, guide the County's legislative advocacy efforts. The County Manager's Office develops its Legislative Session Program in collaboration with your Board, County departments, the County's state associations, our state and federal legislative advocates, and community partners.

DISCUSSION:
In 2018, County state advocacy efforts will be focused on: 1) supporting the preservation of transportation funding as enacted by the Road Repair and Accountability Act of 2017 (SB 1, Chapter 5, Statutes of 2017) which is dedicated to maintenance and repair of local transportation systems locally and statewide, and the accompanying constitutional protection measure (ACA 5) to ensure the 32% of revenues generated by SB 1 that are not already constitutionally protected are dedicated to transportation (Proposition 69) that will appear on the June 2018 ballot; 2) supporting passage of the Veterans and Affordable Housing Bond Act of 2018 (SB 3, Beall, Chapter 365, Statutes of 2017)

which places a $4 billion general obligation bond to fund housing on the November 2018 ballot to fund affordable housing, and implementation of the No Place Like Home program in the County, ensuring that San Mateo County receives its fair share of funding and that guidelines work for the County; 3) efforts to work with the Health Plan of San Mateo to continue piloting a form of the now terminated Coordinated Care Initiative (CCI) as locally the program has demonstrated financial and clients benefits; and advocating for a new IHSS MOE that is financially beneficial to the County and does not place health, mental health and social service programs currently funded with 1991 Realignment dollars at risk; 4) supporting needed clean up legislation and upcoming regulations related to medical and recreational cannabis; 5) opposing efforts to impose new significant pre-trial other service responsibilities on the County without funding and support efforts that promote the use of risk-based release decisions as part of bail reform; 6) seeking approximately $5 million in state funding to plan, design, permit and implement emergency access improvements at Tunitas Creek Beach; and 6) supporting passage of the California Drought, Water, Parks, Climate Coastal Protection and Outdoor Access for All Act of 2018 (Proposition 68), which will appear on the June 2018 ballot and would provide $4 billion in bond funding for parks, water and wildlife conservation efforts.

At the federal level, 2018 advocacy efforts will be focused on: 1) advocating for the retention of the Affordable Care Act, preservation of current levels of Medicaid funding, maintaining Cost Sharing Reduction payments (CSRs), public health funding, and Disproportionate Share Hospital Funding, which is expected to decrease starting in 2018; 2) opposing cuts in funding to social safety net and entitlement programs, such as Social Security, Medicaid, and food and cash assistance for the poor; 3) opposing efforts that would roll back and/or dilute current federal environmental protections laws/regulations/enforcement, including the shrinking of national monuments; and 4) opposing federal efforts that fail to uphold and protect the rights of all San Mateo County residents, regardless of ethnic or national origin, gender, race, religion, sexual orientation, or immigration status.

County Counsel has reviewed the resolution as to form.

Approval of this resolution contributes to the Shared Vision 2015 of a Collaborative Community by providing a basic policy framework on a range of legislative proposals, priorities and policies approved by the Board of Supervisors and that guide County advocacy efforts.

PERFORMANCE MEASURE:

Measure	**FY 2016-17 Actual**	**FY 2017-18 Projected**
State/Federal Measures analyzed and acted on	120	130

FISCAL IMPACT:
None.

Analysis of the Governor's Proposed 2018-19 Budget

BACKGROUND:
On January 10, Governor Brown released a proposed 2018-19 state budget-his final as Governor of California. The budget proposes approximately $131.7 billion in State General Fund spending (an increase of approximately 4.1 percent from last year's $126.5 billion budget) and $190.3 billion in total spending.

Despite increased revenues, the Governor continues to urge fiscal caution amid deep uncertainty about looming federal budget proposals, the impacts of the recently enacted federal tax bill, and future economic conditions. In fact, the Governor points out in his budget proposal that while expansions in the post-war era have averaged five years in length, the end of the 2018-19 fiscal year will mark the longest expansion in modern history.

