

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 4
ON STATE ADMINISTRATION

Assemblymember Rudy Bermudez, Chair

WEDNESDAY, APRIL 19, 2006, 1:30 PM
STATE CAPITOL, ROOM 437

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ITEMS TO BE HEARD

ITEM 0250

JUDICIAL BRANCH

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.

ISSUE 1: INFORMATION TECHNOLOGY SUPPORT & MAINTENANCE

The administration proposes a General Fund Augmentation of \$3,310,000 (\$2,497,000 one-time) to provide increased information technology support for the Administrative of the Courts (AOC), the Supreme Court, and the Courts of Appeal. This proposal would support the establishment of 17 permanent positions: 9 positions in 2006-07 FY and 8.0 in 2007-08 FY within the Information Services Division.

Over the past seven years, the Administrative Office of the Courts (AOC) has expanded dramatically in both size and capability to service the state court system. The AOC completed the following tasks to meet their information technology demands:

- Introduced a new statewide email system linking over 1,800 accounts in the appellate court,
- Added laptops and smart phone to court inventory to accommodate an increasingly mobile user base,
- Configured a separate network for developing trial-court applications, and
- Utilize over 100 servers on three different operating system platforms to support critical application.

The present proposal seeks to accommodate workload growth within Information Services Division, due to the continued transfer of court operations. Additionally, the proposal provides for asset replacement, data security, and application development.

COMMENTS

As directed by the Subcommittee Chair on April 5, 2006, committee staff conducted a stakeholder meeting with the AOC staff to further the proposal. At that meeting, the AOC provide data concerning the status of their technology projects and the deployment of their existing resources. It appears that some of the major technology projects have been deployed in large court systems, including Los Angeles. As such, committee staff believes that the Judicial Branch is in the later development stages of many of its projects. Therefore, although the need was justified for an increase, it does not appear to be at the request level.

ISSUE 2: TRIAL COURT INFORMATION TECHNOLOGY

The enactment of the Trial Court Funding Act removed a county's legal obligation to provide trial courts with a broad range of administrative services and information technology support. Judicial Council asserts that counties either have terminated or are in the process of ending the provision of these services to the courts. Additionally, the Judicial Council believes legislative mandates (mainly AB 233 (Chapter 15, Statutes of 2000) have called for an enhanced level of administrative and information technology support.

The Council points to AB 233, suggesting that the passage showcased a need for greater fiscal accountability for the trial courts. As a result, the Council is working towards placing all 58-trial courts on various statewide systems including Judicial Branch cash management and investment operations, a centralized accounting system, and Human Resources administration.

To accomplish their effort, the Judicial Council proposes an ongoing General Fund augmentation of \$12.3 million in budget year 2006-07 for the development and implementation of administrative services to the trial courts. These administrative services are in accordance with the long-term fiscal responsibility and accountability plan that was designed to meet the requirements of the trial court funding act.

COMMENTS

The Legislative Analysis Office highlights this proposal in its *2006-07 Budget Analysis*. Specifically, the LAO recommend rejecting the request for \$12.3 million in information systems funding for the trial courts, because the proposal contains no detail on how the funding will be used and does not provide sufficient information to demonstrate that funding is needed above, and beyond the \$105 million proposed for the trial courts through the State Appropriations Limit adjustment.

The LAO notes that there has been a significant effort to provide statewide information systems for the trial courts to fill the vacuum of services no longer provided by the counties. The AOC has developed several information management systems and has begun to transition the courts to these systems. There are 15 programs currently being developed and implemented for the trial court system. In 2005-06, the trial courts will spend an estimated \$136 million for implementation and ongoing maintenance of these systems.

However, the LAO points out that the proposal lacks information on how the funding will be utilized. In particular, the proposal does not specify the amount of funding that will be designated for each project, nor does it identify specific programs that will be made in the budget year. However, more importantly, the AOC has not provided information to demonstrate that these trial court programs require an augmentation beyond the \$105 million SAL adjustment already included in the budget to fund the cost of inflation and growth in trial court operations.

ISSUE 3: TRIAL COURT SECURITY

Courts provide a variety of mandated, essential services, among which are the adjudication of criminal actions, resolution of civil disputes, and determination of matters involving families and juveniles. Many of these activities can provoke emotional responses in participants, witnesses, and the public, which may lead to a potentially dangerous situation for those in and around the courthouse. In an effort to reduce the potential for violence, the sheriffs or marshals provide security in the courthouse.

The Judicial Council seeks to address the baseline security need for the courts and public by providing each court facility (where it is logistically feasible and where local court management believes it is necessary) with a staffed entrance screening station and funding to replace the screening equipment on a regular basis. Their proposal request \$18.7 million (General Fund) to add 97 new entrance-screening stations in superior court facilities and establish a five-year replacement cycle for new and existing screening equipment. Of that amount, \$13.5 million is ongoing funding for new sheriff and marshal staff.

COMMENTS

The current proposal will place a screen station at every court facilities that has requested one. The Administrative Office of the Courts staff sent a form to all 58-trial courts asking them if they needed additional entrance screening stations for any of their facilities. Even if this proposal is funded, there will be 43 separate facilities in 24 court systems that will not have an entrance screening station. The courts did not request stations for these facilities.

The court facilities that did not request a screening station are small facilities in rural counties, either most with only one courtroom, or facilities in larger counties with a limited number of courtrooms. Courts have indicated that in several of these locations the courtrooms are in use no more than once a week. These courts may believe that the relatively small number of people utilizing these facilities would not justify the ongoing expense of a screening station. In several of the locations – a post office, a probation center, a veterans' memorial building, and juvenile facilities – the court is not the primary occupant. In these situations, the court may not have the authority to implement screening stations on their own.

County	Facility	County	Facility
Alameda	U.S. Post Office, 13th St. Oakland County Probation Center, 400 Broadway, Oakland Winton Avenue Building, Hayward George Psychiatric Pavilion, San Leandro	Napa	Juvenile Court, Napa
		Orange	Central Courthouse Annex, Santa Ana Harbor Justice Center, Laguna Hills Harbor Justice Center, Laguna Niguel
Alpine	Alpine County Courthouse	Placer	North Tahoe Court, Tahoe City
Butte	Downtown Oroville Branch Paradise Courthouse Gridley Courthouse Juvenile Hall, Oroville	Plumas	Chester Branch Greenville Branch Portola Branch
		San Benito	Juvenile Hall Courtroom, Flynn Road
Colusa	Colusa County Courthouse Colusa County Courthouse - Annex	San Diego	Ramona Branch, Ramona
		San Francisco	Youth Guidance Center, San Francisco
Contra Costa	Detention Facility -- Court Annex -- Martinez	San Luis Obispo	Juvenile Services Center, San Luis Obispo Veterans Memorial Building
Del Norte	Del Norte Superior Court -- Crescent City		
El Dorado	3368 Lake Tahoe Blvd., South Lake Tahoe	San Mateo	Southern Branch -- Traffic and Small Claims
Humboldt	Garberville Courthouse Hoopa Courthouse	Santa Cruz	303 Water Street
		Shasta	Burney Courthouse
Los Angeles	Monrovia Courthouse Catalina Island Courthouse, Avalon Torrance Annex, Torrance Beach Cities Courthouse, Redondo Beach	Sierra	Sierra County Courthouse
		Siskiyou	Happy Camp Dorris and Tule Lake
		Stanislaus	Ceres Branch Turlock Branch
Modoc	Barclay Justice Center, Alturas Modoc Superior Court, Alturas		

ISSUE 4: ORANGE COUNTY APPELLATE COURTHOUSE

The Orange County Appellate Courthouse is envisioned to be approximately 55,000 gross square feet, with the ability to accommodate nine justices and their support staff. Originally scheduled to begin construction in June of 2004, the project experienced a 33-month delay due to a project suspension as well as delays in site acquisition and subsequent design phases.

