

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
PUBLIC SAFETY****ASSEMBLYMEMBER SHIRLEY N. WEBER, PH.D., CHAIR****MONDAY, APRIL 24, 2017****2:30 P.M. – CALIFORNIA STATE CAPITOL ROOM 437**

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ITEMS TO BE HEARD

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

ISSUE 1: PROPOSITION 57 EMERGENCY REGULATIONS

The California Department of Corrections and Rehabilitation will present the Emergency Regulations, which were approved on April 13, 2017 by the Office of Administrative Law.

PANELISTS

- California Department of Corrections and Rehabilitation
- Department of Finance
- Legislative Analyst's Office
- Taina Vargas-Edmond, Policy Advocate, Initiate Justice
- Public Comment

BACKGROUND

Recent Augmentations to Support Rehabilitation Programs. The 2016 budget contained \$431 million General Fund for inmate rehabilitative programs. This represents approximately \$100 million more than the 2015-16 budget. The increased funding included:

- \$4 million General Fund to expand Arts in Corrections to all 35 state prisons.
- \$18.9 million General Fund to expand substance use disorder treatment to the remaining 11 prisons that are currently without a program and to expand the number of slots at prison-based reentry hubs.
- \$5.5 million General Fund to provide innovative, restorative justice-based programs for long-term and life-term inmates.
- \$3.1 million General Fund to continue the innovative programming grants designed to expand volunteer-based, restorative justice and offender responsibility-centered programs at underserved prisons.
- \$2.3 million General Fund to expand 12 career technical education programs.
- \$4.1 million General Fund (\$10.6 million in 2017-18 and \$4.2 million on-going) to provide secured internet access at all state prisons.
- \$3 million Proposition 98 funding to provide inmates enrolled in community colleges access to textbooks through eReaders.
- \$3.4 million General Fund (\$2.1 million of which is one-time) to add 1,700 slots to the Long-Term Offender Program.

- \$423,000 General Fund for 64 additional slots for the Offender Mentor Certification Program which allows inmates to obtain substance use disorder treatment certification.
- \$3.1 million General fund to expand the Transitions Program to all prisons to offer employment preparation and job readiness training. The program will serve approximately 23,000 inmates per year.

The current proposal does not include additional funding for rehabilitative programming beyond what was approved in the 2016 budget act.

Juvenile Justice. Proposition 57 amended the law to require judges, rather than prosecutors, to determine whether juveniles charged with certain crimes should be tried in juvenile or adult court.

Non-Violent Offender Parole Consideration. Proposition 57 creates a process for non-violent offenders, as defined by California Penal Code, who have served the full term for their primary offense to be considered for parole by the Board of Parole Hearings (BPH). This does not mean that inmates are automatically granted parole. The inmate's behavior will be reviewed and considered by BPH. The commissioners may find that inmate suitable for parole if they believe he or she does not pose a current threat to public safety. The Administration plans to begin the parole consideration process for nonviolent offenders on July 1, 2017.

Credit Earning Under Prop 57. Under Proposition 57, inmates who comply with the rules, avoid violence, and perform duties assigned to them, will be eligible to earn Good Conduct Credits. Inmates who participate in approved rehabilitative programs and activities shall be eligible to earn Milestone Completion Credits, Rehabilitative Achievement Credits, or Educational Merit Credits. Credits earned for good conduct and rehabilitative and educational achievements can advance an inmate's release date if sentenced to a determinate term, or advance an inmate's initial parole hearing date if sentenced to an indeterminate term with the possibility of parole. (Note: A determinate term is a sentence of specified length. An indeterminate term is a sentence of unspecified length, which ends only when the Board of Parole Hearings grants the inmate parole.) Inmates who violate prison rules will have credits revoked.

All inmates other than condemned inmates and those serving sentences of life without the possibility of parole can be eligible to earn Good Conduct Credit, Milestone Completion Credit, Rehabilitative Achievement Credit, and Educational Merit Credit.

Good Conduct Credit Changes Under Proposition 57. Most inmates currently receive some form of Good Conduct Credits. These credits are awarded to eligible inmates who comply with all the rules within a prison and perform the duties as assigned on a regular basis. Effective May 1, 2017, Good Conduct Credits will be awarded according to the following table:

Inmates Eligible	Current Good Conduct Credits	Proposed Good Conduct Credit Changes
Violent offenders serving determinate sentences or indeterminate life sentences	Zero to 15%	20%
Non-violent second and third-strikers	Zero to 33.3%	33.3%
Day-for-day offenders	50%	50%
Offenders with violent offenses serving in fire camps	15%	50%
Day-for-day minimum-custody offenders and non-violent offenders serving in fire camps	33.3% - 66.6%	66.6%

Credit Earning Opportunities

Milestone Completion Credits. Milestone Completion Credits will be awarded for achievement of a distinct objective in approved rehabilitative programs, including academic, vocational, and significant self-help program. Milestone Credits are currently capped at a maximum of six weeks in a 12-month consecutive period. The proposed regulations will expand the Milestone Credits to 12 weeks in a 12-month consecutive period, starting on August 1, 2017.

Rehabilitative Achievement Credits. Rehabilitative Achievement Credits include the hundreds of self-help and volunteer public service activities offered in California prisons intended to provide meaningful rehabilitative programming to our inmate population. Currently, there is no credit-earning attached to self-help activities. Proposition 57 changes that, and, subtracts up to one month per year from an inmate's sentence for participating in up to 208 hours of eligible self-help programs. The department is currently evaluating the various self-help activities to determine which will qualify for the credits.

Education Merit Credits. Education Merit Credits will recognize the achievements of inmates who earn a high school diploma or GED, higher education degrees, such as an AA or a BA, and the offender mentor certification program that's available at several of our prisons. Offenders must earn at least 50 percent or more of the degree or diploma during their current term in order to receive Education Merit Credits. Because it can take years to earn a college degree, inmates who achieve that goal will be given three-to-six month one-time reductions. These credits will take effect in August 2017, but will be applied retroactively.

Implementation of Parole Consideration Process. As authorized in Proposition 57, the Administration plans to begin parole consideration of nonviolent offenders after they complete the term for their primary offense. The specific process outlined in the emergency regulations is modeled after the nonviolent second striker parole process ordered by the federal court.

Exclusion of Certain Offenders With Nonviolent Convictions. As previously indicated, Proposition 57 specifies that nonviolent offenders shall be eligible for parole consideration after completing the term for their primary offense. The emergency regulations define “nonviolent offenders” in such a way as to exclude certain offenders convicted of nonviolent offenses from the parole consideration process authorized in Proposition 57. Specifically, nonviolent offenders required to register as sex offenders (whether or not their current offense is a sex offense) and nonviolent “third strikers” who are serving indeterminate sentences under California’s three strikes law would not be eligible for the new parole consideration process. The Administration also plans to exclude nonviolent offenders who recently committed certain rule violations in prison.