In his budget proposal, the Governor forecasts revenues that are $4.2 billion higher (over a three-year "budget window" from 2016-17 to 2018-19) than previously projected in the 2017-18 budget enacted last June, driven largely by continued economic growth. The stronger revenue forecast is largely driven by higher personal income tax (PIT) and sales and use taxes (SUT) revenue projections. Specifically, the Governor expects PIT revenues during this three-year "budget window" to be nearly $2.9 billion higher, SUT revenues to be $1.5 billion higher, and corporation taxes (CT) revenues to be $358 million lower than expected when the current fiscal year budget was signed into law. The Governor's budget assumes no changes to current federal policies and funding levels and is not yet able to account for the potential impacts of the Republican tax bill passed in late December. Assessment of those effects have been postponed to the May Revision.

The size of the surplus promises to be the subject of significant debate as the legislature routinely assumes more positive revenue projections than the Governor's Department of Finance. There will be (and already have been) multiple calls to spending this surplus in a variety of ways. Instead, in addition to the annual set-aside of 1.5 percent of estimated state General Fund revenues required by Proposition 2, the Governor proposes making a supplemental deposit of $3.5 billion into the state's Rainy Day Fund to reach 100 percent of the constitutional target for savings and fully funding the Local Control Funding Formula. Thus, the total transfer into the Rainy Day Fund would be $5.0 billion ($1.5 billion as required by the state Constitution, plus the $3.5 billion supplemental transfer). As a result, the Rainy Day Fund would total $13.5 billion by the end of the 2018-19 fiscal year. Finally, Proposition 2 limits the amount of funding in the Rainy Day Fund to 10 percent of the state's projected general fund reserve as a hedge against the cuts that would come in a recession. Any additional revenue has to be spent on infrastructure.

The final budget is due to the Governor by June 15 and must be signed into law by July 1, 2018.

DISCUSSION:

The Governor's FY 2018-19 proposed state budget would have the following impacts to County programs and services:

HEALTH SYSTEM

Medi-Cal-340B Drug Reimbursement-proposes to prohibit the use of the 340B Drug Pricing Program in the Medi-Cal program beginning in July 1, 2019. The 340B drug pricing program was designed to allow certain safety-net providers to purchase outpatient drugs at a discount from drug manufacturers. California's public health care systems use savings from the 340B program to provide critical services and otherwise high-cost pharmaceutical to low-income patients.

- Given the state's complex reimbursement calculations for 340B purchased drugs, it is unclear what the increased costs could be for the San Mateo County Medical Center. However, based on the pharmacy Medi-Cal volumes from calendar year 2017, the elimination of the 340B drug purchase program could potentially increase costs by as much as $9 million. The SMMC could continue to bill the state for the cost of drugs, but it is expected that reimbursements would not fully covers the SMMC's costs.

Incompetent to Stand Trial (IST) Admissions-includes $114.8 million statewide over three years to develop state-county partnerships and placement solutions for those who are found Incompetent to Stand Trial by the courts. The new program is intended to increase diversion of mentally ill offenders and ease the number of IST referrals to the Department of State Hospitals (DSH) by 30 percent.

- It is not yet clear whether this opportunity will be viable or beneficial for San Mateo County. Correctional Health staff are evaluating it with the Sheriff's Office and will update the County Manager's

Office if it is worth pursuing. This may be a source of funding for Correctional Health Services (CHS) by creating an IST treatment track within the Behavioral Health Pods and as part of the LPS unit. On average, CHS has four to five felony 1370s per month, and competency restoration is a state responsibility. If participation in the program is an untenable burden to the County and/or does not provide sufficient resources, the Health System will not recommend pursuing this new option.

AB 85 1991 Realignment Diversions-estimates $530.5 million statewide in county indigent health savings in 2018-19, which will be diverted from county 1991 Health Subaccounts under AB 85 (Chapter 24, Statutes of 2013) to offset state CalWORKs costs. The state also anticipates additional funding in 2018-19 from counties as the "true up" of 2015-16 costs continues.

- For FY 18-19, the Health System does not anticipate the need to redirect any realignment dollars to the state. This is due to a reduction in reimbursement from the Health Plan of San Mateo (HPSM) resulting from the January 2017 change from a capitation to fee-for-service reimbursement method. The Health System had already anticipated these changes in their budget planning and so there is no change to their FY 18-19 budget.