Funding for the working draws and construction phases was originally appropriated in 2002-03 and re-appropriated in 2003-04 and once more in 2004-05. Due to project, delays the project cost have escalated the total project cost by \$6.8 million.

The Judicial Council is requesting a reappropriation of the existing \$14.4 million appropriation from the Public Building Construction Fund for working drawings and construction and an additional appropriation of \$6.8 million from lease revenue bonds from the Public Building Construction Fund for a total of \$21.2 million.

ISSUE 5: PLUMAS AND SIERRA COUNTIES COURTHOUSE

Judicial Council proposes to replace the existing part-time courthouse in Portola (Plumas County) with a new 6,500 building gross square foot courthouse in Sierra Valley. The Council believes the construction of this court facility will be a model for other throughout the state, because both Plumas and Sierra County will jointly use the courthouse. The cross-jurisdictional courthouse will be a jury capable, one-room courtroom courthouse that will allow existing judicial officers and staff from each county to coordinate full-time use of the facility.

In Plumas County, the proposed new facility would replace the Portola Branch court, a one-courtroom facility, located in a former storefront in downtown Portola. This facility includes a small courtroom, clerk's office, and judge's chamber. It does not have clerical support space or a separate jury deliberation room, and it is not ADA compliant.

In Sierra County, the new courthouse will replace a small court filing service center in the town of Loyalton, which is located in commercial lease space. The service center, which does not have a courtroom, provides court access for the distribution of documents and payment of filing fees and fines. The proposed new facility will provide the opportunity for court proceedings in the rural northeastern portion of Sierra County, where there has never been a courthouse.

COMMENTS

Senate Bill 1732 (Escutia) Statutes of 2002, enacted the Trial Court Facilities Act of 2002, which provides and requires counties to transfer the responsibility of court facilities to the Judicial Council. As enacted, the deadline for completing court facility transfers is June 30, 2007.

As of March 30, 2006, Plumas County has yet to transfer the Portola court facility. Such as, the committee should be hesitant to provide funding for facilities that are currently non-compliant with existing law. However, the Judicial Council noted that facilities transfers should be completed by June 30, 2006. Although, the Administration has included budget bill language that does not release the allocation until the transfer of court facilities, the Subcommittee may wish to add language that also calls for the revision of the funding if the transfer does not occur before the statutory deadline.

Additionally, the Subcommittee may also want to take into account the Legislature's consideration of the Governor's Strategic Growth Plan. The Governor's proposal includes AB 1831 (Jones) that would provide \$1.8 billion overtime for the acquisition, design, construction, or renovation of trial court facilities

ISSUE 6: CONTRA COSTA COURT HOUSE

The Judicial Council and the Department of Finance are currently revising their initial proposal for the construction of a new courthouse within Contra Costa County. Initially, the Council sought to construct a courthouse with four courtrooms on a nine-acre site. The Legislative Analysis Office (LAO) has raised a number of concerns with this proposal, centered on the issue of population growth.

As proposed, the facility would be built in east Contra Costa County to provide services to the Antioch-Brentwood-Oakley area. The new facility would replace an undersized Pittsburg-Delta facility. Although Judicial Council proposal provides for onsite future growth, the current proposal provides the same level of service as the existing "under-sized" facility. Furthermore, the LAO disagrees with the Department of Finance's (DOF) evaluation of the current facility.

DOF asserts that the current facility only has four courtrooms, where as the LAO claims the courthouse as 4.5 courtroom. The LAO claims that court operations have converted a room to provide part-time accommodations for some levels of court activities.

COMMENTS

The area surrounding the Pittsburg courthouse has clearly experienced tremendous growth. In 2005, the Pittsburg court handled about 55,400 filings, but had to re-direct 6,393 filings (about 10% of the total filings) to the Martinez courthouse due to overcrowding. DOF has recognized that the LAO's claims has merit, and have decided to revisit their initial proposal to ensure that the new facility can accommodate current and near future workload growth.

Additionally, the county has yet to transfer the Pittsburg trial courthouse to the Judicial Council. As previously stated, the Subcommittee should be hesitant to provide funding for facilities that are non-compliant with current law. In response to this concern, the Legislative Analysis Office has recommended that the Subcommittee adopt budget bill language that would prohibit the appropriation of funding until the court facility has been transferred and the revision of the budget allocation if the transfer is not completed by June 30, 2007.

Furthermore, the Subcommittee may also want to take into account the Legislature's consideration of the Governor's Strategic Growth Plan. The Governor's proposal includes AB 1831 (Jones) that would provide \$1.8 billion overtime for the acquisition, design, construction, or renovation of trial court facilities

ITEM 0820**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; represents the people in actions to protect the environment and to enforce laws; and assists district attorneys in the administration of justice. The Department also coordinates efforts to address the statewide narcotic enforcement problem as follows; 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: FIREARM DATABASE WORKLOAD

Penal Code 12010 requires the Attorney General to establish and maintain an online database to be known as the Prohibited Armed Persons File. The purpose of the file is to cross-reference persons who legally received ownership or possession of a firearm that subsequently fell into a prohibited class.

The Armed Prohibited Persons System (APPS) will be in operation in April of 2006. According to the DOJ, APPS is estimated to identify more than 57,300 positively identified armed prohibited individuals. Accordingly, DOJ seeks position increases to reduce the ten-year backlog of armed persons records, process newly potential armed person, assist enforcement in obtaining search warrant and lead a task force to prosecute prohibited criminals. Specifically, DOJ requests \$4.97 million (General Fund) for the budget year (\$3.4 million ongoing) and 34 positions.

The positions have been divided into three functional categories: 6.0 positions to reduce the estimated number of existing prohibited individuals; 12.0 positions to analyze and identify prohibited individuals due to new triggering events; and 17.0 positions for enforcement activities. The position associated with the reducing the number of existing prohibited individuals is proposed as limited term positions performing an eight (8) year workload.

COMMENTS

As proposed, the identified 17.0 position are slated to assist local agencies in two areas: obtain current, accurate information in order to obtain search warrants; and lead a state and local task forces to investigate, arrest, and prosecute the armed prohibited criminals identified. DOJ seeks to initially provide two task forces in the greater Bay and Los Angeles areas; with a third, team to be established by re-classifying the position after the backlog has been eliminated. However, the subcommittee may wish to revise the current proposal to ensure the enforcement portion of the program is working effectively.

DOJ is not solely responsible for the protection and welfare of California resident. Local law enforcement plays an integral role in the state's public safety. Therefore, it may be fiscally prudent to allow locals to initially take the lead on the enforcement effort. Especially, since local communities public safety stands in great risk if prohibited individuals possess a firearm.

Furthermore, by empowering local agencies with the responsibility and informational resources to investigate, arrest and prosecute armed prohibited individuals, statewide public safety maybe improve because more areas are being efficiently serviced.

ISSUE 2: GANG SUPPRESSION ENFORCEMENT TEAMS

In 1988, California enacted the Street Terrorism Enforcement and Prevention Act (STEP) to address criminal street gang activities and provides law enforcement remedies to thwart violent crime. In 2000, the California state wiretap law was amended to allow law enforcement to use electronic surveillance in the investigation of felonies committed by street gangs to the STEP Act.

Within the past two years, the Department of Justice has begun to view the street gang phenomenon as a form of domestic terrorism. With a \$1.1 million federal grant, DOJ utilized 10 sworn agents within its Bureau of Narcotic Enforcement to form a Gang Suppression Enforcement Team (GSET) as a pilot program. The mission of the GSET pilot program is to respond to communities under siege by gang crimes and activities.

