

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
ON PUBLIC SAFETY

Assemblymember Gilbert Cedillo, Chair

WEDNESDAY, MAY 25, 2011
STATE CAPITOL - ROOM 437
1:30 pm

Part II

| Consent Calendar | | |
|--------------------------|------------------------------------------------------------------|-----------|
| ITEM | DESCRIPTION | |
| 0250 | JUDICIAL BRANCH | 2 |
| ISSUE 1 | COURT CAPITAL OUTLAY REAPPROPRIATIONS AND EXTENSIONS | 2 |
| ISSUE 2 | TECHNICAL ADJUSTMENT SB 678 | 3 |
| 0690 | CALIFORNIA EMERGENCY MANAGEMENT AGENCY | 4 |
| ISSUE 1 | FIRE ENGINE PURCHASE WITH FEDERAL FUNDS | 4 |
| ISSUE 2 | GOLDEN GUARDIAN AND STATE AGENCY TRAINING | 4 |
| ISSUE 3 | CALIFORNIA DISASTER ASSISTANCE ACT | 5 |
| 2720 | CALIFORNIA HIGHWAY PATROL | 6 |
| ISSUE 1 | ENHANCED RADIO SYSTEM REAPPROPRIATION | 6 |
| ISSUE 2 | ENHANCED RADIO SYSTEM REAPPROPRIATION | 6 |
| 8940 | MILITARY DEPARTMENT | 7 |
| ISSUE 1 | REDUCE MILITARY RETIREMENT PROGRAM | 7 |
| ITEMS TO BE HEARD | | |
| ITEM | DESCRIPTION | |
| 2720 | CALIFORNIA HIGHWAY PATROL | 8 |
| ISSUE 1 | LICENSE PLATE READER - TBL | 8 |
| 0820 | DEPARTMENT OF JUSTICE | 10 |
| ISSUE 1 | DNA IDENTIFICATION FUND SHORTFALL | 10 |
| ISSUE 2 | LOCAL PUBLIC SAFETY PROGRAMS | 12 |
| 0690 | CALIFORNIA EMERGENCY MANAGEMENT AGENCY | 13 |
| ISSUE 1 | ELIMINATION OF EMERGENCY MANAGEMENT RELATED CENTERS AND COUNCILS | 13 |
| ISSUE 2 | LOCAL PUBLIC SAFETY REALIGNMENT | 14 |
| 0250 | JUDICIAL BRANCH | 15 |
| ISSUE 1 | PAROLE REVOCATION WORKLOAD | 15 |
| ISSUE 2 | COURT SECURITY FUNDING | 17 |

0250 JUDICIAL BRANCH

ISSUE 1: COURT CAPITAL OUTLAY REAPPROPRIATIONS AND EXTENTIONS

The Governor's May Revision proposes to reappropriate lease revenue, Immediate and Critical Needs Account, and State Court Facilities Construction Fund funding for eight capital outlay projects and, for two of these projects, extend the encumbrance and expenditure period. These proposals do not impact the General Fund.

BACKGROUND

The projects included in this request are:

| Project | Amount | Action | Reason |
|---------------------------------|-----------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Madera Courthouse | \$88.2 million | Reappropriation | Delay in site acquisition. |
| Stockton Courthouse | \$256.5 million | Reappropriation and Extension | Delay in site acquisition. |
| Fairfield Old Solano Courthouse | \$23.7 million | Reappropriation and Extension | Delay acquiring the courthouse from the county. Additionally, the AOC was required to consult with the State Historic Preservation Office. |
| Hollister Courthouse | \$33.5 million | Reappropriation | Delay in bond sale due to budget short fall. |
| San Andreas Courthouse | \$40.4 million | Reappropriation | Delay in bond sale due to budget short fall. |
| Riverside Mid-County Courthouse | \$54.5 million | Reappropriation | Delay in bond sale due to budget short fall. |
| San Bernardino Courthouse | \$304.7 million | Reappropriation | Delay in bond sale due to budget short fall. |
| Porterville Courthouse | \$81.1 million | Reappropriation | Delay in bond sale due to budget short fall. |
| | | | |

Staff Recommendation: Approve the May Revision Proposals

ISSUE 2: TECHNICAL ADJUSTMENT SB 678

The Governor's May Revision proposes to reduce the administrative costs associated with the Community Corrections Performance Incentive Program to reflect actual expenditures. This proposal will reduce funding for the courts by \$1.2 million General Fund.

