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California's 17 Million Jobs Spread Across Many Sectors
2018

High Concentration of Motion Picture, Farm, and Web Search Jobs
Share of All U.S. Jobs by Sector

Key Sectors Vary Across Regions of California
Regional Share of Statewide Jobs in All Sectors

Regional Share of Statewide Jobs in Key Sectors
California Incomes Higher Than U.S.
Household Income, 2016

Median

$64,000 California
$55,000 U.S.

Top 10 Percent

$314,000
$265,000

Incomes Vary Across Regions of the State
Bottom 10%, Median, and Top 10% Household Incomes

Incomes Also Vary Across Occupations
Hourly Wages in Common Occupations

100,000 workers
Housing Is Very Expensive in California
Median Housing Costs in 50 Largest U.S. Cities, 2018

Since 1990, Fresno and Sacramento have added housing at twice the annual rate of California coastal cities.

Decades of limited home building in California's coastal cities, as shown by the comparison of building permits (per 1,000 residents) above, has led to a housing shortage.
California's Population Has Gotten Older Since 1990

Share of Population in Each Age Range

In 1990, young adults were a large share of the population. This meant the labor force was large relative to the overall population.

This large cohort now is at or nearing retirement age. As a result, the labor force is becoming relatively smaller.

Kids now are a smaller share in large part because women are having fewer children.
Overview of California's Tax System

In 2016-17, taxes in California raised a total of about $210 billion—equal to nearly 10% of the economy. State government collected almost two-thirds of these taxes. The chart breaks out each tax by source. For example, the biggest source of personal income tax revenue is wage and salary income.
The state government raises about two-thirds of tax revenue in California.

Property Tax

Sales and Use Tax
Overview of California's Major Tax Rates

Personal Income Tax
Effective Rates for 2017

The State Constitution sets the tax rate on real property at 1%. That rate, however, is applied to the assessed value of the house, which equals the initial purchase price grown by a maximum of 2% per year. Because housing prices have historically grown faster than 2%, homeowners who have been in their homes longer tend to pay lower effective tax rates (tax rate as a share of the home's market value).

Property Tax
Average Effective Tax Rate by Purchase Year

The State Constitution sets the tax rate on real property at 1%. That rate, however, is applied to the assessed value of the house, which equals the initial purchase price grown by a maximum of 2% per year. Because housing prices have historically grown faster than 2%, homeowners who have been in their homes longer tend to pay lower effective tax rates (tax rate as a share of the home's market value).
Sales Tax
The sales tax rate varies significantly throughout the state because California local governments can levy additional sales tax rates.

Percent of Population as of January 1, 2018

- In at least part of 26 counties, the rate is 7.25%
- Over half of Californians live where the rate is either 7.75% or 9.5%.
- Rate exceeds 9.5% in parts of Contra Costa, Alameda, and Los Angeles Counties. Eight cities in Los Angeles County have the highest rate in the state (10.25%).

Other Tax Rates

- **Corporations**: 8.84% of corporate income
- **Insurance**: 2.35% on insurance premiums
- **Gasoline**: $0.46/gallon
- **Diesel**: $0.36/gallon plus 5.75% sales tax
- **Cigarettes**: $2.87/pack
- **Other Tobacco Products**: $3.37/pack equivalent
- **Distilled Spirits**: $0.039 per 1.5 oz drink
- **Beer**: $0.019 per 12 oz drink
- **Wine**: $0.008 per 5 oz drink ($0.012 for sparkling)
Revenue Volatility

The personal income tax (PIT) is the state’s largest single revenue source, supporting over two-thirds of the General Fund (the state’s main operating account). As shown below, the PIT has grown substantially since the most recent recession.

Billions of 2018-19 Dollars

![Graph showing PIT growth from 2008-09 through 2018-19.]

-28% year-over-year PIT growth in 1999-00

-26% year-over-year decline in 2001-02

The PIT is highly volatile, which has in the past led to large increases in spending in good economic times and the need to make large cuts in bad economic times.

