



## CALIFORNIA PROBATION, PAROLE AND CORRECTIONAL ASSOCIATION

To: All CPPCA Members

From: Nick Warner, Legislative Director, [Nick@warnerandpank.com](mailto:Nick@warnerandpank.com)  
Danielle Higgs, Legislative Representative, [Danielle@warnerandpank.com](mailto:Danielle@warnerandpank.com)  
Braeden Weygandt, Legislative Analyst, [Braeden@warnerandpank.com](mailto:Braeden@warnerandpank.com)

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Subject: Budget Update – Senate Democrat “Restructuring” Proposal

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The Senate Democrats released a "restructuring" proposal to outline their version of the realignment of services and revenues between state and local governments. The proposal is attached and the main components of the proposal are included below. It is important to note that while the California State Association of Counties (CSAC) Executive leadership stood with Senate Democrats, CSAC leadership has not endorsed the idea but stood with Senator Steinberg to say they want to continue to work with them in achieving a solution that does include some "restructuring" of the state-local relationship. A statement from CSAC is also attached.

It is clearly a very large, multi-year proposal that reaches beyond the restructuring of public safety funding and responsibilities into other areas like health and human services. While it is possible that there are components of this plan that will benefit county governments if properly constructed, CPPCA remains very concerned about proposals to shift responsibilities to counties.

This proposal comes in addition to the Governor's May Revision and the Assembly Democrat budget proposal, all of which continue to be discussed and considered as budget negotiations continue. As discussions are ongoing and fluid, CPPCA will continue to be involved in these discussions. Please don't hesitate to contact us directly if you have any comments, questions, or concerns.

### **Part I – Improving Public Safety (Account #1)**

**Goal:** Restore the ability of local communities to provide safe streets and improve outcomes for families impacted by drug and alcohol abuse.

**Transfer Community-Based Public Safety Programs from State to Counties (up to \$1.6 billion over 4 years):**

#### ***Public Safety Sub-Account #1:***

- A. Shift state juvenile parole services to counties (modified version of Governor's May Revision proposal).
- B. Shift certain low-level criminal offenders (primarily drug and property crime offenders) to counties for both incarceration and community supervision (modified version of Governor's May Revision proposal).
- C. Maintain existing funding for COPS/Juvenile Justice program (set to expire in 2011-12).

#### ***Public Safety Sub-Account #2:***

- D. Shift Drug Medi-Cal programs to counties.
- E. Shift Offender Treatment Program to counties.
- F. Restore Substance Abuse and Crime Prevention Act Funding to counties.

G. Shift Drug Court Program to counties.

Also, eliminate the Department of Alcohol and Drug Programs (ADP); transfer any necessary remaining functions to other state agencies (such as Department of Health Care Services), and add one ADP oversight position to HHS Agency.

## **Part II – Improving the Welfare-to-Work Program (Account #2)**

**Goal:** Provide counties with flexibility and incentives to tailor CalWORKs program to address local needs and gain efficiencies.

### **Increase County Share of CalWORKs and Transfer CalWORKs Child Care to Counties (up to \$2.6 billion over 4 years):**

- A. Increase county share of CalWORKs grants from 2.5 percent to 25 percent.
- B. Increase county share of CalWORKs services and administration to 25 percent.
- C. Increase county share of county welfare automation to 25 percent.
- D. Shift CalWORKs child care to counties.

## **Part III – Improving Protective and Aging Services for Adults (Account #3)**

**Goal:** Give counties additional fiscal incentives to manage protective and aging services for vulnerable adults and elderly.

### **Shift Adult Protective Services and Various State-Supported Aging Services to Counties (up to \$85 million over 4 years):**

- A. Realign Adult Protective Services to counties
- B. Realign Aging programs to counties

Also, eliminate the Department of Aging; transfer any necessary remaining functions to other state agencies (such as Department of Social Services), and add one Aging oversight position to HHS Agency.

## **Part IV — Financing the Plan**

**Goal:** Give counties additional revenues to pay for the restructured services. This should take the form of both new revenue streams and authority for counties to raise additional revenues on their own to deliver the services and meet the needs of the community.

### **Total New Local Revenues Needed: About \$3.2 billion in 2010-11, and increasing to about \$4.3 billion by 2013-14.**

- A. Oil severance tax (ongoing, beginning in 2010-11).
- B. Transfer VLF funds from DMV to counties (ongoing, beginning in 2010-11)
- C. Continue existing VLF rate that is set to expire in 2011, dedicated to public safety programs (ongoing, beginning in 2011-12).
- D. Dedicate county savings from federal healthcare reform to restructuring services (ongoing, beginning in 2013-14).
- E. Provide “bridge” funding from delay of corporate tax breaks (in 2010-11 and 2011-12 only).
- F. Provide a portion of state’s sale tax rate (less than ¼ cent) to counties for realigned services as secondary “bridge” (in 2012-13 only).

Assembly Republican Response:

Senate Democrats' so-called reforms are just another ploy to continue to raise taxes on hard-working Californians and grow the size of government. Their latest scheme would shift program responsibilities to counties and make it easier to raise taxes at the local level. They want to raise state taxes on cars and oil, and further delay job creation incentives. This plan proves that there is no such thing as a temporary tax increase, and that Democrats have no problems with breaking commitments made during previous budget negotiations whenever convenient.

“The Democrats continue to reject nearly all of the Governor’s program reductions that would lead to actual savings in this budget year. Simply paving the way for higher taxes and higher spending is not the way to close our \$19.1 billion budget deficit. The Governor’s budget blueprint sets priorities, reduces spending, does not raise taxes, and is the appropriate approach. It doesn’t bode well for a timely budget resolution that the Assembly and Senate Democrats remain miles apart in their competing plans to raise taxes, and increase borrowing.”