Inclusion of Certain Offenders With Violent Convictions. The Administration’s emergency regulations make certain offenders convicted of offenses defined in statute as violent are eligible for the new parole consideration process. Specifically, the emergency regulations make eligible certain offenders who have completed a prison term for a violent felony but are still serving a prison term for a nonviolent felony offense that they were convicted of at the same time.

Inmate File Reviews Rather Than Actual Hearings. As part of the parole consideration of nonviolent offenders, BPH indicates that it does not plan to conduct in-person hearings. (Currently, BPH conducts in-person hearings primarily for inmates serving indeterminate sentences.) Instead, similar to the nonviolent second striker parole process, a BPH deputy commissioner would review certain information about an inmate collected by CDCR. The inmate would be approved for parole if the information reviewed by the deputy commissioner indicates that the inmate does not pose an unreasonable risk of violence. According to BPH, this determination would be based on the following factors: (1) circumstances surrounding the crime (such as whether a weapon was used); (2) prior criminal record; (3) institutional behavior and rehabilitation program participation; and (4) any input provided from victims, the district attorney, and the inmate.

Review Initiated After Primary Term Served. While Proposition 57 states that nonviolent offenders shall be eligible for parole consideration after completing the term for their primary offense, it does not specify when BPH can begin the review process for an inmate. The Administration, however, is interpreting Proposition 57 to prohibit deputy commissioners from beginning to review inmates’ files until after they have served the full term for their primary offense. As a result, under the Administration’s plan, an inmate who is granted parole under the new process would not be released immediately following his or her primary term.

LAO ASSESSMENT AND RECOMMENDATION
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LAO Assessment of Parole Process

Administration's Plan Subject to Change. As indicated above, the Administration recently released emergency regulations outlining the new parole consideration process for nonviolent offenders. These emergency regulations will become finalized if CDCR adopts them through the regular rulemaking process. However, the final regulations could ultimately be different than the emergency regulations if the department chooses to modify them, such as in response to public comments received through the regulatory process.

Exclusion of Certain Nonviolent Offenders Appears to Violate Measure. We find that the Administration's plans to exclude nonviolent third strikers and sex registrants from the new parole consideration appears to violate the language of Proposition 57. This is because the proposition specifies that all inmates serving a prison term for a nonviolent offense shall be eligible for parole consideration. By automatically excluding nonviolent sex registrants and third strikers, the Administration would not provide parole consideration to this subset of these offenders.

Uncertain Whether Including Certain Offenders With Violent Convictions Permitted. It is uncertain whether the Administration's plan to include certain offenders who have completed a prison term for a violent felony but are still serving a prison term for a nonviolent felony offense that they were convicted of at the same time is consistent with the intent of Proposition 57. This is because the measure could be interpreted to limit eligibility to inmates who were sent to prison for nonviolent offenses.

Initiating Process After Primary Term Completed Appears Unnecessarily Costly. Based on the Administration's plan not to initiate the parole consideration process until after nonviolent offenders have completed their primary term, inmates approved for parole would not be released immediately. Instead, inmates would have their case reviewed and decided on by a deputy commissioner after completing their primary term. While this particular process could be done relatively quickly, if approved for parole, the inmates would then go through reentry planning activities (such as receiving pre-release risk and needs assessments), which the Administration reports take about 60 days to complete. As such, these inmates would not be released until around 60 days—in some cases more depending on the actual timing of the review process—after they have served the full term for their primary offense.

On the other hand, if BPH initiated the parole consideration process sometime before nonviolent offenders completed their primary term, CDCR could release inmates approved for parole shortly after their primary term and achieve the associated population reduction and savings. One way this could be done is for BPH to make a preliminary release decision 60 days before such inmates complete their primary terms. Reentry planning activities would then occur during the 60 days between the preliminary release decision and when inmates complete their primary terms. A final parole

consideration decision, based on a review of inmates' behavior in the 60 days since the preliminary release decision and any other relevant new data available, would be made upon the completion of inmates' primary terms. We note that in some cases, this could result in reentry plans being made for some inmates who are ultimately not released under the new parole consideration process.

To the extent that such an alternative approach reduces the time nonviolent offenders serve in prison by two months, we estimate that this approach could potentially result in several millions of dollars in savings annually relative to the Governor's proposal depending on the actual number of offenders approved for parole. While a portion of these savings could be offset by the cost of reentry planning for inmates who are ultimately not released, these additional costs are likely to be minor.

Parole Consideration Process Inherently Subjective. Throughout an inmate's time in prison, CDCR records specific information on him or her, such as the extent to which the inmate participated in rehabilitation programs and rules violations. In preparation for the parole consideration process, BPH would supplement this information by soliciting input from victims, district attorneys, and the inmate. By the time the inmate is actually considered for parole, BPH would have a multitude of qualitative and quantitative data about the inmate. Deputy commissioners would use these various types and sources of information to make a release decision.

According to CDCR, deputy commissioners currently use their professional judgement to synthesize various sources and types of information about inmates to make a decision about whether to release an inmate for the nonviolent second striker parole process. However, this process is inherently subjective. For example, it is possible that deputy commissioners could over or under value various aspects of inmate data they review, such as criminal history or completion of rehabilitation programs. In addition, it can be difficult to ensure that different deputy commissioners make decisions in a consistent and completely transparent manner that is free from any unconscious biases.

In order to improve accuracy and reduce subjectivity of parole board decisions, several states use statistically validated, structured decision-making tools as part of their parole consideration process. These tools guide commissioners through a process of weighing several different sources of information about an inmate. For example, Pennsylvania's Parole Decisional Instrument combines the results of several actuarial risk assessments and inmates' institutional behavior and programming history into a numerical score, yielding a parole recommendation that commissioners can supplement with their qualitative observations. Accordingly, decisions guided by such instruments weigh factors in a consistent manner; are transparent, as they can be shown to be based on specific factors; and are less likely to be subject to unconscious bias. In addition, research suggests that such actuarial tools can improve public safety by yielding better release decisions than professional judgment alone.

LAO Recommendations on Parole Process

Direct Administration to Report on Final Regulations. We recommend that the Legislature direct the Administration to provide a report no later than 30 days after the regulations on the new parole consideration process for nonviolent offenders are finalized. This report should (1) summarize the final regulations, (2) discuss how the final regulations differ from the emergency regulations (including justification for any differences), and (3) identify how the changes affect CDCR's budget and populations.

Direct Administration to Justify Definition of Nonviolent Offender. We recommend that the Administration report at budget and policy hearings on the following issues:

- The legal and policy basis for excluding nonviolent sex registrants and third strikers from the parole consideration process.
- The legal basis for including in the nonviolent offender parole consideration process certain offenders who have completed a prison term for a violent felony but are still serving a prison term for a nonviolent felony offense.

Seek Advice From Legislative Counsel on Timing of Parole Consideration. In order to ensure that the measure is implemented in the most effective and efficient manner, we recommend that the Legislature consult with Legislative Counsel to determine whether Proposition 57 allows BPH to initiate parole consideration before an inmate completes his or her primary term. If Legislative Counsel advises the Legislature that BPH can begin parole consideration as such, we recommend that the Legislature direct the Administration to report, during spring budget hearings, on how it could begin to consider inmates for parole prior to completion of their primary terms.

