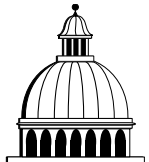

COMMON CENTS

BACKGROUND MATERIAL ON STATE AND LOCAL GOVERNMENT FINANCES



LAO
50 years of service

Elizabeth G. Hill
Legislative Analyst

October 1993

COMMON CENTS

**BACKGROUND MATERIAL ON
STATE AND LOCAL GOVERNMENT FINANCES**



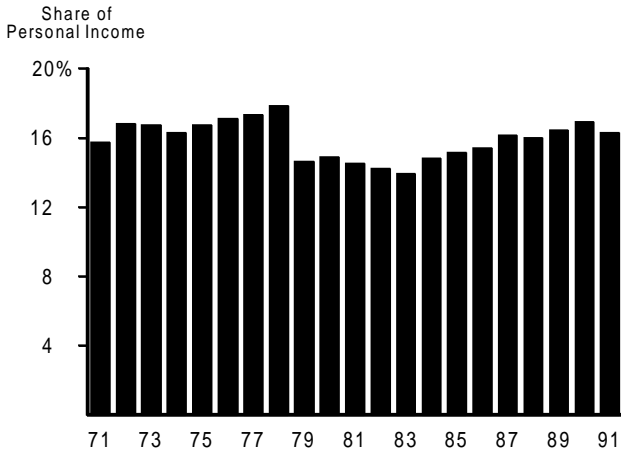
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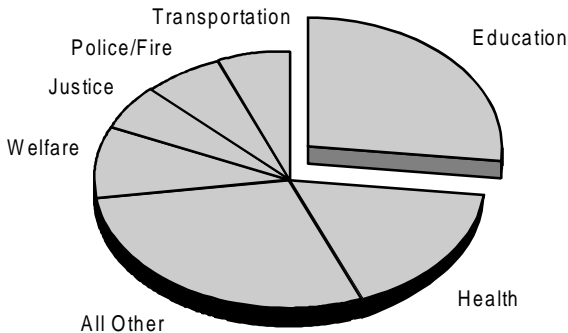
State-Local Governments' Share of Economy on the Rise^a



^a Data are for fiscal years ending in year shown.

- In contrast to the relatively stable California state and local tax burden in recent years, total revenues from "own sources" relative to total personal income have been rising since 1983.
- The main reason for this difference is that fees for government services have been rising significantly relative to income.
- The rise in own-source revenues also reflects a trend since 1982 towards reduced federal aid for state and local governments.

Education Accounts for Largest Share of State-Local Spending in 1990-91

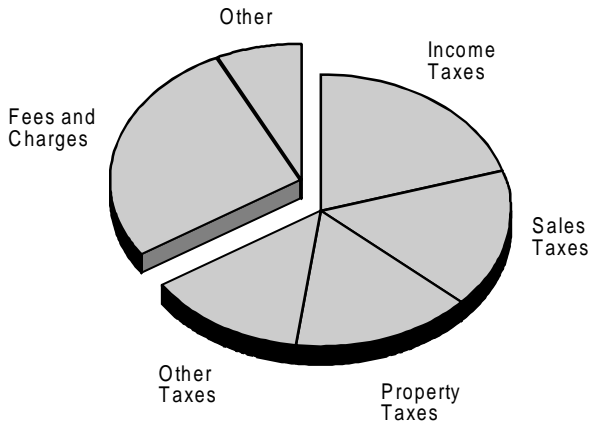


**Total Expenditures
\$127 Billion^a**

^a Includes state-local expenditure of federal funds.

- Education's share amounts to 27 percent of total spending.
- The "all other" category includes utilities and general government expenditures.
- More is spent on health and welfare combined than on courts, prisons, jails, police, and fire.

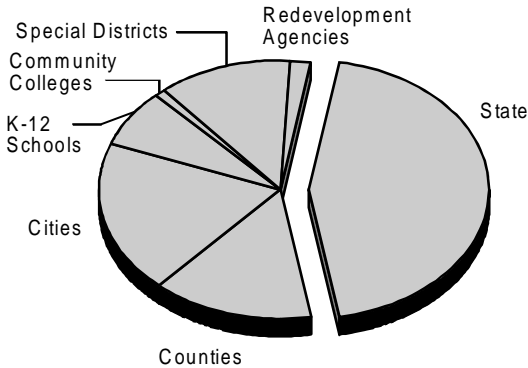
California State-Local Revenue Sources— No Single Source Predominates 1990-91



**Total Revenue
\$105 Billion**

- The figure shows combined California state and local revenues by source in 1990-91.
- Tax collections represent two-thirds of combined state/local own-source revenues.
- Other miscellaneous taxes, such as utility user taxes, raise almost as much revenue as the property tax.

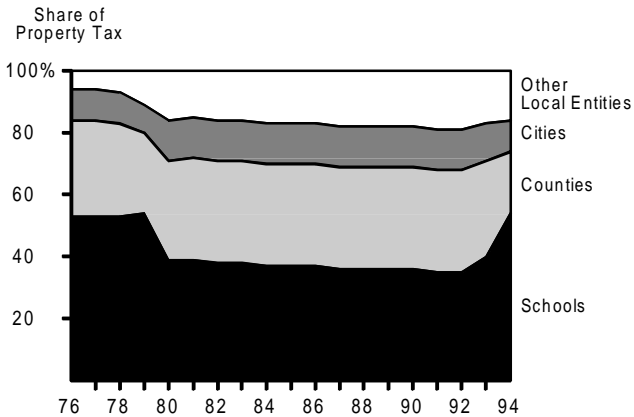
Local Governments Raise More Revenue Than the State—1990-91



**Total Revenue
\$105 Billion**

- The figure shows state and local own-source revenue, which includes tax and fee revenues but excludes funds received from another government entity. Local revenues include income of publicly owned utilities and other local government enterprises.
- More than half of the state's revenues were allocated to local schools and other local agencies.

Schools and Counties Receive the Bulk of Property Taxes^a



^a Data are for fiscal years ending in year shown.

- After passage of Proposition 13 in 1978, the state increased its funding of schools and shifted property tax allocations from schools to other local entities to mitigate their Proposition 13 revenue losses.
- 1992-93 budget actions shifted \$1.3 billion to schools from cities, counties, redevelopment agencies, and special districts.
- 1993-94 budget actions pushed the school share above 50 percent—similar to the pre-Proposition 13 situation.

Initiative Measures Limit Legislative Fiscal Discretion

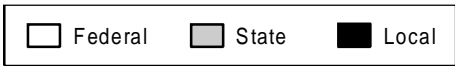
Measure	Election	Major Provisions
Proposition 13	June 1978	<ul style="list-style-type: none"> • Limits general property tax rate to 1 percent and limits increases in assessed value after a property is bought or constructed. • Makes Legislature responsible for dividing property tax among local entities. • Requires two-thirds vote for Legislature to increase taxes. • Requires two-thirds voter approval of new local special taxes.
Proposition 4	November 1979	<ul style="list-style-type: none"> • Generally limits spending of "proceeds of taxes" by the state and local entities to prior-year amount, adjusted for population growth and inflation (now per capita personal income growth). • Requires state to reimburse local entities for mandated costs.
Proposition 6	June 1982	<ul style="list-style-type: none"> • Prohibits state gift and inheritance taxes, except for "pickup" tax qualifying for federal tax credit.
Proposition 7	June 1982	<ul style="list-style-type: none"> • Requires indexing of state personal income tax brackets for inflation.
Proposition 37	November 1984	<ul style="list-style-type: none"> • Establishes state lottery and dedicates revenue to education. • Places prohibition of casino gambling in State Constitution.

Initiative Measures Limit Legislative Fiscal Discretion CONTINUED

Measure	Election	Major Provisions
Proposition 62	November 1986	<ul style="list-style-type: none"> Requires approval of new local general taxes by two-thirds of the governing body and a majority of local voters. Note: the courts have largely invalidated this measure.
Proposition 98	November 1988	<ul style="list-style-type: none"> Establishes minimum state funding guarantee for K-12 schools and community colleges. Requires distribution to schools and community colleges of half of any state tax revenues in excess of the appropriations limit.
Proposition 99	November 1988	<ul style="list-style-type: none"> Imposes surtax on cigarettes and tobacco products. Limits use of surtax revenue, primarily to augment health-related programs.
Proposition 162	November 1992	<ul style="list-style-type: none"> Limits the Legislature's authority over PERS and other public retirement systems, including their administrative costs and actuarial assumptions.
Proposition 163	November 1992	<ul style="list-style-type: none"> Repealed "snack tax" and prohibits any future sales tax on food items, including candy, snacks, and bottled water.

