

A Pot o'Gold at the State Capitol?



View over the state Capitol Feb 16, 2011.

Photo: Roy Stearns

Local Revenue Protection: Prop1A('04), Prop1A('06), Prop22('10)

Constitutional Protection for:

1. **Property taxes: cities, counties, special districts**

Protection includes Property Tax in lieu of VLF (VLF swap)

May reallocate among cities, counties, special districts with a 2/3 vote of both houses

2. **Local sales tax rate, method of allocation**

Exception: interstate compact or federal law

3. **VLF 0.65% rate to cities and counties ... unless replaced**

VLF may not be diverted to reimburse a state mandate

4. **Transportation Funds to locals – no taking, delay or borrowing**

5. **Redevelopment Tax Increment – may not be diverted for other purposes**

6. **Prohibitions against unfunded state mandates strengthened**



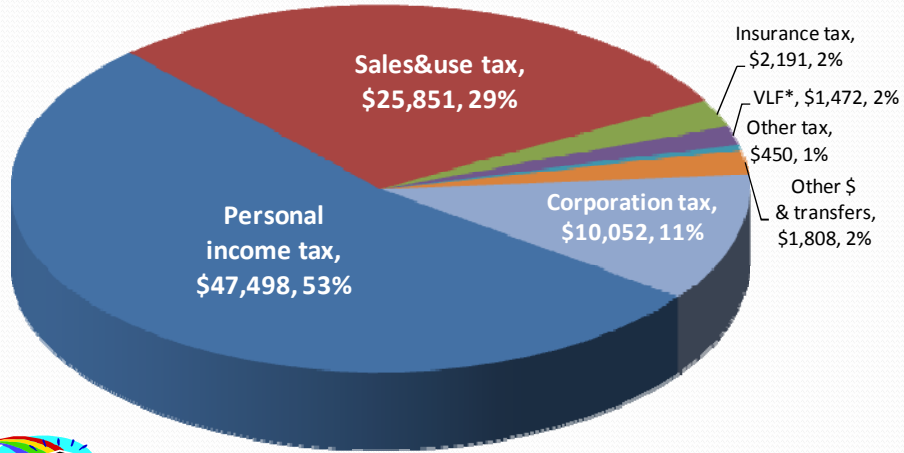
March 10, 2011

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Calif State General Fund

Revenues FY2010-11 Budget Act



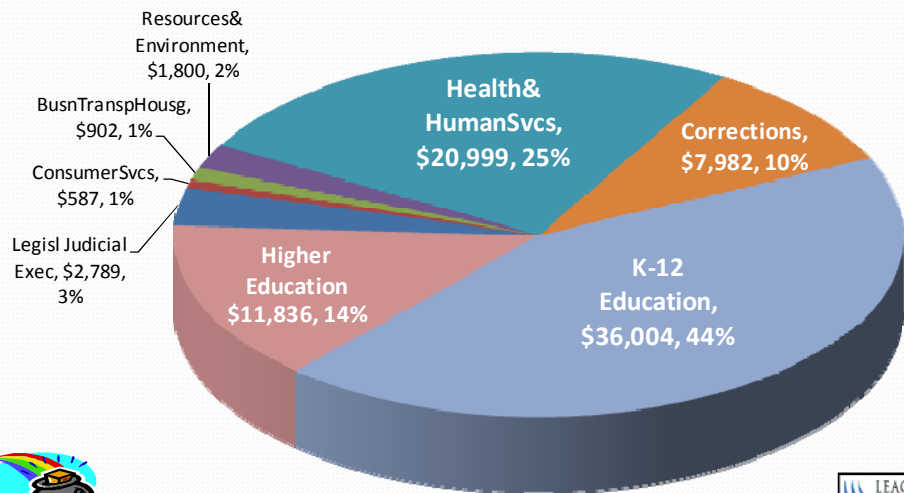
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Calif State General Fund

Expenditures FY2010-11 Budget Act



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Calif State Budget FY2011-12

“Realignment” Issues for Cities and Counties

- Redevelopment Elimination
- COPS, booking fees: Currently funded by temporary 0.15% VLF – expires July 1, 2011.
- Fire suppression / emergency response: review SRAs to shift some urban areas to locals reduce engine staffing to 3 per engine
- Corrections and health services shifts to counties:

Other

- Public Library Funds. \$30.4 m eliminates Public Library Fund, Transaction Based Reimbursement (TBR) and the Calif Library Literacy program.
- State Parks: \$22 m cut. Permanent closure of dozens of parks anticipated
- Re-enactment / cleanup of gas tax swap for Prop 22 and Prop 26 compliance.



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Calif State Budget FY2011-12

(In Millions)	2011-12	2014-15
Fire and Emergency Response Activities	\$250	\$250
Local Public Safety Programs	506	506
Local Jurisd. for Lower-Level Offenders & Parole Violators ^a	1,802	908
Adult Parole to the Counties ^a	741	410
Juvenile Justice Programs	258	242
Adult Protective Services	55	55
AB 3632 Services ^b	—	104
Foster Care and Child Welfare Services	1,605	1,605
Substance Abuse Treatment	184	184
Early & Periodic Screening, Diagnosis & Treatment ^b	—	579
Mental Health Managed Care ^b	—	184
Existing Community Mental Health Services	—	1,077
Court Security	530	530
Unallocated Revenue Growth	—	621
Total	\$5,931	\$7,255
1% Sales Tax	\$4,549	\$5,567
0.5% Vehicle License Fee	1,382	1,688
Total Revenues	\$5,931	\$7,255

^a Costs decline by 2014-15 as state reimbursements end. Funding in 2014-15 assumes this program is fully county operated and at lower costs.

^b First-year costs for this program are paid from Proposition 63 resources.



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Governor's Redevelopment Proposal

"Local Economic Development Change"