1991 Realignment and IHSS Maintenance of Effort (IHSS MOE)-1991 Realignment is funded through two sources: state sales taxes and Vehicle License Fees (VLF). The Governor's proposed budget has revised the sales tax revenue significantly upward compared to the estimates adopted in the 2017 Budget Act. Actual sales tax revenue growth in 2016-17 was 144 percent higher than expected, coming in at $127.2 million vs. $45.4 million. The proposed budget estimates that sales tax revenues will increase by an additional 5 percent in 2017-18 and another 3.8 in 2018-19. Actual VLF revenues for 2016-17 were also higher, but only $6.9 million or 6.1 percent more. VLF revenues are estimated to increase by an additional 5.1 percent in 2017-18 and another 4.2 percent in 2018-19.

The Governor's Budget further projects that 1991 Realignment funding for the Social Services subaccounts will increase from $2.38 billion to $2.58 billion in FY 18-19. Under this projection, it is expected that there will be sufficient 1991 Realignment funding to cover the FY 18-19 realignment base, $135 million in social service programs caseload growth (including IHSS), and $53 million in VLF growth. However, counties local obligation for the costs of program is expected to increase from $1.37 billion in FY 17-18 to $1.53 billion in FY 18-19-an increase of $158 million statewide. The new Maintenance of Effort (MOE), which was renegotiated in 2017 when the Coordinated Care Initiative was ended, includes a 5 percent inflator and reduced state General Fund offsets starting in FY 2019-20. Thus, even without considering caseload growth in other social services programs, there does not appear to be enough growth funding to cover the increased IHSS MOE costs. Adding to the ongoing program cost uncertainties is the fact that counties across the state are negotiating new wages and benefits for IHSS providers, and these additional costs will further increase the IHSS MOE and create demand on 1991 Realignment funds.

- According to the Health System, it is difficult to accurately estimate what the financial impacts will be to Aging and Adults Services at this time. However, based on the analysis provided below, and an arbitrary assumption that 1991 Realignment caseload growth will only cover 75 percent of increased IHSS MOE costs, the department anticipates its MOE costs will grow from $3.6 million in FY 17-18 to $4.1 million in FY 18-19 even without accounting for increases in wages and benefits. For now, these costs will be covered through the Realignment Trust Fund, which is not sustainable over the long term.

	FY 17-18	**FY 18-19**
IHSS MOE	$ 15,488,005	$17,259,529
AAS 1991 Realignment	$ 11,872,559	$13,201,202
Uncovered IHSS MOE Cost	**$ 3,615,446**	**$4,058,327**

IHSS Administration and Public Authority Administration-includes $20.1 million total fund ($11.2 million) due to caseload growth and another $42.3 mililon total funds ($21.3 million GF) to reflect increased county IHSS administration costs as a result of implementation of a new IHSS administration budget methodology, but these adjustments are offset by the removal of $64.0 million total funds ($32.0 million GF) in one-time funding in 2017-18. The net result is that funding for IHSS administration is essentially flat in 2018-19 compared to 2017-18. The 2017 Budget Act included a provision that required the Department of Finance to work with counties to develop a new methodology for calculating IHSS administration costs.

- The Health System does not expect to receive increased funding in FY 18-19 to cover the administrative work for the County's IHSS and Public Authority. Costs for the programs continue to increase as responsibilities have been added, and wages and benefits for IHSS workers are under negotiation.

  It is anticipated that the amount not cover by the state allocation will exceed $500,000 in FY 18-19, and will need to be covered by the Realignment Trust Fund.

	FY 16-17	FY 17-18	FY 18-19
IHSS Admin Allocation	$ 4,445,645	$ 3,837,702	$ 3,786,613
Public Authority Admin Allocation	$ 590,850	$ 422,025	$ 470,863
Total	**$ 5,036,495**	**$ 4,259,727**	**$ 4,257,475**

Medi-Cal and Health Care Services-reflects increased expenditures in the Med-Cal program of approximately $543.7 million state General Fund compared to the 2017 Budget Act. The current year increase is attributable primarily to retroactive payments of drug rebates to the federal government and a higher estimate of Medi-Cal managed care costs.

- The Health System expects that their Medi-Cal payments will increase, but are not able to calculate the impact further at this time as details are not yet available.