BACKGROUND

In an effort to stem the flow of felony probationers being sent to state prison, the Legislature approved SB 678 that established a system of performance-based funding that will share General Fund savings with county probation departments when they demonstrate success in reducing the number of adult felony probationers going to state prison because of committing new crimes or violating terms of probation. This measure is designed to help lower California's prison admissions by reducing criminal behavior, and thus relieve overcrowding and save public funds.

SB 678 creates a State Community Corrections Performance Incentive Fund and authorizes the state to annually allocate money from this fund into a Community Corrections Performance Incentive Fund established by each county.

Each county must use the funding to establish a local community corrections program. These local programs must be targeted towards felony probationers and the funding should be used for specified purposes related to improving local probation practices. Each county is also required to identify and track outcome-based measures and report their plans and progress to the Administrative Office of the Courts.

At the end of every calendar year, the Department of Finance (DOF) is required to determine the statewide and county specific felony probation failure rates. Using a baseline felony probation failure rate of the years 2006-2008, DOF then calculates the amount of savings to be provided to each county.

Staff Recommendation: Approve the May Revision Proposal

0690 CALIFORNIA EMERGENCY MANAGEMENT AGENCY

ISSUE 1: FIRE ENGINE PURCHASE WITH FEDERAL FUNDS

The Governor's May Revision proposes a one-time reduction of \$1.8 million to reflect the planned purchase of fire engines using federal funds in 2011-12.

BACKGROUND

The Fire and Rescue Division currently has a fleet of 129 engines and uses a seventeen year fire engine replacement cycle. As far back as the original purchase of fire engines, there has always been a replacement protocol. Replacements are critical as technology is improving and standards are getting stricter and older model engines cannot be upgraded with this newer technology.

Currently, \$1.8 million is set aside in General Fund from the Division's budget to cover the replacements. Cal EMA has accumulated federal funds tied to reimbursement of costs associated with fires that it has identified for use in 2011-12 to cover planned fire engine replacements for the year.

Staff Recommendation: Approve the May Revision Proposal

ISSUE 2: GOLDEN GUARDIAN AND STATE AGENCY TRAINING

The Governor's May Revision proposes a reduction of \$779,000 related to the elimination of General Fund support for the annual Golden Guardian Exercise and offering state agency training on a reimbursement basis.

BACKGROUND

Golden Guardian is a Statewide annual exercise which provides training to Cal EMA and other state agencies, while interacting with federal and local counterparts. This proposal will reduce the General Fund (\$200,000) and Cal EMA will identify federal funds in which to support the exercise on-going.

The State Agency Direct Support Unit and Cal EMA is proposing to reduce the General Fund portion of the unit (\$579,000). The agency will use reimbursement contracts to continue state agency training, all activities will continue on a reduced level.

Staff Recommendation: Approve the May Revision Proposal

ISSUE 3: CALIFORNIA DISASTER ASSISTANCE ACT

The Governor's May Revision proposes a reduction of \$20.0 million General Fund local assistance for California Disaster Assistance Act (CDAA) funding. This will reduce the program funding more in line with historic funding levels.

BACKGROUND

When local governing units determine they have insufficient resources to respond to or recover from a disaster, they declare a disaster and request the Governor to proclaim a disaster. Cal EMA analyzes the event and evaluates the local needs, and when appropriate recommends to the Governor that a proclamation is issued. If the Governor proclaims a disaster, the event would be a CDAA only event and the state would typically cover 75 percent of the allowable costs. If the disaster also meets the federal threshold, the Governor would request the President to declare a disaster. If the President declares a disaster, typically, the Federal Emergency management Agency will cover 75 percent of the allowable costs and the state's share would be 25 percent split between 18.75 percent by the state and 6.25 percent by the local entity.

