

# AGENDA

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 ON PUBLIC SAFETY

ASSEMBLYMEMBER SHIRLEY N. WEBER, PH.D., CHAIR

WEDNESDAY, MAY 15, 2019  
2:30 P.M. – STATE CAPITOL, ROOM 447  
(NOTE TIME AND ROOM CHANGE)

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**8120 COMMISSION ON PEACE OFFICERS STANDARDS AND TRAINING**

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**VOTE-ONLY ISSUE 1: INCREASED PEACE OFFICER TRAINING**

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The Governor's Budget proposes \$34.9 million General Fund and 11 positions ongoing to restore POST to prior levels of funding. Resources will be provided for POST administration, additional training opportunities, and increased funding for local assistance and reimbursement provided to local law enforcement agencies.

**Staff Recommendation:** Approve the proposal subject to: (1) the adoption of legislation that changes the current standard for when law enforcement offices can use deadly force to a necessary standard; and, (2) adoption of budget bill and placeholder trailer bill language with reporting requirements and subject to the following provisions:

- \$3 million ongoing for POST administrative activities to support increased workload, improve existing databases, replace and modernize technological equipment.
- \$8.9 million one-time to develop new course materials and curriculum as well as to purchase necessary materials or equipment to support the training of law enforcement officers on meeting the new necessary standard related to the use of deadly force, on subjects including but not limited to, de-escalation and cultural competence and sensitivity. No more than \$3 million can be used for the purchase of equipment.
- \$3 million one-time to update existing training curriculum that is relevant to supporting the training of law enforcement officers on the new standard related to use of deadly force.
- \$20 million one-time for local assistance and reimbursement funding for providing law enforcement with new or updated training associated with understanding and meeting the new standard related to the use of deadly force.

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**Staff Recommendation: Approve the Staff Recommendation**

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**VOTE-ONLY ISSUE 2: MAY REVISION: AMENDMENT TO TRAILER BILL LANGUAGE**

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The Governor's May Revision proposes trailer bill language to abolish the Peace Officers' Training Fund which is no longer used by the Commission on Peace Officer Standards and Training, and designate the State Penalty Fund as its successor.

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**Staff Recommendation: Approve as Budgeted and adopt placeholder trailer bill language.**

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**0552 OFFICE OF INSPECTOR GENERAL**

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**VOTE-ONLY ISSUE 3: AUDITING AND OVERSIGHT**

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**Background.** The Office of Inspector General (OIG) was first established in 1994 within the Youth and Adult Correctional Agency, which has since been abolished. Duties included conducting investigations, reviewing policy, and performing management review audits of wardens and superintendents. As a result of widespread abuse in the state's correctional system, the Legislature responded in 1998-99 by expanding the OIG's oversight responsibility and making it an independent entity with discretionary authority to conduct audits and investigations. The Legislature further expanded the OIG's duties to include the discipline monitoring process, warden vetting, and follow-up warden audits. In 2011, the OIG's office was restructured in a manner that removed their authority to conduct discretionary audits and investigations, limited their oversight to only specified areas, added a medical inspection process, and required that special reviews be authorized only by the Governor, the Office of the Speaker, or the Office of the pro Tem.

**Staff Recommendation.** Adopt placeholder trailer bill language to reinstate the Office of Inspector General's office's ability to conduct discretionary audits and provide oversight over the California Department of Corrections and Rehabilitation staff complaint process and provide ongoing General Fund of \$7.913 million beginning in 2019-20 and thereafter to the Office of Inspector General to fulfill this workload.

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**Staff Recommendation: Adopt Staff Recommendation.**

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**OFFICE OF THE GOVERNOR**

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**VOTE-ONLY ISSUE 4: PENAL CODE REVIEW**

The Governor's budget includes \$576,000 to support a new committee that will be established under the California Law Revision Commission, and trailer bill language to effectuate this proposal. The new committee will have separate powers to make policies and take actions, and to review and make recommendations to the Legislature and the Governor on revisions to the Penal Code. The committee will begin an effort to simplify and rationalize criminal law and criminal procedures, establish alternatives to incarceration that aid rehabilitation and protect public safety, improve parole and probation systems, and adjust the length of sentence terms based on certain considerations. The proposal includes \$25,000 for the committee to hire an outside consultant to serve the committee's needs.

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**Staff Recommendation: Approve as budgeted and adopt placeholder trailer bill language.**

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**0820 DEPARTMENT OF JUSTICE**

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**VOTE-ONLY ISSUE 5: JUVENILE COURT AND PROBATION STATISTICAL SYSTEM**

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**Background.** Per Penal Code section 13010.5, the Department of Justice is mandated to collect data pertaining to the juvenile justice system for criminal history and statistical purposes. The Juvenile Court and Probation Statistical System (JCPSS) is the primary statewide database of information collected from county probation departments on all juvenile probation referrals, court actions and final dispositions. The system collects and compiles data on the number of juveniles referred to a Probation Department, pursuant to Welfare & Institutions Code sections 601 and/or 602. The system also maintains data on a defined universe of data elements for each individual juvenile whose identifying information is entered into the system. Counties submit data into the JCPSS on a monthly basis, via either a manual data entry or the web enabled uploading process. The deficiencies of the JCPSS data system were fully documented by the California Juvenile Justice Data Working Group, in its 2016 report to the Legislature (“Rebuilding California’s Juvenile Justice Data System”).

**Staff Recommendation.** Adopt budget bill and placeholder trailer bill language requiring the following:

- The Department of Justice to produce a plan for upgrading or replacing the JCPSS juvenile justice data system, including costs and options for modernization that will result in a capacity for recidivism related analysis.
- The plan should be developed in coordination with key stakeholders and experts, to identify the goals, options and costs related to system replacement.
- The plan shall be produced and submitted to the Joint Legislative Budget Committee, the Assembly and Senate budget subcommittees on public safety, and the Assembly and Senate Public Safety Committees by January 1, 2021.
- Provide one-time \$1.52 million General Fund to the DOJ to support this workload.

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**Staff Recommendation: Adopt Staff Recommendation.**

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**VOTE-ONLY ISSUE 6: PEACE OFFICER RADIO REPLACEMENT**

The Governor's Budget includes one-time General Fund allocation of \$2.87 million to replace 300 peace officer radios.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 7: CALIFORNIA CONSUMER PRIVACY ACT OF 2018**

The Governor's Budget includes \$1.8 million GF, \$2.9 million Unfair Competition Law Fund and 23 positions in 2019-20, \$1.7 million GF and \$2.8 million Unfair Competition Law Fund in 2020-21, and ongoing to implement AB 375 and SB 1121 which provides consumers with many new privacy rights, including the right to request what personal information a business collects about the consumer and that a business disclose the identity of third parties to which a consumer's personal information was sold or disclosed. SB 1121 amended the CCPA and revised the mandates.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 8: CALIFORNIA INTERNET CONSUMER PROTECTION AND NET NEUTRALITY ACT OF 2018**

The Governor's Budget includes \$1.85 million Unfair Competition Law Fund and 9 positions for 2019-20 and \$1.78 million Unfair Competition Law Fund and ongoing to implement SB 822, which allows consumers the right to access online content of their choice without interference or manipulation by their internet service providers. Pending litigation may impact implementation timeline.

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**Staff Recommendation: Approve proposal and adopt budget bill language specifying that funding can only be spent if all court prohibitions preventing implementation or enforcement have expired or been removed.**

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**VOTE-ONLY ISSUE 9: PEACE OFFICERS, VIDEO AND AUDIO RECORDINGS AND TECHNICAL FIX**

The Governor's Budget includes \$447,000 General Fund and 3 positions in 2019-20 and \$412,000 General Fund in 2020-21 and ongoing to the Department of Justice to implement AB 748, which allows a video/audio recording that relates to critical incidents involving peace officers to be withheld for 45 calendar days if disclosure would substantially interfere with an active investigation.

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**Staff Recommendation: Approve \$135,000 and 1 position in 2019-20 and ongoing and adopt placeholder trailer bill language.**

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**VOTE-ONLY ISSUE 10: CANNABIS CONVICTIONS RESENTENCING**

The Governor's Budget includes \$985,000 General Fund in 2019-20 and \$908,000 General Fund in 2020-21 to the Department of Justice to implement AB 1793, which requires the Department of Justice to review records in the Automated Criminal History System and identify past cannabis related convictions that are eligible for recall, dismissal, sealing or re-designation pursuant to Prop 64.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 11: VARIOUS PROPOSALS TO IMPLEMENT LEGISLATION**

The Governor's Budget includes funds to implement various pieces of legislation:

- \$327,000 General Fund in 2019-20 and \$149,000 General Fund in 2020-21 to implement AB 1065 which creates, until January 2, 2021, the crime of organized retail theft, extends the county jurisdiction, and requires the California Highway Patrol, in coordination with the Department of Justice to convene a regional property crimes task force.
- Spending authority of \$365,000 Unfair Competition Law Fund and 2 positions in 2019-20 and \$352,000 in 2020-21 and ongoing to the DOJ to implement AB 1919, which expands the scope of law (includes rental housing) and resources for enforcement of price gouging in times of disaster.
- \$135,000 General Fund and 1 position in 2019-20 and \$126,000 General Fund in 2020-21 and ongoing to the DOJ to implement AB 2222, which extends the firearms reporting requirement to certain law enforcement agencies in the state and would require that the report be entered within 7 days of the agency being notified of the precipitating event. Law enforcement agencies are also required to report to the DOJ any information necessary to identify and trace the history of a recovered firearm in certain circumstances.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 12: NEW AND EXPANDED CRIMES**

The Governor's Budget includes \$145,000 General Fund and 1 position in 2019-20, \$136,000 General Fund in 2020-21 and ongoing to process the additional workload of 25 bills signed into law.