The PIT is about five times more volatile than personal income. About 40% of the volatility comes from choices about which types of income to include in the tax base. Another 40% comes from the state’s progressive rate structure. And the remaining volatility comes from tax credits and deductions.
State and Local Finance

In order to address revenue volatility, the voters passed Proposition 2 in 2014. Proposition 2 takes volatile revenues off the table in good economic years so that they can be used to reduce the need for cuts in bad economic years.

**Hypothetical Spending Without Budget Reserves**

Historically, the state spent nearly all its revenue in expansion years...

...which led to large budget cuts when revenues dropped off in a recession.

**Hypothetical Spending With Budget Reserves**

Under Proposition 2, the state is saving some of its revenue during the expansion...

...which can be used to reduce the need for budget cuts in the next recession.

As a percent of General Fund revenues, budget reserves have grown substantially since the voters passed Proposition 2.
State Budget Is Focused on Education...
Total General Fund and Special Fund Spending in 2018-19—$197 Billion

Education

- K-12 Education
- California Community Colleges
- California State University
- University of California
- Child Care and Preschool
- Financial Aid
- Other

Transportation

- Roads, Highways, and Mass Transit
- California Highway Patrol
- DMV

Natural Resources

- Forestry and Fire
- Other
- Air Quality and Toxics
- Water, Fish, and Wildlife
- Recycling and Recovery
- Parks and Conservation
- Retiree Health and Dental Benefits
- Tax Administration
- Homeowner’s Tax Exemption

Includes:
...and Health and Human Services Programs

Health and Human Services

- Medi-Cal
- Other Health and Human Services
- In-Home Supportive Services
- CalWORKs
- SSI/SSP
- State Hospitals

Courts and Criminal Justice

- State and Local Corrections
- Courts
- Other Criminal Justice

Other

Includes:
- Retiree Health and Dental Benefits
- Tax Administration
- Homeowner’s Tax Exemption
Highlights of the State-Local Fiscal Relationship

The past 40 years in California have seen significant changes in the fiscal relationship between the state and local government. Below we highlight the major events that have altered the state-local fiscal relationship since 1978. We organize the major events around key themes that have emerged over the past four decades.

Major Milestones in the State-Local Fiscal Relationship

- Proposition 13 (1978): Limits property tax rates to 1%, cutting local government property tax revenue by over half. Establishes vote requirement for certain taxes.
- 1991 Realignment: Major shift in authority from state to counties for some health and human services programs.
- Proposition 172 (1993): Imposes half-cent sales tax for local public safety programs.
- Proposition 218 (1996): Limits local government authority to impose certain taxes, fees, and assessments.
- Proposition 22 (2010): Reduces state’s authority to use or redirect state fuel and local property taxes.
- Proposition 26 (2010): Broadens definition of taxes to include some additional fees and charges.
- Proposition 1A (2004): Restricts state from reducing local property tax, sales tax, and vehicle license fee revenues.
- 2011 Realignment: Major shift in authority from state to counties for criminal justice programs and funding responsibility for other programs.
Revenue Sources for Local Government

Counties, cities, and special districts rely on four main revenue sources: federal and state grants, property taxes, user charges and fees, and other taxes and revenues.

2016-17

- Cities and special districts receive a significant share of their funding from various user charges and fees. They use these funds to pay for electricity, water, and other municipal services.

- Counties receive nearly half of their revenue from the state and federal government and must spend these funds for specific purposes, primarily health and human services.
Services Delivered by Local Government

Counties, cities, and special districts use their revenues to deliver services to the residents living in their jurisdiction.

- **Countywide Services.** California’s 58 counties provide state-specified health and human services programs for all individuals in a county. They also provide countywide services, such as jail, district attorney, assessor, and elections.

- **Municipal Services.** Local governments provide a variety of municipal services—primarily police and fire, but also public works, parks, and others. Cities, counties, and special districts can provide these services depending on where someone lives. Most people live in cities and receive most services from their city.

- **Special District Services.** Residents typically receive services from a combination of their city and special districts or their county and special districts. Typically, special districts provide a certain type of municipal service.