Skilled Nursing Facilities Minimum Hours per Day-Senate Bill 97 (Chapter 52, Statutes of 2017) increased the minimum number of direct care service hours in skilled nursing facilities from 3.2 to 3.5 hours per patient day, effective July 1, 2018. It also specifies that a minimum of 2.4 hours per patient day must be provided by certified nurse assistants The Governor's Budget includes $4.5 million in FY 18-19 to support expansion of training slots for the certified nursing assistant workforce to support facilities in meeting this requirement.

- The Health System is in the process of assessing additional resources needed to be in compliance with this new requirement.

Medicinal and Adult-Use Cannabis-continues funding as approved in the 2017 Budget Act for cannabis regulatory activities, including the processing of licenses and permits, enforcement, laboratory services, information technology, quality assurance, and environmental protection at the state level. Given that the amount and timing of revenues generated by the new taxes is uncertain, the Administration is deferring all cannabis related budget proposals until the May Revision. The Governor's Budget also assumes Prop. 64 funding for prevention and law enforcement programs will not be available until the beginning of FY 19-20 due to the lag in tax collections.

Adult Protective Services (APS) Home Safe-does not include funding for APS "Home Safe" programs, which provide homelessness prevention and rapid re-housing demonstration grants to counties for victims of elder abuse and neglect. Across the state, county-run APS programs are finding that seniors and adults with disabilities who are the victims of financial exploitation, physical abuse, or caregiver neglect are at risk of losing their housing and becoming homeless.

- The Health System will be monitoring this issue closely and apprise the County Manager's Office should such initiatives develop traction for a future budget opportunity.

CalWORKs Home Visiting Initiative-provides $26.7 million in funding for a voluntary Home Visiting pilot program through 2021 for young, first-time parents in the CalWORKs program. A total of $158.5 million one-time Temporary Assistance for Needy Families (TANF) funds is being reserved for the pilot's total costs through calendar year 2021. The pilot will leverage existing evidence-based program models to help young families reach self-sufficiency by improving family engagement practices, supporting the healthy development of young children living in poverty, and preparing parents for employment.

- While it appears that this funding will flow through the Human Services Agency (HSA), there may be some overlap with the Health System's existing Home Visiting Programs run by the Health System's Family Health Services. The Health System currently provides CaLearn home visiting services through an MOU with HSA. The Health System will work with HSA to coordinate services.

HUMAN SERVICES AGENCY

Medi-Cal Administration-proposes an increase of $54.8 million statewide ($18.5 million state General Fund) in 2018-19 based on an adjustment to the current funding level using the increase in the California Consumer Price Index (CPI), with similar increases in the coming years. The proposed CPI increase is a result of the state's efforts to develop a new budget methodology pursuant to SB 28 (Chapter 442, Statutes of 2013). The state is expected to continue its efforts to develop a new budget methodology and work with the California Welfare Directors Association (CWDA) to improve caseload clean-up efforts, renewal processing and ensure timely data reporting.

In addition in an unexpected change, the Governor's Budget indicates that the administration will also no longer reallocate unspent funds to counties that overspend their allocation. This is a break from past practice in both Department of Health Care Services programs.

- According to the Human Services Agency (HSA), this proposal is particularly concerning because San Mateo County is one of several counties that have historically contributed County General Fund for Medi-Cal administration costs due to the high cost of doing business. If approved, this change is expected to take effect FY 18-19. The Department will continue to work with CWDA and the CMO to address their concerns, and remain vigilant at the federal level as discussions continues with regards to the ACA and entitlement program reforms.

CalWORKS-statewide CalWORKs caseloads continue to decrease, which is attributed to ongoing economic improvements in the state. Although the Governor's Budget continues the $108.9 million augmentation provided to the Single Allocation in 2017-18, this funding is offset by reductions to the Employment Services and Child Care component of the Single Allocation due to the caseload reductions. The net result is an overall decrease to the Single Allocation of approximately $55 million.

- The Human Services Agency expects a loss of approximately $450,630 in funding, comprised primarily of the reduction in Child Care and Employment Services funding. HSA will be able to absorb the Child Care reduction through lowered caseloads, and if Child Care continues to underspend, these dollars could be shifted to Employment Services to cover the reduction in the Single Allocation.

Locally, HSA is also seeing declining caseloads, a trend that is directly tied to the ongoing economic boom, low unemployment rates, and high cost of living in the County. Unfortunately, the state funding reductions will continue to prove challenging to the Department as the current cases are more complex, and clients face increased barriers to employment that require additional resources. The Department is evaluating their programs to determine the best way to utilize state funding as the trend in caseload reductions continues.

