

**Assembly Budget Subcommittee No. 4
 Assemblymember Juan Arambula, Chair
 January 28, 2008
 State Capitol, Room 444**

Overview of Governor's Budget-Balancing Reduction (BBR) Proposals

(BBRs available on DOF website at http://www.dof.ca.gov/budget/historical/2008-09/documents/BBR_0809.pdf)

PART 1

LOCAL GOVERNMENT

General Fund (in Thousands)

BBR page #	Department	Title	2007-08 Savings	2008-09 Savings	Requested Legislative Action	Comments
860	8180 - Payment to Counties for Costs of Homicide Trials	Payment to Counties for Homicide Trials Program	\$0	\$250	BA and 08-09 TBL	10 % reduction to reimbursements under current law.
895	8885 - Commission on State Mandates	State Operations	\$0	\$168	BA	10 % state operations reduction eliminates one of the 13 authorized positions and may slow the clearance of existing backlogs.
No BBR page	8885 - Commission on State Mandates	Mandate Reimbursement Payments	\$0	\$75,000	SSTBL	Eliminates payment for estimated claims--Only actual claims would be paid. The effect would be to pay only actual timely-filed claims for costs incurred in 2006-07 in 2008-09. No estimated claims for 2007-08 would be paid. This two-year lag would be ongoing.

BBR page #	Department	Title	2007-08 Savings	2008-09 Savings	Requested Legislative Action	Comments
927	9210 - Local Government Assistance	Citizens Option for Public Safety (COPS)/Juvenile Justice Crime Prevention Act	\$0	\$23,800	BA	10% reduction to current funding level of \$238 million. Provides population-based grants for law enforcement (COPS) to police and sheriffs and district attorneys and for initiative to reduce juvenile crime. Funds are split 50/50 between COPS and Juvenile Justice.
928	9210 - Local Government Assistance	Local Detention Facility Subventions (formerly Booking Fee Reimbursements)	\$0	\$3,500	BA	10 percent reduction to current subventions for jail operations, maintenance and construction. Existing law allows sheriffs to reinstate booking fees to make up the shortfall. However, this could require significant administrative effort to collect a relatively small amount of money.
929	9210 - Local Government Assistance	Small/Rural Sheriffs Grants Program	\$0	\$1,850	BA	10% reduction. Reduces grants to 37 counties from \$500,000 to \$450,000.
930	9210 - Local Government Assistance	Redevelopment Agency Special Supplemental Subventions	\$0	\$80	BA	10% reduction. Affects a few agencies that pledged former supplemental subvention or business property tax revenues. Budget language allows augmentations if needed to meet agencies' debt-service and reserve requirements.
BBR page #	Department	Title	2007-08 Savings	2008-09 Savings	Requested Legislative Action	Comments

931	9210 - Local Government Assistance	Disaster Relief Funding	\$0	\$88	BA	10% reduction to local government reimbursements for property tax losses due to certain recent disasters.
933	9350 - Shared Revenues	Trailer Vehicle License Fee (VLF) Backfill	\$0	\$1,186	08-09 TBL	10% reduction in subventions to cities and counties to replace VLF revenue reduction from conversion of interstate commercial trucks to the International Registration Plan fee structure.
934	9350 - Shared Revenues	Tidelands Oil Revenue Payments	\$0	\$46	08-09 TBL	10% reduction in state payments to local governments in whose jurisdiction tidelands oil production occurs.

TAX RELIEF AND REVENUES

BBR page #	Department	Title	2007-08 Savings	2008-09 Savings	Requested Legislative Action	Comments
923	9100 - Tax Relief	Senior Citizens' Renter Tax Assistance Program	\$0	\$15,031	SSTBL	Reduces individual tax assistance payments by 10%. Maximum payment currently \$348, with declining amounts to households with income up to \$42,770.
924	9100 - Tax Relief	Senior Citizens' Property Tax Assistance Program	\$0	\$4,056	SSTBL	Reduces individual tax assistance payments by 10%. Maximum payment currently \$473, with declining amounts to households with income up to \$42,770.
925	9100 - Tax Relief	Open Space Subventions Program	\$0	\$3,860	BA	10% reduction in subventions to local governments to offset property tax revenue loss from their open-space contracts.
926	9100 - Tax Relief	Senior Citizens' Property Tax Deferral Program	\$0	\$2,580	08-09 TBL	10% reduction would be accomplished by reducing the current \$35,000 income limit to qualify for the deferral program.
none	Major Revenues	Sales and Use Tax-- Reinstatement of 12-month holding period for exemption on Use Tax on Yachts and Planes	\$5,000	\$21,000	SSTBL	Reinstates the 1-year requirement for Californians to avoid Sales and Use Tax liability on out-of-state purchases of vehicles, vessels and aircraft. Current requirement is 90 days. The 1-year requirement was in effect for the prior two years. Also results in additional local government revenue.