### Number of Special Districts by Type

- Water 361
- Fire Protection 346
- Community Services 324
- Cemetery 248
- Reclamation and Levee 163
- Sanitation 103
- Resources Conservation 100
- Recreation and Park 95
- Irrigation 92
- Healthcare 59
- Utility 27
- Mosquito and Pest Abatement 17
- Veterans Memorial 13
- Transit 13
- Library 12
- Harbor and Port 10
Services Delivered by Local Government
Two Factors Drive Funding for Municipal Services

Per Capita Assessed Value, 2016-17

- Municipal services—such as police, fire, and parks—are primarily funded by property tax revenue. Property tax funding for municipal services generally is higher in counties with higher assessed values.

- Municipal services funding also depends on the share of property tax revenue allocated to municipal services relative to schools. While schools’ shares vary across counties, the state allocates funding to schools to equalize these differences.

\(^a\) Mono and Alpine Counties are excluded from this list because large per capita assessed values skew scale.
EDUCATION
California’s K-12 Student Population Differs From Nation
Fall 2015 Data, Unless Otherwise Noted

Race/Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>U.S.</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic/Latino</td>
<td>22%</td>
<td>54%</td>
</tr>
<tr>
<td>White</td>
<td>24%</td>
<td>52%</td>
</tr>
<tr>
<td>Asian</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>Black</td>
<td>6%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Income

<table>
<thead>
<tr>
<th>Income</th>
<th>U.S.</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Federal Poverty Line 2017</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>All Low Income</td>
<td>51%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Language

<table>
<thead>
<tr>
<th>Language</th>
<th>U.S.</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-English Speaking Households 2017</td>
<td>18%</td>
<td>45%</td>
</tr>
<tr>
<td>English Learners</td>
<td>8%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Disability

<table>
<thead>
<tr>
<th>Disability</th>
<th>U.S.</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Disabilities</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Autism</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Parental Education (2017)

<table>
<thead>
<tr>
<th>Parental Education</th>
<th>U.S.</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than High School</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>High School Only</td>
<td>21%</td>
<td>28%</td>
</tr>
<tr>
<td>College Graduate</td>
<td>32%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Although Many Districts Are Small, Most K-12 Students Attend Large Districts

California has 944 school districts, averaging 5,600 students each. The largest district is Los Angeles Unified with more than 400,000 students.

K-12 Enrollment Trends Vary Greatly Across State

Enrollment Change, 2008-09 to 2017-18

Statewide Student Enrollment

Statewide enrollment is projected to decline by 3% over the next ten years.

Los Angeles County had the largest decline. 137,000 students, 8 percent
California K-12 Schools Rely Heavily on State Funding

Total Operational and Capital Funding by Source, 2015-16

Unlike most other states, the California Constitution limits local property tax rates.

School Funding Is at an All-Time High

State and Local Operational Funding Per K-12 Student, 2017-18 Dollars

California School Spending Ranks in the Middle of States

Rank Among the 50 States and Washington D.C.

School spending in California is more sensitive to recessions and recoveries than other states.
### State Provides Schools Equal Base Funding Per Student

Base Funding Rates by Grade Span, 2018-19

<table>
<thead>
<tr>
<th>Grade Span</th>
<th>Base Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten - 3rd Grade</td>
<td>$8,235</td>
</tr>
<tr>
<td>4th - 6th Grade</td>
<td>$7,571</td>
</tr>
<tr>
<td>7th - 8th Grade</td>
<td>$7,796</td>
</tr>
<tr>
<td>9th - 12th Grade</td>
<td>$9,270</td>
</tr>
</tbody>
</table>

Some school districts with especially high property tax revenue have more funding per student than the rates shown.

