

Assistance to Local Government

The 2006-07 Governor's Budget Summary stated that per-capita revenues for cities were \$1,315 in 2002-03, which represented an increase of \$223 over their 1977-78 per capita revenue level when adjusted to 2002-03 dollars.

After consulting with local government representatives, the Department of Finance agreed to recalculate the per-capita revenue estimates using new parameters. These parameters included considering only city-based population (as opposed to statewide population), using the California All-Urban Consumers CPI of 2.95 as the price deflator (as opposed to the federal Bureau of Labor Statistics' 2.82 percent price deflator), and counting San Francisco as a county, instead of a city.

Using these parameters, Finance identified per-capita revenues for cities as \$1,366 in 2002-03, and \$1,330 in 1977-78. Consequently, under these parameters, per-capita inflation-adjusted revenues for cities increased by \$36 between 1977-78 and 2002-03, instead of the \$223 cited in the 2006-07 Governor's Budget Summary.

Tax Relief

- 2005-06 \$6.6 million
- 2006-07 \$7.7 million

Senior Citizens' Renters' Tax Assistance Program

The May Revision proposes to increase Program funding by \$5.9 million General Fund in both 2005-06 and 2006-07 to match revised participation projections from the Franchise Tax Board.

Senior Citizens' Property Tax Deferral Program

The May Revision proposes to increase Program funding by \$1 million General Fund in 2005-06 and \$2.1 million General Fund in 2006-07 to match revised participation projections from the State Controller's Office.

Local Government Financing

- 2005-06 No Change
- 2006-07 \$42.6 million

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

The May Revision proposes to increase funding for the COPS and JJCPA Programs by a total of \$42.6 million General Fund. Pursuant to statutory requirements, the Administration proposes to divide the augmentation equally between the two programs.

COPS monies are available to police and sheriffs' departments for frontline law enforcement activities, District Attorney operations, and county jail costs. JJCPA funding is available to counties for juvenile crime prevention activities. Both COPS and JJCPA monies are distributed based on population. Regardless of size, however, each city and county is guaranteed a minimum COPS grant of \$100,000 for frontline law enforcement activities.

Local Detention Facility Funds

As part of the May Revision, the Administration proposes statutory language to create a new trust fund in each county for local detention facilities, to ensure local governments have secure and modern facilities in which to house detainees. State grants to these Local Detention Facility Funds of \$40 million per year would be exclusively for the operation, renovation, remodel, reconstruction, and new construction of local detention facilities. Each Fund would be controlled by the county official responsible for local detention facility operations.

The Local Detention Facility Fund grants replaces the booking fees subventions that were provided prior to 2005-06. The 2006-07 Governor's Budget proposed to fund the subventions at \$40 million in 2006-07.

The Administration's proposal replaces booking fees with a "jail access fee", that counties could charge cities and other local law enforcement agencies in specified circumstances. Specifically, the fee could be charged if an agency's bookings into county jails for municipal code violations and misdemeanors (with the exception of arrests for driving under the influence or domestic violence) exceed their previous three-year average, as annually calculated. This will ensure local agencies are able to book arrestees into county jails as necessary, while also ensuring sheriffs' departments are able to recover a portion of their costs if bookings increase.

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