DOJ proposes to establish a statewide GSET program, by establishing six teams over a two year period. For the budget year, DOJ requests an additional \$6.5 million (General Fund) to establish four teams with 33.6 permanent positions. Two additional teams are to be added in 2007-08 to create a total program of almost \$10 million and 50.0 positions on going. Each team is to consist of one Special Agent Supervisor, five Special Agents and one Criminal Intelligence Specialist.

COMMENT

The pilot GSET program has been used throughout the state to uproot street gangs that have either taken over a significant portion of a community or capture specific gang members that have committed a particular heinous crime. Through DOJ has shown how the team activities are effective in removing a specific problem, it is still unclear how DOJ will utilize the teams and how they will be deployed.

During an informational presentation, the Department displayed how the pilot team successfully captured and removed a gang from a community. The presentation displayed how the GSET program could be utilized in small or suburban communities with relatively small city police departments. However, the proposal before the committee does not narrow the focus, but seeks to provide General Fund resources to large urban areas.

The LAO noted that local law enforcement's role in providing public safety cannot become a state responsibility. Large urban areas, such as Los Angeles, have resources and the same statutory ability to conduct gang suppression activities. The LAO also noted that DOJ has been unclear about the criteria it would utilize to determine how and when a GSET team was to be deployed. To date, committee staff has not seen a systematic matrix that would provide an idea of how the teams would be utilized, but staff has received a subjective narrative of the kinds of scenarios that warrant GSET activities.

ISSUE 3: INVESTIGATIVE SUPPORT TEAM

The Investigative Support Teams (IST) for the Legal Divisions became operational in early 2003. Currently, four teams are located throughout the state, with office in Sacramento, Los Angeles, San Diego and Fresno. The Sacramento office provides investigative support to the Criminal, Civil Law and Public Rights Divisions and is responsible for 40 northern California counties, including the San Francisco Region.

Professional investigative services are a key component to effective criminal prosecution. When the IST was established, the San Francisco Legal Divisions received some assistance from the Sacramento IST staff. However, as the Sacramento IST caseload has developed, the San Francisco based attorneys have encountered increasing difficulties in obtaining any investigative assistance in the cases, which is compromising their effectiveness.

DOJ wishes to establish a new Investigative Support Team within the California Bureau of Investigation to provide services to the Attorney General's San Francisco legal office. Specially, the request 3.0 positions – 1 Special Agent Supervisor and 2 Special Agents – at a total cost of \$587,000 to the General Fund.

COMMENTS

Although the proposal noted an increase workload in the Sacramento IST, committee staff requested information concerning Fresno's IST workload to determine whether or not San Francisco's increase could be absorb within existing resources. Also, during committee staff discussions, staff also questioned the need to an additional Special Agent Supervisor because it may be possible for the requested special agents to report to Sacramento. To date, committee staff has not received a response to these inquiries

ISSUE 4: UNDERGROUND ECONOMY

In 2003, the Labor and Workforce Development Agency (Labor Agency) estimated that the State's underground economic activity at \$140 billion with annual losses to California of \$3-\$6 billion in incomes taxes. California has taken a number of steps to combat the development of an underground economy, including the establishment of the Labor Agency in 2002, which is in charge with the protection of workers from being exploited and to capture lost revenues for the state.

Since its inception, the Labor Agency has been engaged in efforts to improve coordination of enforcement of laws related to the underground economy, by creating a new multi-agency enforcement program, the Economic & Employment Enforcement Coalition (EEEC) and maintaining the Joint Strike Force on the Underground Economy (JESF) established in 1993 by Governor Wilson.

Despite the Fact that DOJ has been a member of JESF since 1994, the department feels it is being under utilized in the State's effort against the underground economy. DOJ is proposing the creation of an Underground Economy Statewide Investigation and Prosecution unit (UESIP) to ensure statewide uniformity of enforcement activities and provide investigative and prosecution services to areas where local resources are inadequate. Specifically, DOJ request \$556,000 General Fun and 4.3 positions.

COMMENTS

The LAO recommends rejecting this proposal for two reasons. First, DOJ asserts that the unit will work together with other members of JESF but does not specify the role of the unit with respect to the other members of the strike force. Second, the proposal identifies several potential sources which would generated workload for the unit, most notably the newly created EEEC and local prosecutors the lack the expertise to litigate these cases. However, DOJ does not provide information to demonstrate that such workload exists.

The LAO also point out that several agencies involved in the EEEC have in-house legal staff that represented the agencies in cases against employers. Moreover, other affected agencies, such as the tax and licensing agencies, use current DOJ staff when their assessment are challenged in court. Since EEC has only been in existence for less than a year, it may be premature to establish an ongoing unit within DOJ.

ISSUE 5: RADIO COMMUNICATIONS EQUIPMENT

The current DOJ radio system is a statewide repeater-based analog system established in the late 1970's as a dedicated network, not shared with other state agencies. The system's infrastructure consists of 29 radio repeaters and 12 control stations. The field equipment used by DOJ's special agents includes approximately 600 mobile and 600 portable radios.

The estimated life of a public safety radio repeater is approximately fifteen (15) years. By the end of the budget year, all of DOJ repeaters will be more than eighteen year old. Likewise, DOJ asserts that while the performance of the radio is declining, the cost of maintaining the units is increasing and, in some cases, replacement parts are no longer manufactured.

DOJ request \$2.8 million in one-time General Fund authority to replace its radio communications system infrastructure and an ongoing allocation of \$936,000 beginning in 2007-08 for an annual replacement schedule.

COMMENTS

Although the one-time request seems reasonable, it is still unclear why the department would need replacement dollars one year after purchasing brand new radios. It should be assumed that a good number of radios maybe lost or broken but close to a \$1million maybe overreaching.

Additionally, DOJ noted that the radio system will be operable with P25-compliant systems, which are being increasingly adopted and deployed. However, no current statewide policy has been issued to address the statewide interoperability.

ISSUE 6: DOMESTIC VIOLENCE RESTRAINING ORDER SYSTEM

DOJ has state and federal mandates to administer the Domestic Violence Restraining Order System. DVROS was established in 1991 as the nation's first statewide online restraining order database. DVROS is always accessible to all California law enforcement either day or night. Family Code section 6380 authorizes DOJH to maintain DVROS, which provides law enforcement with the terms and conditions of the restraining order. The Family code also requires each county to develop procedures for electronically submit restraining order data to DVROS.

In fiscal year 2003-04, 377 separate agencies entered a total of 246,874 restraining orders into DVROS. In 2003, the Attorney General established a task force to study local criminal justices agencies' response to domestic violence. The task found that 1) criminal protective orders were not being properly issued or entered into DVROS; 2) there were a high number of restraining orders entered in DVROS with no firearms restrictions; 3) there were a high percentage of orders in DVROS that have not been served and 4) Emergency Protective Orders were underused.

The Attorney General is concerned with the accuracy of information enter into DVROS. Therefore, they are requesting \$352,000 (General Fund) and 3.0 positions to establish a Domestic Violence Restraining Order System Assessment Unit.

COMMENTS

The issuance of protective orders are crucial to the safety of individuals that went to the process of obtaining such orders. Therefore, DOJ is justified in their concern about the lackluster manner in which agencies (courts executive officer, district attorneys and city attorneys) are entering the information into DVROS. However, concerns have been raised that DOJ should utilize other avenues to increase accuracy before requesting additional positions.

Since the identified criminal justice should want to improve their performance, an increase in the availability of training (similar to the POST web-portal training) could be a viable solution to attempt before increasing department staff.

ISSUE 7: VEHICLE REPLACEMENT

DOJ operates a fleet of 636 vehicles (506 sworn, 94 non-sworn and 36 specialty) to assist department personal in prompt response to law enforcement issues, as well as perform day-to-day duties and responsibilities. Currently, the fleet is aging without an implemented replacement plan.

DOJ is requesting to establish a six-year replacement plan to for their fleet of sworn and non-sworn support vehicles; specifically, the department requested a \$3.3 million General Fund augmentation.