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**Staff Recommendation: Reject Proposal.**

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**VOTE-ONLY ISSUE 13: DISPOSITIONS WORKLOAD**

The Governor's Budget includes \$203,000 General Fund and 2 positions in 2019-20, and \$188,000 GF in 2020-21 and ongoing to the DOJ to process the increase in dispositions and corresponding criminal history record updates resulting from the passage of AB 865, AB 2599, AB 2942, and SB 1437.

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**Staff Recommendation: Reject Proposal.**

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**VOTE-ONLY ISSUE 14: HUMAN TRAFFICKING/SEXUAL PREDATORY APPREHENSION TEAMS**

The Governor's Budget includes \$4.2 million General Fund and 15 positions in 2019-20 and \$3.4 million General Fund in 2020-21 and ongoing to establish two investigative teams focused on human trafficking and child exploitation organizations.

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**Staff Recommendation: Approve as Budgeted.**

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**0250 JUDICIAL BRANCH**

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**VOTE-ONLY ISSUE 15: SFL RIVERSIDE COUNTY—NEW INDIO JUVENILE FACILITY AND FAMILY COURTHOUSE AND IMPERIAL COUNTY—NEW EL CENTRO COURTHOUSE**

The spring finance letter includes \$21.13 million (\$1.37 million Immediate and Critical Needs Account, \$19.76 million Public Construction Fund) for working drawings and construction for the New Indio Juvenile and Family Courthouse project located in Riverside County and \$17.15 million Public Construction Fund for the construction phase of the New El Centro Courthouse project in Imperial County.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 16: MAY REVISION: TRIAL COURT EMPLOYEE BENEFITS ADJUSTMENT AND TRIAL COURT TRUST FUND SHORTFALL ADJUSTMENT**

The Governor's May Revision includes the following requests:

- **Trial Court Employee Benefits Adjustment:** Items 0250-101-0932 and 0250-111-0001 each be decreased by \$3,404,000 to reflect the updated health benefit and retirement rate changes for trial court employees.
- **Trial Court Trust Fund Revenue Shortfall Adjustment:** Item 0250-113-0001 be decreased by \$10,991,000 to reflect a reduction to the amount to backfill revenue shortfalls based on the most current estimates of Trial Court Trust Fund fee revenues for fiscal year 2019-20.

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**Staff Recommendation: Approve as Budgeted.**

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**5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

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**VOTE-ONLY ISSUE 17: CORRECTIONAL TRAINING FACILITY, SOLEDAD: ADMINISTRATIVE SEGREGATION CELL DOOR RETROFIT**

The Governor's Budget includes \$15.66 million General Fund to replace the existing 144 barred cell fronts with cell fronts with cell fronts that have vision panels in the Administrative Segregation Unit at the Correctional Training Facility in Soledad.

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**Staff Recommendation: Reject Proposal.**

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**VOTE-ONLY ISSUE 18: DEUEL VOCATIONAL INSTITUTION: NEW BOILER FACILITY**

The Governor's Budget includes \$4.04 million General Fund for the design and construction of a new central high pressure steam boiler facility at the Deuel Vocational Institution.

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**Staff Recommendation: Reject Proposal.**

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**VOTE-ONLY ISSUE 19: INCREASE INMATE LITERACY**

The Governor's Budget includes \$5.5 million General Fund and 35 positions in 2019-20 and ongoing to establish and support a literacy mentor program across all CDCR prisons.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 20: VARIOUS HEALTH CARE FACILITY IMPROVEMENT PROJECTS**

The Governor's Budget includes the following proposals for the construction phases of various HCFIP projects:

- \$8.07 million General Fund for the California Correctional Center.
- \$9.7 million General Fund for the California Institution for Men in Chino.
- \$10.44 million General Fund for the Correctional Training Facility in Soledad.
- \$12.03 million General Fund for the Sierra Conservation Center.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 21: CALIFORNIA INSTITUTION FOR MEN: AIR COOLING FACILITY A**

The Governor's Budget includes \$931,000 General Fund to install air cooling systems with required fire/light/safety improvements in Facility A housing units.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 22: SPRING BCP: HEALTH CARE FACILITY IMPROVEMENT PROJECT—INCREASE LEASE REVENUE APPROPRIATION**

The spring budget proposal requests trailer bill language to increase the lease revenue appropriation authorized by Government Code Section 15819.403 by \$49.85 million to complete construction of the remaining Health Care Facility Improvement Program projects.

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**Staff Recommendation: Approve as budgeted and adopt placeholder trailer bill language.**

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**VOTE-ONLY ISSUE 23: SPRING BCP: STAFF COMPLAINT PROCESS**

The spring budget proposal includes \$9.8 million General Fund and 47 positions in 2019-20 and ongoing to implement a new regional model for reviewing and investigating inmate complaints of staff misconduct, as well as revise the California Department of Corrections and Rehabilitation's grievance review process.

**Staff recommendation:**

- Adopt placeholder trailer bill language that requires the California Department of Corrections and Rehabilitation (CDCR) to adopt emergency regulations on or before December 1, 2019, in consultation with the Office of Inspector General. These emergency regulations shall require that CDCR process all grievances involving potential staff misconduct and inmate allegations against staff—except those that have already been referred to the Office of Internal Affairs for a formal investigation—with a staff complaint inquiry conducted by the Office of Internal Affairs in addition to any other regular or specialty grievance processes that are applicable. This would ensure that inmate allegations against staff pertaining to unnecessary and excessive force, Prison Rape and Elimination Act or Sexual Abuse in Detention Act, safety or emergency concerns, and classification time calculations, would be subject to a staff complaint inquiry conducted by the Office of Internal Affairs.
- Adopt budget bill language that approves the \$9.8 million and 47 positions in requested resources that restricts the release of funds until CDCR adopts the emergency regulations referenced above.

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**Staff Recommendation: Approve the Staff Recommendation.**

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**VOTE-ONLY ISSUE 24: SPRING BCP: SAN QUENTIN STATE PRISON NEW BOILER FACILITY**

The spring budget proposal includes \$27.268 million for the construction phase of a new central high-pressure steam boiler facility at San Quentin State Prison. Boiler replacement is required for compliance with Bay Areas Air Quality Management District regulations for gas fired boiler emission standards.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 25: PAROLE HEARING COMMISSIONERS TBL**

The Governor's Budget includes trailer bill language to increase the total number of parole hearing commissioners by two.

**Staff Recommendation: Approve the proposal and adopt placeholder trailer bill language.**

**VOTE-ONLY ISSUE 26: VARIOUS MAY REVISION PROPOSALS**

The Governor's May Revision includes various adjustments and proposals:

1. **Juvenile Population Adjustment:** It is requested that Item 5225-001-0001 be increased by \$7,501,000 and 53.6 positions, reimbursements be increased by \$26,000, and Item 5225-011-0001 be decreased by \$573,000 and 4 positions. The May Revision reflects an estimated average daily population of 782 wards in 2019-20, which is 23 more wards than projected in the Governor's Budget.

**Staff Recommendation:** Approve as Budgeted.

2. **Support for Victim Services:** It is requested that Item 5225-001-0917 be increased by \$2 million to support the Office of Victims and Survivor Rights and Services' Victim Offender Dialogue program and to establish or expand Innovate Programming Grants targeting victim impact programs.

According to the Legislative Analyst's Office, CDCR proposes to use a small portion of the funds in 2019-20 for start-up activities, including conducting outreach to victims and inmates and developing a tracking system to monitor one of the programs. It appears that these start-up activities may not be an allowable use of the Inmate Welfare Fund (IWF). This is because current law requires all IWF funds used for programs focused on offender responsibility to be passed through to non-profit organizations and not to be used by department staff or for administration of the program.

**Staff Recommendation:** Approve \$2 million Inmate Welfare Fund ongoing to directly support victim impact programs as authorized by Penal Code 5006. Direct CDCR to absorb the \$75,000 for the database upgrade and evaluation component within existing General Fund resources.

3. **Medical Adjustment for Reentry Facilities:** It is requested that Item 5225-001-0001 be decreased by \$1,550,000 and Item 5225-008-0001 be decreased by \$5,053,000 to reflect revised medical and dental costs for offenders in reentry facilities.

