AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 PUBLIC SAFETY

ASSEMBLYMEMBER REGINALD B. JONES-SAWYER SR., CHAIR

WEDNESDAY, MARCH 19, 2014
1:30 P.M. - STATE CAPITOL ROOM 437

Vote Only Items

Item	Description	Page
0690	**California Governor's Office of Emergency Services**	
Issue 1	Public Safety Communications Office	2
Issue 2	Relocation of Red Mountain Communication Site	**4**

ITEMS TO BE HEARD

Item	Description	Page
5225	**California Department of Corrections and Rehabilitation**	
Issue 1	Status Update on the California Health Care Facility	5
Issue 2	Status Update on the pre-enrollment of inmates in the Medi-Cal program	**7**
Issue 3	Drug Interdiction BCP	**10**

Vote Only Issues

0690 CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

Vote Only ISSUE 1: PUBLIC SAFETY COMMUNICATIONS OFFICE

GOVERNOR'S BUDGET REQUEST

The California Governor's Office of Emergency Services (OES) requests authority to establish 17.3 temporary positions and 25.0 permanent positions in support of the transfer of the Public Safety Communications Office (PSCO) from the Department of Technology to the OES.

BACKGROUND

The PSCO is comprised of 50 offices located throughout the state. The PSCO has the responsibility of administering the state's 9-1-1 emergency communications program serving 462 police, fire, and paramedic dispatch centers located throughout California. In 2005, the Office of Network Services was transferred from the Department of General Services to the Department of Technology Services. In an effort to unify all emergency services, 9-1-1 Emergency Communications were transferred to the Office of Chief Information Officer (OCIO) and renamed the Public Safety Communications Office (PSCO) in 2009. In the 2013-14 budget, the Legislature approved the transfer of 374 positions from the Department of Technology to the Office of Emergency Services. This portion of the proposal provides the OES with the resources necessary to continue the transition of duties.

Prior to July 1, 2013, the Department of Military had 26.0 employees working with the OES to provide hazard response training and exercise programs in support of local and state first responders. During the June 20, 2013 State Personnel Board meeting, the board approved a request to transfer 25.0 of the 26.0 positions to equivalent state service positions.

STAFF COMMENTS

The requested positions are funded by the Technology Services Revolving Fund. The OES currently has the authority to fund the positions, but lacks the positional authority to support the staff transfer from the Military Department. The requested 17.3 positions will support maintenance and operational support to the PSCO's assets, and the 25 requested permanent positions are to support the PSCO's statewide training efforts. This is a zero dollar request.

Staff Recommendation: Approve as budgeted

Vote Only ISSUE 2: RELOCATION OF RED MOUNTAIN COMMUNICATION SITE

GOVERNOR'S BUDGET REQUEST

The OES requests $2.683 million (General Fund) to support the relocation of the Red Mountain Communication Site in FY 2014-15.

BACKGROUND

The Red Mountain Communications Site towers support twelve public safety agencies within Humboldt and Del Norte counties. The United States Forest Service's Six Rivers National Forest Plan requires that all communications facilities currently operating on Red Mountain be removed and the land cleared by December 31, 2022. The proposed project will establish three new facilities that will enhance radio coverage currently provided at the Red Mountain facility. The project will establish three new communications facilities at Rattlesnake Mountain, Alder Camp and Rodgers Peak.

STAFF COMMENTS

The requested funds will support the preliminary plans phase of this project. Project costs are currently estimated to total $19.982 million. The next phase, working drawings is expected to cost approximately $1.26 million, and will be requested in FY 2015- 16. The last phase, construction, is expected to cost $16.04 million and will be requested in FY 2016-17. Additional costs, associated with maintenance, leasing, and power, to the respective agencies will total $25,000 annually.

Staff Recommendation: Approve as budgeted

ITEMS TO BE HEARD

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

ISSUE 1: STATUS UPDATE ON THE CALIFORNIA HEALTH CARE FACILITY

The issue before the subcommittee is the status of the California Healthcare facility.

PANELISTS

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

BACKGROUND

The California Health Care Facility (CHCF) provides medical care and mental health treatment to CDCR inmates who have the most severe and long term care needs. The 1.4 million square foot - 54 building complex is located in South Stockton on the site of the former Karl Holton Youth Correctional Facility. At a cost of nearly $1 billion, the facility was designed to house and treat 1,722 inmate-patients and be staffed by 2,500 professional health care staff of 2,500 staff from CDCR and the Department of State Hospitals. The California Health Care Facility's mission is to:

- House inmate-patients of all security levels efficiently;
- Provide acute medical and mental health treatment safely and cost effectively; and
- Provide opportunities for rehabilitation with programs such as vocational and academic training and substance abuse treatment

The Legislative Analyst's Office has summarized the post-activation history of the facility as follows:

"The department activated the California Health Care Facility (CHCF) in July 2013 and began transferring inmates to the prison in phases throughout the fall of 2013. The department's original activation schedule called for CHCF to have all of its 1,722 beds filled by December 31, 2013. However, the activation of certain housing units were delayed. For example, CDCR delayed the activation of seven 30–bed housing units for mentally ill inmates operated by the Department of State Hospitals (DSH). The CDCR activated two of these units several months behind schedule, and the other five units were inactive at the time of this analysis. It is unclear when the units will be activated. According to CDCR, the delays have resulted from DSH's inability to hire sufficient mental health professionals to staff the housing units. Moreover, we note that the state recently suspended the transfer of inmates to CHCF due to activation problems (such as inadequate medical supplies)."

STAFF COMMENTS

The Subcommittee may wish to discuss the current status of intake at the CHCF and future plans for addressing current issues.

Staff Recommendation: Informational Item

ISSUE 2: STATUS UPDATE ON THE PRE-ENROLLMENT OF INMATES IN THE MEDI-CAL PROGRAM

The issue before the subcommittee is a review of 2013 budget allocation for the pre-enrollment of inmates in Medi-Cal and the potential for having all eligible inmates actively enrolled in medical upon release.

PANELISTS

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

BACKGROUND

What Is Medi-Cal?
Medicaid is an optional joint federal-state program that provides health insurance coverage to certain low-income populations. In California, the Medicaid program is administered by California Department of Health Care Services and is known as Medi-Cal.

Medi-Cal Costs Split Between the State and Federal Government.
In choosing to operate a Medicaid program, states receive federal funding for a significant share of the program costs. The percentage of program costs funded with federal funds varies by state and is known as the federal medical assistance percentage, (FMAP or "federal match"). In most cases, the federal match is determined annually by comparing the state's per capita income to the national average. Pursuant to the ACA, the Medi-Cal Program currently receives 100 percent federal funding for most services provided to beneficiaries, as well as for state and county costs to administer the program.

Medi-Cal Provides a Wide Array of Health Care Services to Eligible Individuals.
Federal law establishes some minimum requirements for state Medicaid programs regarding the types of services offered and who is eligible to receive them. Required services include hospital inpatient and outpatient care, nursing home stays, and doctor visits. California also offers an array of medical services considered optional under federal law, such as coverage of prescription drugs and durable medical equipment. Medi-Cal services are provided through two main systems: fee-for-service (FFS) and managed care.

In a FFS system, a health care provider receives an individual payment for each medical service provided. In a managed care system, managed care plans receive a set fee per patient in exchange for providing health care coverage to enrollees.

Prior to ACA, Medi-Cal eligibility required individuals to have a low income and to be in certain categories, such as being in a family with children, being blind or pregnant, being over 65 or under 19 years of age, or having a disability. Individuals who are not lawfully residing in the United States are generally ineligible for Medi-Cal. Low-income, childless adults who were previously disqualified from Medi-Cal are now eligible under ACA. . The income threshold used to determine Medi-Cal eligibility varies, but for many groups the income threshold is about 100 percent of the Federal Poverty Level (FPL). (The FPL is the income level at which the federal government considers individuals of families to be impoverished.) In 2012, the FPL was $11,170 per year for an individual and $23,050 for a family of four.

State and Counties Administer Medi-Cal.
Most Medi-Cal benefits are administered at the state level by DHCS. The counties administer some Medi-Cal benefits at the local level and also determine the eligibility for most persons applying to enroll in Medi-Cal. The DHCS contracts with a private sector vendor to act as a fiscal intermediary for Medi-Cal. The fiscal intermediary processes claims submitted by Medi-Cal providers for services rendered to beneficiaries.

The ACA Modified the Medicaid Program
In 2010, Congress passed and President Obama signed the Affordable Care Act (ACA), which includes a provision allowing states to expand the Medicaid program beginning in 2014. In June 2010, DHCS obtained an 1115 Bridge to Reform Waiver (hereinafter referred to as the "waiver") from the federal government that includes components intended to facilitate the state's progress towards implementing federal health care reform, such as the establishment of LIHPs. (The Centers for Medicare and Medicaid Services [CMS] sometimes approves waivers to allow states to waive federal Medicaid requirements in order to have the flexibility to modify their programs in ways that promote Medicaid program objectives.) Figure 1 summarizes some key aspects of Medi-Cal and county LIHPs, as well as what Medi-Cal might look like in 2014 if the state exercises its option under ACA to expand the program.

Under ACA, States Allowed to Expand Medi-Cal With Increased Federal Match Beginning in 2014.
The ACA gives states the option to significantly expand their Medicaid programs, with the federal government paying for a large majority of the additional costs. Beginning January 1, 2014, federal law gives state Medicaid programs the option to cover most individuals under age 65—including childless adults—with incomes at or below 133 percent of the FPL. The federal matching rate for coverage of this expansion population will be 100 percent for the first three years, but will decline between 2017 and 2020, with states eventually bearing 10 percent of the additional cost of health care services for the expansion population.

