

The Administration has released its revised constitutional amendment language for realignment this morning (March 9), attached. This document outlines the changes in the language related to those requested by CSAC, as well as other changes in the new version.

CSAC Request for Change	New SCA
<p>Federal law changes: Counties requested funding for federal law changes. It is too great a risk for counties to assume in full the entire responsibility for future federal law changes under the proposal where counties will assume a 100% share of cost for many federal entitlement programs.</p>	<p>For realigned programs, costs for subsequent changes in federal law that alter the conditions under which federal matching funds are obtained will be shared 50/50 between the state and counties</p>
<p>Judicial decisions: Similarly, judicial outcomes that create new programs, higher levels of service, or additional costs also pose a significant financial risk to counties. Counties must receive funding for judicial outcomes that impose costs; of course, if the outcome is the result of a county action, we accept responsibility.</p>	<p>For federal judicial or administrative proceedings, or a settlement or judicial or administrative order that imposes a cost of monetary penalty, costs will be shared 50/50 between the state and counties (unless the result is a consequence of county error).</p>
<p>Controller/priority payment: Counties seek clarifications in the constitutional amendment that clearly prescribe revenue determination and calculation for 2016-17 and beyond. These clarifications ensure that revenues are provided annually beginning July 1, that the Controller is obligated to continue to provide funding throughout the year, and that the level of priority for payment is only behind the priorities for school funding and general obligation bond payments.</p>	<p>Controller is directed to transfer realignment funds (in the case where the Legislature has not determined how to fund Year 6+) in pro rata monthly shares.</p> <p>This obligation is a priority lower than school funding and GO debt. (Language change here, but similar to original.)</p>

CSAC Request for Change	New SCA
<p>Timing and process of implementation: The scope of programs to be realigned should be specified in accompanying legislation to be enacted with the constitutional amendment. Counties are concerned with the broad categories of “public safety services” and the length of time under which the Legislature may pass legislation or the state may pass regulations to implement the 2011 Realignment Legislation. Further, counties are concerned about the time and extent to which the state can be reimbursed for costs until 2011 Realignment is implemented.</p>	<p>Date change for “2011 Realignment Legislation” to those bills enacted on or before October 9, 2011 (date by which the Governor must act on bills passed at the end of the year).</p>
<p>Non-supplant language: The constitutional amendment cannot have a strict prohibition on supplantation because counties cannot be required to continue to backfill underfunded programs.</p>	<p>No change to non-supplant language and continue to be required to meet federal standards and maintain eligibility for federal matching funds.</p>
<p>Good faith funding: In order to appropriately plan for and deliver services anticipated under new plans or proposals, counties must be able to rely on a good faith effort to provide full funding.</p>	<p>For new state legislation, regulation, executive order, or administrative directive, clarifies that programs/services must be provided only to the extent funds are provided. “Local agencies shall not be obligated to provide programs or levels of service ... above the level for which funding has been provided.”</p> <p>For federal plans or waivers or amendments to those plans or waivers, unless they are a requirement of federal law, the state shall provide annual funding.</p>

Other SCA Changes

1. New title: Balanced Budget Act of 2011
2. Some changes to the findings and declarations, including “this measure also promotes transparency and supports improved outcomes in the delivery of public safety services.”
3. Changes to the definition of “Public Safety Services,” including CSAC recommended changes and the addition of “law enforcement personnel.”
4. Clarifies “administrative costs” for taxes to be “costs of tax and license fee collection and deposit”.
5. Adds a specific remedy which states that if the state or local agency fails to perform a duty or obligation under this section or under the legislation, an appropriate party may seek judicial relief. These proceedings take priority over other civil matters.
6. Exempts requests by local agency or federal law from state subvention requirements.
7. Continues to include “continuously appropriated by the Legislature” to ensure that Legislature provides the structure by which funds will flow (i.e. formulas and allocations), but they have no choice to do anything other than continuously appropriate.
8. Realigned programs not subject to SB 90 mandate claims.