



Public Safety

SECRETARY FOR YOUTH AND ADULT CORRECTIONAL AGENCY (YACA)

The Youth and Adult Correctional Agency includes the Department of Corrections, Department of Youth Authority, Board of Prison Terms, Youthful Offender Parole Board, the Narcotic Addict Evaluation Authority and Commission on Correctional Peace Officers' Standards and Training. Chapter 4, Statutes of 2003 (Burton) abolished the Youthful Offender Parole Board and consolidated its functions within the Department of Youth Authority, effective January 1, 2004.

Major Provisions

The major provisions of the proposed YACA budget include:

- ◆ **Consolidation of the Office of Inspector General.** The Governor's Budget proposes the consolidation of the Office of the Inspector General from an independent Department to the Agency. The role of the Inspector General is the oversight of the State's correctional system through audits and investigations of the boards and departments within the Youth and Adult Correctional Agency. This includes the reviews of internal affairs investigations and baseline audits following the confirmation of a new warden or superintendent. As part of that transfer, the Administration proposes funding of \$630,000 and 6.0 positions. This is a decrease from \$4.7 million appropriated in the current year and \$8.9 million expended in 2002-03.

Office of the Inspector General Statistics

FISCAL YEAR	EXPENDITURES	POSITIONS
2004-05 (proposed)	\$ 630,000	6.0
2003-04	\$ 4,724,000 ⁽¹⁾	42.9
2002-03	\$ 8,940,000	83.4
2001-02	\$10,906,000	97.3

(1) Includes proposed deficiency of \$1,628,000 transmitted to the Legislature pursuant to Section 27.00 on January 9, 2004

OFFICE OF EMERGENCY SERVICES

The Office of Emergency Services (OES) coordinates the emergency activities to mitigate physical and property injuries associated with disasters. In addition, the Office coordinates the expedited recovery of the State from the effects of these disasters. In the current year, OES has assumed the responsibility for the administration of public safety and victim's grants as well as funding for the California Anti-Terrorism Information Center formerly under the jurisdiction of the Office of Criminal Justice Planning.

■ Major Provisions

The major provisions of the proposed OES budget include:

- ◆ **Transfer of the Public Safety Grants.** The Budget Act of 2003 terminated the operations of the Office of Criminal Justice Planning. The Governor's Budget proposes the transfer of the administration of public safety grants to OES. The Budget proposes appropriating grants totaling \$120.3 million (\$39.2 million General Fund) in the Budget Year.
- ◆ **Transfer of Victim's Grants.** The Budget Act of 2003 terminated the Office of Criminal Justice Planning. The Governor's Budget proposes the transfer of the administration of victim's grants to OES. The Budget proposes appropriating grants totaling \$85.8 million (\$1.7 million General Fund).
- ◆ **Transfer of CATIC Funding.** The Budget Act of 2003 terminated the Office of Criminal Justice Planning. The Governor's Budget proposes the transfer of the administration for funding of the California Anti-Terrorism Information Center (CATIC) to OES. The Anti-Terrorism Center is a state intelligence database created to assist local law enforcement agencies on actual and potential terrorist threats and activities. The information developed by the state is also shared with federal agencies. The Budget proposes appropriating grants totaling \$6.7 million.

DEPARTMENT OF JUSTICE

The Attorney General is a constitutional officer and is the chief law enforcement officer of the state. This officer has the responsibility to see that the laws of California are uniformly and adequately enforced. The Governor's Budget proposes funding of \$622.1 million. This represents a reduction of \$10.0 million from the estimated expenditures in the current year.

■ **Major Provisions**

The major provisions of the proposed Department of Justice budget include:

- ◆ \$3.0 million General Fund unallocated reduction.

■ **Additional Highlights**

Additional highlights of the proposed Department Of Justice budget include:

- ◆ **Anti-drug Enforcement Funding.** The Governor's Budget proposes an increase of \$2.4 million in federal funding to support anti-methamphetamine programs. This will offset a General Fund reduction of \$1.0 million in the California Methamphetamine Strategy Program.
- ◆ **Criminal History Files.** The Governor's Budget proposes an increase of \$3.0 million in federal funding to support year nine of the National Criminal History System. The Budget also proposes \$2.0 million in fingerprint fee funds to support upgrades in the Automated Criminal History System.
- ◆ **Correctional Litigation.** The Governor's Budget proposes a reduction in funding of \$2.5 million in support of settlement costs of the State, related to the Plata litigation, concerning the Department of Corrections.