CalFresh-projects a decrease in caseloads statewide of 3.7 percent, for a projected caseload of 1.63 million total individuals receiving CalFresh in 2018-19. The caseload decrease contributes to a decrease in CalFresh Administration funding, which is proposed at $1.43 billion ($584 million state General Fund) from the amount appropriated in 2017-18.

- HSA anticipates a small decrease of 1 percent in FY 2018-19. This reduction is about $216,228 and can be easily absorbed through prudent spending as a result of caseload reductions.

Children and Family Services (CFS)

Continuum of Care Reform (CCR)-includes $238.2 million statewide ($179.7 million General Fund) to continue implementation of CCRs. The Governor's Budget assumes counties will reduce their specialized care increments in amounts consistent with the new level of care rate structures as a result of CCR, and it does not propose any additional funding for counties to implement Phase II CCR rates or the Level of Care Protocol. New rates are scheduled to go into effect February 1, 2018.

The Governor's Budget continues funding for the Child and Family Teams (CFTs) while reducing funding for Foster Parent Recruitment, Retention and Support by approximately 50 percent. The Resource Family Approval Program will receive a slight funding increase of $4.6 million state General Fund (to $23.1 million state General Fund).

- The current reduction in Foster Parent Recruitment, Retention and Support will increase the Department's challenges in their ongoing efforts to recruit foster parents and resource families. The Department anticipates that it will be even more difficult to recruit foster parents as a result of this reduction. The County's CFS caseloads are flat for all programs in the FY 2018-19 budget, except for KinGAP cases which are projected to grow by 5 percent.

PUBLIC SAFETY

2011 Realignment Funding-updates revenue assumptions for 2011 Realignment and estimates that the 2017-18 statewide base will remain at $1.241 billion statewide, with growth funding estimated at $84.3 million. The 2011 Realignment estimates will be revisited and revised in the Governor's May Revision, then finalized in the fall.

It should also be noted that the Governor's Budget indicates that the Enhancing Law Enforcement Activities Subaccount should achieve its guaranteed funding level of $489.9 million with VLF alone. Growth funds are also doing well and estimated to be $201.4 million statewide in 2017-18 and $209.7 million in 2018-19. Funding supports a variety of local assistance programs including Citizens' Option for Public Safety (COPS) and the Juvenile Justice Crime Prevention Act (JJCPA).

SB 678 Funding-includes $106.4 million in FY 2018-19, a decline from $114.9 in 2017-18. The Chief Probation Officers of California (CPOC) has been engaged with the Administration and the Legislature to discuss the reasons for this decline and will continue to work with them to seek changes to the formula in order to stabilize and address the funding level.

- The Probation Department estimates a loss of approximately $1 million in its state allocation. The actual budget reduction may be less as the Department was conservative when it put together its budget and has set aside some SB 678 funding in reserves.

Community Corrections Planning (CCP) Grants-continues to propose $7.9 million statewide to go out the counties that report on their realignment efforts to the Board of State and Community Corrections (BSCC). Counties are eligible to receive funding if they submit a report to the BSCC annually that provides information about the implementation of the CCP plan accepted by the County Board of Supervisors.

- The County will be eligible for approximately $150,000 based on its population size.

Proposition 47-estimates savings of $64.4 million statewide when comparing 2017-18 to 2013-14, an increase of $18.8 million over the estimated 2016-17 savings. These funds will be allocated according to the formula outlined in the initiative.

OTHER COUNTY ISSUES

Elections Equipment Funding-includes a commitment of $134.3 million statewide to fund county elections systems, which are nearing the end of their useful shelf life. The funds would support the purchase of all necessary hardware, software and initial licensing for the replacement of voting systems and technology, and assist counties that are moving toward a Vote Center Election Model under the California Voter's Choice Act (VCA), SB 450 (Chapter 832, Statutes of 2016). The funding will be made available to all counties with a 50 percent match requirement.