Prior to 2006-07, the CDAA appropriation was funded at an average of \$48 million per year. Since 2009-10, the CDAA appropriation has been \$69 million. This proposal will reduce the program to historic funding levels as Cal EMA reports recent expenditures have been lower (\$40 million in 2009-10) and the department has made an effort to make final reimbursement payments and close out many old disaster claims.

In the event California does have a major disaster in future years, Cal EMA can seek deficiency funding to adjust the CDAA appropriation. However, it should be noted that the majority of the permanent repair costs from disasters are typically paid several years later as the projects are complete.

Staff Recommendation: Approve the May Revision Proposal

2720 CALIFORNIA HIGHWAY PATROL

ISSUE 1: ENHANCED RADIO SYSTEM REAPPROPRIATION

An April 1st Finance Letter proposes a reappropriation of \$24.1 million for the sixth year of the public safety radio project, which is mostly complete. Due to snow and other challenges, equipment installation on some radio towers is being delayed beyond 2010-11.

COMMENT

In 2006-07, the Legislature approved this five-year project that had an estimated total cost of \$491 million. As the project evolved, the CHP and its partner, the Office of the Chief Information Officer – Public Safety Communications Division (OCIO-PSCD) down-scoped the project to reduce costs, and the CHP revised total cost to \$343 million for a savings to the state of \$148 million. The project will enhance radio interoperability with other public safety agencies and provide additional radio channels for tactical and emergency operations. The project involves new radio transmission equipment at CHP facilities, on remote towers, and in CHP vehicles. As part of project approval, the Legislature required annual project reporting for the life of the project - due annually each March 1.

Staff Recommendation: Approve the Request

ISSUE 2: ENHANCED RADIO SYSTEM REAPPROPRIATION

An April 29th Finance Letter proposes a reappropriation of \$548,000 for the preliminary plans and working drawing phases of the CHP Enhanced Radio System: Replace Towers and Vaults Phase 1 project.

COMMENT

Of 15 sites associated with this project, 12 will have either found leasing solutions or have completed preliminary plans. Of the remaining three sites, two encountered delays and redesign in order to address local or federal concerns over tower height and design. The third site was scoped into the project in May 2010 and experienced delays due to extended lease negotiations with the current property owners and the determination that additional site work and electrical capacity would be necessary to accommodate a vault large enough to contain equipment.

Staff Recommendation: Approve the Request

8940 MILITARY DEPARTMENT

ISSUE 1: REDUCE MILITARY RETIREMENT PROGRAM

The Governor's May Revision proposes a reduction of \$1.5 million General Fund to reflect a decrease in retirement benefit costs provided to eligible service members. The Department has since requested to maintain \$300,000 for California Cadet Corps Expansion.

COMMENT

The Military Retirement Program was established prior to the department's participation in CalPERS. The program covers retirement disbursements, health, dental, and medicare coverage for 29 individuals (12 Retirees and 17 Survivors of Retirees). Since the program was established, pay outs to retired military personnel has diminished. This proposal will align funding with program costs.

The mission of the California Cadet Corps is to provide California schools and students with a quality educational and leadership development program that prepares students for success in college and the work force.

Staff Recommendation: Approve Amended Request to Direct \$300,000 for California Cadet Corps Expansion.

ITEMS TO BE HEARD

2720 CALIFORNIA HIGHWAY PATROL

The California Highway Patrol's (CHP's) mission is to ensure the safe, convenient, and efficient transportation of people and goods across the state's highway system and to provide the highest level of safety and security to the facilities and employees of the State of California.

ISSUE 1: LICENSE PLATE READER – TRAILER BILL LANGUAGE

Trailer bill language was adopted by a Senate Budget Sub-Committee that would place the CHP's internal policies for license plate readers (LPRs) in statute and make amendments as outlined below.