### State Provides Additional Funding for English Learners and Low-Income (EL/LI) Students

Funding Rates Per Student for Grades K-3 Based on District EL/LI Share, 2018-19

<table>
<thead>
<tr>
<th>EL/LI Share</th>
<th>Base Funding</th>
<th>Additional Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% EL/LI Share</td>
<td>$8,235 Total Funding</td>
<td>$0 Additional Funding</td>
</tr>
<tr>
<td>25% EL/LI Share</td>
<td>$8,647</td>
<td>$412</td>
</tr>
<tr>
<td>50% EL/LI Share</td>
<td>$9,059</td>
<td>$824</td>
</tr>
<tr>
<td>75% EL/LI Share</td>
<td>$10,294</td>
<td>$2,059</td>
</tr>
<tr>
<td>100% EL/LI Share</td>
<td>$11,735</td>
<td>$3,500</td>
</tr>
</tbody>
</table>

Some school districts with especially high property tax revenue have more funding per student than the rates shown.
Fewer Than Half of K-12 Students Meet State Standards
Percentage Meeting Standards, Spring 2018

California Students Score Below National Average
Average Score on National Assessment of 4th Grade Reading

Achievement Gaps Exist
Average Percentile Rank on State Tests, Spring 2017

In 2017, states’ average 4th grade reading score ranged from a high of 236 to a low of 207. Scores follow a similar pattern for other grade levels and subjects.
California Has an Extensive Higher Education System
3.7 Million Students, 2016-17

- University of California (UC) 10 Campuses
- Private For-Profit Approximately 700 Campuses
- Private Nonprofit Approximately 180 Campuses
- California State University (CSU) 23 Campuses
- California Community Colleges (CCC) 114 Campuses

Segments Vary in Degree Production
Degrees by Segment, 2016-17

<table>
<thead>
<tr>
<th>Degrees</th>
<th>UC</th>
<th>Private For-Profit</th>
<th>Private Nonprofit</th>
<th>CSU</th>
<th>CCC</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral</td>
<td>6,257</td>
<td>2,459</td>
<td>9,911</td>
<td>540</td>
<td>0</td>
<td>19,167</td>
</tr>
<tr>
<td>Master's</td>
<td>12,003</td>
<td>9,594</td>
<td>38,000</td>
<td>20,201</td>
<td>0</td>
<td>79,798</td>
</tr>
<tr>
<td>Bachelor's</td>
<td>53,717</td>
<td>18,849</td>
<td>40,621</td>
<td>98,771</td>
<td>0</td>
<td>211,958</td>
</tr>
<tr>
<td>Associate's</td>
<td>0</td>
<td>10,850</td>
<td>2,079</td>
<td>0</td>
<td>138,904</td>
<td>151,833</td>
</tr>
<tr>
<td>Certificate</td>
<td>345</td>
<td>47,495</td>
<td>5,913</td>
<td>359</td>
<td>84,619</td>
<td>139,181</td>
</tr>
</tbody>
</table>

8% Enrollment
9% Enrollment
10% Enrollment
14% Enrollment
59% Enrollment
Almost One-Third of Undergraduates Are Age 25 and Older
Headcount, Fall 2015

<table>
<thead>
<tr>
<th></th>
<th>Under 25</th>
<th>25 and Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>CSU</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>Private Nonprofit</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>CCC</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Private For-Profit</td>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>

The Racial/Ethnic Composition of the Undergraduate Student Body Varies by Segment
Headcount, Four Largest Groups, 2016-17

<table>
<thead>
<tr>
<th></th>
<th>Hispanic</th>
<th>White</th>
<th>Asian</th>
<th>Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>30%</td>
<td>29%</td>
<td>38%</td>
<td>3%</td>
</tr>
<tr>
<td>Private Nonprofit</td>
<td>31%</td>
<td>46%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Private For-Profit</td>
<td>36%</td>
<td>33%</td>
<td>9%</td>
<td>21%</td>
</tr>
<tr>
<td>CSU</td>
<td>47%</td>
<td>28%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>CCC</td>
<td>49%</td>
<td>30%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>45%</td>
<td>31%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>California Population</td>
<td>40%</td>
<td>40%</td>
<td>14%</td>
<td>6%</td>
</tr>
</tbody>
</table>
**Amount of Core Funding Varies Notably by Segment**
Per Full-Time Equivalent (FTE) Student, 2018-19 Dollars

At UC and CSU, core funds consist primarily of state General Fund and student tuition and fees. At CCC, core funds also include local property tax revenue.