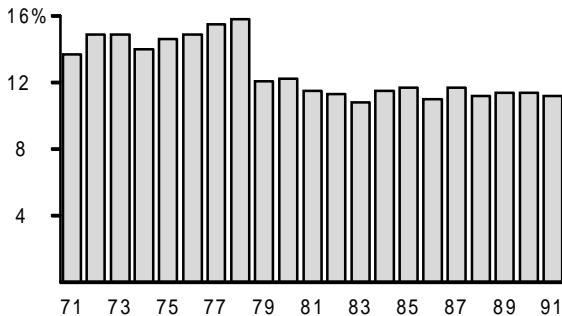
State Government's Involvement in Most Program Areas Is Extensive

Program	Policy Control	Operation	Funding
AFDC	Federal/State	Counties	
SSI/SSP	Federal/State	Federal	
General Assistance	State	Counties	
Mental Health	Counties	Counties	
Medi-Cal	Federal/State	State/Counties	
Indigent Health Care	State/Counties	Counties	
Public Health	State	Counties	
Courts	State	Counties	
Custody/Supervision	State/Counties	Counties/State	
Prosecution/Defense	State	Counties	
Public Safety	State	Counties/Cities	
Transportation	State/Local	State/Local	



California's Tax Burden Declined Slightly In the Post-Proposition 13 Era^a

State and Local Tax Revenue
As a Percent of Personal Income

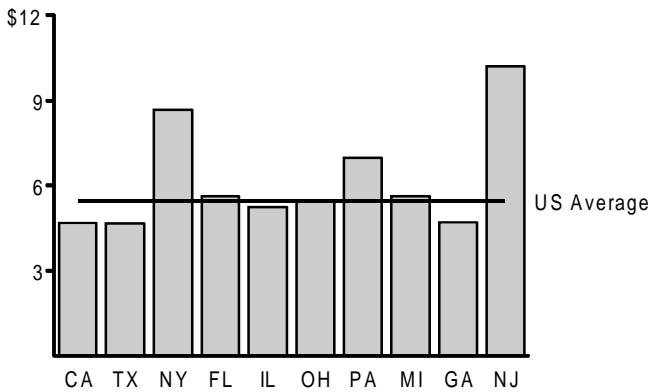


^a Data are for fiscal years ending in year shown.

- Prior to Proposition 13 (passed in 1978) the state's total state and local tax burden was approximately fifth highest in the nation.
- Proposition 13 began an era of a slowly declining California tax burden. By 1991, California ranked 22nd from the top among the 50 states.
- Although 1992 data are not yet available, recent state and local tax increases and slow personal income growth probably raised the overall California tax burden.

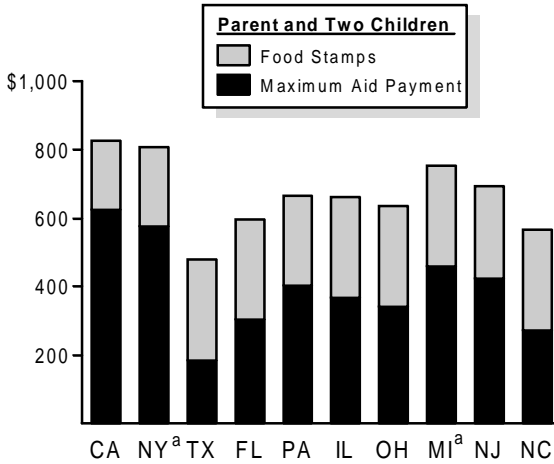
California's Spending per K-12 Student Below National Average

(In Thousands)



- California ranks ninth in spending per pupil in average daily attendance among the ten states with the largest K-12 school enrollments, and 35th among all 50 states.
- Spending includes state, local, and federal funds.

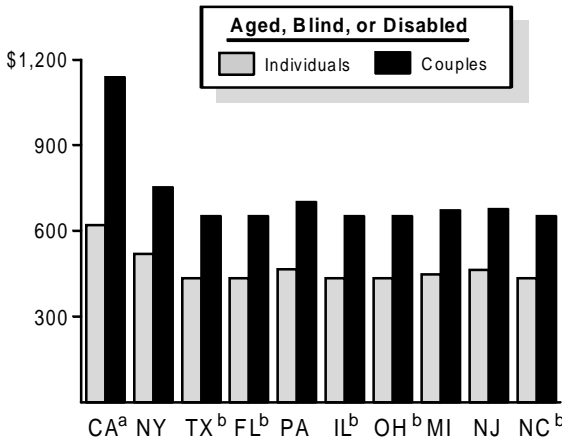
California's AFDC Grants Highest Among the Ten Largest States January 1993



^a These states have regional grants. Amount shown is for major population center.

- Of the ten largest states, California provides the highest maximum welfare grant to families under Aid to Families with Dependent Children. Amounts shown are for a family of three under the family group component which includes most recipients.
- AFDC recipients also receive federal food stamp benefits, which decline as the grant amount increases.
- The California grant level was reduced by 2.7 percent in the 1993-94 budget package (not reflected in chart in order for data to be comparable with other states).

California's SSI/SSP Welfare Grants Highest Among the Ten Largest States January 1993

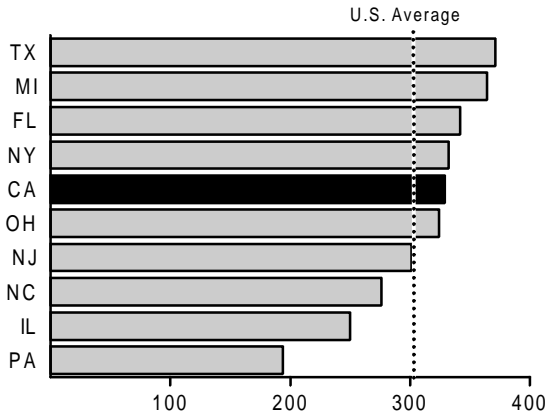


^a California provides an additional payment to blind persons.

^b Federal amount only; state provides no supplemental grant.

- California's SSI/SSP grant levels were 19 percent larger for individuals and 15 percent higher for couples than those in the state with the second largest grants (New York).
- The California grant level was reduced by 2.7 percent in the 1993-94 budget package, which also eliminated the "pass-through" of the January 1994 federal SSI COLA to recipients (not reflected in the chart in order for data to be comparable with other states).
- Of the ten largest states, five do not provide any state supplemental grant. In those states, eligible persons receive only the federal SSI amount (\$434 for individuals or \$652 for couples).

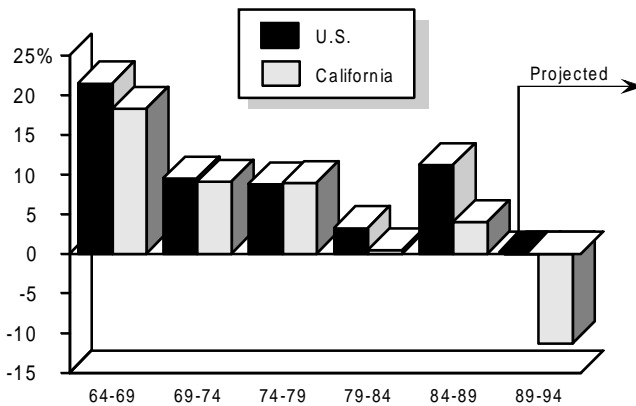
California's Incarceration Rate^a Is Fifth Among the Ten Largest States 1992



^a Number of persons with prison sentences of more than one year per 100,000 residents.

- California had the fifth highest incarceration rate among the ten largest states in 1992, and California ranked seventeenth among all 50 states and the District of Columbia.
- Incarceration rates reflect the sentencing practices of each state, such as the length of sentences, in addition to the frequency and severity of crimes committed.

