[MK-0398.040.008.011]

DATE RECEIVED / / FROM:

LEON	DON	BARBARA
ISABELLE	TONY	JIMMIE
COLLEEN	VIKKI	BENELIA
THERESA X		

Review/Comments		FYI		Copies to:
Draft Response		CAO Referral		2
Form Letter		Circulate		
Handle		Review w/me		
Return				

COMMENTS:

ASAP

Testimony of Supervisor Leon L. Williams

Representing
the County Supervisors Association of California
and
the County of San Diego

SUBJECT: COUNTY FEE AUTHORITY PURSUANT TO SB 2557 (MADDY)

Chairman Bergeson, Chairman Farr, Local Government Committee Members:

My name is Leon Williams. I am speaking as Vice President of the County Supervisors' Association of California, and as a supervisor from the County of San Diego. I am here with a simple question: Will you assure counties that the State will not turn its back on them once again by taking away the resources on which they have relied to help balance their budgets? In other words, will you commit to protecting the authority to collect fees for the costs of booking and processing prisoners, and property tax administration, contained in Senator Maddy's SB 2557?

I know that agencies asked to pay the fees object to them strongly. I understand that. But that doesn't mean they are a bad idea. Quite the contrary -- they are a <u>good</u> idea for a variety of reasons. That's why CSAC, as well as the Board of Supervisors of the County of San Diego, have supported the concept for years. Let me tell you why.

I am going to speak to you about four things: local institutional

relationships, law enforcement practices, responsibility sharing, and budgetary impacts. You may wish to refer to the chart as I discuss local institutional relationships. The chart attempts to depict the service responsibilities and revenue sources of cities and counties.

o Local Institutional Relationships. Some argue that booking fees are a bad idea because "counties have always been responsible for operating the jails," or "counties have always been responsible for administering the property tax system." Apart from being historically inaccurate, this argument ignores the fact that the local financing arrangements on which our traditional institutional relationships and responsibilities were predicated changed dramatically after Proposition 13 in 1978.

-- While all local agencies suffered declines in property tax revenues, only counties relied on property tax as the major source of general purpose revenue. The result was that counties were hardest hit by Proposition 13, and their ability to continue performing as before was more severely curtailed.

-- Only county revenues are negatively impacted, through loss of tax base, as a result of urban growth. Annexations and incorporations not only take away property tax base, they also take away what little sales tax base might have been available to the affected counties.

-- Only counties are severely impacted by redevelopment.

While cities have been able to use redevelopment financing as a replacement for lost property tax base, they have done so at the expense of counties. In the County of San Diego, cities collected over $42 million in tax increment revenues in just the three-year period ending FY 1989-90 to finance improvements in their cities. All of this revenue would otherwise have gone into the County's general fund to finance regional services.

-- Counties carry the bulk of the financial burden resulting from growing city populations, programs and problems -- i.e., for courts, jails, prosecutors, probation officers, physical and mental health, drug and alcohol abuse, disease control, homelessness, child abuse, family counseling and general relief. By way of example, when the City of San Diego hired 116 new police officers in 1989, it cost the City about $5.7 million. But the impact on the County of San Diego was an increase in service requirements -- for the entire balance of the justice system which the County must pay for -- amounting to $7.4 million.

The point that I am trying to make is that our existing (or pre-SB 2557) institutional relationships were predicated on assumptions about the structure of local agency financing which are no longer valid. We cannot continue to expand the service requirements of counties to meet ever-increasing population-driven demands, and

at the same time continue to ignore the absolute requirement to provide a means to finance those service expectations.

o Law Enforcement Practices. Traditionally, city police arrest people, and counties jail them. Arrest practices among cities vary -- which is a way of saying that a "bad guy" in City A may not be a "bad guy" in City B. Political, social and psychological variables all come into play when one analyzes the arrest practices of a community.

