



June 28, 2011 [11:00 p.m. UPDATE]

2011-12 Budget and Trailer Bills to Governor

Just moments ago, the main budget bill and the last of the 2011-12 budget trailer bills were sent to the Governor for his action. The evening did not close without a few hiccups. Earlier this evening, several members of the Senate Democratic Caucus either voted against or – for an hour or so – stayed off the main budget bill in an attempt to secure additional commitments related to redevelopment.

A brief description of the bills sent to the Governor is provided below. Note that the houses took action on most of these measures in mock-up form; amendments presumably will go into print tomorrow. We will provide additional details and clarification in a *Budget Action Bulletin* as soon as we are able to review and evaluate the language.

With Treasurer Lockyer opining earlier in the day that this version of the budget would satisfy Wall Street, it is anticipated that the Governor will swiftly sign the budget and its trailer bills into law.

We recognize that while the budget has been “put to bed,” our work on implementing a vast realignment of services has just begun. We are disappointed that a 2/3 vote on the Governor’s budget could not be achieved. The budget being passed today by the Legislature is only the first step in realignment; over the long-term, it will work only with dedicated revenues and constitutional protections. CSAC will work diligently with the Legislature and Administration on a complete realignment plan, including constitutional protections.

2011-12 Budget and Trailer Bills

Bills sent to the Governor	Description
SB 87	Enacts main 2011-12 budget bill
SB 89	Directs \$453 million into the Local Law Enforcement Services Account of the 2011 Local Revenue Fund to partially support 2011 Realignment Fund by <ol style="list-style-type: none"> 1. Freeing up \$300 million in VLF revenues previously dedicated to DMV administration by making a corresponding \$12 registration fee increase 2. Redirecting 25.1% of existing VLF revenue (0.65 rate) that previously went to cities and the County of Orange
AB 114*	Makes various statutory changes to K-12, higher education and child care programs associated with the 2011-12 budget; includes \$1.8 billion in Proposition 98 cuts that are triggered if mid-year revenues come in below

	projections.
SB 92*	Makes various statutory changes to public safety and correctional programs, including the creation of the Board of Community Corrections, a successor agency to the existing Corrections Standards Authority established as an entity separate from the Department of Corrections and Rehabilitation.
AB 118*	Directs approximately \$5 billion (1.0625% of the state rate) of state sales tax to support 2011 Public Safety Realignment. Creates the Community Corrections Grant Program for purposes of funding and making operative the provisions of AB 109. Provides for the allocations for various realigned programs, including AB 109.
AB 117*	Makes various technical changes to AB 109, including: <ol style="list-style-type: none"> 1. Moving operative date to October 1, 2011; 2. Revising the composition of the Community Corrections Partnership Executive Committee; 3. Maintaining state administrative hearings for state parole revocation process through June 30, 2013; and 4. Eliminating the realignment of DJJ population to counties (expected to be addressed at a later date).
AB 121*	Gives the Department of Finance authority to make up to \$2.5 billion in additional expenditure reductions (“trigger cuts”) if revenue falls short of projections in December 2011.
SB 73*	Makes various statutory changes needed to implement \$200 million in health and human services reductions that are part of the \$2.5 billion in trigger cuts outlined in AB 121.

** At the time of this writing, the versions of these bills acted on by the Legislature were not in print.*