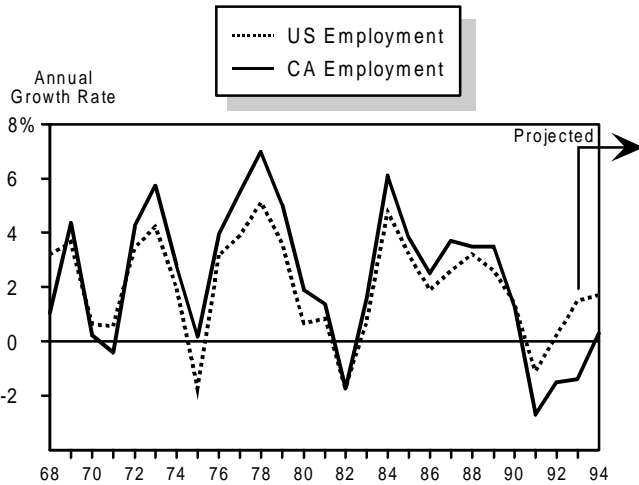
California's Growth in Real Income^a Per Capita Lags the Nation's



^a Current dollar income adjusted for inflation.

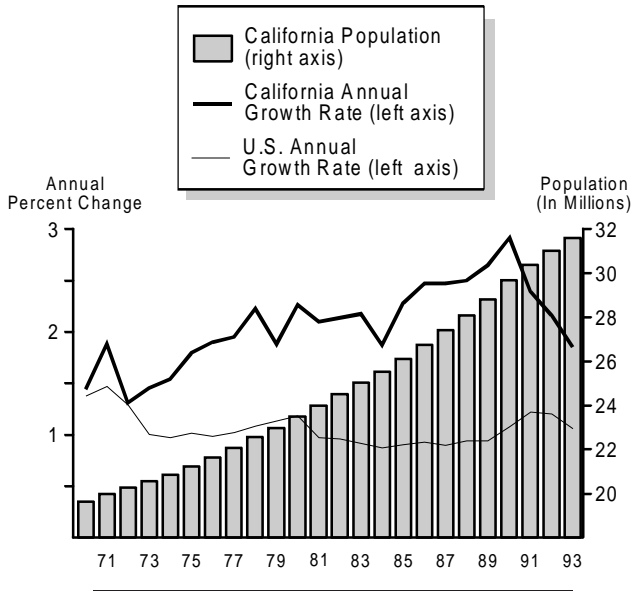
- Since the early 1980s, California's real income per capita has increased very little and has been declining since the beginning of the 1990s.
- Factors contributing to this trend include: high growth in the younger, nonworking population; somewhat higher inflation than the rest of the nation; a relatively high unemployment rate; a changing job structure of less high-paying and more low-paying jobs and occupations.

California's Employment Growth Now Lags the Nation's



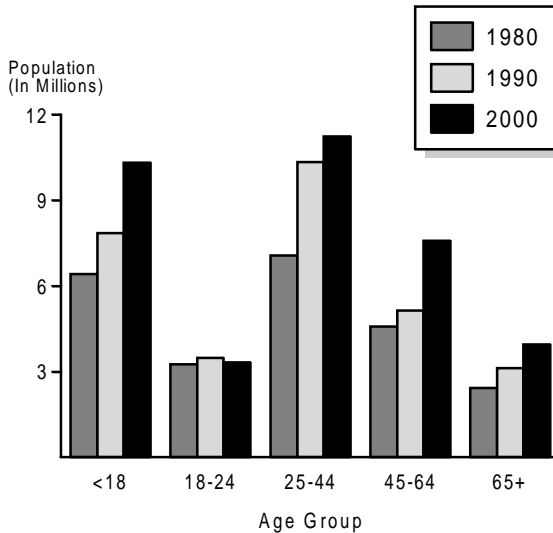
- Historically, California's employment growth rate paralleled the nation's, but was higher.
- California never has been "recession proof," since a national slowdown always meant a state slowdown.
- The state's slow recovery since 1990 compared with the nation is unprecedented.

California's Rapid Population Growth: Twice as Fast as the Nation 1970 to 1993



- After 1972, California's population growth accelerated, while the nation's growth rate stayed relatively flat.
- Since 1990, California's growth rate has slowed—probably due in part to lower net migration because of the state's poor job situation. California still is growing faster than the nation, however, due to high fertility and continued foreign immigration.

The Number of Children and Older Workers Increases Rapidly

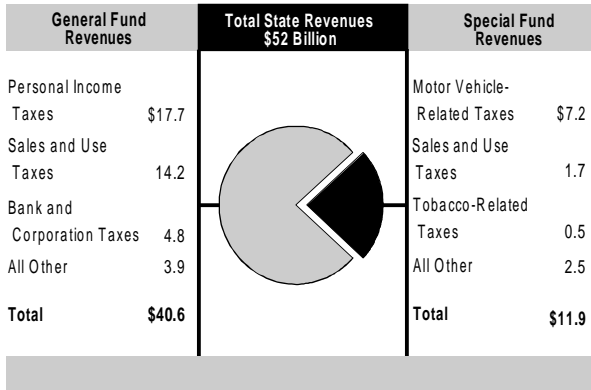


- The number of children (under age 18) will grow by a projected 2.4 million (31 percent) during the 1990s.
- The overall working-age population (ages 18-64) will grow by 17 percent during the 1990s, but aging baby boomers will increase the number of older workers (ages 45-64) by 48 percent.
- The population in the college-age and entry-worker group (ages 18-24) will decline by 4.6 percent during this decade, but this group will grow rapidly after 2000.

Income and Sales Taxes Provide the Largest Shares of State Revenue

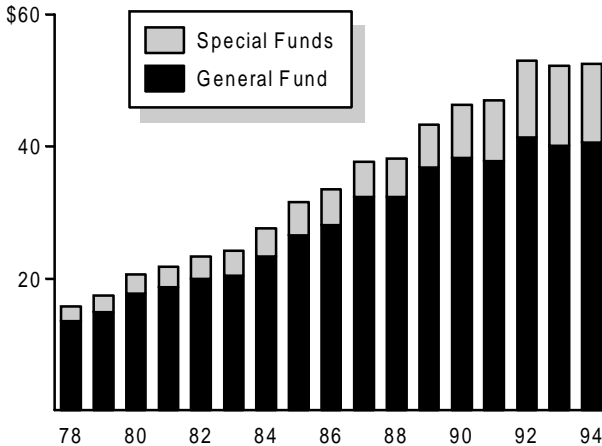
(In Billions)

Projected 1993-94 State Revenues



- Personal income, sales, and bank and corporation taxes account for approximately 70 percent of total state government revenues.
- Special fund revenues are usually earmarked for specific purposes, such as transportation funding.

Special Funds Revenues Have Grown Faster Than General Fund Revenues Since 1990 (In Millions)



- From 1978 through 1989, General Fund and special fund revenues increased at similar rates.
- Tax increases account for most of the growth in special fund revenues, including increased cigarette taxes (Proposition 99), increased gasoline taxes (Proposition 111), and increased sales taxes and vehicle license fees (program realignment).
- In addition, General Fund revenues have been relatively flat since 1990 because of the state's economic problems and despite sales and income tax rate increases.

Major State and Local Tax Changes Since 1978

(In Millions)

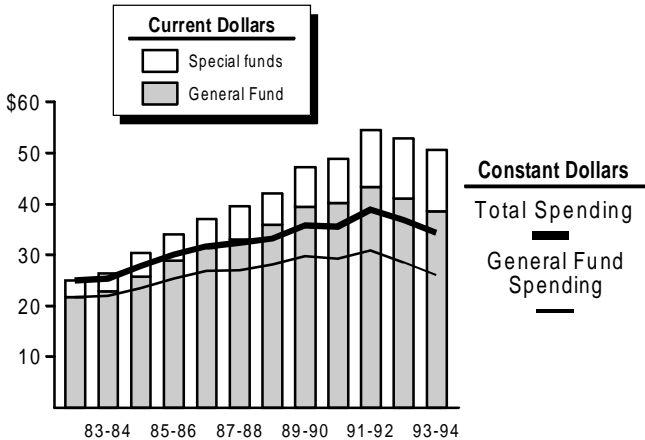
Tax Type	Change	Year Enacted	First-Year Effect
Property	Proposition 13—Limits tax rate to 1 percent and limits assessed value increases to 2 percent per year.	1978	-\$6,600
Personal Income	AB 3802—(1) Requires partial indexing of tax brackets, standard deduction, and personal exemption credits for inflation; (2) creates new credit for elderly; and (3) establishes once-in-a-lifetime exemption on gain from sales of residence. Revised by Proposition 7 (1982) to require full indexing of tax brackets.	1978	-660
Property/ Business Income	AB 66—Exempts business inventories from property tax. Increases income taxes on businesses.	1979	-130
Fuel/Vehicle	SB 215—Increases fuel taxes and vehicle-related fees.	1981	+450
Estate	Proposition 6—Eliminates inheritance and gift tax. Creates estate tax which directly reduces federal estate tax liability.	1982	-365
Property	SB 813—Creates "supplemental roll," which is mechanism for counties to reassess properties on date construction completed or ownership transfers.	1983	+360
Vehicle	AB 223—Revises vehicle license fee depreciation schedule.	1983	+185
Business Income	SB 85—Allows international companies to determine tax liability based solely on U.S. business activities.	1986	-110