Arguably, it is good public policy to encourage police departments to be selective in making decisions to place citizens in jail as opposed to some other form of intervention. Before SB 2557, there were few reasons -- apart from civil rights law suits -- to cause police to be selective. In particular, the tremendous cost of jailing persons was not a concern to city officials because it was not their problem -- it was the County's problem. Now that cities do have a financial stake in the cost of sending persons to jail, it would seem from preliminary data that police are being more selective in their practices -- jail bookings seem to have dropped off.

-- As you know, Ventura County has experience a nearly 50% decline in bookings since the booking fees were imposed in September 1990.

-- CSAC has collected data showing that bookings declined in

several other counties, after the imposition of booking fees, as follows: Contra Costa 11.7%, Fresno 20%, Santa Clara 16%, Yolo 18%, and San Bernardino 19%.

-- While one would not expect to see a great impact in San Diego County because (a) only the most serious offenders have been booked for quite some time as a result of a court-imposed population cap on local jails, and (b) the largest arresting agency (City of San Diego) is temporarily exempt from the fee as a result of a prior contract with the County; there has, nonetheless, been a reduction in local bookings since imposition of the booking fee in April 1990. However, because of the population cap, because of the temporary "no fee" agreement with our largest arresting agency, and because of the relatively short period during which we have been collecting data, we cannot state specifically the impact that the booking fee has had.

We believe that the booking fee will encourage arresting agencies to develop and implement appropriate and uniform arrest practices in all law enforcement agencies countywide, while providing efficient and effective public protection and public safety. We believe that is good public policy. Moreover, we believe the booking fee translates into additional jail capacity, and will significantly reduce long-term county and State jail construction

and operating costs in future years.

- Sharing of Responsibility. The State remains in a difficult fiscal situation. The same can be said for all public agencies in California. However, unlike schools -- which are guaranteed a "fixed income" -- and unlike cities -- which have a relatively good independent income-generating potential -- counties are, as Senator Presley said, the "financial orphans of California." Given the tremendous burden of crucial services for which counties are responsible, given the change in traditional financing arrangements, and given the capacity of cities to generate revenues in other ways, we believe that the booking fee and property tax administration fee represent a long-overdue sharing of responsibility that can only benefit the public we mutually serve. Please remember: when counties cannot provide the crucial services for which they are responsible because of choices made in this building, it is not counties or cities which suffer -- it is the public which is deprived of the basic protective services for which government exits.

- Budgetary Impacts. When the State reduced funding for medically indigent adults by $175 million in FY 1990-91, counties were told that they could rely on certain replacement revenues to backfill those cuts. Two important components of that backfill were a property tax administration fee, and a booking and processing fee, both authorized by the Legislature in SB 2557. Counties balanced

their budgets based on SB 2557 revenue.

The school property tax administration fee authority was rescinded in June. That one action deprived counties in this state of $106 million. It placed an immediate $8.2 million burden on the County of San Diego, and directly resulted in reduced service capacity for the medically indigent in the San Diego region.

Ladies and gentlemen, the County of San Diego has a reserve this year of about $5 million. We have just learned that the County's general revenue projections, as a result of the recession, are indicating a shortfall of $17 million this year. Last week we learned that shortfalls in realignment revenues, as a result of the recession, will impact us by an additional $12 million. The loss of the remaining revenue authorized by SB 2557 would have a staggering impact on an already devastated County budget.

In conclusion, let me summarize as follows:

- Counties cannot cope with the loss of revenue which would result if authority for the property tax administration fee and the booking and processing fee were rescinded.

- We do not believe other revenues are available with which you can backfill a repeal of the fee authority.

- We believe the booking fee is good public policy, and will significantly reduce long-term county and State jail construction and operating costs in future years.

- We believe that the property tax administration fee and the booking fee constitute a proper recognition of the changes in local financing arrangements since 1978, and an appropriate sharing of institutional responsibilities among local agencies.

I would be happy to answer any questions that members of the committees may have. Thank you for this opportunity to share our perspective with you.