**Staff Recommendation:** Approve as Budgeted.



4. **Tattoo Removal Program:** It is requested that Item 5225-001-0001 be decreased by \$1.4 million to revise the amount included in the Governor's Budget for tattoo removal services for certain inmates with highly visible tattoos.

**Staff Recommendation:** Approve as Budgeted.

5. **Sign Language Interpreter Services:** It is requested that Item 5225-001-0001 be increased by \$1,504,000 and 12 positions to provide Sign Language Interpreter positions to provide services to inmates for whom sign language is their primary method of communication.

**Staff Recommendation:** Approve as Budgeted.

6. **Workforce Innovation and Opportunity Act, Data Sharing:** It is requested that trailer bill language be enacted to allow data from the California Department of Corrections and Rehabilitation to be shared for purposes of the Workforce Innovation and Opportunity Act.

**Staff Recommendation:** Approve as Budgeted.

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**Staff Recommendation: Adopt Staff Recommendations.**

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**0690 OFFICE OF EMERGENCY SERVICES**

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**VOTE-ONLY ISSUE 27: SFL: EXTENSION OF LIQUIDATION OF PROPOSITION 1B**

The Governor's spring finance letter requests an extension of the liquidation period of Item 0690-101-6061 from various prior fiscal years to enable cities, counties, and transit districts to continue to liquidate unexpended grant funds for transportation security and improvement projects.

Proposition 1B provided \$1 billion to the Office of Emergency Services for transportation security purposes. Although the funding has been apportioned through grants to cities, counties, and local transit districts, grantees need additional time to liquidate their allocations. An extension of the liquidation period will allow local entities to complete their critical transportation security improvement projects.

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**Staff Recommendation: Approve as Budgeted.**

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**VOTE-ONLY ISSUE 28: VARIOUS MAY REVISION PROPOSALS**

The Governor's May Revision includes the following proposals:

1. It is requested that Item 0690-001-0890 be increased by \$550,000 and Item 0690-102-0890 be increased by \$450,000, for a total of \$1 million one-time funding, to develop and administer a grant program related to the federal STOP School Violence Act of 2018. The increased federal funding will allow the Office of Emergency Services to implement statewide school security strategies related to violence intervention and prevention, and to develop data for best practices and guidelines for use by local education agencies throughout the state.
2. It is requested that Item 0690-103-0001 be added in the amount of \$15 million in one-time funding for the Office of Emergency Services' Nonprofit Security Grant Program to help nonprofit organizations that are targets of hate-motivated violence and hate crimes. It is also requested that provisional language be added to allow up to 5 percent of the funds to be used for administrative costs, consistent with other grant programs.
3. It is requested that Item 0690-490 be added to extend to June 30, 2020, the liquidation period of funding included in the Budget Act 2016, to complete the procurement and installation process of the Early Earthquake Warning System and the acquisition and deployment of Cal OES' 2016 Fire Fleet Vehicle Acquisition program. Both of these activities are under contract and the funding is encumbered, but because of vendor delays with both procurement projects, additional time is required for the vendors to complete their contractual obligations.

4. It is requested that Item 0690-112-0001 be increased by \$8.75 million to reflect updated California Disaster Assistance Act (CDAA) projections. CDAA is a disaster assistance program administered by the Office of Emergency Services that provides financial assistance to local governments for costs incurred as a result of a disaster.

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**Staff Recommendation: Approve as Budgeted.**

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## **0390 JUDGES' RETIREMENT SYSTEM**

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<b>VOTE-ONLY ISSUE 29: MAY REVISION PROPOSALS</b>
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The Governor's May Revision includes the following proposals:

1. It is requested that Item 0390-001-0001 be increased by \$40 million to reflect funding for the class action lawsuit related to the Judges' Retirement System (JRS), *Mallano v. John Chiang* (Superior Court of California, County of Los Angeles, Case No. BC-533770), to satisfy the court-ordered post-judgment award of back salaries, associated benefits, and interest related to retired judges. Additionally, it is requested that provisional language be added to Item 0390-001-0001 to specify that any funds appropriated to this item for the *Mallano* post-judgment settlement in excess of the amount actually required for the payment of those claims shall revert to the General Fund within 45 days after final payment has been made.
2. It is requested that Item 0390-101-0001 be increased by \$6,226,000 to reflect an increase in state retirement contributions to the Judges' Retirement System. Government Code section 75101 requires the state provide General Fund payments to the system in an amount equal to 8 percent of aggregate annual salaries of judges covered by the system. These changes increase General Fund costs to \$219,344,000, from the \$213,118,000 General Fund included in the Governor's Budget. This increase in the state retirement contribution to the Judges Retirement System' is due to changes in the number of retired members, and an increase in member salaries.

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**Staff Recommendation: Approve as Budgeted.**

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## ITEMS TO BE HEARD

### 0250 JUDICIAL BRANCH

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#### ISSUE 1: SUPERIOR COURT JUDGESHIPS

Judicial Council will provide an overview of the May Revision proposal to fund 25 new superior court judgeships and the associated positions.

#### PANELISTS

- Judicial Council
- Department of Finance
- Legislative Analyst's Office

#### BACKGROUND

Reports on the critical shortage of judicial officers have been submitted to the Judicial Council since 2001 and have formed the basis of council requests to the Legislature to create and fund new judgeships. The Judicial Council approved a Judicial Workload Assessment methodology in August 2001 for determining the need for judgeships in each court. In October 2001, a ranking methodology was adopted by the council to prioritize allocation of judgeships to the courts with the greatest need. In August 2004, the council refined the model to calculate judicial need on the basis of a three-year average of filings, rather than a single year of data, as had previously been the case. Changes in the law, technology, and case processing practices necessitate that the workload models used to measure resource need be updated periodically. Updating the parameters that are used to measure judicial workload ensures that the workload needs of the courts are represented as accurately as possible.

The council began efforts to seek the most critically needed 150 judgeships—although the total need was considerably greater—with Chapter 390, Statutes of 2006 (SB 56). This legislation authorized the first 50 most critically-needed judgeships and associated funding. In February 2007, the council updated the formula with more recent filings data, and AB 159 was enacted authorizing the second set of 50 judgeships, to be allocated as determined by the council. Initially, funding for these 50 judgeships would have allowed appointments to begin in June 2008. Because of budget constraints, funding was delayed until July 2009 to shift the fiscal impact from 2008-09 to 2009-10; however, no funding was included in the 2009 Budget Act to support the 50 judgeships. The 2018 Budget Act provided funding for two judgeships out of the 50, to be allocated to the Riverside Superior Court, but otherwise the 48 remaining judgeships continue to be unfunded.

The shortfall is considerably higher in some counties because: (1) prior to statutory adoption of the methodology for allocating judgeships, judgeships were sometimes allocated without using a common workload metric; (2) some counties have experienced higher filings growth than others; and, (3) resource allocation has not kept pace with workload levels. The 2018 report

showed that eight courts have a need at least 20 percent higher than authorized resources, with two courts showing a need 40 percent higher. A 2019 Judicial Needs Assessment Update will be released in the summer of 2019, which will give the most up-to-date status of judge need statewide.

### **Proposed Funding**

The Governor's May Revision includes \$30.4 million General Fund in 2019-20 and \$36.5 million General fund in 2020-21 and ongoing to allocate 25 of the 48 remaining trial court judgeships authorized by Chapter 722, Statutes of 2007.

This request estimates the total cost per additional judgeship, which includes judicial compensation, judicial operating expenses and equipment, court interpreters, and court staffing, at \$1,460,000. This is consistent with the addition of the two judgeships in the 2018 Budget. Given the September 2019 effective date, the 2019-20 request is for \$30,417,000 (10 months of funding) and 2020-21 and ongoing request is for \$36,500,000. While this request may not address need in all areas, it would provide additional judgeships in counties that have been historically identified as having the most critical need for new judicial resources.

<b>LEGISLATIVE ANALYST'S OFFICE (LAO)</b>
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The LAO notes that while 17 trial courts lack a sufficient number of judges according to the Judicial Needs Assessment, other courts currently have roughly 130 more judgeships than justified by their workload. Thus, in addition to approving the Governor's proposal, the Legislature could consider reallocating judgeships (as they become vacant) from courts with more than their assessed need to those with less than their assessed need as a way to redistribute judicial resources based on workload needs.

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**Staff Recommendation: Hold Open.**

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**ISSUE 2: DEPENDENCY COUNSEL TITLE IV-E FUNDING**

The Judicial Council will provide an overview on the May Revision proposal to provide administrative support to address increased federal reimbursements for dependency counsel.

**PANELISTS**

- Judicial Council
- Department of Finance
- Legislative Analyst's Office

**Proposed Funding**

The Governor's May Revision proposal includes \$1.5 million General Fund and 7.5 positions for administrative costs associated with the increase in reimbursements of \$33.955 million to enable the Judicial Council to claim reimbursable court-appointed dependency counsel costs. The recent federal Families First Prevention Services Act expanded the list of eligible Title IV-E reimbursable costs associated with court-appointed dependency counsel. The Judicial Council will be utilizing these newly available federal funds through reimbursements from the Department of Social Services.

