



CALIFORNIA
STATE
ASSOCIATION OF
COUNTIES

Local Public Safety Funding

Summary of Recent Statutory Changes and Frequently Asked Questions

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CALIFORNIA
STATE SHERIFFS'
ASSOCIATION



CHIEF PROBATION
OFFICERS OF
CALIFORNIA

BACKGROUND

The [17-month budget](#) signed by Governor Schwarzenegger on February 20 sets forth a state spending plan to address a deficit of more than \$40 billion in the remainder of 2008-09 and through the end of 2009–10. The budget addresses the funding shortfall through a combination of expenditure reductions, revenue increases, and borrowing. In addition to spelling out mid-year reductions, the budget also establishes a new funding source for a number of local public safety programs.

This document — prepared jointly by the California State Association of Counties (CSAC), the California State Sheriffs' Association (CSSA), and the Chief Probation Officers of California (CPOC) — is intended to provide information to guide counties and affected departments during this period of transition. These materials have been prepared for informational purposes only; they do not constitute and should not be relied upon as legal advice. Additional question and answer documents may be published at a later date if the need arises.

ELEMENTS OF BUDGET PACKAGE

Three measures enacted as part of the February budget package either (1) affect 2008-09 local public safety funding levels or (2) revise local law enforcement's state funding construct by dedicating a portion of the new Vehicle License Fee (VLF) increase to public safety programs and services. The key elements contained in the budget and trailer bills are described in brief below.

Bill number	Description
SBX3 2	<i>Amendments to the 2008-09 budget bill</i> This measure revises the 2008-09 budget, originally enacted in September 2008. It makes specific line-item reductions to a number of public safety programs.
ABX3 3	<i>Revenue increases, including Vehicle License Fee (VLF) hike</i> This measure increases the VLF from 0.65 percent to 1.15 percent of a vehicle's market value and dedicates a defined portion of the 0.5 percent increase (0.15 percent of the value of the vehicle) to the Local Safety and Protection Account (LSPA).
SBX3 8	<i>General government trailer bill</i> This measure updates the timing of certain public safety payments in 2008-09. Further, it specifies the apportionment of funds from the newly established LSPA to various local public safety programs.

NEW VLF INCREMENT: DEDICATED PUBLIC SAFETY FUNDING SOURCE

The 2009–10 budget package significantly restructures the manner in which the state funds local public safety programs. For many years, a number of local public safety

subventions have been funded through annual state budget appropriation process. Among these programs are: Citizens’ Option for Public Safety (COPS) and Juvenile Justice Crime Prevention Act (JJCPA); booking fees (or local detention facility funds); Juvenile Probation and Camps Funding; Rural and Small County Sheriffs Local Assistance; and various local assistance programs¹ administered through the Office of Emergency Services (now the California Emergency Management Agency, Cal EMA).

Under the February budget plan, the funding source for these programs will be shifted to a dedicated revenue stream: the “public safety VLF increment.” In addition to being the sole source for specified public safety programs in the out years, the public safety VLF increment also will offset certain mid-year cuts in 2008-09. The benefit of this new construct is that — at least for the time being — funding for these programs will not be subject to the annual state budget process, creating more certainty and continuity for local agencies. Additionally, there should be greater flexibility in using the funding, as the funds can be used across fiscal years.

The new funding design now statutorily directs the specified 0.15 percent portion of VLF revenue received to the Local Safety and Protection Account (LSPA). Within the LSPA, specific programs will receive a defined percentage of the public safety VLF increment, pursuant to the statutory reference cited, as shown in the table below:

Program	2009-10 Percentage of LSPA	Statutory Reference
Citizens' Option for Public Safety (COPS)	21.30%	Government Code §30061
Juvenile Justice Crime Prevention Act (JJCPA) Grants	21.30%	GC §30061
Booking Fees (Local Detention Facility Revenue)	6.26%	GC §29553
Small and Rural County Sheriffs Grants	3.68%	GC §30070
Juvenile Probation Funding	30.19%	Welfare & Institutions Code §18220
Juvenile Camps and Ranches Funding	5.85%	WIC §18220.1
Cal EMA programs (each program listed below receives a defined share of the 11.42%): <ul style="list-style-type: none"> ■ Cal-MMET ■ Multi-Agency Gang Enforcement Consortium ■ CALGANG ■ Evidentiary Medical Training Program ■ Public Prosecutors and Public Defenders Legal Training ■ Sexual Assault Felony Enforcement (SAFE) Teams ■ Vertical Prosecution Block Grants ■ High Technology Theft Apprehension and Prosecution Program ■ Gang Violence Suppression Program ■ Central Valley and Central Coast Rural Crime Prevention Programs 	11.42%	Penal Code §13821
Total	100.00%	

¹ Examples include funding for California Multijurisdictional Methamphetamine Enforcement Teams (Cal-MMET), as well as high tech theft, vertical prosecution, and gang suppression programs, among others.