COMMENTS

Staff has raised concerns about the usage of vehicles for non-sworn officers. Although the department provides a full listing of its fleet, it is still uncertain what specific work related duties and activities warrant the usage of a public vehicle. Without such information, the Legislature cannot be certain that public resources are being properly allocated based on necessity. Accordingly, recommendations have been made to strict the use of vehicles to filled sworn officer position only; thereby, removing vehicles from unfilled positions, law enforcement staff that are now in administrative capacities, cars for administrative staff, and replacement specialty vehicles reducing the amount request by approximately \$1.4 million.

In consideration of this recommendation, the Subcommittee may wish to inquire about the nature and usage of the department's specialty vehicles.

ISSUE 8: UNDERWRITERS LITIGATION

DOJ is requesting a two-year limited-term General Fund augmentation of \$4.2 million for 2006-07 and \$1.95 million for 2007-08, with 2.6 limited-term positions (1.6 Deputy Attorney General III and 1.0 Legal Secretary). The department asserts that these funds and positions are necessary to continue funding the special counsel with expertise in insurance-coverage litigation and to provide oversight for the extraordinarily complex Underwriters litigation.

COMMENTS

The Budget Committee received a request to provide current funding for this ongoing litigation, with the understanding that this case should be concluded in the near future. Therefore, it is uncertain why the department has proposed resources beyond the budget year.

ISSUE 9: METHAMPHETAMINE STRATEGY PROGRAM

Methamphetamine is a synthetic drug that can be ingested in a number of ways and releases an intense high for hours. It quickly becomes addictive and leads to paranoia, schizophrenia, seizures, hallucination, and violent behavior. Prolonged use is also known to cause kidney disorders, heart failure, brain damage and stroke.

The DOJ Bureau of Narcotic Enforcement (BNE) California methamphetamine Strategy Program (CALMS) was the first in the nation to address methamphetamine issues on a statewide basis. Originally funded through exhausted federal grants, the program has survived numerous resource reductions.

DOJ asserts that there are too few resources in the field, causing BNE to focus activities on a limited number of the larger scale laboratories. The shift has decrease BNE effectiveness due to a shift in the increase usage of small-scale, mobile production centers in rural areas. Accordingly, DOJ requests \$6.03 million (General Fund) and 31.2 positions to increase support for CALMS.

COMMENTS

The Legislative Analyst's Office recommends rejecting the current proposal due to a lack of information presented by DOJ. Specifically, they sight that the proposal provides no information on the potential distribution of methamphetamine production by region, no information on the existing level of local resources dedicated to methamphetamine enforcement, and no workload data to justify the requested number of positions.

Additionally, the state Office of Emergency Services administers the War on Methamphetamine grant program, which provides grants totaling \$9.5 million to a number of counties for methamphetamine-related law enforcement activities. The Governor's budget proposes to continue funding for the grant program at its current-year level and it is unclear how the DOJ proposal would be coordinated with the activities currently founded through the Methamphetamine grant program.

ISSUE 10: SPECIAL CRIMES UNIT STAFFING

Within the Attorney General's Office, the Special Crimes Unit (SCU) coordinates the investigation and prosecution of crimes involving large-scale, investment and financial fraud and those in which the elderly were targeted. In addition, the SCU handles high-tech and identity theft crime where the scope and complexity of the offenses exceed the investigative and prosecutorial resources of local law enforcement and state agencies.

Presently, the SCU has 10 Deputy Attorney Generals, 2 Investigative Auditors, 3 paralegals, 1 special agent and 3 retired annuitants, to handle cases that have been rebuffed by local District Attorneys because they are either unwilling or unable to prosecute complex financial criminal cases. Today, each SCU team carries an average of 25 cases and spends over 2,200 hours during a six week period in trial and trial preparation.

Accordingly, DOJ requests \$1,260,000 an additional 13.2 positions (5 investigative auditors, 5 legal analysts and 3.2 legal secretaries) in order to support increase workload in the area of complex financial crimes and identity theft.

COMMENTS

Despite their request for 13.2 additional positions, the DOJ proposal noted that the department only needs 10 positions (5 Investigative Auditor and 5 paralegals) in order to staff its prosecution teams. Therefore, the Subcommittee may wish to reduce the Department's request to meet its actual need.

ISSUE 11: TRIBAL GAMING COMPLIANCE AND ENFORCEMENT

The Department of Justice's Division of Gambling Control based its original staffing workload to support 40 casinos and the provision in the 1999 compacts. However, since 2000, the state has entered into ten additional tribal gaming compacts and four existing compacts have been completely revised. DOJ asserts that the additional workload resulting from the fourteen compacts reaches beyond existing resources.

Currently, the Division is responsible for ensuring that California's 55 Class III casinos are in compliance with the terms of the Tribal State Gaming compacts and that ensure that gaming is conducted honestly, free from criminal elements. Citing a backlog of 61 tribal investigations and the expanded inspection responsibilities, DOJ seeks a budget year augmentation to their Division staff of 19 positions and \$3.3 million (\$367,000 General Fund).

COMMENTS

In terms of gaming at Indian Casinos, the regulatory and licensing activities of the state have been historically funded by the Special Distribution Fund (SDF). Money deposited in the SDF is distributed based on the fund's five priorities: 1) address shortfalls in the Revenue Sharing Trust Fund so that eligible tribes receive \$1.1 million annually, 2) fund programs addressing gambling addiction and related problems, 3) fund regulatory activities of the commission and DOJ, 4) provide grants for local government agencies affected by tribal casinos, and (5) achieve any other gambling related purposes.

Prior to the new and revised compacts of 2004, all gaming tribes contributed to the SDF, thereby providing resources for the regulation of casino style gaming. However, the 2004 compacts departed from the existing formula, directing five tribes to make payments to the General Fund based on the "net win" of their slot machines. The remaining 1999 compact tribes believe that the redirection of funds warrants a General Fund contribution to the regulation of gaming.

The LAO points out that state law or tribal compacts allow funding for all gambling related regulatory activities to come from the SDF and that the SDF is projected to have a fund balance of \$113 million at the end of 2006-07. Therefore, in light of ongoing budgetary shortfall, the LAO recommends rejecting the Administration's proposal to shift a portion of the regulatory burden for the SDF to the General Fund.

ISSUE 12: FORENSIC EQUIPMENT REPLACEMENT – CONSENT

DOJ seeks to establish an ongoing equipment replacement program for its Bureau of Forensic Services Criminalistics Laboratory System. Currently, the Lab has no ongoing equipment authority to acquire or replace scientific equipment necessary to maintain accreditation by the American Society of Crime Lab Directors and meet upcoming ISO certification for the Bureau's DNA and regional laboratories. Specifically, they request \$4.6 million ongoing from the General Fund.

ISSUE 13: RELATIVE CARE ELECTRONIC STORAGE SPACE -- CONSENT

The Welfare and Institution Code section 361.4 mandates when a child is placed in the home of any prospective guardian, who is not a licensed foster parent, the court, or county social services agency, should run a background investigation that includes a Criminal Offender Record Information (CORI) search of the individual and any other household residents. Since the Penal Code mandates DOJ as CORI's repository, the entities must request these search from DOJ. In addition the Welfare and Institution Code does not provide spending authority for DOJ to assess the State CORI search fee.

DOJ is requesting a General Fund augmentation of \$299,000 to process additional fee exempt relative/emergency placement CORI request.

COMMENTS

DOJ notes that the additional resources are needed to increase the system storage for the Applicant History File (AHF), which enables DOJ to electronically process and respond to CORI request. AHF enables DOJ to track a submission for receipt for response. Without an augmentation, the AHF will eventually fail when new submissions are added.