If approved, this will shift the current dependency caseload from 1:214 to 1:153, falling slightly short of the Judicial Council target of 1:141. The increase in reimbursement was calculated based on the Department of Social Services calculation of the federal match rate (50%), the federal discount rate (60%), and then contextualized within the available providers throughout the state who are likely able to take advantage of the match. The upper cap for the federal reimbursement is estimated at \$45 million.

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**Staff Recommendation: Hold Open.**

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**ISSUE 3: TRIAL COURT RESERVES**

The Judicial Council will provide an overview of the May Revision proposal to adjust the trial court reserves cap from one percent to three percent.

**PANELISTS**

- Judicial Council
- Department of Finance
- Legislative Analyst's Office

**BACKGROUND**

Since 2014, trial courts have been restricted to only carrying over one percent or less in reserves from the prior year operating budget. In 2018-19, this equals approximately 27 million statewide. Increasing the cap enables courts to retain funding to cover immediate costs for budgeted expenses such as payroll and other ongoing operating expenses in the event of an unanticipated one-time disruption in funding, give courts the flexibility to address local needs that are unique to certain jurisdictions, and allows courts to adjust to mid-year cost changes.

**Proposed Funding**

The May Revision includes trailer bill language to increase the cap on trial court reserves from one percent to three percent.

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**Staff Recommendation: Hold Open.**

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**5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

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**ISSUE 4: MEDICAL CLASSIFICATION MODEL UPDATES**

The California Department of Corrections and Rehabilitation will provide an overview of the May Revision proposal related to the medical classification model updates.

**PANELISTS**

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

**BACKGROUND**

In the lawsuit *Plata v. Brown*, the Federal Court found that deficiencies in the health care being provided in California's prisons constituted a violation of the Eighth Amendment of the United States Constitution's prohibition against cruel and unusual punishment. The court ordered that control of prison health care be removed from the California Department of Corrections and Rehabilitation (CDCR) and placed under the auspices of a federal receiver until such time that the level of care provided reached a level acceptable to the court and that CDCR demonstrated an ability and commitment to maintain that level of care. From the inception of the Receivership in 2006, major changes have been made to California's prison health care. These have included the introduction of utilization and quality management programs, introduction of the Complete Care Model, implementation of an Electronic Health Records System (EHRS), and aligning health care provider staffing with patient need.

EHRS has revealed that the CDCR population is growing older and sicker and that it is experiencing an increase in trauma-related incidents. Current staffing ratios, however, are not equipped to deal with the increases in medical staffing that these changes require. California Correctional Health Care Services has taken a pro-active approach in implementing solutions, relying increasingly on registry staffing and contract medical services to satisfy a growing need for primary care positions. That solution, however, is a temporary one, and CCHCS has determined that it requires a permanent staffing increase - not only for primary care services, but also for inpatient services and various ancillary position types.

The success of the delegation of prison health care from the Federal Receivership to State control lies not only on achieving a constitutionally acceptable level of health care throughout the State's prison system, but also on being able to maintain that level. To achieve this end, appropriate staffing is required throughout the system. Staffing levels were addressed most recently with the MCM Budget Change Proposal (BCP) in 2014/15 and the Supervisory Staffing Model BCP in 2016/17. While these models examined the classifications involved in the supervisory/management and direct care of patients at each institution and determined the staffing needs of each based on patient acuity or staff allocations based on location or function,



they did not contemplate changes to workload tied to subsequent changes to population and programs.

CCHCS has determined that the following three areas require staffing adjustments:

1. Primary Care Services - request is for 20.9 Primary Care Team staff, including 3.0 Chief Physician and Surgeons (CP&S) and 17.9 primary care providers (PCPs). The current staffing model allots one CP&S for each institution, plus one additional CP&S for California Institute for Men and California Medical Facility based on their missions, but does not allow for additional CP&Ss should the number of PCPs grow to a size that would warrant an increase. CCHCS has determined that three sub populations require greater PCP resources than the MCM accounts for: all female inmates, inmates with Americans with Disabilities Act needs, and inmates over age 50.

2. Inpatient Services - request is for 45.0 Inpatient Services staff, including 5.0 PCPs and 41.0 Dietary Services staff. These adjustments are necessary to provide resources that satisfy California Code of Regulations (CCR), Title 22 requirements, and to provide for staffing to support licensed inpatient areas 24 hours a day, 7 days a week. These areas consist of Correctional Treatment Centers, Skilled Nursing Facilities (SNF), Mental Health Crisis Beds (MHCB), Outpatient Housing Units (unlicensed and not covered under CCR, Title 22), and Hospice. The complex patient population and policy timeframes for documentation are driving this additional need.

3. Ancillary Staff - request is for 112 Support staff, including: 70.8 Nursing staff; 9.6 Health Record Technicians I (HRT Is) for Health Information Management (HIM); and 49.9 Pharmacy positions. It also includes a reduction of 93.9 Office Assistants from HIM. These adjustments are in areas such as management, supervisory, clerical, support, and clinical positions that do not align directly with the Primary Care Team or Inpatient Services. The impacts of EHRS and workload adjustments drive the need for the adjustments to these staff.

### **Proposed Funding**

The Governor's May Revision proposal includes 102.4 positions and \$27.9 million General Fund (GF) beginning in 2019/20 to the California Correctional Health care Services (CCHCS) provide increased staffing levels for direct patient care and ancillary health care operations throughout California's prison system.

<b>LEGISLATIVE ANALYST'S OFFICE (LAO)</b>
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Currently, a medical classification methodology (MCM) is used to establish prison medical staffing levels based on the acuity of the inmate patient population. The Governor proposes to make changes to the methodology largely due to recent data suggesting that inmate patients use more services than the MCM currently provides. These changes result in a need for an additional 102.4 positions and \$27.9 million annually from the General Fund. While the actual need for medical services in the current year appears to exceed the amount estimated by the MCM, it is unclear whether this is an ongoing trend or merely reflects a temporary increase. The

LAO notes that the MCM appears to have provided sufficient resources in prior years. Given this, the LAO finds there is not sufficient justification that a permanent change in the MCM is needed. Instead, the LAO recommends providing the requested resources on a one-year basis. This would allow time for the Legislature to monitor inmate medical needs and determine whether changes in the MCM are in fact needed.

<b>STAFF COMMENTS</b>
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The proposal includes two alternative proposals listed below:

**Alternative Proposal 1.** Approve 45.0 positions and \$6.5 million to support the identified changes to the Inpatient Services portion of the MCM.

Pros

- Will bring staffing up to at least CCR, Title 22 standards, but more importantly to a level that meets the needs of the patients in the inpatient units.

Cons

- Poor or lack of timely care will result in continuation of the Receivership.
- Use of more costly registry (violation of Government Code 19130) and/or overtime.
- Staffing will continue to be adjusted based upon a model which does not take into account EHRS and/or the Complete Care Model, and their associated staffing requirements.
- Does not provide the Ancillary Staff resources necessary to create a sustainable operation

**Alternative Proposal 2.** Approve 36.5 positions and \$14.7 million to support the identified changes to the Ancillary Staff portions of the MCM.

Pros

- Would create a population methodology for a portion of health care positions, thereby allowing for some of the positions to be adjusted as patient acuity, institutional population, and/or workload changes.
- Provides resources for functions that have historically lacked the staffing necessary to provide sustainability to health care, and allow for clinical staff to work within the scope of their licensure.

Cons

- Could jeopardize the ability to provide appropriate levels of health care due to insufficient staff in the inpatient and primary care team areas.
- Significant level of ongoing positions and funding being requested.
- Does not provide for long-term sustainability of the health care system due to the classifications not being adjusted.
- Commitment of permanent staffing resources, including a significant level of base staffing, regardless of the patient population.

Due to the proposed significant investment of General Fund resources, the subcommittee may wish to consider the alternative proposals in order to determine the appropriate staffing levels in a manner that allows for a more thoughtful approach to determining the level of staffing required, allowing for both cost control and judicious delivery of services.

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**Staff Recommendation: Hold Open.**

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**ISSUE 5: INTEGRATED SUBSTANCE USE DISORDER TREATMENT PROGRAM**

The California Department of Corrections and Rehabilitation (CDCR) will provide an overview of the May Revision proposal related to the Integrated Substance Use Disorder Treatment Program (ISUDTP).

**PANELISTS**

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

**BACKGROUND**

**Prevalence of substance use disorder in CDCR.** The estimated prevalence for substance use disorder (SUD) including but not limited to alcohol, opioids, and methamphetamines among CDCR's population is approximately 70 percent, or 86,800 patients. Within CDCR institutions, the rate of overdose related deaths has been consistently higher than in other U.S. prisons, reaching a record of 30 per 100,000 patients in 2017. Patients with Opioid Use Disorder (OUD) utilize acute care settings at a disproportionately higher rate, incur more costs with hospital admissions due to non-fatal overdoses, experience other SUD related conditions such as osteomyelitis and endocarditis, and are more likely to be re-admitted after discharge than other patients. Between 2014 and 2017, CDCR experienced a 54 percent increase in Emergency Department (ED) transports and hospitalizations related to drug overdoses, and two-and-a-half times more overdose deaths. In the last year since this analysis, the trend for ED visits and hospitalizations have increased an additional 30 percent. Moreover, patients with SUD are about 45 times more likely to die of a fatal overdose within two weeks of leaving CDCR compared with their age-matched controls in the community.