**State Is Largest Source of Higher Education Funding**
Breakdown of Core Funding Per FTE Student, 2018-19 Dollars

At UC, “other” includes a portion of overhead on federal research grants and patent royalty income.
Tuition Is Notably Higher Today Than 20 Years Ago
Tuition and Systemwide Fees, 2018-19 Dollars

Students without financial need pay the rates shown. At the three segments, more than half of undergraduates receive gift aid that covers the full tuition charge.

Tuition Still Is Relatively Low at CCC and CSU, Higher at UC
2017-18
Among CSU campuses, the average cost of attendance (tuition and living costs) for students living off-campus was about $23,800 in 2015-16.

California Students Receive Over $8 Billion in Aid Annually
Need-Based Gift Aid For Undergraduates, 2016-17

Cal Grant: Provides gift aid for students enrolled at public and private schools.
California College Promise Grant: Covers tuition for CCC students.
UC Grant: Covers tuition and some living costs for UC students.
State University Grant: Covers tuition for CSU students.
Other State and Institutional Aid

Net College Costs Are Lowest for Lowest-Income Students
Cost of Attendance Less Gift Aid, Average Across CSU Campuses, 2015-16

<table>
<thead>
<tr>
<th>Family Income</th>
<th>Cost of Attendance Less Gift Aid, Average Across CSU Campuses, 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-30,000</td>
<td>$5,000-10,000</td>
</tr>
<tr>
<td>$30,001-48,000</td>
<td>$10,000-15,000</td>
</tr>
<tr>
<td>$48,001-75,000</td>
<td>$15,000-20,000</td>
</tr>
<tr>
<td>$75,001-110,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Over $110,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Among CSU campuses, the average cost of attendance (tuition and living costs) for students living off-campus was about $23,800 in 2015-16.
CSU Has Seen Greater Improvement in Graduation Rates Than UC and CCC

Six-Year Rates

![Graph showing graduation rates for UC, CSU, and CCC from 2005 to 2011.]

Achievement Gaps Exist

CCC Six-Year Graduation Rates, 2011 Freshman Cohort

![Graph showing percentage of graduates by race/ethnicity and aid status.]

Though UC and CSU graduation rates are higher than CCC, achievement gaps generally follow a similar pattern at all three segments.

Graduates Accrue More Units Than Degrees Typically Require

Freshman Entrants, 2016-17 Graduating Class

![Bar chart showing required units and excess units for CCC, CSU, and UC.]

Required Units | Excess
---|---
CCC | 60 | 40
CSU | 120 | 40
UC | 140 | 20
HEALTH AND HUMAN SERVICES
HHS programs provide a variety of services to millions of California residents. These services include health insurance coverage, nutrition assistance, cash assistance, in-home care, and other services. Many individuals are enrolled in more than one program at a time.

HHS Programs Serve Millions of Californians
Caseloads, 2017-18 Estimated

- **Medi-Cal**
  Health care services for low-income Californians.
  - 13.3 million

- **CalWORKs**
  Cash assistance and employment services for low-income families.
  - 1.0 million

- **CalFresh**
  Food assistance for low-income individuals and families.
  - 4.0 million

- **Child Welfare**
  Services for children who have experienced abuse or neglect.
  - 160,000

- **WIC**
  Food and nutrition services for pregnant women, new mothers, and young children.
  - 1.1 million

- **SSI/SSP**
  Cash assistance for low-income aged, blind, and disabled individuals.
  - 1.3 million

- **Developmental Services**
  Services for individuals with developmental disabilities.
  - 320,000

- **In-Home Supportive Services**
  In-home personal care for low-income aged, blind, and disabled individuals.
  - 560,000

---

*a This includes children in foster care, guardianship and adoption programs, and family maintenance.*
HHS Programs Funded by Multiple Sources
Total Spending by Funding Source, 2017-18 Estimated

Wider columns reflect greater total spending.