ISSUE 14: CIVIL PROSECUTIONS UNIT -- CONSENT

DOJ is requesting \$3.04 million (\$2.3 Federal Trust and \$760,000 False Claims Act Funds) and 23.4 positions to increase resource in the Bureau of Medi-Cal Fraud and Elder Abuse Civil Prosecutions Unit. Specifically, the resource would assist in the following:

1. Prosecution pharmaceutical manufactures for violating the False Claims Act, alleging hundreds of millions of dollars in damages to the Medi-Cal program; and
2. Investigation and prosecution of any entity that violates the False Claims Act.

DOJ asserts that the number of cases alleging violations of the False Claims Act submitted to the Attorney General for investigation pursuant to the whistle blower provisions has overwhelmed the Unit legal resources and jeopardizes its ability to fulfill its statutory responsibilities.

ISSUE 15: BUREAU OF FORENSIC SERVICES -- CONSENT

The Bureau of Forensic Services (BFS) is the scientific arm of the Division of Law Enforcement. BFS is the sole provider of forensic crime laboratory services to over 500 local law enforcement agencies in 46 counties that don't have access to their own crime laboratory systems. In addition, BFS support the investigative activities of the numerous state agencies, including CDCR and CHP.

Currently, the forensic science industry is moving toward more stringent international standards within regard to maintaining a laboratory accreditation. To ensure any change in BFS does not compromise its work product, DOJ is seeking to methodically plan and implement any new standards prior to its 2008 review.

DOJ requests \$1.6 million (1.4 million ongoing) in General Fund authority and the permanent establishment of 12.0 positions within the Bureau of Forensic Services to address the successful implementation of industry requirements associated with a change in accreditation standards.

ISSUE 16: CLETS WORKLOAD - CONSENT

There are currently more than 1,700 local, state and federal law enforcement agencies throughout California that operate more than 59,500 terminals and computers with access to the California Law Enforcement Telecommunication System (CLETS). DOJ asserts that the increase in complexity and number of CLETS applications have resulted in a shortage of existing resources.

The department further asserts that the lack of sufficient resources has resulted in a 7-month to 15-month wait for the implementation of client agencies' request. These backlogs continue to grow as more new agencies are added to the network and technology upgrades occur with individual CLETS clients. Overtime has been consistently used to address the backlog. However, the demand for overtime and increase workload has resulted in a 70% turnover of staff in the last two years.

Accordingly, the Department of Justice requests a \$327,000 General Fund augmentation and three permanent positions to process the increase in workloads associated with CLETS.

ISSUE 17: NETWORK ENCRYPTION - CONSENT

To begin addressing the security policies as outlined by the Federal Bureau of Investigation, the Division of Criminal Justice Information Services is proposing to hire and establish new technical staff to work with vendors to plan, design, develop modification, implement the network and test the encryption over the network in order to meet federal encryption requirements and specifications. This will allow the department to comply with federal network encryption policies by securing the highly sensitive criminal data it transmits through its public telecommunication lines.

The Department requests an augmentation of \$2.007 (\$903,000 General Fund), two permanent positions and one two-year limited term position in 2006-07. Likewise in 2007-08, they request \$3.1 million and \$1.7 million in 2008-09.

ISSUE 18: EXPANSION OF LATENT PRINT WORKSPACE - CONSENT

The Department of Justice request \$596,000 in one-time General Fund authority for the expansion of the Bureau of Forensic Services (BFS) Sacramento Laboratory Latent Print Program workspace to address deficiencies identified by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board. DOJ assert that without this funding BFS risks losing their accreditation which will jeopardize the Department's credibility and its effectiveness in providing forensic services to law enforcement statewide.

Specifically, the Department seeks to address workspace and equipment deficiencies previously identified by their accrediting agency.

ISSUE 19: REGISTRY OF CHARITABLE TRUSTS AUTOMATION PROJECT - CONSENT

Under the Charitable Purposes Act, the Attorney General is charged with the responsibility to oversee all charitable corporations, charitable trustees, and fundraising professional for charitable purposes. The Act requires these entities to register and file annual reports with the Attorney General. It further requires that the Attorney General maintain a registry which contains all the documents they file, many of which must be made available for public inspection.

The Charitable Trust Registry is responsible for the registration and reporting functions, which support the Attorney General's enforcement efforts. The Registry seeks to transform its registry from a paper-driven process to an online repository that is an effective law enforcement tool and is easily accessible to the public. Accordingly, the department requests \$686,000 and 2.0 two-year limited term positions.

ISSUE 20: MISSING PERSON DNA PROGRAM AUGMENTION - CONSENT

The Department requests a workload adjustment for its Missing Persons DNA program (MPDP). Based on submissions the program received in 2003 and 2004, it is estimated that the new missing and unidentified persons cases will result in a minimum of 500 annual requests. The program's current capacity is 200 requests per year and there is a current backlog of more than 508 requests.

The Department is requesting \$1.2 million, 1.5 permanent positions and 5.5 three-year limited term positions to handle the current level of incoming request and delete the present backlog.

ISSUE 21: THIRD PARTY PROGRAM LICENSING WORKLOAD - CONSENT

AB 1416 (Wesson), Chapter 1023, Statutes of 2000, legalized the practice of third party banking in card games. The legislation also authorizes licensed card clubs to contract with third party bankers, only if the person or entity has been pre-approved by DOJ.

In fiscal year 2004-05, the Gambling Control Division was authorized 7.0 limited term position that will expire in the current year. Based on actual workload for the past two years, the DOJ request the limited term position be made permanent and an augmentation of 2.0 additional positions at a cost of \$904,000.

ISSUE 22: COLLECTIONS UNIT - CONSENT

The Department of Justice and its client agencies expend significant public resources each year to obtain monetary judgment. However, many judgment debtors fail or refuse to pay those judgments. When such judgments go uncollected, the money owed and the resources spent to obtain the judgment are lost.

DOJ has identified over \$4 million in uncollected judgments owed to DOJ and other state agencies. Many agencies do not have the expertise to effectively enforce judgments, because they are not specialized in the particular area of law.

Accordingly, DOJ is requesting \$635,000 and 5.9 positions (two-year limited term) to establish a Collections Unit. The proposed Collections Unit would enforce outstanding judgments, generating revenue to self-fund the Unit in future years.

ISSUE 23: PROACTIVE ANALYSIS COLLABORATION TEAM - CONSENT

In 1981, The U.S. Department of Justice formally created the Western States Information Network (WSIN) to establish regional intelligence systems throughout the United State. Through a grant provided by the U.S. Department of Justice, California DOJ was authorized permanent federal spending authority to receive the federal grant and implement the WSIN program. The primary mission of WSIN is to promote the exchange of narcotic intelligence information by providing a central repository of information of narcotic traffickers.

In 2004, the WSIN Policy Board directed the expansion of the WSIN database to accept "All Crimes" information. This expansion from narcotic-related crimes to all crime categories will require additional regional coordinators for the anticipated increase in workload. Accordingly, DOJ request an augmentation of \$682,000 (Federal Trust) and 6.0 positions.

**ISSUE 24: NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM -
CONSENT**

The Department of Justice requests a one-time increase in federal spending authority of \$1.4 and one-time position authority for 2.0 positions to continue criminal record improvement activities through the National Criminal History Improvement Program (NCHIP).

The request will allow DOJ to expand its pilot program by passing funds through to five counties that submit dispositions electronically. In addition, DOJ will be able to pass NCHIP funds to other entities in order to provide complete and accurate information for employment and licensing purposes, as well as firearms.

ISSUE 25: PROPRIETARY SECURITY SERVICES ACT -- CONSENT

The Department of Justice requests \$5.6 million augmentation in its Fingerprint Fees Account spending authority and permanent position authority for 31.0 positions to process criminal offender record information (CORI) requests from various agencies the Department of Consumer Affairs (DCA) and the Bureau of Security & Investigative Services (BSIS) pursuant to statute.