Direct BPH to Investigate Using a Structured Decision-Making Tool. Given the potential benefits, we recommend that the Legislature direct BPH to investigate using a structured decision-making tool in the future. Specifically, we recommend that the Legislature direct BPH to report by December 1, 2018 on available structured decision-making tools and the estimated costs, opportunities, and challenges associated with adapting such tools for use in parole consideration reviews required by Proposition 57, as well as the other parole processes conducted by BPH. (This should give BPH time to focus on implementing the new parole consideration process before considering changes to it.) This report would allow the Legislature to determine whether to require BPH to use such a tool in the future.

LAO Assessment on Credit Earning

Administration's Plan Subject to Change. Similar to the regulations on parole consideration, the Administration has only released emergency regulations for its planned changes to credit policies. The final regulations could ultimately be different than the emergency regulations if the Department chooses to modify them, such as in response to public comments received through the regulatory process.

Lack of Information on Inmate Access to Programs. The population impact of CDCR's planned milestone and participation credits will depend on inmates' access to the programs that yield credits. However, the Administration indicates that it has not done an analysis of how the availability of these programs will impact credit earning under their plan. On the one hand, the changes in these credits could reduce the inmate population by less than the Administration expects if there is not enough capacity in rehabilitative and educational programs to allow inmates to earn the number of credits assumed by the Administration. On the other hand, to the extent there is more than enough capacity, the planned changes to credit earning could impact the population by more than the Administration expects. This creates significant uncertainty about how Proposition 57 will actually impact the state's inmate population. Such uncertainty makes it difficult for the Legislature to evaluate the Governor's proposed budget adjustments.

Effectiveness of CDCR's Programs Remain Unclear. Inmates who participate in approved programs earn credits, which allow them to accelerate their release, regardless of whether the programs are effective in reducing their risks to public safety. In order to protect public safety, it is critical that the approved programs are effective at reducing recidivism. However, CDCR currently has only done a limited analysis of the effectiveness of its programs. This analysis found that the recidivism rates of offenders who received substance use disorder treatment reoffended at lower rates than those who had not. While many of the other programs offered in prisons have been shown to be effective elsewhere, analyses of California's current implementation of these programs have not been completed.

Unclear Rationale Behind Credit Reduction for Certain Programs. As discussed above, the Administration plans to reduce credits awarded for a few programs, including GRIP and two theology programs. It is unclear why the Administration chose to reduce credits awarded for these programs.

LAO Recommendations on Credit Earning

Direct Administration to Report on Final Regulations. We recommend that the Legislature direct the Administration to provide a report, no later than 30 days after the regulations on credit policies are finalized, that summarizes the final regulations. This report should (1) summarize the final regulations, (2) discuss how the final regulations differ from the emergency regulations (including justification for any differences), and (3) identify how the changes affect CDCR's budget and populations.

Direct Department to Assess Program Capacity. We recommend that the Legislature direct CDCR to report at budget hearings on the number and type of programs through which inmates would receive credits, the current capacity and attendance rates for these programs, and the corresponding effect they may have on the inmate population. This information would allow the Legislature to assess whether the current availability of programs is sufficient. The Legislature could then decide whether it needs to adjust funding for programs accordingly.

Direct Administration to Evaluate Credit-Yielding Programs. We recommend that the Legislature direct CDCR to contract with independent researchers (such as a university) to evaluate the effectiveness of its rehabilitation programs and that it prioritize credit-yielding programs for evaluation. We estimate that such evaluations would cost a few million dollars and could take a few years to complete. The outcomes of the evaluations would allow the Legislature in the future to prioritize funding for programs that have been shown to reduce recidivism.

Direct Administration to Explain Credit Reductions. We recommend that the Legislature direct the Administration to report during budget and policy hearings on its rationale for reducing milestone credits for specific programs.

STAFF COMMENT

Proposition 57 is meant to provide additional credit earning opportunities for inmates and increase parole opportunities for inmates. However, the availability of rehabilitative programs is limited at most facilities, and the selection process for approval of programs is subject to warden discretion. Additionally, the parole process is extremely subjective and based on qualitative and quantitative information provided to the Board of Parole Hearings.

The Subcommittee may wish for the Department to address the following:

1. Currently, no additional funding is proposed for rehabilitative programming, how will the Department ensure that additional opportunities are made available for inmates to receive credits?
2. What directives does the Department provide wardens to ensure that there are sufficient programming opportunities for inmates?

The Subcommittee is in receipt of many letters requesting adjustments to the regulations. Specifically, advocate concerns are focused around the following:

1. Include Third Strikers in the non-violent early parole
2. Allow all people in prison to earn 50% good time credits
3. Make all good time credit earning retroactive
4. Allow every person with a Youth Offender Parole Date or Elderly Parole Date to earn time off of their earliest parole date
5. Award retroactive Education Merit Credits for each achievement

The Subcommittee may wish for the Department to describe opportunities for stakeholder inclusion prior to adoption of the final regulations.

Staff Recommendation: Hold open.

ISSUE 2: PROPOSITION 57 BUDGET CHANGE PROPOSAL

The California Department of Corrections and Rehabilitation will provide an overview of proposed changes resulting from recently approved Proposition 57.

PANELISTS

- California Department of Corrections and Rehabilitation
- Legislative Analyst's Office
- Department of Finance
- Public Comment

GOVERNOR'S PROPOSAL

The Governor's January budget proposes a \$6.5 million General Fund augmentation and 20.9 positions in 2017-18 to implement the new parole consideration process and credit policies.

BACKGROUND

The Administration assumes that Proposition 57 will result in 1,959 fewer inmates in 2017-18, growing to 9,956 fewer in 2020-21. In addition, they assume that there will be 1,038 more parolees in 2017-18, growing to 3,545 by 2020-21.

The Governor's January budget proposes a \$6.5 million General Fund augmentation and 20.9 positions in 2017-18 to implement the new parole consideration process and credit policies. Specifically, these resources include:

- Case Records Staff (\$4.1 Million). The Administration proposes funding for CDCR to support five additional case records positions and overtime for current staff to (1) process inmate release and parole eligibility date changes as a result of expanded credit earning and (2) screen inmates for eligibility for the nonviolent offender parole process. We note these funds would decline in future years as this workload decreases.
- BPH Staff (\$1.2 Million). The Administration proposes funding to support 2.3 additional positions at BPH to coordinate communications with victims and district attorneys for the new parole consideration process. The proposed funds would also allow BPH to hire an additional parole commissioner and 4.4 additional deputy commissioners to consider inmates for release. The Administration also proposes budget trailer legislation that would allow the Governor to expand the number of BPH commissioners from 14 to 15.

- Pre-Release Planning and Parole Case Records Staff (\$1.2 Million). The Administration proposes these funds to support 8.2 additional positions at CDCR's Division of Adult Parole Operations to do pre-release planning and manage case records for the anticipated increase in the parolee population caused by Proposition 57.