**Gaps in Existing Capacity.** Stakeholders have identified several gaps in CDCR's existing capacity for services and in care coordination that provide opportunities for improvement addressed in this proposal. The first opportunity for improvement involves the lack of coordination across the various CDCR divisions. Given the high prevalence for SUD within CDCR, CDCR and California Correctional Health Care Services (CCHCS) needs to work across all divisions in order to leverage each program area's resources to implement a comprehensive, integrated, and cost effective program. The second opportunity for improvement is misalignment with community SUD treatment standards. Since California's prison health care system is part of a larger health ecosystem within the state of California, influencing the care of incarcerated patients can have a direct impact on the health and wellbeing of county communities. CCHCS proposes to implement methodology to screen, risk stratify, and connect patients to relevant care similar to that available in the community. Doing so assures that the levels of care offered in the prison system will align and dovetail with continuing services available to patients as they are released. The third opportunity for improvement was identified in the process for ensuring that Medi-Cal benefits are activated at the time of release from prison.

**Goals of the Program.** To address SUD as a chronic illness in such a large proportion of the population, this proposal includes a multi-divisional, collaborative delivery model. The immediate goals for implementing the evidence-based program are to identify patients at highest risk for SUD-related harms and to provide treatment that reduces fatalities. The longer term goals for this system-wide effort are to build a program that is prepared to recognize and treat the chronic illness of SUD at all levels of clinical need and to optimize rehabilitative potential for all incarcerated persons. Implementation of this program is expected to result in:

- Reduction in both SUD related morbidity and mortality.
- Creation of a rehabilitative environment which improves safety for inmates and CDCR staff.
- Reduction in overall recidivism.
- Successful reintegration of individuals into their community at time of release.
- Improved public safety, promote healthy families and communities.

**Program Model and Phased Approach.** The model for delivery of care for the program includes care management and care coordination throughout incarceration from the time a patient enters a Reception Center (RC) to the time he/she is released from prison. ISUDTP integrates programs such as SUD, Narcotics Treatment Program (NTP), Community Based Treatment, MAT, and Whole Person Care (WPC). It also includes programming to ensure that there is a smooth transition in treatment from CDCR to community providers through Medi-Cal when a patient is released. Because of the size and scope of the undertaking, it will take time for CDCR/CCHCS to fully develop the infrastructure and capacity to implement a robust statewide ISUDTP that is able to offer SUD treatment to the population affected with SUD. This will require a phased approach to this program, which will be facilitated by CCHCS and DRP within CDCR, with full implementation over a five-year timeline. In its initial phase, the proposed ISUDTP will focus on assessment and risk stratification for those at highest risk, revamping and expanding core SUD rehabilitative programming statewide, and strengthening the release process in order to assure successful transition back to the community. This request focuses on the first two years of this multi-year implementation timeline, and on assessing and treating patients who are:

- (1) Entering RCs on MAT;
- (2) Currently incarcerated patients identified as high risk; and,
- (3) Patients with estimated prison release dates (EPRDs) within the next 15 to 18 months.

Based on these evaluations, patients may be referred to one of two treatment paths: Intensive Outpatient, or Outpatient. Within each treatment path, there are three distinct stages of care management and care coordination:

- (1) Screening and Assessment;
- (2) Treatment; and,
- (3) Community Transition.

Each stage is characterized by an anticipated need for resources in order to effectively deliver services consistent with this model of care; as such, each stage is described in greater detail below.

**Prioritized Patients for Program.** Three distinct groups of patients are targeted as the first priority for this proposal:

- Patients who enter prison already on MAT have presumably been assessed prior to their arrival and started on a care plan. The number of patients presenting to RCs on MAT is expected to steadily increase as a result of the expansion of MAT in county jails by the Department of Health Care Services (DHCS) and in the community through the Medi-Cal expansion program.
- Patients already in prison who categorize themselves as high risk by: surviving resuscitative efforts following a drug overdose; a recent hospitalization for SUD-related comorbidity (e.g., osteomyelitis, or endocarditis) in the past year; having SUD and a coexisting chronic pain condition on chronic opioid therapy; having SUD during pregnancy; or other conditions associated with high risk for drug overdose.
- Patients who are anticipating release from prison in the near future. Patients with untreated SUD are approximately 45 times more likely to die within the first two weeks of release compared with age matched controls in the community. Therefore, to allow enough time to implement a comprehensive treatment plan - estimated to require approximately 12 months to complete for most patients - CCHCS will target patients with an expected release date within 15-18 months. This group will comprise the largest proportion of the three targeted as priorities. The numbers of patients shown are estimates based on the assumption of 38,000 inmates being released each year. This assumption is based on preliminary trends and impacts of Proposition 57 for release volumes projected for FY 2021-22.

**Treatment.** Levels of Care based on ASAM Criteria. The ASAM requirements provide standard criteria for describing the continuum of recovery-oriented addiction services. Each level of care is based on the degree of direct medical management provided; the structure, safety, and security provided; and the intensity of treatment services provided. Completion of the ASAM multidimensional assessment that explores individual risks, needs, strengths, skills, and resources provides clinicians with a recommended ASAM level of care that matches intensity of treatment services to patient needs. Despite numerous gradations along the continuum of care, the two benchmark levels of care are Outpatient, and Intensive Outpatient. Based on addiction treatment center norms, it is anticipated that the majority (90 percent) of patients will qualify for intensive outpatient level of care, with remaining patients assigned to the outpatient level. Each level of care serves as a benchmark along a single spectrum. Patients can move between levels depending on their unique needs and progress. Intensity of treatment can vary at each level of care depending on patient needs.

Medication Assisted Treatment (MAT) is an essential feature of a comprehensive ISUDTP. Numerous studies support the efficacy of MAT, with data showing that MAT is associated with

significant reductions in overdose deaths, illicit drug use, and the spread of infectious diseases, along with increases in treatment adherence and retention. Preliminary data from Rhode Island show that targeting people with opioid addiction leaving the state's jails and prisons reduced the death rate among this group by 61 percent, which contributed to an overall 12 percent reduction in overdose deaths in the state. Therefore, in addition to the counseling and structured therapeutic programming within each level of care, MAT provisioning is proposed for those with disorders amenable to supplemental MAT.

Cognitive Behavioral Treatment addresses a spectrum of topics such as criminal thinking, trauma, anger and violence, parenting needs, breaking through denial, exploring the impact that crime has on victims, SUD, emotion regulation, and family dynamics/support systems. DRP remains committed to providing a comprehensive behavioral modification program to all incarcerated individuals but will work with CCHCS to prioritize SUD treatment and providing the varying levels of care defined by the ASAM criteria. The core CBT treatment for the outpatient and intensive outpatient levels of care will be provided by DRP through contracted services at all 35 institutions. Several gaps have been identified that need to be addressed in order to meet the challenges of implementing a comprehensive evidence-based ISUDTP. These gaps include addressing curriculum variation and fidelity, staffing qualifications and accountability, and procuring therapeutic programming space.

The Offender-Mentor Certification Program (OMCP) is a voluntary program that provides long-term and life-term incarcerated persons with the opportunity to pursue and receive an Alcohol and Other Drugs (AOD) counseling certification recognized by DHCS. Individuals who receive an AOD certification are assigned paid jobs working in a DRP SUD treatment program co-facilitating groups. OMCP peer mentors provide professional guidance and peer-to-peer support to individuals working to overcome their addiction, maintain their recovery, and make new life choices. Additionally OMCP mentors are able to seek gainful employment upon release into their community given their education, experience, and AOD certification received through participation in this program. Currently CDCR provides the OMCP training program at SCL, Valley State Prison, and CCWF. These training programs graduate OMCP mentors who are transferred to work in DRP programs in Level I and Level II GP and SNY institutions. There are approximately 120 certified OMCP mentors who will be redirected to support the ISUDT Program and other SUD services in the intensive outpatient and outpatient settings at all institutions with a focus on supporting those inmates who have a designated need prior to pre-release as coordinated through CCHCS clinical care (e.g., those on MAT services). An additional 300-400 certified mentors are critically needed to support this proposal's SUD treatment services in the next two fiscal years. Because SUD treatment will be provided to all custody levels (I-IV), CDCR proposes to expand the OMCP training program to four additional locations at Level III (CP and SNY) and IV (CP and SNY) institutions, creating additional participation and earning opportunities for the Level III and IV populations. The estimated cost of each OMCP contract will be approximately \$500,000 annually per contract (6 contracts). Additionally, under this proposal, OMCP mentor pay will be increased from \$0.85/hour to \$2.00/hour. This aims to create a better representation of the time, work, education, and skill necessary to be successful in the program, and subsequently provide treatment opportunities both in prison and into the community upon release.

