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## California Law Enforcement Association of Records Supervisors

### Legislative Update Presented By:

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### I. Political Update

- New Governor and administration (transition teams, key personnel changes)
- Pending Attorney General's race
- Roughly one-third new members of the legislature
- Initiatives update
  - Failed passage of Prop 19 – Marijuana Initiative
  - Passage of Prop 22 – Protects local transportation and redevelopment funding
  - Passage of Prop 25 - Changes budget vote from 2/3 to simple majority
  - Passage of Prop 26 - Requires 2/3 vote to pass any new fees, taxes or levies
  - Failed passage of Prop 27 – Would have eliminated the state redistricting commission
- All incumbents won and Democrats picked up one seat
- Despite having a Democrat Governor, Democrat majority legislature and Proposition 25 which changes the budget to a majority vote, the passage of Prop 26 which still requires 2/3 for a fee/tax could make the budget situation more difficult and could inadvertently tie the Legislature's hands.
- These initiatives add additional layers to an already initiative-driven budgeting process. You now have the combination of Prop 98 guarantees, Prop 58 capacity (and the rainy day fund expanded during last year's budget session), Prop 22 which prohibits taking from local transportation and redevelopment funding, the Prop 25 majority vote budget and Prop 26 fee increases.

### II. Major Issues Update

- VLF reauthorization – local public safety funds are set to expire June 30, 2011 unless the sunset is extended or removed
- Extend court security fee
- Need to oppose unfunded mandates and bills that limit local control and discretion
- Mitigate impacts from CDCR ongoing issues
- Realignment and shifts to locals

### III. Budget Overview

On October 8<sup>th</sup> the Governor signed the 2010-11 California State Budget. The budget package closes the \$17.9 billion deficit through a combination of expenditure reductions, federal relief, additional revenues, and fund shifts that fall into the following categories (dollars in billions):

- Expenditure Reductions: \$7.5
- Federal Funds: \$5.3
- Additional Revenues: \$2.5

• Fund Shifts, Other Revenues:	\$2.8
• Alternative Funding:	\$0.5
• Baseline Workload Adjustments:	\$-0.2
 Total Solutions:	 \$18.3
Final Reserve:	\$0.3

As expected, the Governor did exercise his blue pencil authority (line-item veto) to make an additional \$963 million in reductions, raising the reserve level from \$375 million to \$1.3 billion.

The budget does not reauthorize VLF for local law enforcement and we will need to revisit that item as an urgency item in January. We have commitments from several members of the legislature to sponsor an urgency measure at that time.

Below are some highlights of the signed budget. You can also access the full budget summary and list of line-items vetoes at: <http://www.ebudget.ca.gov/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>.

#### IV. **Public Safety**

##### **Realignment Issues**

- No shift to locals of adult offenders. Both the Governor's May Revise and the Senate Democrats plan was not adopted in the budget. Instead CDCR will have to take cuts of about \$240 million tied to optimistic population projections related to current parole and program efforts. There is an expectation that next year that the issue of adult realignment will be revisited.
- Prospectively places DJJ wards on probation upon their release. Provides \$15,000 per ward for up to two years based actual length of supervision. Provides up to \$115,000 per ward for revocations to juvenile facilities.
- Additional \$200 million in lease revenue bond authority for juvenile facilities. Design build was also authorized for these projects, including the first round of funding under SB 81.

##### **VLF Funding for Local Public Safety Programs**

- There was no change in VLF. The additional funds that go to law enforcement funding JJCPA, COPS, JCPF and other grant programs, will sunset June 30, 2011. All parties to the agreement did not want to add a tax issue into this budget when it technically did not sunset this year. Many members have offered to help run an urgency bill in January to try and resolve the issue prior to next year's budget debate.

##### **Bryne/Jag Federal Funding for ADA (drug task forces)**

- Legislature reallocated the originally approved funding resulting in cuts to front line law enforcement. However, as noted below, this redirection of funding was vetoed by the Governor and restores the allocations made by CCCJ.