Major State and Local Tax Changes Since 1978 CONTINUED

(In Millions)

Tax Type	Change	Year Enacted	First-Year Effect
Personal/ Business Income	AB 53 and SB 572—Several major changes in response to federal reforms, including reductions in tax rates and deductions, and allowances for net operating losses.	1987	Revenue Neutral
Cigarette Excise	Proposition 99—Increases tax rate on tobacco. Additional revenue to support specific health programs.	1988	+\$575
Fuel/Vehicle	Proposition 111—Doubles tax rate on motor vehicle fuels and increases commercial vehicle fees.	1990	+925
Sales	AB 2181—Increases state tax rate from 4.75 to 6 percent. Eliminates exemptions for certain foods (for example, snacks) and periodicals. Most exemptions reinstated by legislation and Proposition 163.	1991	+3,850
Personal Income	SB 169—Increases tax rates and reduces exemptions and credits for high-income taxpayers.	1991	+880
Vehicle	AB 758—Changes vehicle license fee structure.	1991	+770
Business Income	SB 671—(1) Revises “unitary tax” liabilities for many international companies, (2) creates an investment credit for manufacturers, and (3) reduces tax rate for small firms.	1993	-460

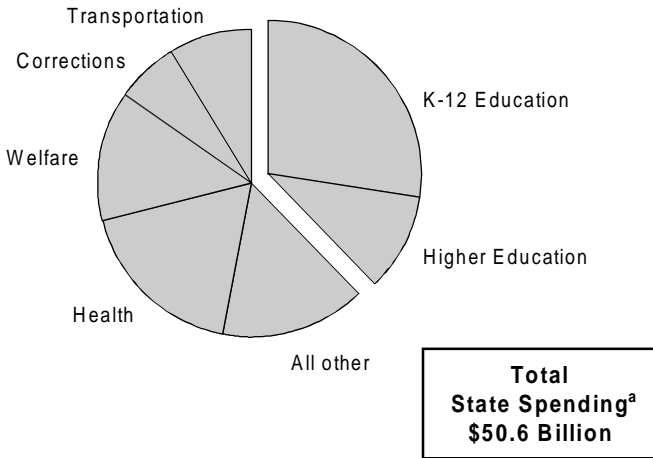
State Spending^a Has Dropped Since 1991-92 (In Billions)



^a Excludes bond funds and federal funds.

- The spending decline since 1991-92 is due to a \$4.8 billion drop in General Fund spending. Special fund spending, however, has risen by about \$900 million.
- Special fund spending grew rapidly through 1991-92, and is now almost one-third the amount of General Fund spending.
- General Fund spending shown in the figure does not include a total of \$1.8 billion of off-budget Proposition 98 loans provided to schools and community colleges in 1992-93 and 1993-94.

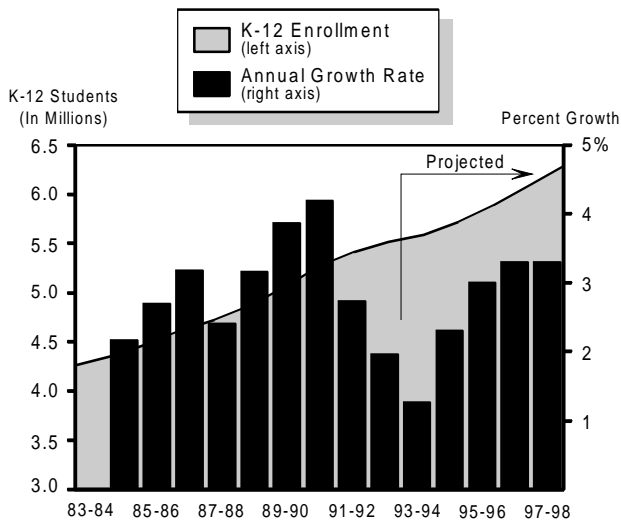
Education Accounts for Largest Share of State Spending in 1993-94



^a General Fund and special funds, excludes bond funds and federal funds.

- Education's share of total spending is about 38 percent (\$19.1 billion).
- Education's share of General Fund spending is higher—48 percent.
- Together, education, health and welfare, and corrections account for more than 75 percent of total state spending in 1993-94.

K-12 Enrollment^a—Current Slowdown In Growth Expected to Be Temporary



^a Average daily attendance.

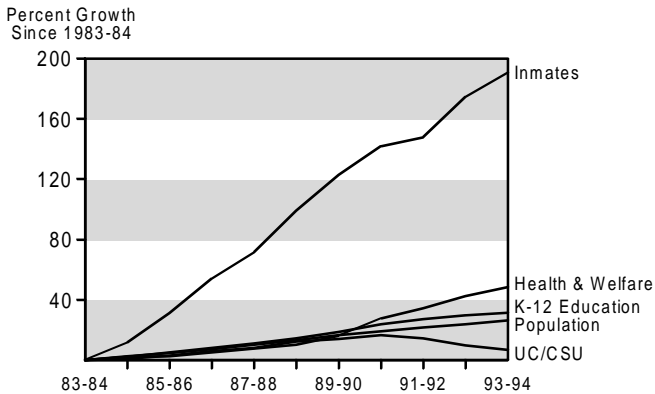
- K-12 enrollment growth has dropped from a peak of 4.2 percent in 1990-91 to an anticipated 1.3 percent in 1993-94, as the recession has slowed migration to California and forced some families to move to other states in search of employment.
- As the economy recovers, however, enrollment growth is expected to return to a level in excess of 3 percent annually.

K-12 Pupils Becoming More Ethnically and Linguistically Diverse

	Percent of Total K-12 Enrollment	
	1981-82	1991-92
Ethnicity		
White (non-Hispanic)	56.4%	44.5%
Hispanic	25.8	35.3
African American	9.9	8.6
Asian or Pacific Islander	5.5	8.6
Filipino	1.6	2.3
American Indian/Alaskan Native	0.8	0.8
Language		
Limited English Proficiency	10.7%	20.1%

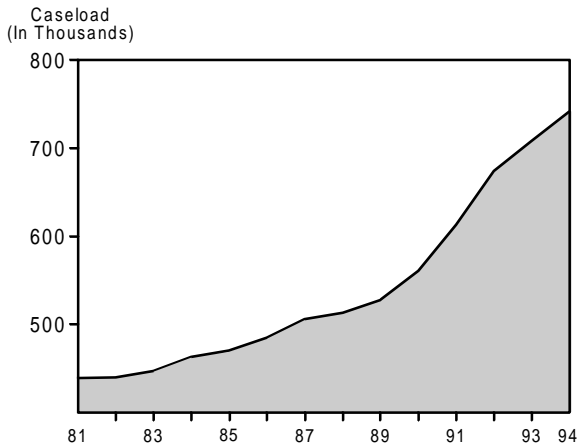
- The majority of K-12 pupils in 1981-82 were non-Hispanic white (56 percent). In 1991-92, 44 percent of all K-12 pupils were non-Hispanic white, and no ethnic group constituted a majority among K-12 pupils.
- The proportion of Hispanic K-12 students increased significantly, from about one-quarter of total enrollment in 1981-82 to more than one-third in 1991-92.
- The proportion of pupils classified by the State Department of Education as limited-English proficient nearly doubled from 11 percent in 1981-82 to 20 percent in 1991-92.

Prison Population Is Growing Much Faster Than Other Program Populations



- The number of prison inmates has been growing much more rapidly than any other group, in part due to mandatory and longer sentences.
- A rapid rise in the number of health and welfare beneficiaries began in 1989-90 due to the growth in welfare caseloads and additional federally mandated eligibility categories.
- Enrollment at UC and CSU has declined in the last three years. The CSU reduction, which has been more dramatic than at UC, is due to budget constraints.