**Community Transition.** California has significantly expanded the Drug Medi-Cal Organized Delivery System (DMC-ODS) program to build a delivery system for SUD treatment in the community. The DMC-ODS program is county-based and participation has grown from about 12 out of 58 counties (20 percent) to 56 out of 58 counties (97 percent) in 2017. The increase in counties participating in a SUD treatment and providing MAT will greatly improve the success of released patients being able to continue with their MAT programs. Because of the documented high-risk of death following release from prison, it is clear that SUD treatment including MAT services must be available without interruption upon release.

Every incarcerated individual needs a care plan that follows them through their incarceration and continues during their reentry to support a safe and smooth transition toward community reintegration. This concept is at the core of the initial phase of developing an ISUDTP, and is the basis for the WPC program. The WPC program is a model of care spearheaded by nursing services that is responsible for providing care coordination throughout the spectrum of incarceration from entry to release. The goals of the WPC program are to:

- (1) Provide comprehensive care coordination from RCs and R&Rs across care teams, external resources (hospitals, external specialty consultants), Triage and Treatment Area, and MAT.
- (2) Ensure comprehensive care coordination with the community transition teams at time of release, to include enrollment in a Medi-Cal plan, scheduling and arranging transportation to initial health appointments, securing records, and liaising with county resource partners, probation community supervision and parole, and other community health workers and/or other peer support.

Within the last 15-18 months of Incarceration, all patients will receive five weeks of Transitions Reentry Services by an interdisciplinary team. Services will include, but are not limited to, resume production, job interview preparation, finance management, and applications for Medi-Cal, CalFresh, Social Security, and the Department of Motor Vehicles. Achieving effective case management across the spectrum of health care, social services, and other resources to achieve a smooth and successful transition back to communities, while maintaining efforts in SUD recovery, will require tenacious coordination between CCHCS, CDCR, and county partners. The WPC program offers significant enhancements and bridges gaps in the services already in place that are offered by the Transitional Case Management Program and DAPC.

**Transition, Training, and Staffing.** Staff Education Training Along with the various resources listed above, cross-disciplinary training will be necessary to implement this program, not only for workforce training and development, but also to enhance cultural sensitivity, understanding of trauma-informed care, and reduce the long held stigma surrounding SUD. CDCR and CCHCS, in consultation with national experts, have identified a number of key training components.. Program Justification The cost for this cross-divisional collaborative effort to develop, implement, and operate a comprehensive ISUDTP represents a significant investment in an overhaul of our respective programs, and ultimately strengthens the primary mission of CDCR to successfully rehabilitate.



**Outcomes and Accountability.** CCHCS will develop, build, test, and implement decision-support and documentation methods in EHRs to capture (and extract) standardized Substance Use Disorder Treatment (SUDT)/MAT screening and treatment data. CCHCS will continue to monitor the expansion of SUDT, including MAT by tracking clinical outcomes of patients receiving services, with the added goals of monitoring and preventing unplanned ED and hospital send-outs, mitigating violence related to drugs, and ultimately reducing overdoses and deaths due to overdose. Additional outcome measures may include:

- (1) Monitoring SUD prevalence (by drug type) among CCHCS' patient population through clinical assessments administered by social workers and nursing staff.
- (2) Tracking program referrals and linkages to care.
- (3) Tracking treatment starts to determine the percent of the population under treatment and treatment adherence and retention.
- (4) Measuring treatment effectiveness by assessing trends in ED and hospital send-outs. Hepatitis C Virus infection rates, and overdoses and deaths due to overdose for program participants compared to non-participants.
- (5) Assessing community outcomes using California Department of Public Health data including post-incarceration causes of death data, and DHCS medical claims data to examine linkages to aftercare services.
- (6) Creating an econometric model developed to estimate cost avoidance of SUDT. CDCR and CCHCS have an aggressive implementation plan due to the severity of overdoses and increased deaths in the institutions tied to opioid abuse. CDCR and CCHCS request adding budget language or a unique program code to return any unused funds not used for SUDT. This will allow for rapid program expansion without resource constraints.

### **Proposed Funding**

The Governor's May Revision includes a proposal for \$71.3 million General Fund and 280.2 positions in 2019-20, \$161.9 million General Fund and an additional 150.8 positions in 2020-21 (for a total of 431.0 positions ongoing), and \$164.8 million General Fund in 2021-22 and ongoing for the Integrated Substance Use Disorder Treatment Program (ISUDTP).

<b>LEGISLATIVE ANALYST'S OFFICE (LAO)</b>
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***Large Scale Implementation of Untested Program.*** While aspects of the proposed program are evidence-based, other aspects have not been evaluated. Furthermore, this particular combination of programs has not been tested to determine if it would be a cost-effective approach. As such, it is unclear how effective this program would be. This is particularly concerning given the scale of the proposal.

***Cost Estimates Subject to Significant Uncertainty.*** The estimates used to determine the level of resources for various aspects of the proposal are based on limited information, such as studies from other states, and are subject to error. For example, the proposal includes \$5 million to

prescribe naloxone—a drug designed to reverse opioid overdoses—to over 25,000 offenders released from CDCR on an annual basis. However, the Administration estimates that only 4,000 individuals are released each year with opioid use disorders.

**Full Cost of Implementation Not Identified.** The Administration indicates that it would take at least five years to fully implement the ISUDT program. However, it has only provided information on costs for the first three years of implementation. In addition, it is possible that additional infrastructure could be needed due to the large increases in staff, medication distribution, and SUDT and CBT programs.

**Potential Implementation Challenges.** The Receiver has indicated that there are significant challenges in hiring and maintaining medical staff. Despite this, the proposal assumes the state would be able to fill 300 medical positions in three years. Moreover, it is unclear how effectively the proposal would link offenders to treatment upon release and whether there is sufficient treatment capacity in the community for these offenders. This is problematic because community treatment is a key component of effective SUDT as offenders are at significant risk of overdose during the first two weeks after release.

**Limited Departmental Oversight of CBT Programs.** A recent audit by the State Auditor found that CDCR's CBT programs lack sufficient oversight to ensure that contractors comply with best practices. While the Department is currently developing oversight tools for existing CBT curricula, it is uncertain whether such tools would be applicable to the new curricula being proposed. In addition, the May Revision does not propose additional resources or changes to ensure sufficient oversight of the CBT programs proposed.

#### LAO Recommendations:

- The Legislature to implement the Governor's ISUDT program on a pilot basis—rather than statewide—at the three facilities that are currently piloting MAT programs (the Substance Abuse Treatment Facility in Corcoran, the California Institution for Men in Chino, and the California Institution for Women in Corona).
- The pilot should include oversight to ensure that contractors follow best practices and an independent evaluation by researchers to determine the effect of the program on substance use in prisons, inmate health, and offender outcomes upon reentry, including recidivism and overdose death.
- Based on the Administration's estimates for a statewide program, we estimate that a pilot of this magnitude would cost less than \$10 million in 2019-20 and would be unlikely to exceed \$20 million at full implementation.
- The pilot would allow the Legislature to assess the effectiveness of the program and determine whether it should be implemented statewide. It would also allow the Department to collect data to better determine the costs and resources necessary to expand the program to other facilities.
- To the extent the Legislature would like to implement a statewide ISUDT program, we recommend modifying the Governor's proposal to address some of our concerns. Such modifications include requiring: (1) a more gradual implementation; (2) an annual

progress report from CDCR and the Receiver on the program's implementation and costs; and, (3) an independent evaluation once the program is fully implemented.

<b>STAFF COMMENTS</b>
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The proposal includes two alternative proposals listed below:

**Alternative Proposal 1.** Approve 17 positions and \$2.65 million funding in 2019-20 and ongoing for MAT only at current MAT institutions (CIM, CIW, and SATF). This will replace the limited-term allocated to establish MAT programs at these three institutions. The programs at these sites each have the capacity of treating 50 MAT patients at a time.

**Pros:**

- Easy to implement and manage.
- Allows the program to compile more information on the existing MAT operations prior to any expansion.

**Cons:**

- Does not provide evidence-based treatment and appropriate levels of care.
- Does not address the vast majority of patients statewide who require SUD treatment/MAT, and therefore there will continue to be significant avoidable deaths and costs related to SUD.
- Does not provide patients a comprehensive ISUDTP.

**Alternative Proposal 2.** Approve 151 positions and \$16.4 million in 2019-20 to establish HQ ISUDTP resources, an additional 96 positions and \$50.9 million in 2020-21 for phase one of the ISUDTP at the institutions, an additional 96 positions and \$50.9 million in 2021-22 for phase two of the ISUDTP at the institutions, and an additional 88 positions and \$46.7 million for phase three of the statewide ISUDTP with the goal of providing comprehensive SUD treatment services consistent with ASAM levels of care to reduce fatal and non-fatal overdoses and other drug-related complications in custody and post-release. This alternative includes the implementation of the ISUDTP in phases at one institution per month until all the institutions are completed.