Spending Growth Varies Among HHS Programs
Average Annual Change in Total Spending From 2012-13 to 2017-18
Most Californians Have Health Insurance, Obtained From a Variety of Sources
2017, LAO Estimates

Note: Unless otherwise noted, estimates reflect LAO adjustments to California Health Interview Survey 2017 data.

a From Preliminary CalSIM v 2.0 Regional Remaining Uninsured Projections, August 2016.
b Individuals in this category could be ineligible for subsidies for reasons other than income.
California Health Care Spending
2017-18, Estimates (In Billions)

By Payer or Payment Type

- Medicare
- Medi-Cal
- Employer-Sponsored Insurance
- Individual Market
  - Consumer Premiums
  - Federal Subsidies
- Out-of-Pocket
- Other

By Service

- Dental
- Drugs
- Long-Term Care, Services, and Supports
- Physicians and Clinics
- Hospital
- Other Professional
- Health Insurer Administration and Profit
- Durable Medical Equipment
- Government Administration

$400

Individual Market

100

Employer-
Sponsored Insurance

200

Medi-Cal

300

Medicare

$400

Individual Market
Federal Subsidies

a Includes care in skilled nursing facilities as well as personal care and home health services.
Most Funds for Public Community Mental Health Go to Counties
2017-18, LAO Estimates

Public community mental health includes publicly funded outpatient and inpatient mental health services and psychotropic medications provided primarily in community settings. It does not include services provided by state hospitals, prisons, Medicare, private insurance, or the K-12 educational system.

Local Realignment Revenues\(^a\)
$2.7 Billion

Mental Health Services Fund (Prop 63)
$2.0 Billion

State General Fund
$0.8 Billion

Federal Funds (Primarily Through Medi-Cal)
$4.3 Billion

Medi-Cal Managed Care and Fee-for-Service
$1.9 Billion\(^c\)

Psychotropic Drugs

Outpatient Services
• Individual and group therapy

Psychiatric Inpatient Services

County Mental Health Services
$7.9 Billion\(^b\)

Medi-Cal Specialty Services
• Care coordination and case management
• Therapy
• Day treatment and rehabilitation
• Crisis intervention and stabilization
• Psychiatric inpatient services
• Residential treatment

Mental Health Services Act Programs
• Mental health programs including intensive and wraparound services, prevention and early intervention activities, and innovative projects

Safety Net Services
• Mental health services for low-income residents, including the uninsured

\(^a\) Includes funding that counties may use on substance use disorder services (not considered mental health services).

\(^b\) Some counties provide further funding for mental health using county General Funds. County General Funds are not included in listed funding amount.

\(^c\) Does not include funding for outpatient services that are provided through the fee-for-service system or in community clinics, due to data limitations.
Demand for Long-Term Home- and Community-Based Services and Supports Is Growing Rapidly

The state now prioritizes home- and community-based alternatives to institutional long-term care facilities for seniors and persons with disabilities. The two largest programs are In-Home Supportive Services (IHSS) and Developmental Services. The number of individuals eligible for these services has been increasing significantly.

One potential reason for the growth in IHSS is the increasing preference to age at home rather than in an institution, like a skilled nursing facility (SNF). From 2004 to 2017, SNF utilization slightly decreased by 4%.

Autism cases grew 250% over the period. Reasons for the growth may include better diagnoses and awareness, higher parental ages, and environmental factors.

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Poverty Concentrated Among Children and Adults With No College Degree

In 2017, 5.2 million (13%) Californians lived below the federal poverty level.

One-Third of All Workers Make Less Than $15 per Hour

Share of All Jobs by Hourly Median Wage

Poverty Level Wage for a Single Earner in a...

Median Hourly Wage for Select Jobs
Key Cash and Cash-Like Assistance Programs for Low-Income Californians

The state provides low-income families and individuals with cash grants and cash-like assistance for necessities, such as food and utilities. Individuals may be eligible for multiple programs. Below, we lay out the income eligibility rules for a family of three (single parent and two children). In addition to income, some programs rely on other factors to determine eligibility, such as age, disability status, and citizenship.