It is important to note that the nature of the new funding mechanism does not establish a set funding level for each program. Rather, it directs a fixed portion of the VLF revenue that comes in to the LSPA to specific programs. Counties should anticipate some fluidity in VLF revenue, given that forecasting future VLF revenue is made more complex by a number of factors at play: consumers' unpredictable buying habits during the prolonged economic decline; effect of overall VLF increase coupled with a concurrent sales tax increase; and a change in federal tax law that now permits deduction of state and local sales taxes on the purchase of new cars. Under the new funding construct, appropriations levels will not be determined in advance, but known only in "real time," as VLF revenues flow in to the state.

The Department of Finance has estimated the 2008-09 revised funding levels and 2009-10 funding levels, as shown in Appendix A (page 6).

INTERACTION WITH BALLOT MEASURE (PROPOSITION 1A, 2009)

Another important element of the new public safety funding structure is that the time horizon for VLF public safety increment depends on the action of the voters. The Legislature's design for the budget solution placed six ballot measures before the voters at a special election on May 19, 2009. Proposition 1A, which in its primary part would establish a Rainy Day Fund and put new limits on state spending, is tied to VLF increase. If the measure passes in June, the VLF increase would extend through 2012-13; if it fails, it would sunset in 2010-11.

Frequently Asked Questions

Dedication of VLF Increment to Public Safety

- **When does the VLF increase go into effect?**

Registered car owners will begin paying the new VLF increase (0.5 percent of the market value of the vehicle, of which a portion — i.e., 0.15 percent of the value of the vehicle — will be dedicated to public safety) as part of their car registration fees levied by the Department of Motor Vehicles (DMV) beginning on May 19, 2009. The May implementation date is intended to allow the DMV time to make the necessary administrative adjustments and to recalculate fees for billing notices.
- **How long does the VLF increase remain in place?**

The VLF public safety increment will remain in place through 2012-13 (i.e., expiring on July 1, 2013), if Proposition 1A (Rainy Day Fund/expenditure limit) is approved by the voters at the May 2009 special election. If Proposition 1A fails, the VLF increase will cease to be effective on July 1, 2011.
- **How will the money be apportioned among public safety programs?**

As VLF payments from registered car owners flow in to the state, 0.15 percent will be directed into the Local Safety and Protection Account (LSPA). From there, each of the identified public safety programs (see table on page 2) will receive its specified percentage share, as defined in statute.
- **What is the timing of the payments to counties from the new LSPA?**

There will be a period of transition, following the May 19, 2009 effective date of the VLF increase, with a July payment from the LSPA coming to local entities, which, in certain instances, will help offset mid-year reductions to local public safety programs. (See Appendix A.) Pursuant to the language in SBX3 8, the State Controller's Office is directed to allocate funds from the LSPA on a quarterly basis starting in October 2009.
- **Does the new funding structure specify certain funding levels for each program?**

No, the new funding structure does not make an allocation of a defined dollar amount or guarantee a maximum or minimum funding level. Instead, it assures a stable, dedicated funding source that will be apportioned on a percentage basis depending on VLF revenues that flow into the state.
- **Does the new funding mechanism change in any way how or when the funds can be expended?**

Yes, there are a few ways in which the funding mechanism will affect local expenditures. First, differences in the timing of payments may affect cash flow, particularly during the first year of the transition. Going forward, however, there should be greater flexibility to the extent that the funds are continuously appropriated into the LSPA. Nothing in the new statutory construct requires that the funds received by a local entity in any given quarter or fiscal year be spent in that same timeframe. In fact, counties can spend LSPA funds without respect to fiscal year. Indeed, with expected fluctuations in VLF revenues, counties will likely want to have some expenditure flexibility to maintain a program and cash plan that accommodates the ebbs and flows of VLF receipts.