BACKGROUND

Last year the Subcommittee approved trailer-bill language that would place the CHP's internal policies for license plate readers (LPRs) in statute. LPRs are mounted on freeway signs or mobile units and capture the license plate number of passing vehicles. The language was additionally approved by the Budget Conference Committee and placed in the omnibus transportation budget trailer bill (AB 1614). The transportation budget trailer bill, which included many other provisions, failed passage and the provisions were not enacted. Staff's understanding is that the LPR language was not a factor in the failure of the legislation.

The language was developed in consultation with the CHP and privacy advocates. However, some privacy advocates continue to express concern with the 90 timeline for data retention. The language in AB 1614 is copied below with new amendments indicated with underlines or strikeouts (amending Vehicle Code Section 2413):

(b) The Department of the California Highway Patrol may retain license plate data captured by a license plate reader (LPR) for no more than ~~72 hours~~ 90 days, except in circumstances when the data is being used as evidence or for legitimate law enforcement purposes.

(c) The Department of the California Highway Patrol shall only make the LPR data available upon formal written request from a law enforcement agency for lawful law enforcement purposes. The request shall only be processed by the appropriate departmental personnel trained in the LPR system and shall include a case number or incidence number. The Department of the California Highway Patrol shall not sell LPR data for any purpose and shall not make the data available to an agency that is not a certified law enforcement agency or an individual who is not a law enforcement officer. The data may only be used by a law enforcement agency for purposes of locating stolen vehicles or felony vehicles, vehicles with lost or stolen license plates, vehicles wanted in the connection to the commission of a public offense, missing persons and Amber Alerts and Blue Alerts ~~persons when either are reasonably suspected of being involved in the commission of a public offense.~~

(d) Department personnel shall verify all matches of wanted vehicles or persons through the California Law Enforcement Telecommunications System prior to making an arrest.

(e) The Department of the California Highway Patrol shall monitor internal use of the LPR data to prevent unauthorized use.

(f) The Department of the California Highway Patrol shall, as a part of the annual automobile theft report submitted to the Legislature pursuant to subdivision (b) of Section 10901, report the LPR practices and usage, including the number of LPR data disclosures, a record of the agencies to which data was disclosed and for what purpose, any breaches of the security system, and any changes in policy that affect privacy concerns.

Staff Recommendation: Approve the Trailer Bill Language, however, amend the timeframe in which data can be maintained to 45 days.

0820 DEPARTMENT OF JUSTICE

The constitutional office of the Attorney general, as chief law officer of the state, has the responsibility to see that the laws of California are uniformly and adequately enforced. This responsibility is fulfilled through the diverse programs of the Department of Justice.

The Department of Justice is responsible for providing skillful and efficient legal services on behalf of the people of California. The Attorney General represents the people in all matters before the Appellate and Supreme Courts of California and the United States; serves as legal counsel to state officers, boards, commissioners and departments; represents the people in actions to protect the environment and to enforce consumer, antitrust, and civil laws; and assist district attorneys in the administration of justice. The Department also coordinates efforts to address the statewide narcotic enforcement problem; assists local law enforcement in the investigation and analysis of crimes; provides person and property identification and information services to criminal justice agencies; supports the telecommunications and data processing needs of the California criminal justice community; and pursues projects designed to protect the people of California from fraudulent, unfair, and illegal activities.

ISSUE 1: DNA IDENTIFICATION FUND SHORTFALL

The Governor's May Revision proposes \$14.1 million General Fund to support Department of Justice (DOJ) forensic crime laboratories by, 1) transferring of \$10 million (ongoing) to the DNA Identification Fund and, 2) providing \$4.1 million to support lease-related costs currently funded from the DNA Identification Fund. The administration also proposes trailer bill language to increase the priority with which the penalty assessment revenue deposited in the DNA Identification Fund is collected and Budget Bill language authorizing the Department of Finance to reduce the amount of the General Fund transferred based on revenues and to require the DOJ to conduct a zero based analysis of program costs and report those findings to the Administration and the Legislature.

BACKGROUND

The DOJ's Bureau of Forensic Services operates 11 full-service criminalistic laboratories throughout the state. These laboratories provide some state and many local agencies with analysis of various types of physical evidence and controlled substances, as well as analysis of materials found at crime scenes.