##### **Corrections**

- \$1.1 billion in cuts (Reductions are taken in medical Receiver's office and from savings associated with SB 1399 re medical parole and SB 1266 re alternative custody for female offenders).
- Approximately \$200 million in CDCR savings tied to population reduction estimates

## Judiciary

- Eliminates court closures by taking from AOC reserves and special funds to end every third Wednesday court closures
- \$10 court security fee estimated to generate \$25-\$40 million) for 2010-11. \*The budget does call for fee reductions in 2011-12 and 2012-13.
- New line item for court security
- No contracting out language

## V. Budget Reform

The approved budget makes three changes to the current “rainy day fund” reserve for California:

1. Makes the existing Proposition 58 rainy day fund larger and makes it harder to suspend an annual contribution.
  - a. Increases the maximum size of the state rainy day fund from 5 percent to 10 percent of General Fund revenue.
  - b. Requires the State to always make the three percent payments into the rainy day fund, except in years when the State has a deficit big enough to start using the rainy day funding.
  - c. Allows half of the annual payment into the rainy day fund to be used for one-time infrastructure and debt service.
2. Restricts the use of the funds in the rainy day fund to rainy days.
  - a. Funds can be used to cover a budget shortfall—up to the previous year's expenditures adjusted for inflation and population growth.
  - b. Includes a "50-25-25 regulator" provision that prevents using all of the rainy-day funds in one year.
  - c. If the rainy day fund exceeds 10 percent of General Fund Revenue, annual payments to the fund stop and any excess funding can be used for one time purposes as specified.
3. Captures "unanticipated revenue" for additional rainy day fund contributions.
  - a. The Department of Finance creates a projection of expected revenue based on the state's last twenty years of revenue performance.
  - b. Any revenue that is received above that trend line is "unanticipated" and must be put in the rainy day fund.
  - c. Any new revenue that is needed to meet our Proposition 98 obligation is excluded, so Proposition 98 is fully funded without encroaching on funding for other programs.

## VI. Pension Reform

New state employees' retirement benefits, for employees hired on or after November 10, 2010, would be returned to the pension benefit levels that existed prior to the adoption of SB 400 (Chapter 555, Statutes of 1999) as detailed below:

<b>Retirement Category</b>	<b>Current Retirement Formulas</b>	<b>Proposed Formulas</b>
Misc (including classified school employees)	2% at Age 55 (up to 2.5% at 63)	2% at Age 60 (up to 2.418% at 63)
Industrial	2% at Age 55	2% at Age 60

	(up to 2.5% at age 63)	(up to 2.418% at age 63)
State Safety	2.5% at Age 55	2% at Age 55
Peace Officer and Firefighters, with the State, CSU, Legislature and Judicial branch	3% at Age 50	2.5% at Age 55

It also requires a three-year final compensation method of calculating benefit levels for new state employees who are hired on or after November 10, 2010.

Finally, this measure requires additional analysis and oversight of CalPERS' actuarial assumptions. More specifically, it requires that the CalPERS Board of Administration (Board), every time it adopts contribution rates, provide an actuarial report, containing investment returns, amortization period, and discount rates using specific analytical guidelines, to the Legislature, the Governor, and the Treasurer. The Treasurer is then required, within 30 days of receipt of the report, to provide an address to both houses of the Legislature about the report.

## VII. Budget Line-Item Vetoes

### **ADA Funding (Drug-Task Force Funding)**

*\*Important note – this line item veto restores Anti-Drug Abuse (ADA) funding for law enforcement to CCCJ recommended levels and stops the redirection of these funds as proposed in the budget passed by the Legislature.*

I object to the following appropriations contained in Senate Bill 870.

Item 0690-102-0890—For local assistance, California Emergency Management Agency.

I revise this item by deleting Provision 2.

I am deleting Provision 2, which requires the California Emergency Management Agency to distribute federal Edward Byrne Memorial Justice Assistance Grant funding according to a specific methodology. These grant awards have already been allocated for fiscal year 2010-11, the grantees have incorporated these allocations into their respective expenditure plans, and any changes would create additional state costs.