**Pros:** Funding this proposal will enable CDCR/CCHCS to:

- Implement a delivery model that uses evidenced-based clinical treatments and CBTs to treat approximately 16,000 patients each year after full implementation, and reduces variability across programs.
- Provides greater opportunity to ensure fidelity, effectiveness, and efficiency in the delivery of clinical treatments.
- Allows for better cost control.
- Promotes positive patient outcomes including decreases in relapse, fatal and non-fatal overdoses, aberrant behaviors within the prison setting, and recidivism.
- Provides a more measured rollout plan.

**Cons:**

- Significant General Fund impact.
- Delays for up to three years the complete statewide rollout of the ISUDTP.
- May result in patients eligible for SUD treatment services not receiving them because the program had not yet been implemented in their institutions.

Due to the magnitude of the proposal and significant investment of General Fund resources, the Subcommittee may wish to consider the alternative proposals in order to most effectively deliver critical treatment to incarcerated individuals in a manner that provides a more thoughtful and gradual rollout, allowing for both cost control and judicious delivery of treatment to achieve the goals of the program.

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**Staff Recommendation: Hold Open.**

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**ISSUE 6: DIVISION OF JUVENILE JUSTICE MAY REVISION PROPOSALS**

The California Department of Corrections and Rehabilitation will provide an overview of the May Revision proposals related to the Division of Juvenile Justice.

**PANELISTS**

- California Department of Corrections and Rehabilitation, Division of Juvenile Justice
- Department of Finance
- Legislative Analyst's Office

**BACKGROUND****May Revision DJJ Transition Proposal**

The new department will include a new Training, Enrichment, and Development Division, which will initially focus on the establishment of the following:

- A. Staff, Youth and Family Enrichment Services that will provide continuous development, enrichment, and education to a combined audience of staff, families, youth mentors, and other partners that provide services to or have contact with adjudicated youth; and Analysis of Problem.
- B. A Pre-Service Training Institute, independent from CDCR's academies for correctional officers at adult institutions.

The new youth and family enrichment services section within the Training, Enrichment, and Development Division will provide enriching educational opportunities for staff, youth mentors, families, volunteers, and partners providing mentorship, internships, and apprenticeships for staff and youth. The focus of this unit will be trifold. First, the unit will bring in quality, mission-driven trainings to both staff and stakeholders. Second, it will provide continuing education and advanced learning for staff who are interested in promoting or taking on leadership roles. Lastly, the unit will bring together staff and the community in a joint learning environment to support youth rehabilitation.

**DJJ partnership with California Conservation Corps**

The proposed pilot would establish a program that will connect corpsmembers—and the skills acquired at DJJ—with in-community placements that offer income, stability, and the opportunity for further growth. By maintaining the same organizational edifice and personnel network on both sides of release, participating youth will be able to navigate this transition through familiar faces and established relationships. Specifically, the proposed DJJ Apprenticeship Conservation Corps (ACC) would have three tiers of involvement, differentiated by size of the participating cohorts, the training to be offered, the length of each session, and the amount of coaching and feedback that participants would receive:

**Tier 1:** The base tier would serve up to 80 youths and last three to six months. ACC staff will focus on basic soft skills employment training, and provide monthly coaching and performance feedback for work completed as DJJ-employed youth workers. Tier 1 participants will obtain industry certifications in Serve Safe Food Handling, Customer Service Level 1, and OSHA 10 General Industry.

**Tier 2:** The mid-level tier would serve up to 48 youths for three to six months. This tier will provide intensive soft skills employment training, provide weekly coaching and performance feedback, incorporate social emotional learning, and feature transitional life-skills training (e.g., mentorship, financial literacy, and career pathways planning). Tier 2 participants will obtain certifications in First Aid and CPR, Customer Service Level 2 (Managerial), and OSHA 10 Construction Industry.

**Tier 3:** The first two tiers serve as a preparatory training experience and feeder on a rolling basis for the third tier comprised of 12 youth who are in a 3-4 month window prior to release. Tier 3 will include rigorous soft skills employment training, daily coaching, social and emotional learning, transitional life skills training, community service training, and basic conservation corps job skills development. DJJ also envisions providing these elite ACC participants with in-community, on-the-job training at actual community conservation projects secured through Local Corps contracts. In addition to the inherent value of on-the-job training and work experience, this feature enables participants to take their first steps toward community reintegration, while still being supported by considerable resources, structure, and opportunity. Tier 3 certifications will include Wildland First Aid & CPR, Hazardous Waste Operations and Emergency Response 40, American Traffic Safety Services Flagger & Traffic Control, Forklift Operator Warehouse, and Forklift Operator Construction.

### **Proposed Funding**

The Governor's May Revision provides two proposals related to the Division of Juvenile Justice:

- \$1.2 million General Fund and 8.8 positions in 2019-20, and \$1.8 million General Fund and 12.0 positions in 2020-2021 and ongoing to transition the Division of Juvenile Justice from the California Department of Corrections and Rehabilitation and establish a new department under the California Health and Human Services Agency. The resources will also be used to reorganize and revise the Division of Juvenile Justice's training academy curriculum and to begin offering the training academy in Stockton.
- \$344,000 General fund and 2.4 positions beginning in fiscal year 2019-20 and ongoing. The proposal also includes 2.0 ongoing positions for the California Conservation Corps and \$1,085,000 one-time General Fund in 2019-20 and \$581,000 ongoing General Fund beginning in 2020-21, which includes \$876,000 in 2019-20 and \$376,000 ongoing for certified local conservation corps. Requested resources will support the implementation of the DJJ Apprenticeship Conservation Corps pilot program to present DJJ youth with skill-building and job-readiness opportunities that will provide pathways to conservation careers upon returning to their communities.

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**Staff Recommendation: Hold Open.**

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## 0690 OFFICE OF EMERGENCY SERVICES

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### ISSUE 7: PUBLIC SAFETY POWER SHUTDOWN

The Office of Emergency Services will provide an overview of the May Revision proposal related to the Public Safety Power Shutdown.

#### PANELISTS

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

#### BACKGROUND

Investor Owned Utilities (IOUs) have signaled their intent to increase the use of Public Safety Power Shutdowns (PSPS) on their energized power lines to prevent wildfires during high wind or other severe weather events. A consequence of this action is that affected areas may potentially be without power for several hours, days and, in some cases, weeks. Given the configuration of power grids throughout the state and limited micro weather-monitoring capacities, IOUs may, at times, be unable to implement PSPS in targeted areas, which could result in larger regional areas being impacted. IOU-led implementation of PSPS could have a significant impact on regions of the state, especially critical services and the state's most vulnerable populations, some of whom depend on a steady, reliable power supply to operate life-sustaining equipment. In addition, implementation of PSPS will coincide with the hotter summer months. Extreme heat conditions will likely exacerbate health risks to affected populations in general, and especially to vulnerable populations, such as the elderly and health compromised.

OES is working with the Public Utilities Commission and the IOUs to coordinate public education, information and community preparedness activities to improve community awareness and resiliency in response to IOU-initiated PSPS events. Additionally, the OES Strategic Plan contains the following goals:

Goal 1: Anticipate and enhance prevention and detection capabilities to protect our state from all hazards and threats.

Goal 2: Strengthen California's ability to plan, prepare for, and provide resources to mitigate the impacts of disasters, emergencies, crimes, and terrorist events.

Goal 3: Effectively respond to and recover from both human-caused and natural disasters.

Because implementation of PSPS may result in severe, cascading consequences, especially if there are prolonged power outages, the state should consider investing in the following:

- Mitigation actions that will reduce impacts;
- Preparedness efforts to increase readiness; and,
- Response capabilities to enhance operational effectiveness.

This proposal will provide a flexible source of funding to facilitate immediate response to utility-initiated power shutdowns. In addition, planning grants to improve local preparedness for IOU-driven PSPS events would be available to the state's 58 Operational Areas' (Counties) Offices of Emergency Management to: (1) convene regional stakeholders to discuss PSPS preparedness efforts and local response actions; (2) update emergency plans to include an addition for PSPS events; and, (3) hold trainings, discussions, and exercises to reinforce planning assumptions.

### **Proposed Funding**

The Governor's May Revision proposal includes a one-time investment of \$75 million General Fund to improve resiliency of the state's critical infrastructure in response to investor-owned utility-led Public Safety Power Shutdown actions, and to provide assistance to communities, where appropriate, as specific urgent needs are identified. This proposal will provide a flexible source of funding to facilitate immediate response to utility initiated power shutdowns.

#### **LEGISLATIVE ANALYST'S OFFICE (LAO)**

According to the LAO, this funding can be used—through June 30, 2022—for a wide range of activities, such as purchasing generators for state facilities to make them more resilient to investor-owned utility-led power shutdown events, providing grants to local communities to help them plan for shutoff events, or helping local governments establish community centers with backup power and air-conditioning. The Officer of Emergency Services (OES) argues that the proposed funding is needed now because investor-owned utilities have signaled their intent to increase the frequency of power shutoff events, which could leave residents without power for extended periods of time. This, in turn, could raise public health and safety concerns, particularly for vulnerable populations.