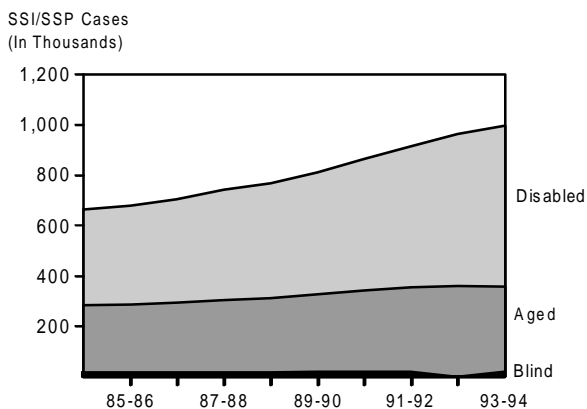
California's AFDC Caseloads Have Been Increasing^a



^a Aid to Families with Dependent Children (AFDC cases) excludes foster care and unemployed parent cases. Data are for fiscal years ending in year shown.

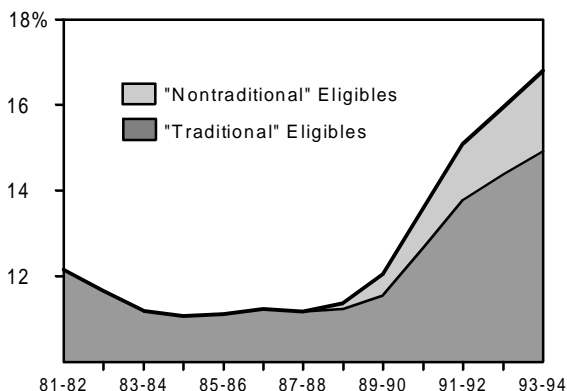
-
- Factors contributing to the increase in the AFDC caseloads include demographic changes, such as (1) the increase in the number of women of childbearing age and (2) the increase in the number of "child only" cases, including citizen children of undocumented immigrants.
 - Societal changes, such as the increase in births to unwed mothers and the increase in the proportion of women having children, have contributed to the recent growth in cases.

The Disabled Represent the Largest and Fastest Growing Segment of the SSI/SSP Caseload



- The SSI/SSP Program provides cash assistance to low-income persons who are elderly, disabled, or blind.
- Major factors explaining the growth in the SSI/SSP disabled caseload:
 - Increase in AIDS-related disabilities.
 - Federal expansion of eligibility.
 - Increased life expectancy for disabled persons.
 - Federal and state outreach programs.

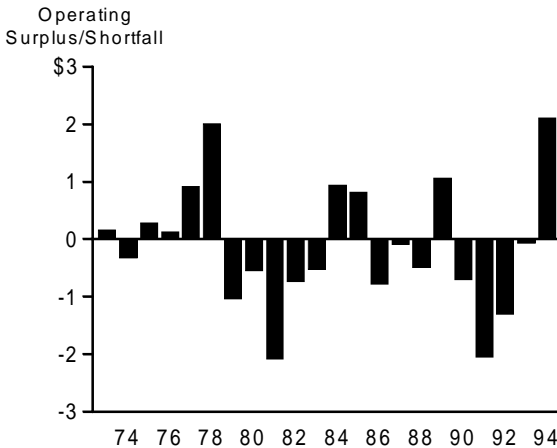
Percentage of Californians on Medi-Cal Growing Rapidly^a



- Currently the Medi-Cal Program serves a dramatically higher proportion of California's population than was the case at any point in the 1980s.
- Federal and state decisions to expand Medi-Cal coverage to "nontraditional" eligibles—largely newly legalized and undocumented persons and children, and pregnant women—account for some, though not the majority, of the increase.
- About one in six Californians, or 5.4 million persons, will be eligible for Medi-Cal in 1993-94.

General Fund Operating Shortfalls Have Been Common in Recent Years^a

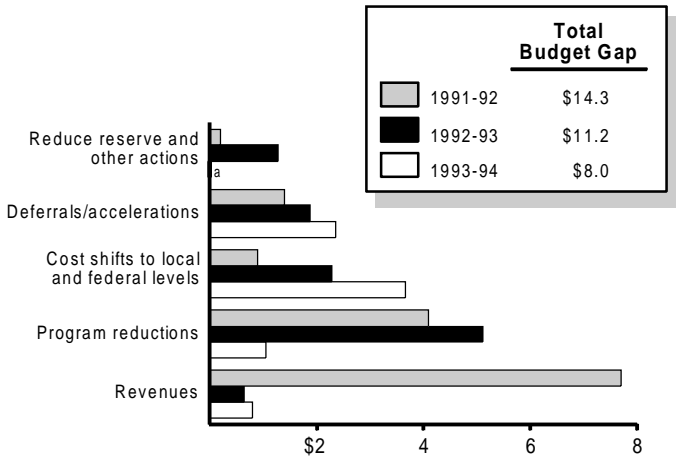
(In Billions)



^a Data are for fiscal years ending in year shown.

- Since Proposition 13 was approved in 1978, state General Fund spending has exceeded revenues in all but three years through 1992-93. The 1993-94 enacted budget projects a \$2 billion operating surplus.
- 1992-93 was the fourth consecutive year of operating shortfalls, resulting in a 1992-93 cumulative budget deficit of \$2.8 billion. The budgeted 1993-94 operating surplus is intended to pay off most of this carryover deficit.
- The relative size of the shortfalls has shrunk. The \$2.1 billion 1980-81 shortfall was 9.9 percent of spending, but the \$2.1 billion 1990-91 shortfall was only 5.1 percent of spending.

Strategies to Address Budget Gaps Have Changed 1991-92 Through 1993-94



^a The \$8 billion 1993-94 gap does not include any amount to restore a reserve, which would have added more than \$1 billion to the gap.

- The resolution of the \$14.3 billion 1991-92 budget gap relied primarily on additional revenues. However, revenue increases have played only a relatively minor role in resolving the 1992-93 and 1993-94 budget gaps.
- The \$11.2 billion 1992-93 budget gap was resolved through a combination of program reductions, cost deferrals, and revenue accelerations, and cost shifts to other levels of government.
- Most of the \$8 billion 1993-94 budget gap was resolved through cost shifts to local governments or the federal government or by deferring costs and accelerating revenues. These approaches resolved \$6 billion of the budget gap.

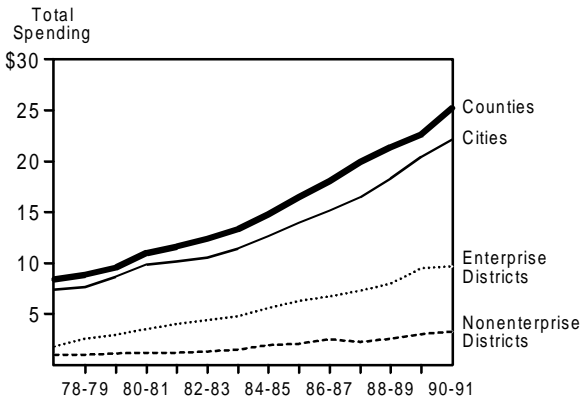
California Has Nearly 7,000 Local Entities 1990-91

Entity Type	Number of Entities
Counties	58
Cities	459
Special districts	4,883
Redevelopment agencies	375
K-12 school districts	1,070
Community college districts	71
Total	6,916

-
- Special districts account for the overwhelming number of local entities.
 - The number of cities, special districts, and redevelopment agencies is growing over time.

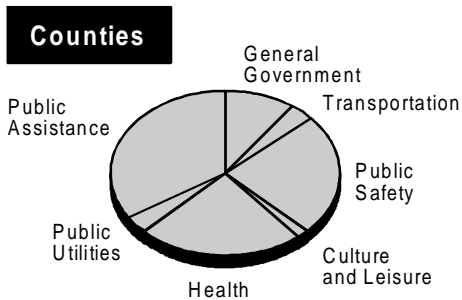
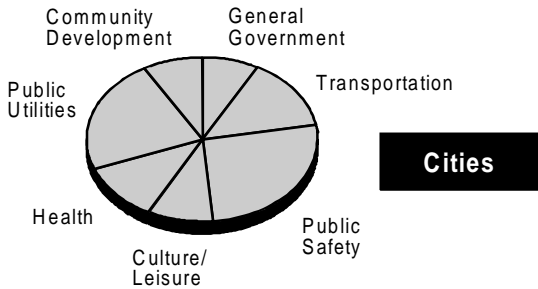
City and County Spending Growth Outpaces Other Local Entities 1977-78 Through 1990-91

(In Billions)



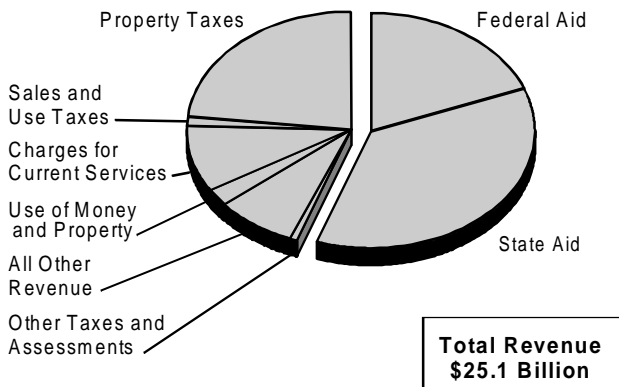
- County and city spending have grown at similar rates over time, and have out-paced the growth in special district spending.
- Growth in county spending primarily reflects growth in public assistance and health programs. Growth in city expenditures primarily is explained by population growth and an increase in the number of cities incorporated over the period 1977-78 to 1990-91.