Projected Outcomes (Personnel)

<i>Workload Measure</i>	<i>CY</i>	<i>BY</i>	<i>BY+1</i>	<i>BY+2</i>	<i>BY+3</i>	<i>BY+4</i>
<i>Division of Adult Institutions</i>		5.0	5.0	5.0	5.0	5.0
<i>Board of Parole Hearings</i>		3.3	3.3	3.3	3.3	3.3
<i>Division of Adult Paroles Operations</i>		8.2	29.0	29.0	29.0	29.0
Total		16.5	37.3	37.3	37.3	37.3

Projected Outcomes (Dollars)

<i>Workload Measure</i>	<i>CY</i>	<i>BY</i>	<i>BY+1</i>	<i>BY+2</i>	<i>BY+3</i>	<i>BY+4</i>
<i>Division of Adult Institutions</i>		\$4,067,000	\$1,509,000	\$426,000	\$426,000	\$426,000
<i>Board of Parole Hearings</i>		\$425,000	\$419,000	\$419,000	\$419,000	\$419,000
<i>Division of Adult Paroles Operations</i>		\$1,195,000	\$3,988,000	\$3,928,000	\$3,928,000	\$3,928,000
Total		\$5,687,000	\$5,916,000	\$4,733,000	\$4,733,000	\$4,733,000

**LAO ASSESSMENT AND
RECOMMENDATION****LAO Assessment**

Budgetary Impacts Subject to Change. As mentioned above, the Administration's implementation plan changed somewhat between the release of the Governor's January budget proposal and the release of the emergency regulations in March 2017. These changes to the implementation plan will likely alter somewhat the Administration's projected population impacts and budget requests, though at the time of this analysis the Administration had not provided these updates.

In addition, as discussed previously, the regulations for the nonviolent offender parole consideration process and new credit earning policies are not yet finalized. Accordingly, the Administration's implementation plans and timeline are subject to further change, which raises additional uncertainty about their budgetary effects.

Population Impacts of Proposition 57 Are Difficult to Predict. Even if the Administration's regulations do not change, its projections of the Proposition 57 impacts would still be subject to uncertainty because of the inherent difficulty of projecting the effects of the measure. For example, the effects of the parole consideration process will depend on decisions made by deputy parole commissioners. Similarly, the effects of the proposed credit expansion will depend on how inmates respond to increased good conduct credit earning rates and credits for participating in programs and activities as well as the capacity of these programs. Finally, the effect on DJJ will depend on decisions made by juvenile court judges.

LAO Recommendation

Withhold Action Pending the May Revision. Uncertainty in the population impacts of Proposition 57 makes it difficult to assess the Governor's population-related budget requests. In addition, uncertainty in the timing of and workload required to implement and operate the new parole process and credit policies make it difficult to assess the Governor's requested funding for implementation. Given these uncertainties, we recommend that the Legislature withhold action on the Administration's January budget adjustments pending the receipt of revised adjustments from the administration.

STAFF COMMENT

Staff recommends holding this item open pending any changes at the May Revision.

Staff Recommendation: Hold open.

ISSUE 3: 15TH BOARD OF PAROLE HEARINGS COMMISSIONER TRAILER BILL LANGUAGE

The California Department of Corrections and Rehabilitation will provide an overview of the 15th Board of Parole Hearings Commissioner Trailer Bill Language.

PANELISTS

- California Department of Corrections and Rehabilitation
- Legislative Analyst's Office
- Department of Finance
- Public Comment

GOVERNOR'S PROPOSAL

The Governor's 2017-18 budget includes trailer bill language to establish a 15th Commissioner for the Board of Parole Hearings. The trailer bill language would also revise the term of office for existing commissioners.

BACKGROUND

According to CDCR, this request is a direct result of Proposition 57, as the amount of individuals eligible will increase. This language would allow for another commissioner to be added to the board in order to deal with increased workload.

The language also staggers the appointments of the Commissioners. Currently seven Commissioners are up for appointment in 2017, while none will be up for appointment in 2018. This language would make changes to that structure and require appointment of five Commissioners annually.

STAFF COMMENT

Staff recognizes this request as a necessary piece of Prop 57, as it would allow for the Board to have resources for the anticipated increased workload. However, there is some concern as to whether this position will be needed permanently, as the amount of individuals within CDCR facilities is expected to decrease over time.

Staff Recommendation: Hold open.

ISSUE 4: SPRING FINANCE LETTER: PELICAN BAY D YARD CAPITAL OUTLAY PROJECT

The California Department of Corrections and Rehabilitation will provide an overview of the Spring Finance Letter, which requests \$539,000 in order to provide funding to construct a recreation yard at Pelican Bay State Prison.

PANELISTS

- California Department of Corrections and Rehabilitation
- Legislative Analyst's Office
- Department of Finance
- Public Comment

GOVERNOR'S PROPOSAL

This proposal requests funding to construct a recreation yard for Facility D at Pelican Bay State Prison (PBSP). PBSP is repurposing Facility D's Security Housing Unit (SHU) to a Level II housing unit. This yard will provide inmates with the necessary space to participate in recreational and physical education programs, including a multipurpose field, handball courts, fitness areas, and a restroom. Construction also includes an observation post for custody staff monitoring the yard activities.

BACKGROUND

This proposal would allow for the construction of an approximately 2-acre recreation yard on the north side of Facility D. This yard would consist of an approximately 1-acre recreation field, a basketball half-court, 2 handball courts, 2 fitness areas with pull-up and dip bars, 15 tables, a yard toilet, a drinking fountain, a storage container, and a custody observation post.

STAFF COMMENT

The Subcommittee may wish for the Department to elaborate on the long-term plan for this facility.

Staff Recommendation: Hold open.

ISSUE 5: COUNTY YOUTHFUL OFFENDERS FACILITIES FINANCING PROGRAMS TRAILER BILL

The Department of Finance will present on the proposed trailer bill Language related to County Youthful Offenders Facilities Financing Programs.

PANELISTS

- Department of Finance
- California Department of Corrections and Rehabilitation
- Legislative Analyst's Office
- Public Comment

GOVERNOR'S PROPOSAL

The Administration requests trailer bill language to eliminate excess funding authority (in the amount of \$1,398,455) available from the SB 81 County Youthful Offenders Facilities Financing Program.

BACKGROUND

According to the Department of Finance (DOF), all projects eligible for funding from the SB 81 County Youthful Offenders Facilities Financing Program have received awards from the Board of State and Community Corrections (BSCC); therefore, this additional authority is not needed.

SB 81 authorized the State Public Works Board (PWB) to issue up to \$300 million in lease revenue bonds to finance the construction of local youthful offender rehabilitative facilities. The BSCC issued awards to counties through a competitive process. The entirety of the \$300 million was allocated to counties.

- On August 23, 2016, Tulare County relinquished their award totaling \$3 million. The county-owned proposed project site is encumbered by existing financing that is incompatible with the PWB's lease-revenue financing program. The county decided that it was in their best interest to keep the property encumbered by the existing financing.
- The only other county eligible to receive the relinquished award was Riverside County, which had received a partial award. BSCC increased Riverside's award by \$1,601,545 to make their award complete. This trailer bill will remove the unallocated \$1,398,455 from the SB 81 program authority.