DEPARTMENT OF CORRECTIONS

The Department of Corrections' mission is to control, care and treat persons that have been convicted of a crime and have been placed in its custody. The Department has 32 correctional facilities in operation. The Department has one facility under construction what will be available to accept inmates in 2005. The Governor's Budget proposes expenditures of \$5.3 billion in 2004-05. This is \$447 million less than estimated expenditures in the current year. The Administration's plan includes \$400 million in savings that has not been determined but is to be included in conjunction with the May Revision process. In 2004-05 the average daily inmate population is estimated at 148,390. This is a reduction from the average daily population estimated in the current year of 156,636. The Department's average daily parole population in 2004-05 is estimated at 124,224. This is an increase from the average daily population in the current year of 119,347. The year end population estimates for inmates and parolees at California Department of Corrections (CDC) will be higher than the average due to the upward trend of the numbers.

PRELIMINARY REVIEW 2004-2005

Year End Population Estimates ^(a)

FISCAL YEAR	INMATE POPULATION	PAROLE POPULATION
2007-08	161,290	114,797
2006-07	160,868	115,264
2005-06	160,991	115,264
2004-05	160,897	115,810
2003-04	161,287	115,467
2002-03	160,931	116,173
2001-02	157,979	120,336

(a) Source: Department of Corrections

■ Major Provisions

The major provisions of the proposed CDC budget include:

- ◆ **Increased Institution Costs.** The Governor's Budget proposes a current year augmentation of \$148 million (\$147 million General Fund) to support changes in population. The Budget proposes an increase of \$99.5 million in the budget year to fund increases in posted relief factors.
- ◆ **Increased Health Care Costs.** The Governor's Budget proposes a current year augmentation of \$20.6 million to address additional health costs. This is accompanied by a proposed \$29.1 million increase in 2004-05.
- ◆ **Increased Parole Costs.** The Governor's Budget proposes an increase of \$67.1 million to address increased programming costs.

■ Additional Highlights

Additional highlights of the proposed CDC budget include:

- ◆ **Delano II Prison** - The California State Prison, Kern County at Delano II, (Delano II) will be operational in 2005.

BOARD OF CORRECTIONS (BOC)

The Board of Corrections' mission is to work with city and county officials to develop and maintain standards for the construction and operations of local jails and juvenile detention facilities. In addition, the Board develops standards for the employment and training of local correctional and probation personnel. The Board is comprised of 15 members. Twelve of the members are nominated by the Governor and confirmed by the Senate. The other three members are the Secretary for Youth and Adult Correctional Agency, and the Directors of the Departments of Corrections and Youth Authority.

Board of Corrections Membership

CRITERIA FOR SELECTION	APPOINTING POWER
Secretary for Youth and Adult Corrections	Statutory
Director, Department of Corrections	Statutory
Director, Department of Youth Authority	Statutory
Sheriff- County under 200,000 pop	Governor
Sheriff - County over 200,000 pop	Governor
County Supervisor	Governor
Chief Probation Officer over 200,000 pop	Governor
Chief Probation Officer under 200,000 pop	Governor
Local Detention Facility Administrator	Governor
Community Based Correctional Program	Governor
Public Member	Governor
Public Member	Governor
Rank and File-Local Correctional Facility	Governor
Rank and File-Local Correctional Facility	Governor
Community Based Youth Service Organization	Governor

Major Provisions

The major provisions of the proposed BOC budget include:

- ◆ **Transfer of Juvenile Justice Grants.** The Budget of 2003 terminated the Office of Criminal Justice Planning. The Governor's Budget proposes a current year appropriation of \$36.1 million (\$507,000 General Fund) in 2004-05.
- ◆ **Fee for Service.** The Governor's Budget proposes a General Fund savings of \$1.2 million related to services provided to local governments. Funding for this program will come from fees charged by the Board.