- San Mateo County qualifies for the allocation of these funds given that our current voting tabulation system has reached the end of its useful life and the County will be one of the first 5 counties in the state to conduct elections under the VCA. Preliminary estimates indicate that implementing the County's new voting systems under the VCA will be in the range of $3.5 million to $5.0 million depending on the systems and security infrastructure selected. The Elections Department intends to begin the process of replacing its voting systems in preparation for the June 2018 Statewide Direct Primary Election. The full purchase and implementation of the new voting systems are targeted for the 2020 Presidential Primary and General Elections.

County Assessors Tax Roll Program Funding-provides $5 million annually for the next three years for a new initiative to assist county assessors in the maintenance and equalization of property tax rolls.

- The proposed program appears to be an extension of the current State County Partnership Agreement Program (SCPAP) which expires June 2018. The current SCPAP program is a matching fund program which requires a 50 percent contribution from participating counties. A further analysis will need to be performed to determine the County's participation once the proposed statutory framework for the allocation of funds under the budget proposal is available for review.

Transportation Funding-estimates that SB 1 will generate $2.8 billion in new revenue for transportation infrastructure in 2017-18 and $4.6 billion in 2018-19 statewide. These revenues are in addition to revenues from the base- and price-based gasoline excise tax increments counties, cities and the state have received in prior years. The Governor's Budget proposal also includes revised estimates for SB 1 funded programs for 2017-18, as well as 2018-19. Counties can anticipate receiving via direct subventions 50 percent of the $451 million slated for local street and roads in 2017-18 and the approximately $1.2 billion in 2018-19 from SB 1.

- The County of San Mateo expects to receive approximately $3,360,000 in FY 2017-18 and $9,290,000 in FY 2018-19.

Affordable Housing-recaps the ongoing multi-year debate on housing affordability, but the focus is on implementation of last year's 15-bill package. While the specific timing of SB 2 (Chapter 364, Statutes of 2017) appropriations remains unclear, the Governor's Budget proposal projects that $258 million in tax revenues will be generated via SB 2's recording fee in 2018-19. SB 2 funds will be split evenly between grants for local planning activities that promote housing development and statewide grants for homeless services.

Cap and Trade Funding-projects that the state will have $1.25 billion in cap and trade funds available for appropriation in 2018-19 to various departments and projects. The expenditure plan, which was released on January 26th, includes $25 million for Local Fire Response, providing additional fire engines for the mutual aid system; $25 million for the Transformative Climate Communities, which provides funding to local governments; $20 million for Waste Diversion to CalRecycle to provide financial incentives for infrastructure facilities that diverst waste from landfills; and $160 million to Healthy and Resilient Forests.

Water and Parks Bond (SB 5): California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All-SB 5 (Chapter 852, Statutes of 2017) will place a $4 billion bond on the June 2018 ballot. If approved by the voters, the measure (Proposition 68) will provide significant funding for parks, water and wildlife conservation efforts. The Governor's Budget proposes $1.02 billion for the first year of SB 5 implementation, should the measure be successful. This allocation includes funding in a number of areas of importance to counties, including flood management, Sustainable Groundwater Management Act (SGMA) implementation, safe drinking water, and parks.

County Mandate Debt-mentions past efforts to pay down school and community college district debt, but does not address the backlog of over $1 billion in unpaid debt to other local agencies, including counties, statewide for services already rendered on behalf of the state.

FISCAL IMPACT:

Overall, the Governor's Budget holds most state funded programs and services at the same levels of funding received in FY 2017-18. However, because the budget proposal does not account for the potential impacts of the recently passed Republican tax bill to state revenues, it is difficult to ascertain whether there will be ongoing impacts to County programs in the future at this time. Additionally, growing County costs for the IHSS program are of concern because it is estimated that 1991 Realignment growth funding will not be sufficient to cover increased IHSS costs and under the new MOE counties will assume a greater share of program costs starting in 2019-20. These cost pressures are independent of new IHSS provider wages and benefits, which are currently being negotiated. Finally, the Governor's Budget does provide opportunities for new funding including: 1) the replacement of outdated elections equipment in time for the rollout of the California Voter's Choice Act; 2) a new initiative to assist county assessors in the maintenance and equalization of property tax rolls, 3) $1.02 billion in funding for parks, water and wildlife conservation efforts for year one implementation (should Proposition 68 on the June 2018 ballot); and 4) continued SB 1 subventions to counties for transportation purposes.