This trailer bill is needed to readjust the authority to reflect the actual awards made to counties.

STAFF COMMENT

The proposed trailer bill language appears technical in nature as the language proposes to eliminate excess authority from a reward that was relinquished. The Subcommittee may wish for DOF to explain the types of issues that lead to a county relinquishing their reward.

Staff Recommendation: Hold open.

ISSUE 6: WARDEN RECRUITMENT AND RETENTION PROPOSAL

The California Department of Corrections and Rehabilitation and Department of Finance will provide an overview of a proposed adjustment to warden recruitment and retention.

PANELISTS

- California Department of Corrections and Rehabilitation
- Department of Finance
- Legislative Analyst's Office
- Public Comment

GOVERNOR'S PROPOSAL

There is no official Governor's Proposal for this increase, however, Budget item 9800 contains \$7 million General Fund for a CDCR warden recruitment and retention proposal. There is no formal budget change proposal or other detailed documents associated with this proposal.

BACKGROUND**Issues Identified**

- Due to seniority rules governing overtime scheduling, there is little incentive for qualified Lieutenants to promote through the management ranks.
- On average, the majority of Wardens, Chief Deputy Wardens, Associate Wardens, and Captains work less than 3 years in those positions. Additionally, the vacancy rate for Wardens generally ranges between 20 to 30 percent.
- Generally, Wardens are at or near retirement age when they are appointed. Pre-PEPRA employees are eligible for Peace Officer/Firefighter Retirement (3 percent at age 50).
- There is incentive for employees who are maxed out on their pension accrual, especially Wardens, to retire given annuitants are not subject to retirement deductions and receive a higher health contribution, which can result in more take-home pay.

Administration Proposal

- 6 percent Recruitment and Retention Pay Differential for Captains through Warden classifications; phased-in equally over 3 years and would require the individual to be in the position for 36 months to be PERSable. We note that implementation of salary increases for the Wardens is subject to approval from the Governor's Office.
- This proposal provides a financial incentive for employees to compete for management positions and maintain their employment in these positions for at least 36 months. Unlike overtime pay, which is not considered when determining an employee's pensionable compensation, this proposal increases the potential for higher lifetime retirement earnings. For example, over a 30-year retirement, a Captain's pension benefit would be approximately \$400,000 more than a Lieutenant during that same period.

Recent Salary Increase for CDCR Employees. Last year's memorandum of understanding (MOU) for CDCR bargaining unit six employees included a 9.3 percent salary increase over a three-year period, among other increased compensation. State law requires supervisors of bargaining unit 6 employees receive salary and benefit changes that are at least generally equivalent to the salary and benefits granted to the employees they supervise. According to the LAO analysis of the MOU, "The Administration indicates that in 2015-16, this agreement will increase costs associated with Unit 6 supervisors and managers by \$6 million. We think it is reasonable to estimate that extending a comparable increase in compensation to Unit 6 supervisors and managers will increase state annual costs by between \$100 million and \$200 million (mostly from the General Fund) by 2018-19."

STAFF COMMENT

This funding request is included within the Augmentation for Employee Compensation (Department 9800), which under the jurisdiction of Assembly Budget Subcommittee No. 4 on State Administration. Final action on this item will be taken in that Subcommittee.

Staff Recommendation: Hold open.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS**ISSUE 7: BOARD OF STATE AND COMMUNITY CORRECTIONS OVERVIEW**

The Board of State and Community Corrections will provide an overview of the Board.

PANELISTS

- Board of State and Community Corrections
- Department of Finance
- Legislative Analyst's Office
- Public Comment

BACKGROUND

The Board of State and Community Corrections (BSCC) was established in 2012 to provide statewide leadership, coordination and technical assistance to promote effective state and local efforts and partnerships in California's adult criminal and juvenile justice systems. The BSCC's responsibilities include all of the duties and functions of its predecessor agencies (Board of Corrections and Corrections Standards Authority), several grant programs transferred from the California Emergency Management Agency, and new responsibilities related to evidence-based programs and practices, data collection and data sharing.

The Board is made up of:

- (1) The Chair of the Board of State and Community Corrections, appointed by the Governor, subject to Senate confirmation.
- (2) The Secretary of the Department of Corrections and Rehabilitation.
- (3) The Director of the Division of Adult Parole Operations for the Department of Corrections and Rehabilitation.
- (4) A county sheriff in charge of a local detention facility that has a rated capacity of 200 or less inmates, appointed by the Governor, subject to Senate confirmation.
- (5) A county sheriff in charge of a local detention facility that has a rated capacity of over 200 inmates, appointed by the Governor, subject to Senate confirmation.
- (6) A county supervisor or county administrative officer. This member shall be appointed by the Governor, subject to Senate confirmation.
- (7) A chief probation officer from a county with a population over 200,000, appointed by the Governor, subject to Senate confirmation.
- (8) A chief probation officer from a county with a population under 200,000, appointed by the Governor, subject to Senate confirmation.

- (9) A judge appointed by the Judicial Council of California.
- (10) A chief of police, appointed by the Governor, subject to Senate confirmation.
- (11) A community provider of rehabilitative treatment or services for adult offenders, appointed by the Speaker of the Assembly.
- (12) A community provider or advocate with expertise in effective programs, policies, and treatment of at-risk youth and juvenile offenders, appointed by the Senate Committee on Rules.
- (13) A public member, appointed by the Governor, subject to Senate confirmation

Board members serve a three-year term and are eligible for reappointment. The Board is responsible for setting BSCC's policies. A Governor appointed Executive Director, Kathleen T. Howard, is the administrative head of the Board and exercises all duties and functions necessary to ensure that the responsibilities of the BSCC are successfully discharged.

Decision Making. According to BSCC, the Board regularly seeks advice from a balanced range of stakeholders and subject matter experts on issues relevant to its mission. Using an Executive Steering Committee process, the BSCC ensures that its efforts: (1) are informed by experts and stakeholders with the most specific knowledge concerning the subject matter; (2) include the participation of those who must implement or are impacted by a board decision; and (3) promote collaboration and innovative problem solving. The Executive Steering Committees are created by the Board for a specified purpose or task and with the authority to establish working subgroups as necessary. The Executive Steering Committee submits finding and recommendations from their efforts to the Board for further action.

Programs. In addition to its administrative work including budgeting, accounting, information technology, procurement and human resources, BSCC performs work in five program areas:

Corrections Planning and Grant Programs. The Corrections Planning and Grant Programs (CPGP) Division develops, administers, and evaluates state and federally funded grant programs and works closely with federal, state, and local government agencies, as well as the private sector and nonprofit service providers, to foster collaborative approaches to address crime and delinquency. The CPGP serves as a resource for evidence-based, effective, and promising programs, practices, and strategies; and provides technical assistance, consultation, and training to state and local justice system policy makers. The CPGP administers 19 grant programs including Proposition 47, Byrne JAG, MIOCR, Title II Formula Grants, and Law Enforcement Assisted Diversion, to name a few.