Citizens' Option for Public Safety (COPS) and Juvenile Justice Crime Prevention Act (JJCPA) Funding

- **How will remaining 2008-09 COPS/JJCPA funds be allocated?**

At the time of this writing, the State Controller's Office has made the first three COPS/JJCPA quarterly payments² for 2008-09; remittance details are available at this [link](#). The third payment — made in mid-April — was approximately \$17 million statewide, reflecting the mid-year reductions enacted by the Legislature in SBX3 2. Recall that the enacted 2008-09 budget provided \$107.1 million to each program, but mid-year cuts brought the general fund allocation down to \$62.475 million per program. However, under the provisions of SBX3 8, the COPS and JJCPA programs are entitled to an offsetting payment from the LSPA. The approximately \$20 million reduction in each program's funding in 2008-09 is expected to be spread proportionately across all recipients. (See Appendix A for Department of Finance estimates of revised 2008-09 funding levels for various public safety programs.) It is not anticipated that any further specificity on funding levels will be offered in the near term, because any offsetting payments will come out of the new VLF public safety increment. At this time, there is no means by which to specify that funding level, as it will be determined as a strict percentage of VLF receipts received by the state.

- **Under the COPS funding construct, how is the \$100,000 per-agency minimum affected?**

The Legislature did not amend the \$100,000 per-agency grant guarantee, so it remains in place. Therefore, within the "bucket" of COPS funds dedicated to front-line services (75 percent of the total allocation), each entity will continue to be assured the minimum grant. What this feature means for other entities — especially for those counties with multiple smaller cities and where the unincorporated population assures a county grant level well exceeding the \$100,000 level — is that the funds to guarantee the minimum grant will have to come off the top of the county's share.

Other

- **How does the change to the funding structure affect the statutory structure around booking fees that became effective July 1, 2007, pursuant to AB 1805 (2006)?**

Under the AB 1805 booking fee structure, the specific statewide appropriation level dedicated to local detention facilities accounts determined whether a county had the authority to charge a "make up" booking fee in any year in which the state appropriates less than \$35 million to local detention facility accounts. Recall, however, that the new local public safety funding construct does not specify a set funding level; rather, it guarantees a percentage of VLF funding that will be dedicated to specified local public safety programs, including revenue (formerly derived by the imposition of intragovernmental booking fees) that counties receive in their "local detention facility accounts." It does not appear that the new public safety funding design takes into account the underlying organizational structure for booking fees, which became effective on July 1, 2007, pursuant to AB 1805 (2006). The good news is that there is now a dedicated funding source to assure counties receive revenues into local detention facility accounts. How the new funding mechanism can

² Recall that [AB 1389](#), the general government trailer bill enacted in September 2008, changed COPS and JJCPA allocations from a single annual payment to quarterly payments.

accommodate the “make up” booking fee in years of underappropriation (see Government Code Section 29551(d)) is a point for further discussion and, it is hoped, future clarification.

Appendix A

Estimated Public Safety Funding Levels: Revised 2008-09 and Anticipated 2009-10

	Enacted 2008-09 Budget Act	Revised 2008-09 Funding Level			Anticipated 2009-10 Budget Act Funding Level
	GF	GF	VLF	Total	VLF
Programs within Local Government Funding					
Citizens' Option for Public Safety (COPS)	\$107,100	\$62,475	\$24,194	\$86,669	\$106,415
Juvenile Justice Crime Prevention Act (JJCPA)	107,100	62,475	24,194	86,669	106,415
Booking Fees (Local detention facility funds)	31,500	31,500	0	31,500	31,275
Small and Rural Sheriffs Grants	18,500	18,500	0	18,500	18,385
Total Local Government Funding	\$264,200	\$174,950	\$48,388	\$223,338	\$262,490
Programs within CDCR					
Juvenile Probation Funding	\$151,842	\$88,575	\$34,291	\$122,865	\$150,829
Juvenile Camp Funding	29,430	17,168	6,650	23,817	29,227
Total CDCR Programs	\$181,272	\$105,742	\$40,940	\$146,682	\$180,056
Programs within Cal EMA (formerly OES)					
Cal-MMET	\$19,500	\$11,375	\$4,403	\$15,778	\$19,364
Vertical Prosecution Block Grants	14,558	8,492	3,288	11,780	14,463
Evidentiary Medical Training	583	340	132	472	582
Public Prosecutors and Public Defenders	7	4	1	5	6
California Gang Violence Suppression Program	1,607	937	363	1,301	1,598
CALGANG	270	158	61	218	268
Multi-Agency Gang Enforcement Consortium	84	49	19	68	86
Rural Crime Prevention	3,729	2,175	842	3,017	3,703
Sexual Assault Felony Enforcement	5,130	2,993	1,158	4,151	5,095
High Technology Theft Apprehension and Prosecution Program	11,970	6,983	2,703	9,686	11,890
Total Cal EMA Programs	\$57,438	\$33,506	\$12,972	\$46,477	\$57,054
OVERALL TOTAL	\$502,910	\$314,198	\$102,300	\$416,498	\$499,600

GF = State General Fund; VLF = Vehicle License Fee
Source: Department of Finance (February 2009)