Cities and Counties Spend Their Funds Differently 1991-92



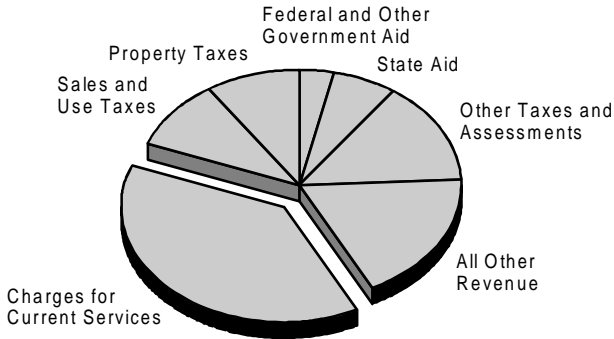
- Cities and counties both spend about one-quarter of their budgets on public safety. In the case of cities, this is mostly for police; but for counties, it is mostly for courts and jails.
- Health and public assistance consume more than half of county spending.

State and Federal Governments Provide More Than Half of County Funds 1991-92



- Money from the state accounts for more than one-third of all county revenues.
- Local taxes and assessments comprise one-fourth of all county revenues; the property tax generates over 90 percent of county tax revenues.
- Counties raise less than 10 percent of their revenues from fees-for-service and other charges.

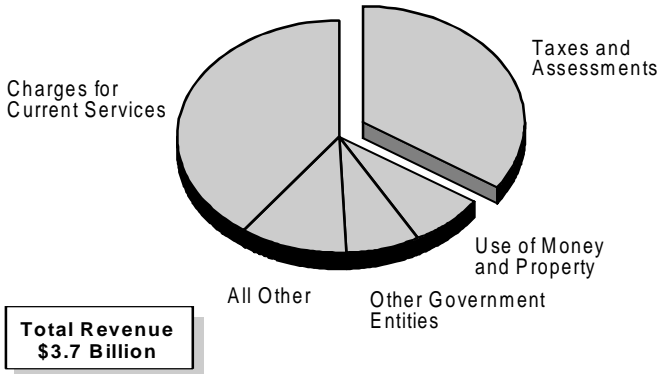
Service Charges Are the Largest Single Source of City Revenues 1991-92



**Total Revenue
\$23.6 Billion**

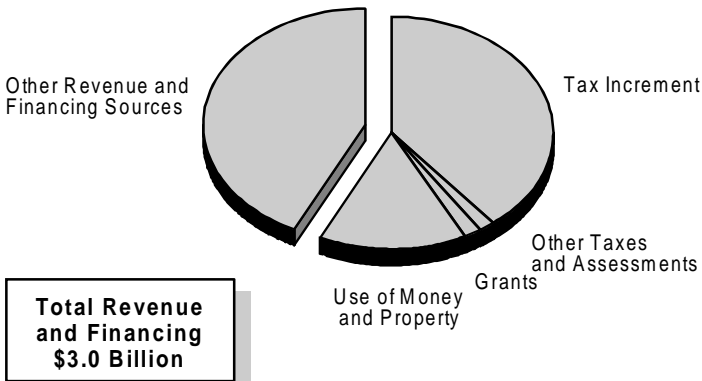
- Fees-for-service and other charges comprise more than one-third of all city revenue; various taxes comprise another third of city revenue.
- In the aggregate, cities are equally reliant on property tax and sales taxes, and use a variety of other taxes to augment their tax revenue.
- Cities receive less than 10 percent of their revenue from the state and federal governments.

Nonenterprise Special Districts Raise Most of Their Funds From Local Sources 1990-91



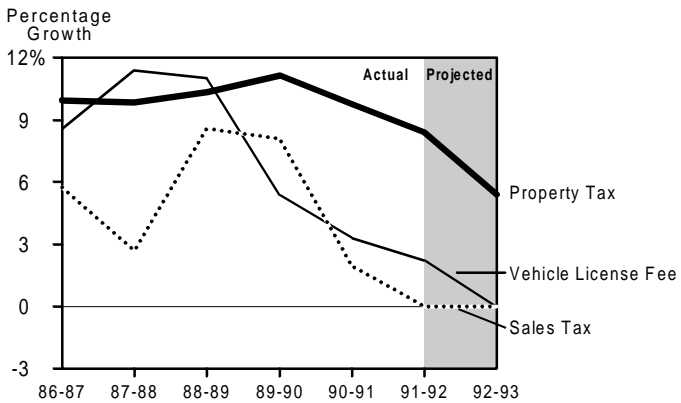
- Fees and charges revenues are largely attributable to self-insurance and flood control activities—they constitute only 17 percent of revenues attributable to all other nonenterprise activities.
- Taxes and assessments represent 48 percent of total revenues for activities other than flood control and self-insurance.
- The state and other government entities provide relatively little support (7 percent) to districts.

Redevelopment's Tax Increment Revenues Leverage a Large Amount Of Borrowed Money 1990-91



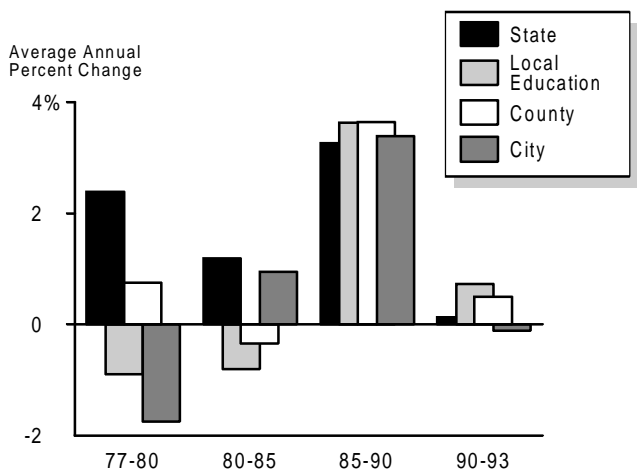
- Proceeds from long-term debt and advances from cities and counties are the largest share of revenues available to redevelopment agencies (other financing sources equal 43 percent).
- The tax increment allocated to redevelopment agencies comprises 39 percent of agency revenues.
- Redevelopment agencies get only small allocations of tax revenues other than the property tax.

Recession Has Slowed Growth In Local Revenues



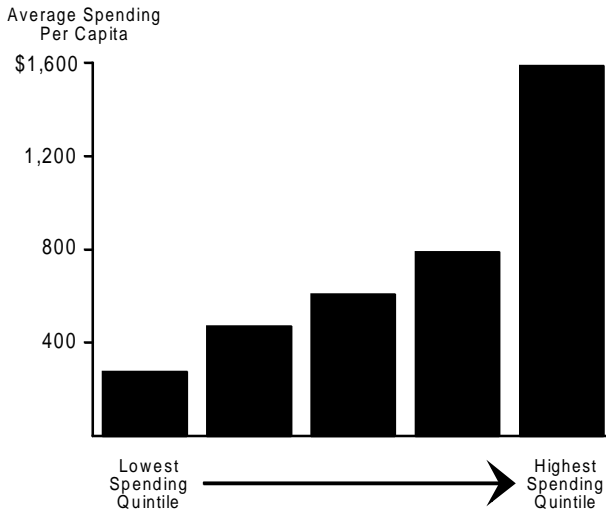
- Growth in the "Big Three" sources of local revenue has declined markedly since 1988-89.
- Growth in sales-based revenue sources (for example, sales tax, VLF) has declined most precipitously as individuals and businesses retrench and put off major purchases.