Facilities Standards and Operations. The Facilities Standards and Operations (FSO) Division works in collaboration with local corrections agencies to maintain and enhance the safety, security, and efficiency of local jails and juvenile detention facilities. The FSO performs biennial inspections of all 1,213 local adult and juvenile corrections facilities to ensure compliance with Title 15 and the federal Juvenile Justice and

Delinquency Prevention Act. The FSO also reviews and updates Title 15 regulations and administers the Jail Profile and Juvenile Detention Profile Surveys to collect and report data relative to the operations and demographics of local adult and juvenile detention facilities.

Standards and Training for Corrections. The Standards and Training for Corrections (STC) Division works in collaboration with local corrections agencies and public/private training providers to develop and administer minimum selection and training standard for local corrections personnel including adult corrections officers, juvenile corrections officer, probation officers and their supervisors and managers. The STC conducts annual compliance reviews to ensure that corrections agencies are complying with the standards and provides technical assistance to agencies support their local training efforts. Additionally, the STC administers a course certification system to ensure the quality of training delivered to local corrections personnel delivered through a network of training providers.

County Facilities Construction. The County Facilities Construction (CFC) Division works in collaboration with state and local government agencies to administer more than \$2 billion in state financing for the construction of county corrections facilities for the purpose of enhancing public safety and conditions of confinement. The CFC works with local agencies and other partners to ensure that the funded projects conform to state requirements and result in timely project completion.

Research Program. The Research Program is responsible for providing support to Division staff during the development of rating criteria for competitive grant funding, training of raters who determine successful grant proposals and compiling funding recommendations for the BSCC Board. The Research Division also collects and analyzes data and maintains various databases in support of BSCC's data sharing responsibilities. The Research Unit collaborates with Information Technology staff to design and develop Internet-based data collection systems that ensure the reliability and validity of BSCC's data and research projects.

STAFF COMMENT

On February 21st, 2017, this Subcommittee participated in a Joint Hearing on Jail Visitation with the Senate Public Safety Committee and Senate Budget and Fiscal Review Subcommittee No. 5, at which Members showed some concern with BSCC's decision-making process. Although there are no proposals around jail visitation, Members may wish for the Executive Director of BSCC provide detail as to their internal processes, as they may not align with the Legislature's priorities.

Staff Recommendation: Hold open.

ISSUE 8: PROPOSITION 47 UPDATE AND PROPOSITION 57 IMPACTS

The Board of State and Community Corrections will provide an update on Proposition 47 and discuss anticipated impacts of Proposition 57.

PANELISTS

- Board of State and Community Corrections
- Legislative Analyst's Office
- Department of Finance
- Public Comment

UPDATE

The Proposition 47 Request for Proposals (RFP) was released on November 18, 2016.

The BSCC has approximately \$100 million available to award over 38 months. Applicants had the option to apply for either up to \$1 million or up to \$6 million. \$20 million was set aside for Los Angeles County.

Key RFP criteria:

- Eligible applicants were public agencies in partnership with the communities they serve
- Funds were required to be used for mental health services, substance use disorder treatment, diversion programs or some combination thereof.
- Applicants were encouraged to provide supplemental housing related services and other community based supportive services
- Programs must serve persons who have been arrested, charged with or convicted of a criminal offense and have a history of mental health issues or substance use disorders.
- Applicants were required to pass through at least 50 percent of their award to community based providers. Additional points are added to those applicants that pass through more.
- Applicants were required to establish and maintain a Local Advisory Committee representing the community of traditional and nontraditional partners.

Proposition 47 proposals were due to the BSCC on February 21, 2017. The BSCC received 58 proposals requesting a total of \$225,160,994. The proposals are currently being rated by the Prop 47 ESC.

The ESC meets on May 30 in Sacramento to develop its award recommendations. On June 8, 2017 the Board will take action on the recommendations. The grants will begin June 16, 2017.

STAFF COMMENT

This item is informational only and does not require action.

Staff Recommendation: Informational item.

ISSUE 9: TRAILER BILL LANGUAGE PROPOSALS

The Board of State and Community Corrections will present on three trailer bill language proposals.

PANELISTS

- Board of State and Community Corrections
- Department of Finance
- Legislative Analyst's Office
- Public Comment

JUVENILE REENTRY GRANT

This trailer bill language would delete the requirement that the information regarding a discharged ward include their name, and would instead require that the information include the identifying information of that ward. BSCC currently collects this information, and would provide the information to DOJ without the ward's name in order to protect the individual.

CHIEF PROBATION OFFICER

The proposed trailer bill language renames the probation officer the chief probation officer and specifies the duties of the chief probation officer. The language would also require that the chief probation officer not be placed under the authority of a separate county agency to perform these duties.

POST-RELEASE COMMUNITY SUPERVISION CLARIFICATION

The proposed trailer bill language would define residence as one or more locations at which a person regularly resides, regardless of the number of day or nights spent there. The language would also require that if a person has no residence, he or she must inform the supervising county agency that he or she is transient.

STAFF COMMENT

Juvenile Reentry Grant. Staff notes no concern with this proposal at this time.

Chief Probation Officer. The Subcommittee is in receipt of concerns from Nevada County regarding this trailer bill language. According to the Nevada County Probation Department, this language constrains the ability of counties to pursue innovative

approaches and maximize service coordination. In turn, this language reinforces the silos that prevent the collaboration that is needed to reduce recidivism. More specifically, the Probation Department of Nevada County believes the trailer bill would compromise the County's agreement with Nevada County Superior Court where the power to appoint the Chief Probation Officer is vested in the Board of Supervisors.

Post-release Community Supervision Clarification. This language recognizes that many individuals do not have a permanent residence immediately post release, and provides guidance for transient individuals in order to ensure that they check in with their probation officer.

Staff Recommendation: Hold open.

ISSUE 10: ELIMINATION OF CALGRIP

The Department of Finance and Board of State and Community Corrections will present the Administration's proposal to eliminate the California Gang Reduction, Intervention and Prevention (CalGRIP) program.

PANELISTS

- Board of State and Community Corrections
- Legislative Analyst's Office
- Department of Finance
- Public Comment

GOVERNOR'S PROPOSAL

The Governor's budget proposes the elimination of the CalGRIP program.

BACKGROUND

The CalGRIP program began in 2007 when Governor Schwarzenegger created the Governor's Office of Youth Violence Policy (OGYVP) initiated to help communities support strategies to reduce gang and youth violence. The program was first administered by the OGYVP, and later transferred to the California Emergency Management Agency (CalEMA), which is now the California Office of Emergency Services. At its onset, CalGRIP provided anti-gang funding to many state departments including: job training, education and intervention programs through the CalEMA, and the Employment Development Department; the Corrections Standards Authority (now the Board of State and Community Corrections (BSCC)), to spend \$1.1 million on anti-gang programs; and \$7 million for the California Highway Patrol to help local jurisdictions combat gang violence.