DOJ assess a processing fee, as authorized in Penal code section 11105, of \$32 state level and \$24 federal level for each CORI request. DCA provided DOJ with a 100,000 CORI request volume estimate for the budget and future years. Accordingly, DOJ request for an augmentation in it spending authority.

ITEM 0855**CALIFORNIA GAMBLING CONTROL COMMISSION**

The California Gambling Control Commission, under the Gambling Control Act, has the jurisdiction over the operation, concentration, and supervision of gambling establishments, and over all persons or things having to do with the operations of gambling establishments in the State of California. There are approximately 100 cardrooms and 55 tribal casinos in current operation.

ISSUE 1: FIELD INSPECTION PROGRAM

Business and Professions Code Section 19811 provides the Commission with the responsibility of oversight for all gambling establishments in the State. The California gambling establishment industry currently consists of 94 gambling establishments, which operate more than 1,300 gambling tables. Likewise, the tribal casino industry has grown to 54 tribes operating 55 tribal casinos.

In his signing message for AB 1750 (2005), the Governor stated his concern about California's lack of gambling regulation. In response, the Commission has submitted a proposal to establish a Field Inspection Program as well as an augmentation to their Licensing and Auditing workload. Specifically, they seek \$1.7 million (\$359,000 General Fund) to establish 14.5 positions.

The Field Inspection Program, consisting of 3.0 positions, would be established to meet the Commission's new responsibility to establish and maintain a program for random field inspection of gaming devices on a quarterly basis. Likewise, the Commission seeks the remaining 11.5 positions to provide for Licensing and Auditing workload deficiencies.

COMMENTS

The budget change proposals for the Field Inspection Program and the Technical Services Program (Issue 3) represent a dramatic shift in fiscal policy concerning the regulation of gaming in California. To date, support for gaming regulation has been derived from the utilization of various special funds supported by gaming interest.

In terms of gaming at Indian Casinos, the regulatory and licensing activities of the state have been historically funded by the Special Distribution Fund (SDF). Money deposited in the SDF is distributed based on the fund's five priorities: 1) address shortfalls in the Revenue Sharing Trust Fund so that eligible tribes receive \$1.1 million annually, 2) fund programs addressing gambling addiction and related problems, 3) fund regulatory activities of the commission and DOJ, 4) provide grants for local government agencies affected by tribal casinos, and (5) achieve any other gambling related purposes.

Prior to the new and revised compacts of 2004, all gaming tribes contributed to the SDF, thereby providing resources for the regulation of casino style gaming. However, the 2004 compacts departed for the existing formula, directing five tribes to make payments to the General Fund based on the "net win" of their slot machines. The remaining 1999 compact tribes believe that the redirection of fund warrant a General Fund contribution to the regulation of gaming.

The LAO notes that Commission currently receives all operational funding from the SDF and the Gambling Control Fund (for cardroom regulation) and nothing in state law prohibits the continuation of this practice. Likewise, they further point out that the SDF is projected to have a fund balance of \$113 million at the end of 2006-07. Therefore, in light of ongoing budgetary shortfall, the LAO recommends rejecting the Administration's proposal to shift a portion of the regulatory burden for the SDF to the General Fund.

The LAO also recommends rejecting the proposed audit staff expansion. The Commission reports that it has completed only about six full audits of tribes since its inception. Expanded workloads and turnover, in addition to cited disputes with tribal operators, seem to be responsible for the poor record to date. The LAO believes that the Commission should first improve its productivity of existing staff before any expansion is granted. It will soon lose the authority to audit fiscal 2002-03, 2003-04, and 2004-05. Within this proposal, the Commission anticipated conducting an abbreviated audit for those years, in an effort to provide some oversight.

LAO recommends granting the Inspection Field Unit on a two-year limited term basis, which consists within the Technical Services Unit. By providing a limited term, the Legislature can evaluate the effectiveness of the program.

ISSUE 2: TECHNICAL SERVICES, RESEARCH & TESTING UNIT

The phenomenal growth in both the volume of gaming activity and gaming revenue generated from the public within the State of California warrants the need to provide oversight and public protection from inappropriate and unauthorized gaming within the state. Presently, the Commission and the State do not have any technical staffing resources dedicated to gaming oversight in the areas of electronic gaming device and associated equipment research, testing, inspection, or approval.

All new and amended Tribal Gaming Compacts provide the authority for the Commission to inspect, test, approve, and certify game software, any changes thereto, and testing of hardware and associated equipment. The Technical Services Program will act as an available resource to the Field Inspection Program to ensure the integrity and fairness of gaming devices offered for play to the patrons of in-state casinos and to assist the DOJ Division of Gambling Enforcement with their investigative efforts.

Accordingly, the Commission requests \$732,000 (\$366,000 General Fund) to establish 5.0 positions on a two-year limited-term basis to develop a Technical Services Program and a Research, and Testing Unit.

COMMENTS

The budget change proposals for the Technical Services Program and the Field Inspection Program (Issue 1) represent a dramatic shift in fiscal policy concerning the regulation of gaming in California. To date, support for gaming regulation has been derived from the utilization of various special funds supported by gaming interest.

In terms of gaming at Indian Casino, the regulatory and licensing activities of the state have been historically funded by the Special Distribution Fund (SDF). Money deposited in the SDF is distributed based on the fund's five priorities: 1) address shortfalls in the Revenue Sharing Trust Fund so that eligible tribes receive \$1.1 million annually, 2) fund programs addressing gambling addiction and related problems, 3) fund regulatory activities of the commission and DOJ, 4) provide grants for local government agencies affected by tribal casinos, and (5) achieve any other gambling related purposes.

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ISSUE 3: ADMINISTRATIVE WORKLOAD - CONSENT

The Commission currently has 1.5 analytical positions in support services to attend to administrative duties relating to budgets, personnel, facilities, business services, policies and procedure development, record and form management, and to serves as liaison to various control agencies. Likewise, the Commission does not have any support staff dedicated solely to the development and maintenance of the budget or personnel functions.

Admittedly, the Commission is currently non-compliant with a number of statutory mandates including safety, records management, employee development, departmental training, information technology practices, to name a few. The Commission asserts that without additional positions they will be unable to address the duties and responsibilities of the Commission.

Accordingly, the Commission request \$476,000 (Special Fund) to establish 4.5 position to address the Commissions workload deficiency.

ISSUE 4: THIRD PARTY PROGRAM LICENSING WORKLOAD – CONSENT

The Gambling Control Act designates the Commission with the responsibility of licensing and registering any person or entity that provides proposition players services to gambling establishments. In 2004, the Commission adopted regulations that created a program for the registration and licensing of Third Parties entities and Gambling Business entities and their respective employees.

To date, the Commission has registered 22 Third Parties, 3 Gambling Business and 1,544 individuals. They Commission has calculated an annual ongoing workload of 3,600 hours of analytical staff work and over 1,800 hours of clerical staff work. The Commission currently has 2.5 limited-term positions accomplishing this workload. Those positions are set to expire June 30, 2006.

The Commission is requesting the conversion of the existing 2.5 limited-term positions to permanent positions at an ongoing cost of \$184,000 from the Gambling Control Fund.

ITEM 8550**CALIFORNIA HORSE RACING BOARD**

The purpose of the California Horse Racing Board is to regulate parimutuel wagering for the protection of the betting public, to promote the horse racing and breeding industries, and to maximize State of California tax revenues.

ISSUE 1: DRUG TESTING

The Horse Racing Board is charged with the duty of adopting regulations relating to equine medication in order to preserve and enhance the integrity of horse racing in California. In 2004-05, the CHRB spent \$1.1 million on its equine drug testing program, which tested about 32,000 urine and blood samples. Two-thirds of samples were sent to a private laboratory chosen by competitive bidding at a cost of \$540,000. The remaining one-third of the samples were sent to the Kenneth L. Maddy Equine Analytical Laboratory (Maddy Lab) at the University of California, Davis. The Maddy Lab charged CHRB \$541,000—roughly twice as much per sample, due to the lab's use of the more advanced technology.