For fiscal year 2010-11 the DNA penalty assessment on all convicted offenders was increased to provide additional revenue to offset General Fund costs related to the state's crime labs, including operations and lease-revenue bond costs. The penalty was increased from an additional \$1 penalty for every \$10 in fine, penalty, or forfeiture collected by the courts to \$3 for every \$10 in fine, penalty, or forfeiture collected. Language was also adopted to expand the allowable uses of this funding for crime lab

operations. The Administration estimated revenues of \$45.1 million in the current fiscal year.

According to the Administration, revenues have not come in as expected. One of the reasons is the priority order in which this assessment is collected. By adopting the proposed trailer bill language that exempts this penalty assessment from a provision of law that places these revenues in a lower priority for payment, the Administration projects an increase of revenue to the DNA Fund of \$16.9 million in 2011-12.

Given that DOJ currently has the statutory authority to charge fees for the forensic services they provide, the LAO recommends that the Legislature reject the proposed General Fund augmentation of \$14.1 million. This is consistent with past LAO recommendations. In addition, the LAO raises the point that it is unclear to which extent the proposed trailer bill language would adversely affect the level of revenue from other court-ordered debt and, thus, the programs that the revenue supports.

| |
|----------------|
| COMMENT |
|----------------|

DOJ's forensic laboratories provide a critical service that primarily supports local law enforcement. While there is merit to the LAO's recommendation to require DOJ to use its existing authority to charge fees for these laboratory services, local public safety entities have reported that this action would negatively impact investigations due to an inability to afford such services.

Staff Recommendation: Approve the May Revision Proposal

ISSUE 2: LOCAL PUBLIC SAFETY PROGRAMS

The Governor's May Revision proposes \$1.2 million General Fund and a reduction of \$629,000 to reimbursements to reflect a change in the 2011 realignment proposed for local Public Safety Programs.

BACKGROUND

The May Revision proposes to move funding that supports state operations and non-local government costs out of Realignment. As a result of this change, funding to support a portion of the High Technology Theft Apprehension Program and CalGANG (Currently, these programs are supported by revenues from the temporary VLF increase that is set to expire at the end of the current fiscal year) is being moved to DOJ's state operations budget. Realignment funds have been offset to account for this shift.

The High Technology Theft Apprehension Program funds programs to enhance the capacity of local law enforcement, state police, and local prosecutors to deter, investigate, and prosecute high technology crimes.

CalGANG system is a State of California funded, Local Law Enforcement maintained and controlled Criminal Intelligence System that targets specifically Members and Criminal Associates of Criminal Street Gangs.

Given the state's fiscal condition and the fact that the two programs primarily support local law enforcement responsibilities, The LAO recommends that the Legislature reject the Governor's May Revision proposal. To the extent that local agencies want to continue some these activities based on their local priorities, the LAO finds that they could use their local public safety resources to support them. Alternatively, the LAO suggests that DOJ could redirect existing resources from lower-priority programs.

Staff Recommendation: Approve the May Revision Proposal

0690 CALIFORNIA EMERGENCY MANAGEMENT AGENCY

The principal objective of the California Emergency Management Agency (Cal EMA) is to reduce vulnerability to hazards and crimes through emergency management and criminal justice to ensure a safe and resilient California. The Cal EMA coordinates emergency activities to save lives and reduce property loss during disasters and to expedite recovery from the effects of disasters.

On a day-to-day basis, the Cal EMA provides leadership, assistance, and support to state and local agencies in planning and preparing for the most effective use of federal, state, local, and private sector resources in emergencies. This emergency planning is based upon a system of mutual aid whereby a jurisdiction relies first on its own resources, and then requests assistance from its neighbors.

The Cal EMA's plans and programs are coordinated with those of the federal government, other states, and state and local agencies within California. During an emergency, the Cal EMA functions as the Governor's immediate staff to coordinate the state's responsibilities under the Emergency Services Act and applicable federal statutes. It also acts as the conduit for federal assistance through natural disaster grants and federal agency support. Additionally, the Cal EMA is responsible for the development and coordination of a comprehensive state strategy related to all hazards that includes prevention, preparedness, and response and recovery.