In July 2012, as a result of AB 1464 (Blumenfield, Chapter 21, Statutes of 2012), the BSCC acquired sole administrative responsibility for the program. The administrative responsibility of the \$9.2 million annual grant program came to BSCC along with an increased level of accountability. Under BSCC, the CalGRIP allocation is based upon an applicant's ability to demonstrate that funding is used to implement evidence-based prevention, intervention and suppression programs.

For five years, the budget has appropriated \$9.2 million from the Restitution Fund every year to fund CalGRIP, a grant program to cities that provide a dollar-for-dollar match to implement evidence-based programs to reduce youth and group-related crime and violence. CalGRIP is currently administered on a three-year grant cycle that will end at the close of this year.

CalGRIP provided \$9.215 million in Restitution Funds in Fiscal Year 2016-17 and had requirements including:

- \$500,000 cap on awards (BSCC applied this cap on an annual basis)
- Only cities were eligible
- \$1 million set aside for Los Angeles
- Cities had to provide a dollar-for dollar match
- At least 20 percent of the grantees award had to be passed to community based organizations
- Two grants had to go to cities with populations less than 200,000
- Preference to applicants that incorporated regional approaches
- Cities had to establish a coordinating and advisory council
- Current Grant Cycle: January 1, 2015 - December 31, 2017
- 19 grantees awarded \$9,215,000

	Grantee	Annual Grant Amount (provided by the State)	Annual Grant Amount (provided by the Grantee)
1	City of Duarte	\$325,171	\$325,171
2	City of Escondido	\$500,000	\$500,000
3	City of Fresno	\$500,000	\$500,000
4	City of Gilroy	\$500,000	\$500,000
5	City of Inglewood	\$500,000	\$500,000
6	City of Long Beach	\$500,000	\$500,000
7	City of Los Angeles ¹	\$1,000,000	\$1,000,000
8	City of Oakland	\$500,000	\$500,000
9	City of Oxnard	\$439,700	\$439,700
10	City of Pico Rivera	\$330,130	\$330,130
11	City of Rialto	\$468,000	\$468,000
12	City of Richmond	\$500,000	\$500,000
13	City of Salinas	\$500,000	\$500,000
14	City of San Jose	\$474,222	\$474,222
15	City of Santa Barbara	\$246,852	\$246,852
16	City of Santa Rosa	\$490,925	\$490,925
17	City of Seaside	\$440,000	\$440,000
18	City of Stanton	\$500,000	\$500,000
19	City of Vista	\$500,000	\$500,000
	Total	\$9,215,000	\$9,215,000

¹ Per Budget Act language, the City of Los Angeles receives \$1,000,000 annually in a non-competitive process.

Through local funding matches, CalGRIP will have leveraged over \$55 million dollars in investments in 19 cities across the state from 2015-2017.

2014 CalGRIP Report to the Fiscal Committees of the Legislature. According to a 2014 report from BSCC, 21 percent of the funding was used on gang suppression activities, 36 percent on intervention, and 43 percent on prevention. Cities have used the funding to support Boys and Girls Clubs, Big Brother/Big Sister programs, functional family therapy, bullying prevention, Project CeaseFire, gun buy-back programs, and gang detective units.

STAFF COMMENT

The Subcommittee is in receipt of many letters, which support the continued funding of the CalGRIP program. Staff recommends holding this item open for consideration with other reinvestment proposals.

Staff Recommendation: Hold open.

0690 OFFICE OF EMERGENCY SERVICES

ISSUE 11: SPRING FINANCE LETTERS

The Office of Emergency Services will present its Spring Finance Letter proposals.

PANELISTS

- Office of Emergency Services
- Legislative Analyst's Office
- Department of Finance
- Public Comment

**NUCLEAR PLANNING ASSESSMENT
SPECIAL ACCOUNT CONSUMER
PRICE INDEX ADJUSTMENT**

The Office of Emergency Services requests an adjustment to the Nuclear Planning Assessment Special Account appropriations of \$9,000 state operations and \$51,000 local assistance beginning in State Fiscal Year 2017-18.

The Nuclear Planning Assessment Special Account was created in 1980 pursuant to Government Code section 8610.5 and authorizes Cal OES to bill the utilities operating nuclear power plants, with a capacity of 50 megawatts or greater, for the costs to perform the mandated off-site preparedness activities of the local jurisdictions and state agencies. Cal OES manages the Nuclear Planning Assessment Special Account and collects funds annually from the operating utilities and provides the funds to the local jurisdictions in proximity to the nuclear power plants and to California Department of Public Health. The Diablo Canyon Power Plant operates in San Luis Obispo County and is the sole remaining participant for the Nuclear Planning Assessment Special Account.

Government Code section 8610.5(e)(1) provides that the amounts available for disbursement for state and local costs shall be adjusted and compounded each fiscal year by the percentage increase in the California Consumer Price Index (CPI) of the previous fiscal year. Government Code section 8610.5(e)(2) provides that, for the Diablo Canyon site, the amounts available for disbursement for state and local costs shall be adjusted and compounded each fiscal year by the larger of the percentage change in the prevailing wage for San Luis Obispo County employees, not to exceed 5 percent, or the percentage increase in the California CPI from the previous fiscal year.

**CHILD VICTIMS OF HUMAN
TRAFFICKING FUND**

The California Governor's Office of Emergency Services (Cal OES) requests \$268,000 local assistance authority in State Fiscal Year (SFY) 2017-18 to pass through the Child Victims of Human Trafficking Fund, to continue the allocation of contributions collected pursuant to Chapter 465, Statutes of 2011, in accordance with Revenue and Taxation Code section 18809, and exhaust the balance in the fund.

The Cal OES Victim Services and Public Safety Branch provides federal and state financial assistance to victim service agencies in California through the competitive and non-competitive processes. These programs provide a wide range of support services for victims and their families including, but not limited to, direct services, advocacy, training, and technical assistance.

The Personal Income Tax Law authorizes taxpayers to contribute amounts in excess of their tax liability for the support of specified funds. Chapter 465, Statutes of 2011, authorizes taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the Child Victims of Human Trafficking Fund established in the State Treasury. All monies contributed to the fund pursuant to these provisions net of the Franchise Tax Board's and State Controller's Office's costs, upon appropriation by the Legislature, will be allocated to the Cal OES to administer the funds granted to community-based organizations which serve minor victims of human trafficking that meet the standards of Penal Code section 13837. In SFYs 2015-16 and 2016-17, Cal OES allocated these funds to two projects to provide the mandated services to minor victims of human trafficking.

STAFF COMMENT

Nuclear Planning Assessment Special Account Consumer Price Index Adjustment. According to OES and Finance, this would normally happen in the Governor's Budget, but this adjustment is necessary due to the new Hyperion system.

Child Victims of Human Trafficking Fund. This fund has been removed from the tax form at this time. There was a budget change proposal last year to close this program because OEs did not anticipate needing authority to pass the funding on to local assistance. However, this proposal is necessary to exhaust the balance in the fund.

Staff Recommendation: Hold open.