## VIII. 2010 Legislative Update

September 30<sup>th</sup> was the deadline for the Governor to sign or veto all bills on his desk for the 2009-10 legislative session. Below is a partial list of notable bills that were signed and vetoed by the Governor which we have been tracking and actively engaged with throughout the year.

The upcoming 2010-11 legislative session will officially resume in December although the Legislature will largely not begin its legislative work in earnest until January. The top priority for local law enforcement will be the reauthorization of the VLF for public safety programs.

### Signed/ Vetoed Legislation

**AB 558(Portantino) Sexual assault crimes.**

**Status:** 09/29/2010-Vetoed by the Governor

**Is Urgency:** N

2YR/Dead	1st	1st	1st	1st	2nd	2nd	2nd	2nd	Conf./Conc.	Enrolled	Vetoed	Chaptered
	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor				

**Summary:** Would require local law enforcement agencies responsible for taking or collecting rape kit evidence to annually report to the Department of Justice statistical information pertaining to the testing and submission for DNA analysis of rape kits, as specified. The initial report would be due by July 1, 2012. The reports received would be subject to inspection under the California Public Records Act. These provisions would become inoperative on July 1, 2016, and would be repealed on January 1, 2017. This bill contains other related provisions and other existing laws.

**Governor's Message:** I am returning Assembly Bill (AB) 558 without my signature. This bill is similar to AB 1017 (2009), which I also vetoed. Unfortunately, while this measure is well-intended, it continues to ignore the precarious fiscal conditions of California's crime laboratories. Indeed, as noted by the California Crime Laboratory Review Task Force in its 2009 report, DNA, fingerprints, and firearms testing have been identified as areas where requests often exceed staffing capabilities. The Task Force also noted that in order to eliminate the backlog for DNA testing, an additional 282 analysts would have to be funded. Unfortunately, AB 558 will not provide any additional funding or staffing for crime laboratories and will instead divert resources away from testing to sending reports to the Department of Justice. In this time of fiscal crisis, I cannot condone this shift in priorities. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

**Position:** Oppose

**AB 1987(Ma) Public retirement: final compensation: computation: retirees.**

**Status:** 09/30/2010-Vetoed by the Governor

**Is Urgency:** N

2YR/Dead	1st	1st	1st	1st	2nd	2nd	2nd	2nd	Conf./Conc.	Enrolled	Vetoed	Chaptered
	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor				

**Summary:** Would generally provide, effective July 1, 2011, that any change in salary, compensation, or remuneration principally for the purpose of enhancing a member's benefits would not be included in the calculation of a member's final compensation for purposes of determining that member's defined benefit. The bill would require the board of each state and local public retirement system to establish, by regulation, accountability provisions that would include an ongoing audit process to ensure that a change in a member's salary, compensation, or remuneration is not made principally for the purpose of enhancing a member's retirement benefits. This bill would limit the calculation of a member's final compensation to an amount not to exceed the average increase in compensation received within the final compensation period and the 2 preceding years by employees in the same or a related group as that member. This bill would also provide that a person who retires on or after January 1, 2012, may not perform services for any employer covered by a state or local retirement system until that person has been separated from service for a period of at least 180 days. This bill would provide for the implementation of the changes under the applicable retirement laws that apply to counties and cities. This bill contains other related provisions.

