



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

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WILLIAM T FUJIOKA  
Chief Executive Officer

March 18, 2011

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To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

**MOTION TO INSTRUCT THE CHIEF EXECUTIVE OFFICER (CEO) TO CONTINUE WORKING WITH THE BROWN ADMINISTRATION AND THE LEGISLATURE TO DEVELOP A REALIGNMENT FRAMEWORK FOR THE TRANSFER OF SPECIFIC PROGRAMS FROM STATE TO COUNTIES; AND INSTRUCT THE CEO TO COMMUNICATE SUPPORT FOR ACAx1 2 (BLUMENFIELD) and SCAX1 1 (STEINBERG) "THE SCHOOLS AND LOCAL PUBLIC SAFETY PROTECTION ACT." (ITEM NO. 16 - AGENDA OF MARCH 22, 2011)**

Item No. 16 on the March 22, 2011 Board Agenda is a motion by Supervisors Knabe to instruct the CEO to continue working with the Brown Administration and the State Legislature to:

- 1) Develop a realignment framework that: a) is feasible and sustainable for the County and the residents we serve; b) provides an acceptable process for allocating funding for those realigned programs; c) secures necessary administrative flexibility and local control for realigned program implementation; and d) ensures that critical County programs like the Title IV-E Waiver for Child Welfare Services is protected, among other things; and
- 2) Instruct the CEO to communicate support for ACAx1 2 (Blumenfield) and SCAX1 1 (Steinberg) "The Schools and Local Public Safety Protection Act" to the Governor and the County's State Legislative Delegation.

*"To Enrich Lives Through Effective And Caring Service"*

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### **Governor's Realignment Proposal**

The Governor's FY 2011-12 Proposed Budget contains a proposal that would shift an estimated \$10.0 billion in major program responsibilities from the State to counties by FY 2014-15. The first phase of realignment would be implemented in FY 2011-12 and would designate \$5.9 billion in funding to initiate the shift of program responsibilities from the State to counties for various public safety programs including: emergency services and fire, court security, local public safety program, low-level offenders, adult parole and juvenile justice. The Realignment Proposal also expands the definition of public safety to include: child welfare services, foster care, adult protective services, and certain mental health services.

The Governor proposes to provide \$5.9 billion in funding for the realigned programs by extending the existing 1.0 percent sales tax rate increase (\$4.5 billion) and the 0.5 percent Vehicle License Fee (VLF) rate increase (\$1.4 billion) for 5 years, subject to voter approval at a June 2011 special election. **The framework of the Governor's Realignment Proposal is contained in ACax1 2 (Blumenfield) and SCax1 1 (Steinberg).**

As reported in the January 28, 2011 and the February 4, 2011 Sacramento Updates, if the Governor's Realignment Proposal is enacted, the County would assume an estimated \$1.41 billion in State program and financial responsibilities starting in FY 2011-12, which is projected to increase to an estimated \$1.87 billion by FY 2014-15 when the first phase of realignment is projected to be fully implemented.

### **ACax1 2 (Blumenfield) and SCax1 1 (Steinberg)**

**ACax1 2 and SCax1 1** are identical measures which would establish "The Schools and Local Public Safety Protection Act of 2011" a constitutional amendment that goes into effect if approved by a majority of California voters at a statewide special election tentatively scheduled for June 2011.

If approved by voters, the proposed measure would add Section 36 to Article XIII of the State Constitution and generate approximately \$11.2 billion by extending existing rates for sales and use tax, VLF, and personal income tax for 5 years. An estimated \$5.9 billion will be dedicated to fund the Governor's Realignment Proposal, which would transfer specific public safety services programs from the State to counties. The remaining funds will be used to prevent cuts to local public schools and community colleges. The constitutional amendment also contains language to guarantee counties ongoing funding for realigned public safety services beyond the 5 years and provides protections to counties against increased costs from future State and Federal actions.

According to both measures, the chief purpose of the constitutional amendment is to protect schools and local public safety by maintaining certain tax rates in effect in 2010, including sales and use tax, vehicle license fee and personal income tax. These taxes would be placed in dedicated special funds and constitutionally required to be used exclusively for schools and local public safety. Key elements of the constitutional amendment of major interest to the County include:

- Specifies that the extension of the 1.0 percent sales tax and 0.5 percent from the VLF be continued for 5 years. Revenues will be continuously appropriated and dedicated to fund the transfer of public safety programs from the State to counties;
- Requires that revenues be used exclusively to fund local public safety services, but allows for funds to be used to reimburse the State for costs incurred in providing public safety services on behalf of local agencies until full implementation of realignment occurs;
- Prescribes that the State will continue to annually provide monies to the Local Revenue Fund 2011 in an amount equal to or greater than the aggregate amount that otherwise would have been provided by the taxes, after the taxes expire in 5 years;
- Requires the State Controller to transfer funds from the State General Fund to the Local Revenue Fund 2011, if the State fails to annually appropriate funding for realignment programs;
- Defines public safety services in a broad manner, but indicates that 2011 Realignment Legislation, to be enacted before October 9, 2011, will provide for the assignment of public safety services responsibilities to local agencies. The 2011 Realignment Legislation will also specify the methodology for allocating funds, determining the amount owed counties at the end of the 5-year period, and the process for counties to reimburse the State for transition costs before realignment is fully implemented;
- Specifies that the State shall provide at least 50.0 percent of the non-Federal share of cost increases incurred by counties as a result of certain changes in Federal law which may affect specific realignment programs.
- Specifies that counties do not have to comply with providing a higher service level, if the overall effect is to increase the costs of the public safety programs realigned in the 2011 Realignment Legislation; and

### **Board Policy**

Support for this motion is consistent with:

- I. Board directive of March 1, 2011, which instructed the CEO to work with the Administration and the Legislature to pursue a constitutional amendment that guarantees secure, adequate and permanent revenue and specific County protections for programs included in the Governor's Realignment Proposal;
- II. Board directive of December 14, 2010, which instructed the Sacramento advocates to support proposals to address the State Budget shortfall for which the County would be willing to assume a fair share of budget cuts if they are developed with the active participation of the County in designing long-term budgetary solutions throughout the entire budget adoption process; and
- III. Policies approved as part of the 2011-12 State Legislative Agenda, including:
  - Oppose the shift of programs unless control is also shifted and State funding is guaranteed; and
  - Support proposals to restructure State and local services responsibilities if they create a nexus between authority, responsibility, accountability, and revenues; promote program effectiveness and cost containment; and recognize the limited fiscal capacity of counties by transferring sufficient revenue in the first and subsequent years.

### **Conclusion**

**Therefore, approval of this motion to instruct the CEO to: 1) continue working with the Brown Administration and the State Legislature to develop a realignment framework for the transfer of specific programs from the State to counties; and 2) communicate support for ACAx1 2 (Blumenfeld) and SCAX1 1 (Steinberg) "The Schools and Local Public Safety Protection Act" to the Governor and the County's State Legislative Delegation, is consistent with existing Board-approved policies.**

WTF:RA  
MR:sb

c: Executive Office, Board of Supervisors  
County Counsel