Total State and Local Government Employment Has Been Rising



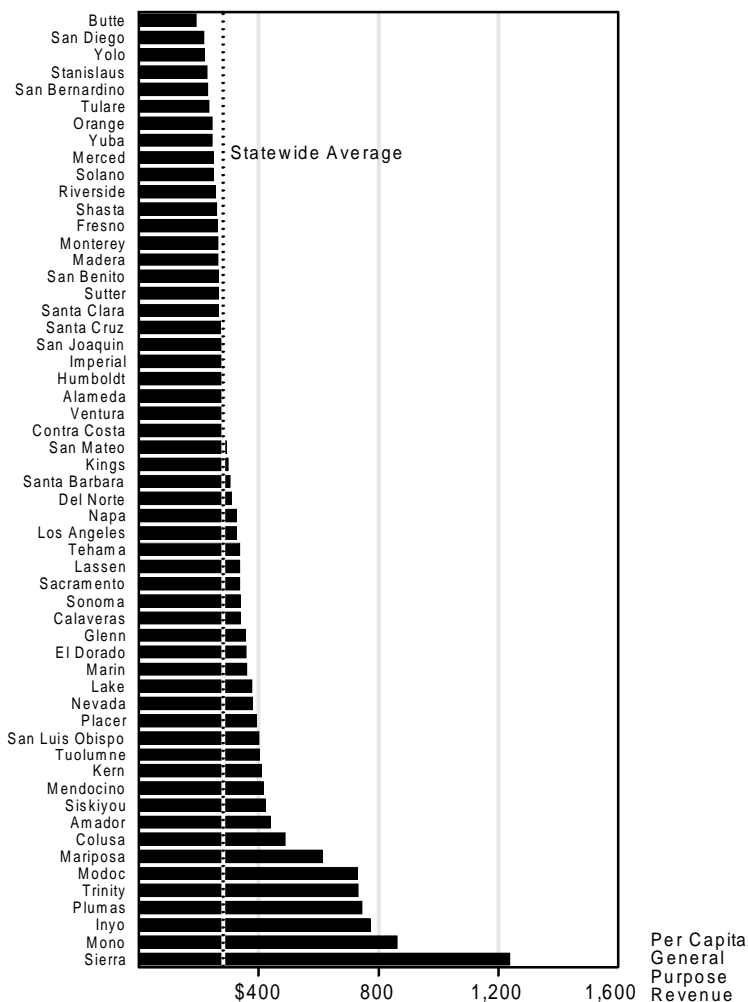
- In contrast with the 1.9 percent average annual decline in the state's total nonfarm employment during 1990-93, total state and local government employment has increased during this period. Only city government employment has declined.
- Employment declines in the late 1970s and early 1980s were largely due to the elimination of federal Comprehensive Employment and Training Act (CETA) funds.
- During the entire 1977-93 period, however, California state and local government employment increased at a 1.3 percent average annual rate compared with 2.1 percent for total nonfarm employment.

City Spending Per Capita Varies Immensely 1991-92



- In 1991-92 city spending per capita ranged from \$17 (Lake Forest) to \$494,000 (Vernon).
- Excludes four highest spending cities: Big Bear Lake (\$10,361), Industry (\$99,133), Irwindale (\$110,935), and Vernon (\$493,808).
- Disparity in per capita spending reflects, in part:
 - Existence of special districts providing services that otherwise would be provided by the city.
 - Disparity in sales tax allocations among cities.
 - Variations in the service level/revenue raising decisions made by individual cities.

General Purpose Revenues Range From \$200 Per Capita to \$400 Per Capita In Most Counties 1990-91

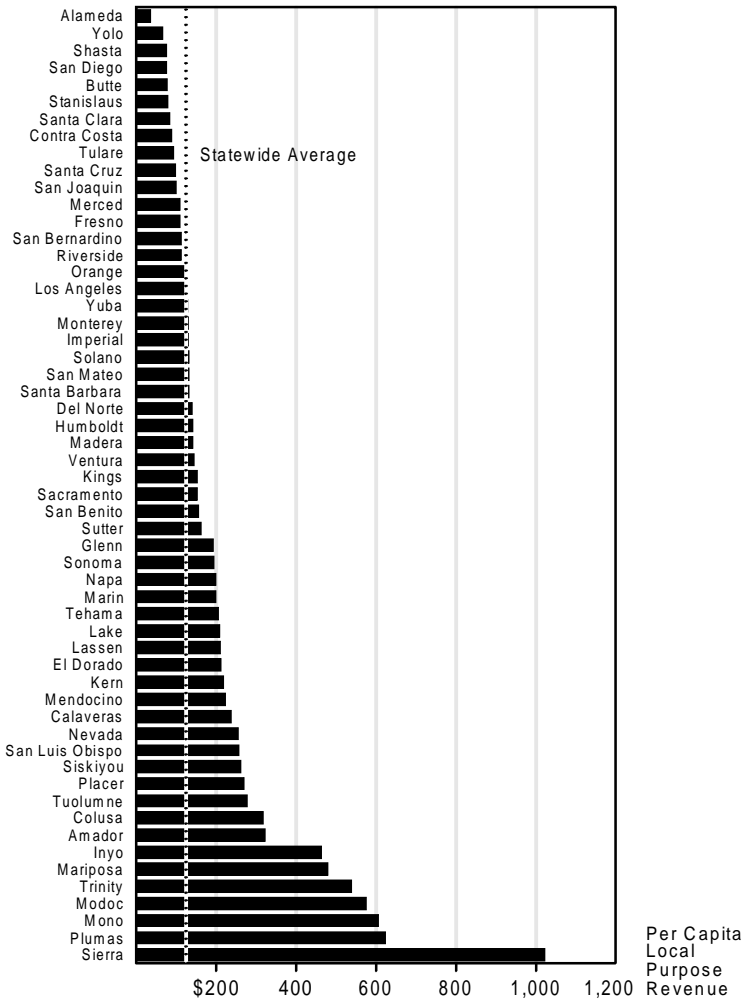


Note:

Alpine County is excluded because per capita GPR is off this chart at \$2,136.

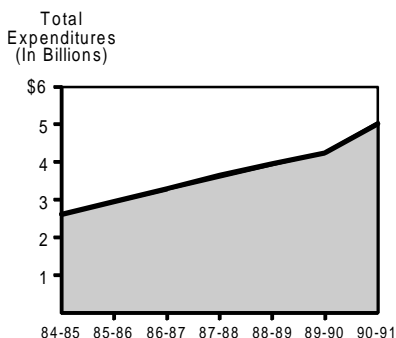
San Francisco County is excluded due to lack of comparability.

County Resources Available for Local Discretionary Spending Show Great Variation 1990-91



County Costs for State-Required Programs Nearly Doubled From 1984-85 to 1990-91^a

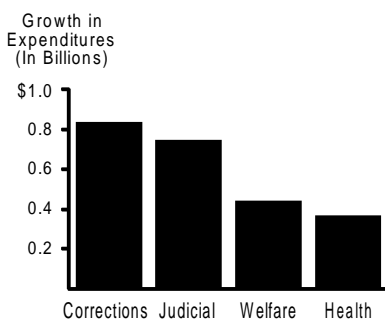
(In Billions)



^a San Francisco County is excluded due to lack of data comparability.

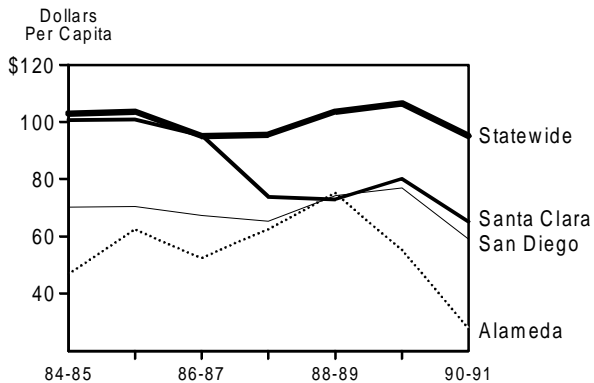
Which Program Costs Have Grown the Most?

(In Billions)



- Judicial and corrections program costs represent about 70 percent of state-required county program expenditures.
- Programs with the fastest growth *rates* from 1984-85 to 1990-91 include IHSS (180 percent), general assistance (161 percent), and county health (151 percent).

County Revenues for Local Programs Fell 8 Percent Between 1984-85 and 1990-91^a



^a San Francisco County is excluded because data is not comparable.