### Cash Assistance
- **CalWORKs.** Cash assistance and employment services for low-income families.
- **SSI/SSP.** Cash assistance for low-income seniors and persons with disabilities.
- **EITC.** Refundable state and federal tax credit for low- to moderate-income working families.

### Food Assistance
- **Free or Reduced-Price School Meals.** Free or low-cost school meals for low-income children.
- **WIC.** Food and nutrition services for low-income pregnant women, new mothers, and young children.
- **CalFresh.** Food assistance for low-income individuals and families.

### Subsidies
- **Lifeline.** Subsidized phone services for low-income households.
- **LIHEAP.** Financial assistance for low-income households to reduce heating and cooling costs.
- **Subsidized Child Care and Preschool.** Child care and preschool for qualifying low-income and working families.

### Number of Californians Served and Average Monthly Benefit Amounts Vary by Program

2017-18, LAO Estimates

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Californians Served</th>
<th>Average Monthly Benefit Amounts</th>
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<tbody>
<tr>
<td>CalWORKs</td>
<td>$567</td>
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</tr>
<tr>
<td>SSI/SSP</td>
<td>$737</td>
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<tr>
<td>EITC</td>
<td>$242</td>
<td></td>
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<tr>
<td>Free or Reduced-Price School Meals</td>
<td>$74</td>
<td></td>
</tr>
<tr>
<td>WIC</td>
<td>$62</td>
<td></td>
</tr>
<tr>
<td>CalFresh</td>
<td>$286</td>
<td></td>
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<tr>
<td>Lifeline</td>
<td>$23</td>
<td></td>
</tr>
<tr>
<td>LIHEAP</td>
<td>$32</td>
<td></td>
</tr>
<tr>
<td>Subsidized Child Care and Preschool</td>
<td>$714</td>
<td></td>
</tr>
</tbody>
</table>
OTHER
California Crime Rates Have Dropped Significantly, but Vary Widely Across Counties

California and National Crime Rates Per 100,000 Residents

2017 Crime Rates Per 100,000 Residents

Counties With Least Crime

Counties With Most Crime
Total Adult Correctional Population Declined and Shifted to Counties Due to Policy Changes Over Last Decade

Some felonies converted to misdemeanors, reducing the time some offenders serve while generally shifting them from state to county responsibility.

Counties incentivized to keep felons under county jurisdiction rather than sending them to state prison.

Responsibility for certain felony populations “realigned” from the state to the counties.

Additional felonies converted to misdemeanors with passage of Proposition 47.
Pollution Burden Varies Across California Communities

CalEPA uses measures of air pollution, water pollution, and other key indicators to rank communities by their pollution burden. Rankings are used to help policy makers prioritize spending.

Communities by Census Tract
Pollution Burden Ranking (2017 Report)

Some communities in the Southern Central Valley generally rank higher on pollution burden measures such as drinking water contamination, pesticide use, and air indicators.

In large urban areas, such as Los Angeles, the Bay Area, and San Diego, communities with high pollution burden rankings are often next to low-ranking communities.
State Met 2020 GHG Target Early, but 2030 Target More Ambitious

Million Metric Tons of GHGs

- Electricity
- Transportation
- Industry, Heating, Agriculture


Reductions Driven by Electricity Imports

- Imported Electricity
- In-State Generation

Major Policies to Meet 2030 Target

- Cap-and-trade
- Reduce methane from dairies and landfills
- Reduce emissions from cars and trucks
- 60% renewable electricity
- Reduce carbon intensity of transportation fuels
- Energy efficiency

GHG = Greenhouse Gases as measured in carbon dioxide equivalent.
Water Management in California Is Complex

California's Precipitation Is Highly Variable
Statewide Precipitation in Inches

Most Precipitation Falls in Northern California
But Much of People's Water Use Occurs in Southern and Central California

Water Use in Millions of Acre Feet

So an extensive system of canals has been developed to transport water across the state.