In 2004 and 2005, the CHRB received reports of increasing abuse of bicarbonate mixtures (also known as “milkshakes”). Milkshakes may increase the endurance of horses and are not detected by routine testing techniques. In response, Chapter 179, Statutes of 2005 (AB 52, J. Horton), authorizes CHRB to conduct testing for milkshakes at a direct cost the racing associations. More significant to this issue, Chapter 179 also requires CHRB to make the Maddy Lab its “primary drug testing laboratory.”

In 2005-06, the CHRB responded to the legislation by transferring all of its testing—both routine and milkshake—to the Maddy Lab. Testing expenses in 2005-06 are estimated to be \$1.3 million, up 23 percent from the prior fiscal year. Because of the Maddy Lab's higher costs, CHRB has implemented a policy that the Maddy Lab will test routine drug samples on a random basis, which means that only two-thirds of the collected samples are being tested.

CHRB proposes to maintain the Maddy Lab as its exclusive provider of equine drug testing.

COMMENTS

The Legislative Analysis Office has raised concerns about the CHRB proposal. In summary, the LAO does not believe that current practice diminishes the integrity of horse racing. Additionally, the LAO believes that transferring all equine testing to the Maddy Lab went beyond the legislative requirements of Chapter 179. As such they recommend rejecting the proposal.

Despite their recommendation, the LAO did offer three additional options that would reduce the states cost and meet CHRB's legislative mandates.

- 1) Test more than 50 percent of samples at the Maddy Lab (making it the primary lab) and resuming use of other laboratories chosen through competitive bidding for the rest of samples
- 2) Reducing the number of required samples each race day through regulatory changes
- 3) Requesting legislative authorization to charge racing associations and/or owners for the increased testing costs, similar to the way that milkshake testing is funded under Chapter 179

The Subcommittee should note that the CHRB is estimating to spend \$1.3 million for testing in the current year, while they only spent \$1.08 million during the previous year. The funding increases for current year testing are being redirected from existing resources. Therefore, if Subcommittee decides to accept the LAO recommendation to reject this proposal, it still may be appropriate to provide a modest amount of funding to ensure the continuation of current practice (approximately \$220,000).

Additionally, concern has been raised about the condition of the Race Track Security Fund. Resources for the Fund are derived from Unclaimed Pari-mutuel Tickets. Resources for the fund have fluctuated over the past few years, trending downward. In fact, CHRB is considering the introduction of legislation to remedy the situation. The Department of Finance, however, has firmly stated that the fund should be able to support the proposal for at least four to five years.

Finally, the subcommittee should also consider that any allocation increase from the Race Track Security fund will result in a direct General Fund decrease. Each year, the fund transfers its remaining balance to the General Fund. In constructing the budget, Finance currently assumes the fund will transfer \$2 million. In 2004-05, the fund actually transferred \$1.4 million.

ISSUE 2: OFFICE OF ADMINISTRATIVE HEARINGS – CONSENT

The CHRB has the authority to adjudicate controversies arising from the enforcement of code sections governing horse racing throughout the state. The CHRB has charged their internal Board of Stewards with the responsibility to provide the initial resolution of a controversy. However, if a Steward decision is appealed, an appealed hearing is held before a designated referee, which is an Administrative Law Judge from the Office of Administrative Hearings (OAH). The OAH assigns Administrative Law Judges to act as hearing officers for CHRB evidentiary hearing for determination of fact. Also the judge issues a proposed decision to the CHRB.

Over the last few years, the number of appealed cases has risen. In fiscal year 04-05 a total of 28 cases were appealed for a total cost of \$54,345 (a 45% increase from the previous year). CHRB is requesting an augmentation of \$26,000 (Race Track Security Fund) to account for the difference in projected cost and previous allocations.

ITEM 0690**OFFICE OF EMERGENCY SERVICES**

The principal objective of the Office of Emergency Services is the coordination of emergency activities to save lives and reduce property losses during disasters and to expedite recovery from the effects of disasters. Additionally, the Office of Homeland Security is responsible for the development and coordination of a comprehensive state strategy related to terrorism that includes prevention, preparedness response, and recovery.

ISSUE 1: STATE WARNING CENTER STAFF

The State Warning Center (SWC) is the centralized point of information coordination for any statewide emergency. Located in Mather, the center provides 24-hour notification to local emergency response personnel in anticipation of an imminent threat. In addition, SWC's workload also includes consistent verification of statewide contacts and various simulated exercises.

OES asserts that current staff levels within SWC are insufficient to provide continuous coverage. According to OES, adequate coverage of the center requires at least two Emergency Notification Controllers and One Emergency Services Coordinator (or Senior Communications Coordinator) per shift. Although, they have schedule a staffing pattern to meet this requirement, their staffing levels does not provide any support for staff absences due to sickness or family crisis.

The Administration requests an increase of 8.8 positions and \$617,000 General Fund to support workload increase and increased flexibility to ensure adequate round-the-clock coverage of the SWC.

ISSUE 2: UPDATED DISASTER ASSISTANCE PAYMENT PROJECTIONS

When the Governor proclaims a State of Emergency, funding through the California Disaster Assistance Act may be made available to local agencies to assist them in recovery from disasters. Similarly, when the U.S. President makes a Declaration of Major Disaster, federal funds requiring a state match are made available to locals through the Federal Emergency Management Agency (FEMA). Both the CDAA and FEMA assistance requires the state to pay a portion of the total disaster recovery costs.

Currently, the Department of Finance and OES are updating this proposal due to the Winter Storms of 2006.

ISSUE 3: TECHNICAL ADJUSTMENT – REIMBURSEMENTS

OES requests a technical adjustment to properly align the office's budget reimbursements with the actual level of funds expected to be received in 2006-07. Specifically, this adjustment reduces OES's criminal justice program reimbursement by \$1 million to remove authority for the discontinued Gang Violence Suppression Program.

When the Office of Criminal Justice Planning (OCJP) was abolished in 2003-04, its public safety functions were transferred to OES and its juvenile justice programs went to the Board of Corrections, along with the funding from the federal Juvenile Justice Prevention Act (JJPA). Under OCJP, the Gang Violence Suppression Program was one of the juvenile justice programs funded from the federal JJPA.

The Board of Correction committed to funding the Gang Violence Suppression Program for one year through reimbursements to OES. The Board filled that commitment in fiscal year 2003-04, but subsequently discontinued to fund the program.

ISSUE 4: TECHNICAL ADJUSTMENT – JUSTICE ASSISTANCE BLOCK GRANT

The United States Congress has replaced the Edward Byrne Memorial Block Grant and the Local Law Enforcement Block Grant (LLEBG) with the Justice Assistance Block Grant. OES proposes to make technical adjustments necessary to properly budget available federal funds, a budget year reduction of \$16.9 million.

The new JAG program allows for the same activities as the Byrne and LLEBG programs, which will result in current year net loss of \$14 million in federal funds. This resulted in a -24% reduction to all ~~of the funded~~ projects funded under the Anti-Drug Abuse Program and the Marijuana Suppression Program.

ISSUE 5: SAFE TEAMS

In 2002, the Legislature enacted AB 1858 to encourage the formation of regional law enforcement task forces consisting of officers and agents from several law enforcement agencies organized for the explicit purpose of reducing violent sexual assaults through proactive surveillance and the arrest of habitual sexual offenders.

