AGENDA SHORT TITLE: Endorsement of the Local Taxpayers, Public Safety and Local Services Protection Act of 2012.

REQUESTED BOARD ACTION: Endorse the Local Taxpayers, Public Safety and Local Services Protection Act and support the California State Association of Counties efforts to ensure passage.

CURRENT FISCAL YEAR FINANCIAL IMPACT - None.

Explaination (if required): None.

Prior Board Action: There has been no prior Board action on this initiative, however, in March 2011, the Board endorsed a similar measure, SCAx1 - 1: The Schools and Local Public Safety Protection Act.

Alternatives – Results of Non-Approval: The County would be unable to transmit its position at a special meeting of the California State Association of Counties Board meeting which is being held on January 5th, 2012.

BD 11-30
Background: In the beginning of 2011, Governor Jerry Brown proposed the realignment or shifting of certain services from the State to the counties. Although the initial proposal covered a number of policy areas, the final proposal included as part of the State 2011-2012 Budget and within Assembly Bill 109 shifted public safety services regarding the incarceration and management of certain types of criminal offenders.

As part of the early legislative session and budget process, the California State Association of Counties (CSAC) began negotiating with the Governor’s office and the State Legislature to seek approximate funding to support any and all realigned services. Supervisor Valerie Brown was co-chair of a statewide group of county supervisors who guided policy development and negotiations meant at establishing the protections counties requested for realigned services. Counties ideally sought funding which would be guaranteed to ensure that unlike previous realignment efforts, such as the 1991 Mental health realignment, counties would not have to fill the funding gap created between the costs of the new services and the funds provided by the state.

In March 2011, Senate Constitutional Amendment 1 in the Senate’s First extraordinary session (SCA1X 1) was introduced that would have permanently protected funding for realigned services. The Sonoma County Board of Supervisors endorsed this bill. Also in March, the CSAC Board of Directors endorsed SCA1X 1 be a vote of 45-4 and sought its placement on a June 2011 special election. This measure was never put before the voters by the Legislature.

CSAC continued to negotiate with the Governor and legislature for a guaranteed funding stream for realigned services. In addition to legislative negotiations, CSAC drafted their own constitutional amendment which could potentially be put before the voters.

On November 1, 2011, CSAC, in a coalition with the California State Sheriffs’ Association and the Chief Probation Officers of California, submitted the Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (“The Act”) with the California Attorney’s General’s Office to receive official Title and Summary description for signature gathering circulation. If the required number of signatures (1.3 million signatures is estimated to achieve 850,000 valid registered voter signatures) were gathered, the measure would be placed on the November 2012 ballot. The Measure cannot be circulating until it is assigned official Title and Summary by the Attorney General’s Office which is expected to be December 29, 2011 and signatures must be submitted by mid to late April 2012.

According to proponents if passed by the voters and, the Act would:

1) Require the state to provide counties and local governments with ongoing funding to pay for the cost of providing services that were recently shifted by the State to local government;

2) Dedicate existing state revenues, including sales tax and Vehicle License Fees to realigned services

3) Not raise any new revenues or taxes to create the guaranteed funding stream;

4) Prohibit the State Legislature from redirecting these revenues away from counties and local governments as long as local governments are responsible for providing these services;

5) Prohibit the State from passing any new law or regulation that imposes additional costs on local governments to provide these services, unless the State provides ongoing funding to pay for these services;

6) Establish an annual, independent audit process by the State Controller for the funds to ensure use only for local public safety and other local services.

There is no organized opposition to the initiative as of the drafting of this report. Concerns have been raised by the League of Cities that the measure would not protect funding for a broad enough array of realigned...
On December 1, 2011 at the CSAC Annual Conference, the CSAC Board of Directors reviewed a proposal to discuss next steps for pursuing successful passage of the Act once cleared for signature gathering. As the use of public funds for election purposes is prohibited, CSAC staff proposed using funds derived from the CSAC Finance Corporation (a separate 501 (c) 3 that provides financial services and products to public agencies throughout California). These funds are derived from private sector activities and are categorized as “non-public” and legally allowed for use in an initiative effort. CSAC staff estimated a successful statewide campaign to cost approximately $6 million ($3 million for signature gathering and $3 million for advocacy).

Currently, CSAC Finance Corporation proceeds subsidize CSAC’s service provided to all counties and keep county paid dues to a minimum. In fact, County dues only cover 34% of CSAC’s services which include educational programs, policy development and legislative advocacy on behalf of all counties. By repurposing these private Finance Corporation funds for the initiative effort, counties would be required to potentially raise their dues to cover the costs of existing CSAC services. It is further estimated that it would take approximately six years of increased dues to cover the costs of the measure.

As mentioned above, the CSAC Finance Corporation proceeds are a subsidy which reduces the costs of dues for all counties. The impact for all counties, including Sonoma County, should the subsidy end due to the repurposing of them would result in an increase for CSAC dues paid by counties. Currently, CSAC dues are $53,347 annually and are based on population and County budget. Estimates for the potential increase for most counties would be approximately 35% should there be the loss of the subsidy. For Sonoma County this would equate to an additional $20,005 annually in dues expenses and would be expected to be increased for six years. CSAC Annual dues would go from $53,347 to $73,352. They would not be funding any aspect of the campaign and would still only be used to fund CSAC services and programs for counties.

On December 1st, 2011, the CSAC Board of Directors asked all member counties to agendize the matter at their December 13th meetings and provide direction to their CSAC representative. CSAC is holding a special CSAC Board of Directors meeting on January 5th, 2012 in Sacramento to seek direction.

On December 5th, 2012, Governor Brown announced an initiative he would be seeking to have placed on the ballot which would close the state’s budget deficit with a combination of different tax increases. Included in this measure is a proposal for protecting funding for realigned services. This measures details were not yet available at the time of the drafting of this report. It is intended to provide these once available during the Board meeting.

The County has repeatedly sought funding protections for mandated and realigned state services. The Local Taxpayers, Public Safety and Local Services Protection Act would provide funding protections and its crafting reflects the interests of counties from across California. Sonoma County further through the Board, County Administrator’s Office and County Counsel’s Office worked with counties across the state to craft measure support the mission of the County to serve the community with effective services.

**Requested Action:** Staff is recommending the Board endorse the Local Taxpayers, Public Safety and Local Services Protection Act and further that the Board’s CSAC representative be given authority to support CSAC’s proposal for supporting the initiative.
**Attachments:** (A) Copy of the Local Taxpayers, Public Safety and Local Services Protection Act.

**On File With Clerk:** None.

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