STAFF COMMENTS

The 2013 Budget Act included resources for the CDCR in support of 55 social workers to pre-enroll all offenders leaving state prison in Medi-Cal program. The Subcommittee may wish to request information on the total number of inmates enrolled as a result of the 2013 investment.

The Subcommittee may also wish to discuss any existing state or federal barriers to enrolling additional inmates (aside of additional eligibility workers).

The ACA offers California the fresh opportunity to reduce victimization, recidivism and associated prison housing costs by providing 100-percent federally funded mental health treatment, drug use treatment and health care to ex-inmates who were previously ineligible for services through Medi-Cal.

Currently, many of our mentally ill and drug using offenders leave prison without the financial resources to obtain and/or continue much needed mental health and drug use treatment. This problem commonly manifests in the form of jail admissions for behaviors that can and/or have been controlled with treatment. Ensuring all eligible Inmates have access to Medi-Cal services upon release from prison would greatly improve their transition back into the community and have a huge impact on jail and prison populations.

Staff Recommendation: Direct the departments to report back at May Revise with a cost estimate for enrolling all eligible inmates in Medi-Cal upon release from prison

ISSUE 3: DRUG INTERDICTION BCP

The issue before the subcommittee is the department's Drug Interdiction BCP.

PANELISTS

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

BACKGROUND

The Governor's budget for 2014–15 proposes to expand existing efforts related to drug and contraband interdiction. In recent years, the department has supplemented its base funding of $3 million for drug and contraband (such as cell phones) interdiction with one–time funds from asset forfeitures. According to CDCR, its current interdiction efforts have been hampered by a lack of sufficient permanent funding. In recognition of this, the Governor's budget for 2014–15 proposes an augmentation of $14 million in General Fund support and 81 positions to expand CDCR's interdiction program. Under the proposal, these levels would increase to $18.5 million and 148 positions in 2015–16.

The Administration's proposal consists of four separate initiatives aimed at deterring the smuggling of drugs and contraband into prison and deterring inmates from using drugs. These initiatives involve:

(1) increasing from 29 to 100 the number of trained canines to detect contraband possessed by inmates;

(2) increasing from 7 to 35 the number of ion scanners available to detect drugs possessed by inmates, visitors, or staff;

(3) purchasing an additional 240,000 urinalysis kits to randomly drug test inmates; and

(4) equipping inmate visiting rooms with video surveillance technology and requiring inmates in visiting rooms to wear special clothing intended to prevent the smuggling of drugs and other contraband.

LAO RECOMMENDATION

The Governor's proposal to expand CDCR's drug and contraband interdiction efforts has merit, it is unclear what the most cost–effective combination of interdiction initiatives is. Thus, we recommend that the Legislature modify the proposal to conduct a pilot of the various initiatives proposed by the Governor. Specifically, we recommend the Legislature reduce the request from $14 million in General Fund support in 2014–15 ($18.5 million in 2015–16) to $3 million annually on a three–year limited–term basis.

The reduced funding amount would allow the department to pilot test the four proposed interdiction initiatives—urinalysis testing, canine units, ion scanners, and visiting room surveillance—in different combinations in order to assess the relative effectiveness of the initiatives. The Legislature could use the outcomes of the pilot to determine which, if any, of the various initiatives should be expanded to all of the state's prisons. The actual cost of the pilot program could vary depending on how it is designed. Accordingly, we recommend that the Legislature adopt budget bill language requiring that the:

(1) contract with independent researcher experts (such as a university) to design and evaluate the pilot program,

(2) not expend any funds for the expanded interdiction initiatives until it has notified the Legislature of the design and cost of the pilot program,

3) revert any unspent funds to the General Fund, and

(4) report to the Legislature on the outcomes (including the relative cost–effectiveness of each initiative) of the pilot program by April 1, 2017. This would allow the evaluation to incorporate two full years of data and for the results to inform the 2017–18 budget process.

STAFF COMMENTS

While agreeing that the presence of illicit drugs and cellular phones in California's prisons is unacceptable, staff maintains that attempting to address this issue without a comprehensive plan that focusses on all people and items entering the facility is pointless. In past discussions, the CDCR has made mention of forthcoming departmental regulation changes to address the aforementioned staff concerns. However, staff is not confident that the CDCR will be able to accomplish the necessary regulation changes without collective bargaining. Considering this, staff recommends the Subcommittee reject the proposal, without prejudice, with the expectation that the department will resubmit after addressing all outstanding issues (including collective bargaining and the drafting of departmental regulations).

Staff Recommendation: Reject without prejudice