**Governor's Message:** I am returning Assembly Bill 1987 without my signature. The practice of pension-spiking is a serious one that deserves significant attention by the Legislature in curbing the unacceptable

manner in which individual workers are able to artificially boost their retirement payouts. There are numerous examples of public employees taking home larger pension checks in retirement than what they earned in base salary when they were actually working. California does need a consistent standard that is transparent, understandable, and implementable throughout the state. While this bill purports to address this issue by segregating out some of the factors that have allowed pension spiking, in some instances it still allows local pension boards to determine what is ultimately counted in an employee's pension calculation. This does not provide a consistent treatment of all employees. The taxpayers of California deserve better. I am still hopeful that the Legislature can send me acceptable pension reform legislation. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

**Position:** Watch

**AB 2394(Brownley) Civil process and notices: ministerial officers.**

**Status:** 09/30/2010-Chaptered by the Secretary of State, Chapter Number 680, Statutes of 2010

**Is Urgency:** N

2YR/Dead	1st	1st	1st	1st	2nd	2nd	2nd	2nd	Conf./Conc.	Enrolled	Vetoed	Chaptered
	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor				

**Summary:** Would generally authorize a levying officer, as defined, to electronically transmit and receive specified documents and records relating to enforcement of judgments. The bill would require specified information to be included with the electronic transmission, and would require a levying officer to exclude or redact certain identifiers from any document or record made available to the public. The bill would provide additional safeguards and procedures relating to the electronic transmission of documents and records, and make other conforming changes. This bill contains other related provisions and other existing laws.

**Position:** Support

**SB 1268(Simitian) Toll bridges, lanes, and highways: electronic toll collection mechanisms: disclosure of personal information.**

**Status:** 09/29/2010-Chaptered by the Secretary of State, Chapter Number 489, Statutes of 2010

**Is Urgency:** N

2YR/Dead	1st	1st	1st	1st	2nd	2nd	2nd	2nd	Conf./Conc.	Enrolled	Vetoed	Chaptered
	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor				

**Summary:** Would prohibit a transportation agency, as defined, from selling or providing personally identifiable information of a person obtained pursuant to the person's participation in an electronic toll collection system or use of a toll facility that uses an electric toll collection system, subject to specified exceptions. The bill would require a transportation agency that uses an electric toll collection system to establish a privacy policy regarding personally identifiable information in that regard and to provide the policy to subscribers and post the policy on its Internet Web site. The bill would allow a transportation agency to store certain personally identifiable information of a person and would, on and after July 1, 2011, require it to discard other information within a designated time period. The bill would prescribe the circumstances in which a transportation agency may make personally identifiable information available to a law enforcement agency. The bill would authorize a person whose personally identifiable information

has been sold or provided in violation of the bill to bring specified actions for recovery of damages, costs, and attorney's fees. The bill would authorize a transportation agency to impose an administrative fee to implement these provisions, as specified. By imposing new duties on local transportation agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** Oppose

**SB 1425(Simitian) Public retirement: final compensation: computation: retirees.**

**Status:** 09/30/2010-Vetoed by the Governor

**Is Urgency:** N

2YR/Dead	1st	1st	1st	1st	2nd	2nd	2nd	2nd	Conf./Conc.	Enrolled	Vetoed	Chaptered
	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor				

**Summary:** Would provide that any change in salary, compensation, or remuneration principally for the purpose of enhancing a member's benefits would not be included in the calculation of a member's final compensation for purposes of determining that member's defined benefit. The bill would generally require the board of each state and local public retirement system to establish, by regulation, accountability provisions that would include an ongoing audit process to ensure that a change in a member's salary, compensation, or remuneration is not made principally for the purpose of enhancing a member's retirement benefits. This bill would revise the definition of "creditable compensation" and would limit the calculation of a member's final compensation to an amount not to exceed the average increase in compensation received within the final compensation period and the 2 preceding years by employees in the same or a related group as that member. This bill would also provide that a person who retires on or after January 1, 2012, may not perform services for any employer covered by a state or local retirement system until that person has been separated from service for a period of at least 180 days. This bill would provide for the implementation of these required changes under the laws that govern PERS and STRL. This bill contains other related provisions and other existing laws.

**Governor's Message:** I am returning Senate Bill 1425 without my signature. The enactment of this bill is contingent upon the enactment of Assembly Bill (AB) 1987 (Ma). I am vetoing AB 1987 because it does not provide real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that really addresses California's pension problem. For this reason, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger.

**Position:** Watch