



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: BOS - 4th District Office
Department No.:
For Agenda Of: February 14, 2012
Placement: Departmental
Estimated Tme: 10 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Board Member(s) Joni Gray, 4th District Supervisor, BOS Chair
Contact Info: Terri Maus-Nisich, 568-3404

SUBJECT: **Constitutional Protections for Realignment – Position of Governors Ballot Measure – CSAC (California State Association of Counties) Request**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Provide direction to the Santa Barbara County Board of Supervisors-CSAC representative regarding a position on the Governor's proposed ballot measure titled TEMPORARY TAXES TO FUND EDUCATION, GUARANTEED LOCAL PUBLIC SAFETY FUNDING INITIATIVE CONSTITUTIONAL AMENDMENT (*The Schools and Local Public Safety Protection Act of 2012*) proposed to grant constitutional protections for county realignment funding at the February 23, 2012 CSAC Board of Directors Meeting.

Summary:

At a special meeting on January 5th, the CSAC Board of Directors reaffirmed that obtaining a constitutional guarantee of revenues to support the 2011 realigned public safety programs, as well as protecting counties from costs associated with future changes to those programs, remained the top priority of the Association. The CSAC board also voted to suspend all efforts by CSAC to qualify an independent ballot measure, leaving the measure filed by Governor Brown titled TEMPORARY TAXES TO FUND EDUCATION, GUARANTEED LOCAL PUBLIC SAFETY FUNDING INITIATIVE CONSTITUTIONAL AMENDMENT (*The Schools and Local Public Safety Protection Act of 2012*) as the only available vehicle to achieve those constitutional protections.

On January 19th, the CSAC Executive Committee considered the Governor's proposed ballot measure and voted to recommend to the Board of Directors that CSAC take a SUPPORT position on the measure. **This item is now on the Board of Supervisors agenda to provide direction to Supervisor Joni Gray, as the County's representative to CSAC, on the County of Santa Barbara's position toward the Governor's realignment protection measure.**

Background:

Realignment in 2011 shifted responsibility for nearly \$6 billion in public safety and social service programs to California's counties. CSAC's support of realignment was premised on assurances from Governor Brown and the Legislature that the funding for realigned programs would be constitutionally protected and counties' exposure to future programmatic costs would be limited. Without these guarantees and protections, California counties remain significantly exposed to increased costs and program responsibilities.

In September 2011, after the Legislature failed to approve Senate Constitutional Amendment 1X (SCA 1X) – the measure that included the negotiated constitutional protections – the Board of Directors authorized CSAC staff to begin to prepare a ballot measure and evaluate the efficacy of moving forward on a realignment-only measure.

Subsequently, the Governor filed his own sponsored initiative, *The Schools and Local Public Safety Protection Act of 2012*, on December 5, 2011. The Governor's measure received title and summary from the Attorney General on January 18. That title and summary, as well as the Legislative Analyst's fiscal analysis, are attached. The title given to the measure by the Attorney General reads "TEMPORARY TAXES TO FUND EDUCATION, GUARANTEED LOCAL PUBLIC SAFETY FUNDING INITIATIVE CONSTITUTIONAL AMENDMENT."

At a special meeting of the CSAC Board of Directors on January 5th, the Board voted to suspend all activities related to the *Local Taxpayers, Public Safety and Local Services Protection Act of 2012*, leaving the Governor's proposed ballot measure as the only vehicle with which to obtain the guaranteed funding and constitutional protections sought. The Board of Directors reaffirmed, during that meeting, that obtaining the guarantee and protections were the top priority for the Association.

The Governor's measure provides for a temporary (five year) increase in the personal income tax for high income (over \$250,000) earners as well as a temporary (four year) ½ cent increase in the state sales and use tax.

Typically CSAC does not take a position on ballot measures until they have qualified for the ballot. However, CSAC policies and procedures provide that "*in the event that a proposed ballot measure has a direct impact on county government ... the CSAC officers may direct*" that action be taken on the measure prior to actual qualification. This measure affects nearly \$6 billion of funding for realigned programs to Counties throughout California. Therefore, the CSAC Officers have determined that it is in the best interest of the Association to move

forward to quickly support the measure. The question of taking a position on the ballot measure will be before the CSAC Board of Directors for consideration on February 23, 2012.

It has long been CSAC policy to support a balanced approach to resolving the chronic state budget deficit and under that policy CSAC has supported increased revenues in the past. For instance, in 2009 the CSAC board supported an increase in the gas tax when the Legislature proposed to permanently divert the entire local share of the Highway User Tax Account (HUTA) to fund debt service and provide \$1 billion a year in General Fund relief. This tax increase generated an additional \$750 million per year.

As of the drafting of this report the following groups have publically supported the Governor's initiative:

- Chief Probation Officers of California
- California Business and Industry Association
- California Medical Association
- Community College League of California
- California Teachers Association
- Building and Construction Trade Counsel
- Service Employees' Union
- American Federation of State and City Municipal Employees
- Los Angeles County
- Contra Costa County

It is the recommendation of CSAC that the TEMPORARY TAXES TO FUND EDUCATION, GUARANTEED LOCAL PUBLIC SAFETY FUNDING INITIATIVE CONSTITUTIONAL AMENDMENT (*The Schools and Local Public Safety Protection Act of 2012*) is the only viable vehicle for California Counties to obtain constitutional protections and guaranteed funding for realigned programs. The Executive Committee of CSAC is recommending to the CSAC Board of Directors support of The Schools and Local Public Safety Protection Act.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis: Ongoing realignment revenue required to sustain County operations is approximately \$5 million annually

Attachments:

Title and Summary of Measure dated January 18, 2012

Legislative Analyst Letter dated January 11, 2012

Authored by:

Terri Nisich, Asst. CEO