The Administration's proposal seeks to compliment existing law by providing state funding for the establishment and operation of SAFE teams. Under their proposal, OES would issue a sliding scale of grants on a county wide basis to provide a level of funding based on the percentage of registrants in that county. The largest grant possible under this proposal is almost \$1.4 million and the smallest is \$19,658.

To date, five counties have established SAFE teams, with no available state funding. The Administration seeks to increase the number of counties with teams to 38 (the number of counties with more than 200 registrants). Specifically, they request \$6,000,000 (General Fund) and 3.0 additional positions.

COMMENTS

As previous noted, five counties have already established SAFE teams under existing law with no direct assistance from the state. Of the five, four are currently utilizing the Department of Justice to provide taskforce leadership. DOJ's participation in county SAFE team costs an average of \$540,515 per team.

Currently, DOJ is funding their participation with the counties out of existing resources. However, it is reasonable to suspect that with the expansion of team throughout the state, DOJ might request additional resources to support their activities.

Based on information provided by DOJ and OES, additional cost outside this proposal could range from \$10 million to \$21.6 million. The \$10 million represents DOJ participation in counties with a grant level of more than \$70,000 (a grant of this size should cover a counties operating cost – 19 counties). To provide DOJ assistance to counties with more than 1% of registrants would cost approximately \$13 million, and to fund DOJ participant throughout the projected 40 counties is \$21.6 million.

Additionally, the committee may wish consider the direction of a state funded SAFE team program. Currently, the proposal allows for the broad usage of funds consistent with existing law. However, it maybe prudential to ensure public resources be utilize in a fashion that provides the most public impact. In this case, a major public concern is the high number of sex offenders that are non-compliant with Penal Code 290. Therefore, the committee may wish to consider narrowing the usage of funding to provide a legislative direction at the state's most critical need.

ISSUE 6: VICTIMS OF CRIMES COMMITTED BY PAROLEES

OES currently administers the legislatively mandated Victim-Witness Assistance Program. The program providing funds to every county to operate comprehensive Victim-Witness Assistance Centers dedicated to providing, among other things, accompaniment services during criminal proceedings for victims of all types of crimes. However, no such program exists to support victims and witness during a parole revocation hearing.

Parole revocation hearings occur when a parolee is suspected to have violated a condition of their parole. The evidentiary hearing portion of the process is conducted by the Board of Parole Hearings in custodial settings and includes the testimony of lay witness.

OES asserts that victim-witnesses are summoned to attend the hearing without preparation or advocacy for their rights and personal safety. Accordingly, OES seeks to expand the service of the Victim-Witness Centers to provide services to victim-witness during parole revocation hearings. Specifically, they request one position and \$1.1 million for the Victim-Witness Assistance Fund.

COMMENTS

During the reorganization process, the Department of Corrections and Rehabilitation (CDCR) has created an Office Victim and Survivor Services. The primary purpose of the Office is to proactively enforce and promote the rights of victims and survivors throughout the state's youth and adult correctional system.

Considering CDCR's newfound dedication to ensuring victims rights are enforced and that victims and survivors have a meaningful voice within the state correctional system: 1) it maybe premature to assess that there is a greater need for victim assistance in conjunction with a parole hearing and 2) CDCR may be the more appropriate place to address this issue, to ensure that California is not funding duplicative services.

ISSUE 7: FISCAL ACTION PLAN UPDATE (INFORMATIONAL ONLY)

The Governor's Office of Emergency Services (OES) has experienced significant problems in its Accounting, Budget, and Grant Management areas. OES has been confronted with severe staffing challenges, increased program and project delivery demands, and repeated disaster activity has compounded their situation. Two major expansions to the responsibility of OES were the merge of the Office of Criminal Justice Planning and the addition of homeland security grants.

The Office of Criminal Justice Planning (OCJP) was merged into OES effective January 1, 2004, without 50 of its former administrative positions. The merger of OJCP increased the OES annual grant portfolio by over 80 additional grant programs and thousands of fiscal transactions. This created a number of issues in regards to grant management and payment processing, which impacted our fiscal management.

In addition, OES had taken on significant new workload created by the homeland security grants and the processing of their federal payments. Further, the State's natural disasters and Hurricane Katrina workload, coupled with the difficulties in recruitment and succession planning in our Budget, Accounting, and Grant Management Sections, generated significant strain on OES and entities they serve.

ITEM 0690**OFFICE OF HOMELAND SECURITY**

ISSUE 1: SCIENCE AND TECHNOLOGY UNIT

The OHS seeks to establish the Science and Technology Unit to mirror federal Science and Technology Directorate, in order to coordinate and acting a focal point for the varied homeland security technology solutions.

The cost associated with establishing the unit will be funding through the state's share of the federal homeland security grant and other special funds intended for homeland security purposes. The proposal will fund five positions (\$465,000 Federal Trust Fund), which will counter statewide threats by implementing best practices, investigating new, evolutionary improvements to current capabilities and sharing evolutionary new capabilities that are already in use of in the private sector, other states, local agencies and the federal government.

Comments:

Although no one questions the role of technology in the effort to ensure public safety against the threat of terrorism, it is unclear of how this unit differs from the existing federal program and what added benefit it provides to the state.

ISSUE 2: MASS TRANSPORTATION SECURITY GRANT PROGRAM

Chapter 38, Statutes of 2002 created the Antiterrorism fund, which provides for state and local antiterrorism activities, and the California Memorial Scholarship Fund (which provides scholarships for the surviving dependents of California residents killed in the terrorist attacks of September 11, 2001). The sole revenue source for the fund is the sale and renewal of memorial license plates by the DMV.

Statute requires that 85% of the Antiterrorism fund be split evenly between the Office of Criminal Justice Planning (now OES) solely for antiterrorism activities and be made available to other agencies for the purpose of funding antiterrorism activities. To date, there has yet to be any expenditure from this fund.

The administration now proposed to change current statute and utilizes the entire antiterrorism portion to establish the California Mass Transportation Security Program, which will provide grants to local rail transit and bus operators for regional preparedness. In 2006-07, the administration anticipates distributing \$5 million in grants (the entire fund) to thirteen agencies statewide, with an additional \$1 million grants available each year.

COMMENTS

Committee staff has identified a number of concerns with this proposal. However, the two dominating concerns is a possible breach of public trust and the lack-luster impact these resources will have on California's mass transit systems.

The resources for the antiterrorism fund are based on a public perception that a license plate purchase will assist both the state and local governments in their fight against terror. Currently, motorist purchase about \$1 million worth of memorial license plates to assist statewide effort. Almost four-years removed from the creation of the program, the state has yet to develop a comprehensive method of utilizing these dollars to maximize their impact.

The administration proposal will change public policy and forgo the local agency access to these resources without going through the normal legislative process. In addition, the funding will overlap with existing, much larger, federal grant programs for transit agencies.

ISSUE 3: ADMINISTRATIVE WORKLOAD INCREASE

Prior to fiscal year 2005-06, administrative support for OHS was provided solely by the OES. As OHS's role and mission has expanded, OES has been unable to keep pace with the OHS's administrative needs. The 2005 Budget Act provided Federal Trust Fund resources to provide contracted services to address OHS administrative support in the following areas: 1) fiscal services, 2) information technology, and 3) legal counsel. It also authorized 1.0 managerial position to oversee the coordination of these contracted services and to provide limited internal administrative support.

OHS now believes that it is more appropriate to conduct these contracted administrative services in-house due to the increase complexity. They are requesting 9.0 positions (\$444,000 from special funds) to increase the administrative and management support.

COMMENTS

The administration's proposal to increase OHS administrative support takes into account that a policy direction the Legislature has not been approved. Currently, OHS rests within the jurisdiction of OES. Therefore, as noted above, OES handles a portion of their administrative needs. Therefore, while most would conclude that OHS administrative support does need an increase, it is currently unclear the number of positions actually needed to support OHS, since this proposal assumes separation from OES.