ISSUE 1: ELIMINATION OF EMERGENCY RELATED CENTERS AND COUNCILS

The Governor's May Revise proposes to eliminate the following centers and councils related to emergency services:

California Anti-Terrorism Information Center (CATIC) – This program is currently operated by DOJ through a \$6.4 million grant provided by Cal-EMA. DOF argues this center is duplicative of another center operated by CalEMA, the State Terrorism Threat Assessment Center, which it operates using federal homeland security funding. DOF argues that elimination of CATIC will streamline state anti-terrorism functions and result in General Fund savings of \$3.2 million and 23.3 personnel years in 2011-12.

Governor's Emergency Operations Executive Council (GEOEC) – This council was established as a result of Governor's Executive Order S-04-06, which required the Directors of the Office of Homeland Security and Emergency Services to convene a coordinating body for emergency management and homeland security activities across California state government. In 2008, legislation created Cal-EMA by merging these two departments. According to the administration, there are other committees that maintain the state's emergency plan, thereby making the need for this council unnecessary.

California Emergency Council – This council is responsible for recommending and approving orders, regulations, and emergency planning documents for the Governor.

According to the administration, the members of this group can be convened as necessary, and an ongoing council is not necessary.

Staff Recommendation: Approve these Requests

ISSUE 2: LOCAL PUBLIC SAFETY REALIGNMENT

The Governor's May Revision proposes \$752,000 to reflect a change in the 2011 Realignment proposal for Local Public Safety Programs.

BACKGROUND

The May Revision proposes to move funding that supports state operations and non-local government costs out of realignment. As a result of this change, funding to support program outcome and reporting will be moved to Cal EMA's state operations budget and grant funding for Evidentiary Medical Training and Local Public Prosecutors and Public Defenders will be moved to Cal EMA's local assistance budget.

Given the state's fiscal condition and the fact that the Evidentiary Medical Training Program and the High Technology Crime Program primarily support local law enforcement responsibilities, the LAO recommends that the Legislature reject the Governor's May Revision proposal to fund these two programs from the General Fund.

Additionally, the LAO recommends that the \$164,000 of this proposal for grant oversight activities be set aside until a plan on the allocation of realignment funds is finalized.

Staff Recommendation: Approve the May Revision Proposal

0250 JUDICIAL BRANCH

Article VI of the Constitution creates the Supreme Court of California and the Courts of Appeal to exercise the judicial power of the state at the appellate level. Article VI also creates the Judicial Council of California to administer the state's judicial system. Chapter 869, Statutes of 1997, created the California Habeas Corpus Resource Center to represent any person financially unable to employ appellate counsel in capital cases.

Chapter 850, Statutes of 1997, enacted the Lockyer-Isenberg Trial Court Funding Act of 1997 to provide a stable and consistent funding source for the trial courts. Beginning with the 1997-98 fiscal year, consolidation of the costs of operation of the trial courts was implemented at the state level, with the exception of facility, revenue collection, and local judicial benefit costs. This implementation capped the counties' general purpose revenue contributions to trial court costs at a revised 1994-95 level. The county contributions become part of the Trial Court Trust Fund, which supports all trial court operations. Fine and penalty revenue collected by each county is retained or distributed in accordance with statute. Each county makes quarterly payments to the Trial Court Trust Fund equal to the fine and penalty revenue received by the state General Fund in 1994-95, as adjusted by amounts equivalent to specified fine and fee revenues that counties benefited from in 2003-04. Chapter 1082, Statutes of 2002, enacted the Trial Court Facilities Act of 2002, which provided a process for the responsibility for court facilities to be transferred from the counties to the state by July 1, 2007. This Chapter also established several new revenue sources, which went into effect on January 1, 2003. These revenues are deposited into the State Court Facilities Construction Fund for the purpose of funding the construction and maintenance of court facilities throughout the state. As facilities transfer to the state, counties will also contribute revenues for operation and maintenance of court facilities based upon historical expenditures.