- Measured on a per capita basis, real (inflation adjusted) county revenues available for local programs fell by 8 percent between 1984-85 and 1990-91.
- Although data are not available for 1991-92 to 1993-94, we estimate that county revenues for local programs probably continued to fall as a result of:
 - The transfer of county property taxes to schools in 1992 and 1993.
 - Rising county costs to pay for state-required health, welfare, and correctional programs.

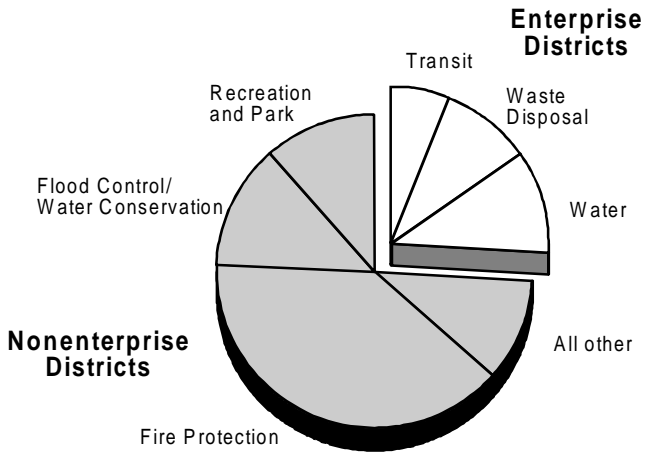
Special Districts Provide Many Services 1990-91

(In Millions)

	Number of Districts	General Purpose Spending	Property Tax Receipts ^a
Enterprise			
Airport	16	\$67	\$3
Electric	49	1,747	—
Port and harbor	13	118	6
Hospital	80	1,949	—
Transit	74	1,866	91
Waste disposal	621	1,274	141
Water	885	2,644	161
<i>Subtotals</i>	—	<i>\$9,664</i>	<i>\$402</i>
Non-Enterprise			
Air pollution control	35	\$202	\$7
Ambulance service	73	32	11
Cemetery	256	30	17
Drainage and drainage maintenance	198	26	10
Fire protection	578	741	595
Flood control and water conservation	95	393	193
Health	8	56	—
Land reclamation and levee maintenance	127	31	2
Library services	38	32	16
Lighting and lighting maintenance	735	34	22
Local and regional planning	44	40	1
Memorial	26	2	2
Parking	11	14	—
Pest control	70	49	41
Police protection and personal safety	50	42	9
Recreation and park	292	322	174
Soil conservation	113	5	2
Streets and roads	381	42	10
Television translator facilities	13	2	—
Animal control	7	5	1
Underground electric and communication	1	1	—
Self-insurance	147	846	—
Government services	38	99	—
<i>Subtotals</i>	—	<i>\$3,046</i>	<i>\$1,114</i>
Total	—	\$12,710	\$1,516

^a Does not include property assessments.

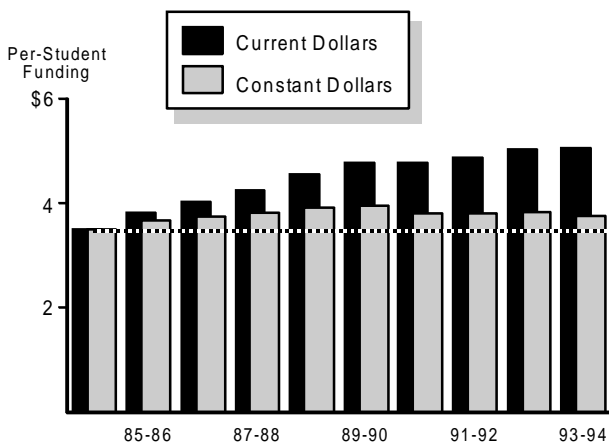
Fire Protection Is the Single Largest Use Of Special District Property Tax Revenues 1990-91



- Fire protection activities receive almost 40 percent of all special district property tax allocations.
- Enterprise activities receive about one-fourth of special district property tax allocations.
- Six activities receive nearly 90 percent of all special district property tax allocations.

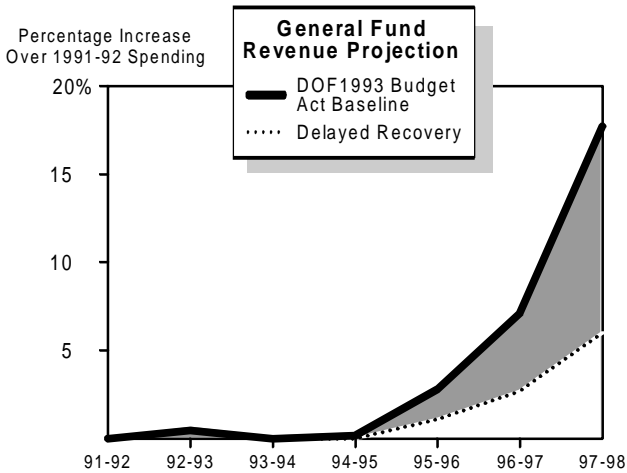
Inflation-Adjusted Funding per K-12 Student Declining Since 1989-90

(In Thousands)



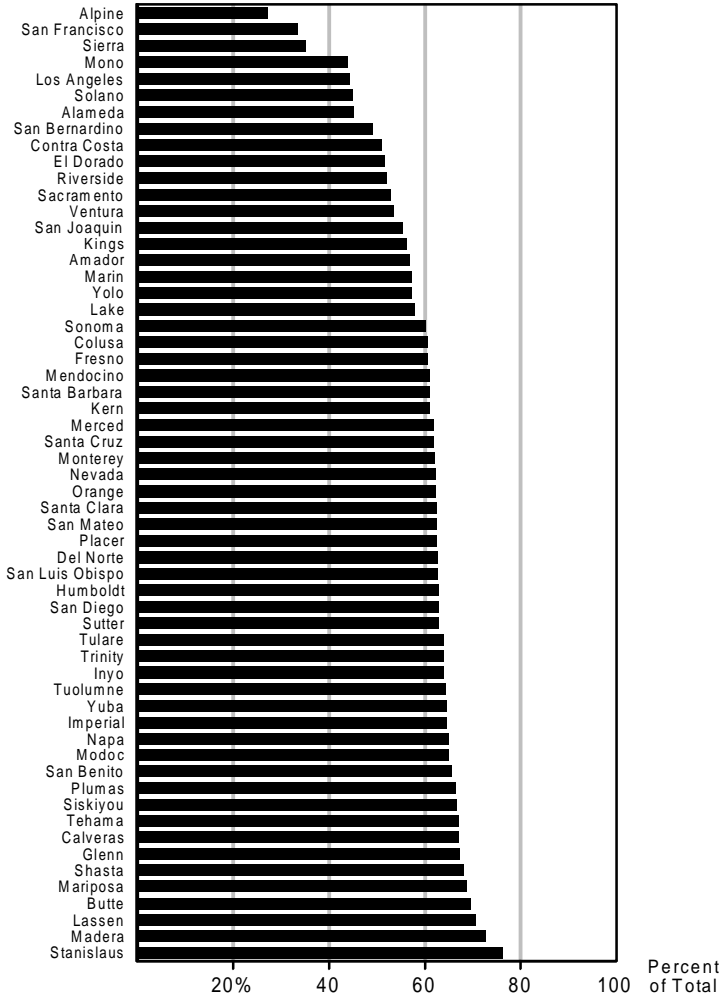
- This figure shows funding from all state, federal, and local sources per student (ADA).
- Per-student funding in inflation-adjusted dollars increases by a cumulative total of 7.3 percent during this ten-year period.
- More recently, however, per-student funding in inflation-adjusted dollars decreases by 5.9 percent between 1989-90 and 1993-94.

Proposition 98 Spending per K-12 Pupil— Little or No Growth Expected Through 1995-96



- This figure shows combined Proposition 98 funding per pupil from state and local sources under two different assumptions about state General Fund revenue growth.
- Per-pupil funding hardly grows through 1995-96, under either revenue growth projection, because revenue growth is low and because required repayments of Proposition 98 loans absorb half of any increase in the Proposition 98 guarantee.
- By 1995-96, the likely range of increase in per-pupil funding since 1991-92 will be between 1 percent and 3 percent, depending on the pace and strength of economic recovery and state revenue growth. After that year, funding levels are expected to grow more rapidly.

Schools Receive Largest Share Of Property Tax in Most Counties 1993-94



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