DEPARTMENT OF YOUTH AUTHORITY

The Department of Youth Authority's (CYA) mission is to protect the public from criminal activity by youthful offenders committed by the courts. The Department focuses on restorative justice principles of integrating the needs of the crime victims and communities, and offender accountability and competency development through a range of programs. The Governor's Budget proposes funding of \$378.1 million in 2004-05. This is a decrease of \$56.7 million from estimated expenditures in the current year.

Chapter 4, Statutes of 2003 (Burton) eliminated the Youthful Offender Parole Board and consolidated its function within the Department of Youth Authority effective January 1, 2004. The new Youth Authority Board will determine offense categories, set parole consideration dates, make decisions regarding disciplinary actions and return offenders to court for re-disposition. The Board will also provide the court with a treatment plan for the offender that includes a timeframe for treatment. It will also conduct an annual review of the case of each offender. CYA estimates a decline in the institutional and parole population through the end of 2004-05. This trend is expected to continue in the near future.

CYA Year End Population Estimates ^(a)

FISCAL YEAR	INSTITUTION	PAROLE ^(b)
1998-99	7,618	5,318
1999-2000	7,380	4,642
2000-01	6,776	4,355
2001-02	5,847	4,160
2002-03	4,879	4,089
2003-04	4,055	4,025
2004-05	3,820	3,810
2005-06	3,760	3,685
2006-07	3,735	3,560
2007-08	3,730	3,515

(a) Source: Department of Youth Authority

(b) In-State parole

Major Provisions

The major provisions of the proposed California Youth Authority budget include:

- ◆ **Fred C. Nelles.** The Budget of 2003 proposes a \$25.9 million savings (\$700,000 in Proposition 98 funding) related to the closure of the Fred C. Nelles Youth Correctional Facility. The Administration plans to close this facility on July 1, 2004. The closure of this facility is part of phase two of the Department's population consolidation plan.
- ◆ **Mount Bullion Youth Conservation Camp.** The Governor's Budget proposes a savings of \$2.4 million (\$123,000 in Proposition 98 funds) related to the closure of the Mount Bullion Youth Conservation Camp. The administration plans to close this facility on July 1, 2004.
- ◆ **NRCC.** The Governor's Budget proposes a savings of \$9.4 million in savings in 2004-05 related to the closure of the Northern Youth Correctional Reception Center. This facility is responsible to complete a thorough assessment of each individual offender and develop specific individualized treatment recommendations. Through an in depth examination of the offender's lifestyle and personal history, a treatment plan is developed which allows the offender to be transferred to a facility with programs that meet the ward's needs. The Administration plans to close this facility March 1, 2004.
- ◆ **Closure of the male wing of the Ventura Youth Correctional Facility.** The Governor's Budget proposes additional savings of \$1.9 million (\$245,000 in Proposition 98 savings) in 2004-05, related to the closure of the male side of the Ventura Youth Correctional Facility. This closure is part of the first phase of the Department's population consolidation plan.
- ◆ **Closure of the Karl Holton Youth Correctional Facility.** The Governor's Budget proposes additional savings of \$2.5 million (\$336,000 in Proposition 98 savings) in 2004-05, related to the closure of the Karl Holton Youth Correctional Facility. This closure is part of the first phase of the Department's population consolidation plan.

Department of Youth Authority Population Consolidation Plan

FACILITY	CLOSURE DATE
Karl Holton Youth Correctional Facility	September 2003
Ventura Youth Correctional Facility (male)	March 2004
Northern Youth California Reception Center and Clinic	March 2004
Fred C. Nelles Youth Correctional Facility	July 2004
Mount Bullion Youth Correctional Camp	July 2004

■ **Additional Highlights**

Additional highlights of the proposed CDC budget include:

- ◆ **Youth Authority Board.** The Governor's Budget proposes the transfer of \$1.7 million and 21 positions to the Department of Youth Authority into the newly created Youth Authority Board related to the abolishment of the Youthful Offender Parole Board on January 1, 2004, pursuant to SB 459 (Burton).

