LEGISLATURE ADOPTS FY 2011-12 BUDGET, PASSES ILLEGAL ELIMINATION OF REDEVELOPMENT

On Wednesday, June 15, the Legislature passed a majority vote budget. This budget package represents the first on-time budget in many years and the first majority vote budget since 1933. Below is a short summary of the 19 bills in the final budget package.

AB 96 (Committee on the Budget) – Adult Day Health Care
Authorizes the Administration to request a federal waiver to allow for the creation of the Keep Adults Free from Institutions (KAFI) program, a new adult day health care-type benefit.

AB 98 (Committee on the Budget) – Budget Bill Jr.
Makes various budget changes to SB 69, the main FY 2011-12 budget bill that was passed in March 2011.

AB 102 (Committee on the Budget) – Health Omnibus
Makes various changes to transition community mental health programs and activities of the California Medical Assistance Commission to the Department of Health Care Services. Provides health care service in the Access to Infants and Mothers (AIM) program to be provided through fee-for-service Medi-Cal on a reimbursement basis. Makes changes to pharmacy reimbursement for Medi-Cal.

AB 104 (Committee on the Budget) – Developmental Services Omnibus
Makes various changes to developmental services programs necessary to implement provisions of the revised 2011-12 budget.

AB 106 (Committee on the Budget) – Human Services Omnibus
Makes various changes to CalWORKs and other human services programs that are necessary to implement provisions of the revised 2011-12 budget.

AB 112 (Committee on the Budget) – 2010-11 Budget Charges: Employment Development Dept.
Allows the Employment Development Department (EDD) to use federal funds to cover administrative costs associated with implementing the Alternative Base Period program that will allow additional unemployed persons to qualify for federal unemployment insurance benefits earlier.

SB 85 (Committee on Budget and Fiscal Review) – Education Omnibus
Makes various revisions to K-12, higher education, and child care programs that are necessary to implement provisions of the revised FY 2011-12 budget.

AB 115 (Committee on the Budget) – Transportation Omnibus
Extends the due dates for previous loans from transportation-related special funds to the General Fund from June 30, 2015 to June 30, 2021. Changes the supplemental reporting for CalTrans Capital Outlay Support. Extends the amount of time CHP can keep data from automated License Plates Readers for use in felony investigations. Changes the reporting requirements for the High Speed Rail Authority.

AB 119 (Committee on the Budget) – General Government Omnibus
Makes various statutory changes to various general government and state administration-related programs that are necessary implement provisions of the revised FY 2011-12 budget. Includes provisions that remove the requirement for a special district to file written statements regarding functions and services with a LAFCO whenever the commission adopts, amends or updates a sphere of influence. Instead allows the LAFCO to require such written statements. This removes a state mandate.

AB 120 (Committee on the Budget) – Resources Omnibus
Makes various statutory changes to various natural resources and environmental protection programs that are necessary implement provisions of the revised FY 2011-12 budget. Includes provisions that narrow the state's liability for closed or partially closed parks to only that needed by the Department of Parks and Recreation. Also appropriates funds from the Wastewater Operator Certification Fund (within the State Water Resources Control Board) to the State Water Resources Control Board for administrative costs.

AB 122 (Blumenfield) – Supplemental Appropriations
Funds already spent (but not budgeted for) by the Department of Corrections, Department of Mental Health, CAL FIRE, and Department of Finance.

ABx1 19 (Blumenfield) – Long-Term Care
Reauthorizes the quality assurance fee on skilled nursing facilities and extends it to a new class of facilities. Makes other related changes.

ABx1 22 (Blumenfield) – Motor Vehicle Account
Increases vehicle registration fees with the Department of Motor Vehicles (DMV) by $12 per vehicle, with $25 million appropriated to the DMV and additional revenues being appropriated to the Local Revenue Fund 2011 for use by cities and counties. While not explicit in the bill language, this is expected to provide $300 million of additional revenue for local law enforcement grants, including COPS (Citizens' Option for Public Safety) and booking fee subventions. This is approximately $206 million less than the FY 2011-12 funding levels for cities and counties.

ABx1 23 (Blumenfield) – Local government finance (Single-Flip)
Undoes the "Triple-Flip" of 2004, which implemented a "revenue exchange period" in which local sales and use tax revenues decreased by 0.25 percent, the resulting decreased revenues were backfilled with property taxes that would have gone to schools, and schools were made whole using state general funds. The state continued collecting the 0.25 percent sales tax and dedicated the revenues to pay for the Economic Recovery Bonds. This bill will reinstate the full local sales and use tax and cancel the property tax and general funds shifts.

ABx1 26 (Blumenfield) – Redevelopment #1
Abolishes redevelopment agencies and sets up a "successor agency" to administer the agency's shutdown. For specifics, please see Redevelopment story.

ABx1 27 (Blumenfield) – Redevelopment #2
Allows redevelopment agencies to continue if specified payments to schools, fire protection agencies, and transit agencies are made. For specifics, please see Redevelopment Story.

ABx1 28 (Blumenfield) – On-line Sales Tax
For purposes of the Sales and Use Tax Law, expands the definition of retailer to include online retailers with specified levels of sales in the State.

ABx1 29 – State Responsibility Area Fee
Establishes an annual $150 fee per structure in state responsibility areas (SRAs), or areas where the state maintains financial responsibility for fire suppression, to be paid by the structure owner. These revenues would be collected for on-going fire suppression needs exclusively within the SRAs.

ABx1 34 (Blumenfield) – Senior Citizens' Property Tax Assistance
Reinstates the expired Senior Citizens' Property Tax Assistance Program.