

## PUBLIC SAFETY REALIGNMENT

The 2011 Budget included a major realignment of public safety programs from the state to local governments. It moves program and fiscal responsibility to the level of government that can best provide the service, eliminating duplication of effort, and increasing flexibility. The implementation of the Community Corrections Grant Program authorized by Chapter 15, Statutes of 2011 (AB 109) will end the costly revolving door of lower-level offenders and parole violators through the state's prisons.

With resources and program responsibility at the local level, each county Board of Supervisors can integrate programs to best meet the needs of its citizens and achieve better outcomes.

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### FUNDING STRUCTURE FOR 2011 REALIGNMENT

The 2011 Realignment is funded through two sources—a state special fund sales tax of 1.0625 percent and a dedicated portion of Vehicle License Fees (VLF). Although the revenue stream for 2011 Realignment is ongoing, the initial program allocations were for the 2011-12 fiscal year only.

In the May Revision, the Administration is proposing trailer bill language to create a permanent funding structure for 2011 Realignment. The funding structure is designed to provide local entities with a known, reliable, and stable funding source for these programs. Within each Subaccount, counties will have the flexibility to meet their highest priorities, and will be able to use their funds to draw down the maximum amount

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of federal funding for these programs. In those programs in which there are federal requirements, such as eligibility and statewideness, counties will be responsible for meeting those requirements. The state is committed to assisting counties as appropriate if they need federal state plan amendments, waivers, or other flexibilities.

Figure REA-01 identifies the programs and funding for 2011 Realignment, displaying the program allocation structure in place for the 2011-12 fiscal year. The May Revision estimates the sales tax to be \$5.2 billion and the VLF to be \$439.4 million in 2011-12, and the sales tax and VLF values are projected to increase to \$5.4 billion and \$455.1 million, respectively, in 2012-13. Compared to the program allocation and funding chart included in the Governor’s Budget Summary, the 2011-12 funding level for several programs has increased.

Figure REA-01  
**2011 Realignment Funding**  
(Dollars in Millions)

<b>Program</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Court Security	\$496.4	\$496.4	\$496.4	\$496.4
Public Safety Programs	489.9	489.9	489.9	489.9
Local Jurisdiction for Lower-level Offenders and Parole Violators				
Local Costs	239.9	581.1	759.0	762.2
Reimbursement of State Costs	989.9	-	-	-
Realign Adult Parole				
Local Costs	127.1	276.4	257.0	187.7
Reimbursement of State Costs	262.6	-	-	-
Mental Health Services				
EPSDT	-	584.2	584.2	584.2
Mental Health Managed Care	-	196.7	196.7	196.7
Existing Community Mental Health Programs	1,083.6	1,120.6	1,120.6	1,120.6
Substance Abuse Treatment	183.6	183.6	183.6	183.6
Foster Care and Child Welfare Services	1,567.2	1,585.4	1,605.8	1,621.1
Adult Protective Services	55.0	55.0	55.0	55.0
Existing Juvenile Justice Realignment	97.1	98.8	98.8	98.8
Program Cost Growth	-	221.7	456.6	1,014.7
<b>Total</b>	<b>\$5,592.3</b>	<b>\$5,889.8</b>	<b>\$6,303.6</b>	<b>\$6,810.9</b>
1.0625% Sales Tax	5,152.9	5,434.7	5,840.3	6,339.8
Motor Vehicle License Fee Transfer	439.4	455.1	463.3	471.1
<b>Total Revenues</b>	<b>\$5,592.3</b>	<b>\$5,889.8</b>	<b>\$6,303.6</b>	<b>\$6,810.9</b>

**CHANGES TO ALLOCATION LEVELS SINCE THE GOVERNOR'S BUDGET**

The base for each of the programs included in 2011 Realignment will ultimately become a "rolling base," meaning the previous year's allocation level plus growth will equal the new base for the following year. However, the year in which the base is defined varies by program. The base for the following programs is established in 2011-12, and the allocation level for each has changed since the Governor's Budget.

- The allocation for Substance Abuse Treatment programs has increased by \$3.9 million, from \$179.7 million to \$183.6 million. These funds will be included in the Behavioral Health Subaccount beginning in 2012-13.
- The allocation for Foster Care, Child Welfare Services, and Adult Protective Services has increased by \$5.5 million, from \$1,616.7 million to \$1,622.2 million. These funds will be included in the Protective Services Subaccount beginning in 2012-13.

The 2011-12 funding level for each of the above programs was aligned with the estimated cost of these programs as of the 2011 Budget Act, which is higher than the estimated cost of these programs as of the 2012-13 May Revision, based on the latest caseload and cost-per-case data. Although the allocation levels above are higher than current estimates, this better positions the counties to adapt to future caseload changes, particularly in the programs that are federal entitlements.

Although the 2011-12 funding level establishes the base for many of the Health and Human Services programs, the base for Mental Health Services and Foster Care/Child Welfare Services is established differently. Changes in the allocation levels for these programs are as follows:

- The 2011-12 allocation for Existing Community Mental Health Programs is \$1,083.6 million, which represents the amount that will be allocated to the Mental Health Account pursuant to the formula in statute for 2011-12. This amount is greater than the \$1,068.8 million that is now estimated to have been available for Mental Health in 2011-12 under 1991-92 Realignment.
- The 2012-13 allocation for Existing Community Mental Health Programs is \$1,120.6 million, which represents the amount that is estimated to otherwise have been available for Mental Health in 2012-13 under 1991-92 Realignment. Although this is less than the \$1,164.4 million reflected in the Governor's Budget, Mental Health programs have a dedicated growth account in the new ongoing

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funding structure. These programs also will continue to receive any Mental Health growth resulting from 1991-92 Realignment.

- The allocation for the Early and Periodic Screening, Diagnosis, and Treatment program and the Mental Health Managed Care program has increased by \$48.1 million, from \$732.8 million to \$780.9 million. The 2012-13 funding level for these programs establishes the base. These funds will be included in the Behavioral Health Subaccount beginning in 2012-13.
- The allocation for Foster Care and Child Welfare Services for 2012-13, 2013-14, and 2014-15 reflects the costs for counties to expand foster care benefit eligibility up to age 21 as authorized by Chapter 559, Statutes of 2010 (AB 12) for a cumulative increase of \$53.9 million. These funds will be included in the Protective Services Subaccount and will be phased in over a three-year period beginning in 2012-13.