The mission of the Judicial Branch is to resolve disputes arising under the law and to interpret and apply the law consistently, impartially, and independently to protect the rights and liberties guaranteed by the Constitutions of California and the United States, in a fair, accessible, effective, and efficient manner.

In order to consolidate operational costs of the Judicial Branch, the Governor's Budget combined the previously separate budgets of Judicial and State Trial Court Funding as the Judicial Branch beginning with the 2005-06 fiscal year.

ISSUE 1: PAROLE REVOCATION WORKLOAD

The Governor's May Revision includes \$41.8 million General Fund in the budget year to support the revocation hearing workload that the courts will be assuming as a result of the passage of Assembly Bill 109 (Budget).

BACKGROUND

AB 109 that was passed earlier this year enacted major reform related to the parole revocation process. The law required that all offenders released from state prisons who commit a violation of the terms and conditions of parole or post-release supervision would be subject to revocation decisions by the courts. This eliminates the current role

that the Board of Parole Hearings (BPH) has regarding revocation hearings that return offenders back to state prison for short revocation terms. This Legislation did not impact the role that the BPH has related to lifer inmate determinations.

In calculating the funds to support this request the Administration has assumed that the revocation workload will be 115 percent of the actual workload in the prior year. Furthermore, the Administration is assuming that each hearing will take two hours (on average) and will be handled by a judge. The Administration has also built in one-time tenant improvements for each new courtroom activated by this new workload. The proposal assumes that the ongoing funding resulting from this workload drops after the one-time tenant improvements to \$18 million.

The LAO finds that this request is over budgeted for the following reasons:

- The LAO does not believe it is appropriate to assume that this workload would be handled by judges, when using hearing officers would be a more cost-effective approach for accommodating the additional workload. They recommend reducing the request by \$1.4 million accordingly.
- The LAO also does not think there is a justification to assume that there will be more revocation hearings than BPH is currently experiencing (115 percent assumption). They recommend that the budget request be reduced by \$5.3 million to reflect this adjustment.
- The LAO also indicates that the administration and the courts have not provided sufficient justification for the \$27 million in tenant improvements requested on a one-time basis to activate the additional courtrooms to handle the new revocation workload.

COMMENT

Although it is difficult to predict the exact impact, in many counties this workload will require the courts to activate several new courtrooms to handle the new court calendar of parole revocation hearings. The courts will incur a cost related to this activation. Therefore, some funding is warranted and costs will vary greatly from court to court depending on local circumstances. Furthermore, overtime, as the courts true costs related to AB 109 become clear, the Legislature will have opportunities to ensure that proper funding is being provided.

Staff Recommendation: Approve the May Revision Proposal

ISSUE 2: COURT SECURITY FUNDING

The Governor's May Revision proposes \$10.7 million to adjust the trial court funding allocated as part of realignment for inflation since the proposed funding in January was based on prior year data.

BACKGROUND

Existing law requires that the Sheriffs provide security in trial court facilities. The Governor's realignment proposal in January and the subsequent realignment proposal adopted by the 2011 Conference Committee included realigning the funding in the judicial budget that supports court security. This funding has historically been provided to reimburse counties in arrears. Under realignment the funding will now be allocated to the counties to manage the security costs within the funding provided.

The LAO has raised reservations about realigning court security since court security is a necessary operational cost related to the courts and the courts are now nearly exclusively funded by the State. Furthermore, the LAO has recommended that a better model for providing court security is to allow courts the flexibility to meet their security needs with providers other than the Sheriff. The LAO has not raised any concerns with the methodology suggested by the Administration to adjust the court security costs, but does continue to object to the realignment of the court security funding.

COMMENT

Right-sizing the budgets for the programs that are going to be realigned will help to avoid future problems in funding the realigned programs. This is especially important with court security where the judicial branch (funded by the state) will be relying heavily on the realigned service.

Staff Recommendation: Approve the May Revision Proposal