OFFICE OF CRIMINAL JUSTICE PLANNING (OCJP)

The Budget Act of 2003 abolished the Office of Criminal Justice Planning as of January 1, 2004. The Office's programs have been transferred to the Board of Corrections and the Office of Emergency Services.

Transfer of OCJP Programs

PROGRAM	NEW ADMINISTERING AGENCY
Juvenile Justice	Board of Corrections
Public Safety	Office of Emergency Services
Victims' Services	Office of Emergency Services

STATE TRIAL COURT FUNDING (COURTS)

Funding for the State Trial Courts are guided by Chapter 850 Statutes of 1997. Under this act, the counties' fiscal obligation to support the courts is limited to the levels of support in 1994-95. County contributions are made to the Trial Court Trust Fund to support the operations of the courts. The General Fund supplements the operational needs of the courts.

■ **Major Provisions**

The major provisions of the proposed CYA budget include:

- ◆ **Unallocated Reduction.** The Governor's Budget proposes an unallocated reduction of \$59 million in 2004-05. This would extend a similar unallocated reduction in the current year imposed by the Budget Act of 2003.
- ◆ **Court Fees.** The Budget Act of 2003 proposed approximately \$150 million in additional fee revenue to support the courts. This additional revenue is a combination of new fees, increased fees and transfers of fees previously retained by local governments. The Courts have estimated that this fee revenue stream will fall

short of initial projections by \$30 million in the current year and \$18 million in the budget year.

EMPLOYEE COMPENSATION

The Governor's Budget displays this item to reflect a funding mechanism for compensation adjustments for state employees. The budget for this item includes amount agreed to in approved memoranda of understanding for represented employees and adjustments to salary and benefits authorized for excluded employees.

■ Major Provisions

The major provisions of the proposed Employee Compensation budget include:

- ◆ **Salary and Benefit Adjustments.** The Governor's Budget includes an augmentation of \$874.5 million (\$464.3 million General Fund) to fund salary and benefit increases for represented employees in 16 collective bargaining units that have ratified memoranda of understanding, and for excluded employees. The salary adjustments funded for represented employee in this item generally reflect increases that have been deferred from previously negotiated agreements.
- ◆ **Increased Employee Contributions.** The Governor's Budget proposes an increase in employee contributions for retirement by one percent. In most cases it would increase the contribution from five to six percent. The Administration's proposal for employees under safety, peace officer or highway patrol categories is not clear at this time. This adjustment to employee retirement rates is estimated to shift \$13.9 million (General Fund, as much as \$27.8 million in all funds) in employee costs in Fiscal Year 2004-05.
- ◆ **Reduced Pension Benefits.** The Governor's Budget proposes that new employees to state service including those employees of the Legislature and judicial branch be subject to retirement benefits that would be lower than previously provided to such employees. This "tier 2" retirement plan would achieve a savings of \$6.4 million General Fund in 2004-05.
- ◆ **Pension Obligation Bonds.** The Governor's Budget proposes the issuance of pension obligation bonds that will provide an additional \$949 million to the State to offset the employer retirement contribution in Fiscal Year 2004-05. The Administration proposes to meet its debt service obligations through the "savings" from the combination of the transfer of a portion of the retirement costs from the State to its employees and by the reduction in retirement benefits through the creation of the "tier 2" retirement plan. Once the debt service requirements of the

pension obligation bond have been met it is not clear if the Administration will propose a return to the original employee contribution rate.

■ **Additional Highlights**

Additional highlights of the proposed Employee Compensation budget include:

- ◆ **Mid-Year Reductions.** The Budget Act of 2003 includes Control Section 4.10, which directs the Administration to achieve a savings of \$1.1 billion in employee compensation costs. This is to be accompanied by the abolishment of at least 16,000 permanent positions. In November, the Department of Finance notified the Legislature of its compliance with this control section. The Administration now proposes an additional General Fund savings of \$150 million in 2003-04. The details of those reductions have not yet been made available so it is not clear what the fiscal impact of these current year reductions would be in 2004-05