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING

ISSUE 12: SPRING FINANCE LETTER: TECHNICAL ADJUSTMENT

The Commission on Peace Officer Standards and Training will present on the proposed realignment of \$4 million State Penalty Funds beginning in 2017-18.

PANELISTS

- Commission on Peace Officer Standards and Training
- Legislative Analyst's Office
- Department of Finance
- Public Comment

GOVERNOR'S PROPOSAL

The Commission on Peace Officer Standards and Training requests a realignment of \$4 million State Penalty Funds, beginning in 2017-18, from contracts to training reimbursements for local law enforcement agencies. Provisional budget bill language is also requested in order to earmark funds for training provided by the Museum of Tolerance, which was inadvertently omitted in the 2017-18 Governor's Budget.

BACKGROUND

To address the continuation of revenue decreases from the SPF into the Peace Officer Training Fund (POTF) and other special funds, the Administration reviewed the fines, fees, and assessments being collected and deposited into the SPF. This review looked at court filings, the revenue from these filings, traffic citations and the collectability of delinquent court-ordered debt. In addition, the Administration evaluated the existing programs funded by SPF based on a priority for "law enforcement training, victim services programs, and driver training". As a result of the evaluation, the budget recommends an amendment to the process by which the state portion of the assessment is distributed, reduces the number of programs being funded out of the SPF, and requires the programs receiving SPF to take steps to reduce expenditures.

Specifically, the budget includes a continuation of funding for POST'S core training programs, including its training contracts, while reducing training reimbursements to local agencies by approximately \$9 million. This reduction allows POST to review its reimbursement program and implement the necessary reimbursement adjustments.

STAFF COMMENT

Staff recommends holding this proposal open as part of the larger discussion regarding the State Penalty Fund, and notes that this proposal may be unnecessary if the Legislature chooses to reject the Governor's plan on the State Penalty Fund reorganization.

Staff Recommendation: Hold open.

8940 CALIFORNIA MILITARY DEPARTMENT

ISSUE 13: SPRING FINANCE LETTERS AND TRAILER BILL LANGUAGE

The California Military Department will present its Spring Finance Letters as well as a recently proposed piece of trailer bill language.

PANELISTS

- California Military Department
- Legislative Analyst's Office
- Department of Finance
- Public Comment

**SOUTHERN REGION EMERGENCY
OPERATIONS CENTER REPLACEMENT**

The California Military Department (CMD) requests \$24,705,000 lease revenue bond funds for the construction phase of the continuing Southern Region Emergency Operations Center (REOC) project at the Joint Forces Training Base (JFTB) in Los Alamitos. The new 30,000 square foot, joint-use Southern REOC will house the Governor's Office of Emergency Services and serve as the California National Guard Command and Control Headquarters. The facility will allow for coordinated response efforts between federal agencies, state agencies, and local partners in the critical Southern California region. Total estimated project costs are \$26,559,000 (\$570,000 for preliminary plans, \$1,284,000 for workings drawings, and \$24,705,000 for construction).

**SUSTAINABLE ARMORY RENOVATION
PROGRAM**

Escondido. The California Military Department (CMD) requests a reappropriation of \$4,128,000 (\$2,064,000 General Fund and \$2,064,000 federal funds) for the performance criteria and design-build phases of the Sustainable Armory Renovation Program Escondido project. Total project costs are estimated to be \$4,128,000 (\$326,000 for performance criteria and \$3,802,000 for the design-build phase). This request also includes provisional language to allow this project to proceed utilizing the design-build project delivery method.

Eureka. The California Military Department (CMD) requests a reappropriation of \$5,656,000 (\$2,828,000 General Fund and \$2,828,000 matching federal funds) for the performance criteria and design-build phases of the Sustainable Armory Renovation Program: Eureka project. Total project costs are estimated to be \$5,656,000 (\$390,000

for performance criteria and \$5,266,000 for the design-build phase). This request also includes provisional language to allow this project to proceed utilizing the design-build project delivery method.

Santa Cruz. The California Military Department (CMD) seeks \$4,012,000 (\$2,006,000 General Fund and \$2,006,000 matching federal funds) for the performance criteria and design-build phases of the Sustainable Armory Renovation Program: Santa Cruz project. Total project costs are estimated to be \$4,012,000 (\$302,000 for performance criteria and \$3,710,000 for the design-build phase). This request also includes provisional language to allow this project to proceed utilizing the design-build project delivery method.

THE DISCOVERY ACADEMY YOUTH CHALLENGE PROGRAM

The California Military Department (CMD) requests a reappropriation of \$2.6 million Armory Fund (0604), to construct a joint-use Dining Facility at the Army National Guard Base in Lathrop California. The project will provide a 9,800 square foot dining facility that will serve 200 cadets enrolled in the new National Guard Youth Challenge Program, the Army National Guard units stationed on the base, and Soldiers stationed at the nearby Stockton Airfield. Total project costs are \$2.6 million (\$295,000 for Performance Criteria and \$2.3 million for the Design-Build phase). Annual funding for the operational costs of the Program was approved in 2014-15 in the amount of \$1.5 million General Fund and \$4.5 million in federal matching funds. This request also includes provisional language to allow this project to proceed utilizing the design-build project delivery method.

STATE ACTIVE DUTY COMPENSATION ALIGNMENT

The California Military Department (CMD) requests \$1,237,000 (\$541,000 General Fund, \$651,000 Federal Trust Fund, \$23,000 Reimbursement authority, and \$22,000 Mental Health Services Fund) to align the pay of its State Active Duty (SAD) employees to the pay of service members of similar grade in the United States Army, United States Air Force, and United States Navy, pursuant to Military and Veterans Code (MVC) sections 320 and 321.

Compensation for service members of the United States Army, United States Air Force, and United States Navy is set forth annually by the federal government in the National Defense Authorization Act (NDAA). The NDAA is usually signed into law in late December. MVC sections 320 and 321 provide that the CMD must pay its SAD employees at the same rate as service members of similar grade in the federal armed forces. Due to the timing of the NDAA, CMD had to wait until the Spring to request funding to match the service member compensation codified in the NDAA.

**WORKER'S COMPENSATION FUND
TRAILER BILL LANGUAGE**

The California Military Department requests that a special fund be established for the one-time deposit of \$4.5 million in federal funds. CMD also requests an ongoing authority to receive federal monies into the special fund for workers' compensation premiums that are charged to federal cooperative agreements; and ongoing expenditure authority from the special fund to pay workers' compensation claims filed by employees who are funded through federal cooperative agreements.

The CMD is dependent on National Guard Bureau (NGB) to as they provide over \$100 million in federal funds for Air and Army National Guard facilities, security, fire protection and environmental programs. Without their continued support, these programs would simply fail. Therefore, it is in the best interest of both NGB and the CMD to self-insure these personnel and develop a special fund from which claims would be paid. This special fund would need to be established on July 1, 2017 (within the federal fiscal year 2017 that began October 1, 2016 and ends September 30, 2017) by depositing federal funds previously budgeted to cover State Compensation Insurance Fund premiums.

STAFF COMMENT

Staff notes no concerns on these proposals at this time.

Staff Recommendation: Hold open.