Map created by California Department of Water Resources using PRISM (prism.oregonstate.edu).
Wildfires in California
State Has Many Areas of High Fire Risk

Caused by:
• Naturally fire-prone ecosystems
• Historical forest management practices
• Climate change

With Risks Exacerbated by More Households in Fire-Prone Areas

<table>
<thead>
<tr>
<th>Year</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2,572,000</td>
</tr>
<tr>
<td>2012</td>
<td>2,858,000</td>
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</tbody>
</table>

Resulting In:

Most of Largest and Most Destructive Wildfires Occurred in Recent Years

Increased State Spending on Wildfire Response
In 2017-18 Dollars, In Billions

Extreme
2 million acres

Very High
23.9 million acres

High
24.3 million acres

Moderate
27.3 million acres
Funding for Highways, Roads, and Mass Transportation Comes From Many Sources

2018-19

- Federal
- State
- Local

- Gasoline Taxes
- Diesel Taxes
- General Funds
- Cap and Trade Auction Revenues
- Truck Weight Fees
- Transportation Improvement Fees
- Sales Taxes
- Transit Fares
- General Funds
- Tolls and Other

$40 Billion

2009-10 2011-12 2013-14 2015-16 2017-18
Much Transportation Infrastructure Needs Repairs or Replacement

State Highways
51,000 Lanes Miles, 2017

- **Good**: 41%
- **Fair**: 53%
- **Poor**: 6%

State Bridges
246 Million Square Feet of Deck Area, 2017

- **Good**: 75%
- **Fair**: 22%
- **Poor**: 3%

Transit Infrastructure
$91 Billion Assets, 2015

- **New or Near-New**: 6%
- **Mid-Life**: 51%
- **At or Past Useful Life**: 43%

Drainage Under State Highways
10,647,900 Linear Feet, 2017

- **Good**: 65%
- **Fair**: 24%
- **Poor**: 12%
California Supports a Wide Range of State and Local Infrastructure

**Key State Infrastructure**
- Transportation:
  - 51,000 lane miles of highway
  - 335,000 lane miles of local roads
  - 382 miles of urban mass transit

- Education:
  - 23 California State University campuses
  - 10 University of California campuses
  - About 10,000 K-12 schools
  - 113 community college campuses

- Resources:
  - 34 dams and water storage facilities
  - 1,600 miles of levees
  - About 1,500 dams and reservoirs
  - About 18,000 miles of levees
  - 280 state parks and related sites
  - Over 10,000 local parks

- Criminal Justice:
  - 37 youth and adult correctional facilities
  - 44 conservation camps
  - 5 state mental health hospitals
  - 2,100 courtrooms
  - More than 110 county-operated jails

- Other:
  - 23 youth and adult correctional facilities
  - 44 conservation camps
  - 5 state mental health hospitals
  - 2,100 courtrooms
  - 95 armories
  - 8 veteran homes
  - 11 public seaports
Most State Funding for Infrastructure Pays for Local Infrastructure
Infrastructure Spending, 2007-08 to 2016-17

Most State Funding for
Infrastructure Is Supported
From Bonds
Infrastructure Spending, 2007-08 to 2016-17

Percent of General Fund Revenues Used to Pay Off Bonds Has Fallen in Recent Years

Most bonds are repaid using the General Fund
Estimated $3 Billion in State IT Projects Scheduled to Finish in Next Five Years\(^a\)

In Millions (All Funds)

As of September 2018, there were 28 state IT projects approved by, and under the oversight of, the California Department of Technology (CDT). The total cost of the projects, should the state complete them as currently envisioned, is an estimated $3 billion in total funds. State entities have proposed an additional 47 new IT projects pending approval by CDT, some of which have an estimated total cost of several hundreds of millions of dollars.

\(^a\) Total estimated IT project cost and scheduled finish date reflect the last approved project document(s) as of September 2018. Some projects’ cost and finish date, such as CWS-CARES, are likely to change with the submission of new project documents.
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