The LAO concurs with the OES' assessment that increased shutoff events could raise important public health and safety concerns. Furthermore, the LAO believes it is reasonable for the state to make its own facilities—such as prisons and state hospitals—more resilient to power shut-offs and to support local communities facing these events. At this time, however, the basis for the proposed funding level is unclear. Additionally, there is not specific information on the OES' plans for utilizing these funds; such as how much of the funds would be spent on the various activities or how OES might coordinate with investor-owned utilities that might be undertaking similar activities. In part, this lack of detail is likely due to this being a new concept.



Accordingly, to the extent the Legislature is interested in pursuing this concept, the LAO recommends that it consider modifying the Governor's proposal in order to provide additional direction and/or oversight over these funds. Potential options for the Legislature to consider include:

- (1) Adopting budget bill language that prioritizes the use of these funds for certain types of eligible activities.
- (2) Providing funding for 2019-20 only.
- (3) Requiring the Department to provide a report to the Legislature on how it used funds provided in 2019-20, as well as what outcomes are achieved.
- (4) Modifying the proposed budget bill language to make the funding available upon submission of a more detailed plan of how funds are to be used.

The LAO notes that the above options are not necessarily mutually exclusive. For example, the Legislature could provide a partial level of funding for expenditure through 2019-20 and also require the Department to report, along with the submission of the 2020-21 budget, on its use to date of the funds provided in 2019-20. This would provide the Legislature with an opportunity to assess how the proposed funds are being administered and take into account any lessons learned before committing to providing additional funding.

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**Staff Recommendation: Hold Open.**

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**ISSUE 8: MAY REVISION: DISASTER PLANNING PREPAREDNESS AND RESPONSE PROPOSAL**

The Office of Emergency Services will provide an overview of the Disaster Planning, Preparedness, and Response proposal.

**PANELISTS**

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

**Proposed Funding**

The Governor's May Revision requests \$27.3 million General Fund (\$20 million of which is one-time) and \$874,000 Federal Trust Fund and 94 positions for various emergency and disaster-related purposes.

**LEGISLATIVE ANALYST'S OFFICE (LAO)**

The LAO notes that the proposal's Fiscal Detail Sheet indicates that there is an increase in General Fund and Federal Trust Fund of \$3.4 million and \$370,000, respectively, starting in 2020-21, but that increase is not described in the proposal.

The proposal includes three main components, which the LAO reviews below:

(1) *OES Staffing Resources*. Provides \$5.1 million ongoing General Fund and \$874,000 Federal Trust Fund and 76 positions to provide additional staff support throughout various parts of the department (36 positions will be converted from temporary positions and 40 are proposed to be new). In many cases, the request provides a broad description of the unit proposed for additional staffing or the broad types of activities the positions are expected to undertake. However, it is often unclear from the request: (1) what are the current staffing levels to support the unit or activities described; (2) what specific workload backlogs or gaps in service exist because of inadequate staffing; and, (3) why the specific number of additional staff are justified. For example, the request asks for six new positions (as well as the conversion of one temporary position) to support planning activities. The request indicates that the proposed positions will provide more local planning support and ensure sustained resources are in place to meet the requirements for the state to maintain an enhanced hazard mitigation plan. However, the proposal does not identify how many staff currently work on these planning efforts, the specific activities that are not occurring due to insufficient staffing, why the proposed number of staff are needed to complete these specific activities that are not occurring (rather than some lower or higher amount), or the specific consequences of not having sufficient staffing. Accordingly, the LAO recommends that the Legislature seek additional justification for the proposed resources prior to approving this request. If OES is not able to provide sufficient justification to the Legislature, the LAO recommends the Legislature consider rejecting the request—in whole or in part—or approving the new

proposed positions on a limited-term basis depending on the level of additional information provided.

(2) *Mission Tasking*. Provides \$20 million one-time General Fund to establish a mission tasking fund, which would provide funding to state agencies that have been mission-tasked by OES to perform response and recovery activities for declared disasters (this funding would be available for expenditure through June 30, 2022). Also, the request provides \$1.5 million General Fund and 12 positions on an ongoing basis to track and coordinate this funding. The concept of establishing a mission tasking fund is promising. At this time, however, the basis for the proposed funding level is unclear. Additionally, OES provided only minimal justification for the level of staff resources requested, and in the LAO's view \$1.5 million annually and 12 positions seems like a high level of resources for administering a fund of the size proposed. In addition, it is unclear why OES requested ongoing funding for staff given that the \$20 million must be expended by June 30, 2022. Accordingly, the LAO recommends that the Legislature seek additional details on the staff levels requested. If the Legislature agrees that the general concept of creating this fund, the LAO recommends the Legislature consider implementing this request as a pilot project. Specifically, as part of a pilot project, the Legislature could provide for an appropriate number of staff positions on a limited-term basis along with some—possibly reduced—funding to establish the fund to be spent through 2019-20. The Legislature could also require OES to report, along with the submission of the 2020-21 budget, on its use of the funds provided in 2019-20. This would provide the Legislature with an opportunity to assess how the proposed funds are being administered and take into account any lessons learned before committing to providing additional funding.

(3) *Statewide Disaster Reserve Corps*. Provides \$711,000 General Fund and 6 positions to develop and begin implementing a Statewide Disaster Reserve Resource Corps, which would identify and track prescreened personnel willing to assist in the event of a disaster. OES indicates the requested positions would help launch the corps by leading a research effort, identifying potential solutions, making recommendations, and coordinating a potential information technology solution to support the establishment of this corps. The idea of a Statewide Disaster Reserve Resource Corps has promise. However, at this time, there is little detail available on how the corps would function, and the justification for the proposed staffing level, particularly on an ongoing basis. Accordingly, the LAO recommends that the Legislature seek additional details on the proposed staff levels. If the Legislature is not satisfied with the information provided, but agrees that the general concept that the administration is proposing exploring, the LAO recommends the Legislature consider approving the funding and positions on a two year limited-term basis along with reporting on the progress of the establishment of the program.

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**Staff Recommendation: Hold Open.**

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**0820 DEPARTMENT OF JUSTICE**

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**ISSUE 9: MAY REVISION: BUREAU OF GAMBLING CONTROL: CARDROOM AND THIRD-PARTY PROVIDER WORKLOAD**

The Department of Justice will provide an overview of the May Revision proposal related to the Bureau of Gambling Control.

**PANELISTS**

- Department of Justice
- Department of Finance
- Legislative Analyst's Office

**BACKGROUND**

The Bureau of Gambling Control (BGC), within the DOJ, is the state law enforcement authority with special jurisdiction over gambling activities within the state of California and is the entity that conducts background investigations for the California Gambling Control Commission (Commission) on gaming license and work permit applications. The BGC regulates legal gambling activities in California to ensure that gambling is conducted honestly, competitively, and free from criminal and corrupt elements. The Division of Gambling Control (now the BGC) was created on January 1, 1998, with the enactment of the Gambling Control Act (Act). The Act established a comprehensive plan for the statewide regulation of legal gambling. It provides a bifurcated regulatory system whereby the BGC serves in an investigative role and the Commission serves in an adjudicatory role.

There are four categories of applicants associated with gambling establishments:

1. All persons and/or business entities that have control or ownership interest in a gambling establishment, or third-party providers of proposition player services (TPPPS).
2. A cardroom key employee license for all persons employed in a supervisory capacity or empowered to make discretionary decisions over the establishment's gambling operations.
3. A work permit is required of all persons employed in a gambling establishment for certain positions such as dealer, waitress/waiter, surveillance, etc.
4. TPPPS Supervisors and Players.

The scope of each background investigation varies depending on the license type, applicant, and the complexity of the applicants' history, but normally includes in-depth research and analysis of each applicant's background through inquiries of various personal, public, and law enforcement sources. Also, the financial aspects of business owners and entities are closely

examined to verify that all persons with ownership/control interest in the gambling operation are identified and properly licensed.

**Previous funding for BGC work.** When the BGC was created in 1998, based on a 2000-01 Budget Change Proposal (BCP), the BGC had 20.0 analyst positions to process a projected workload of 1,000 applications (800 owner/key employees and 200 work permits) for the Cardroom industry.

In 2004-05, the BGC was provided five analyst positions, in addition to other classifications, to handle the TPPPPS workload. At that time, it was estimated there would be approximately 1,184 applications (25 TPPPPS companies, 135 owners, 200 supervisors and 824 proposition players) associated with the TPPPPS industry. Of the 25.0 analyst positions, the Bureau has assigned four analysts to conduct the mandated workload associated with game and gaming activity review.

In budget year 2015-16, the BGC was granted 12.0 permanent positions with three-year limited-term funding, which is expiring on June 30, 2018. Since July 1, 2015, these 12.0 analysts have completed a total of 544 cases. As staff complete their onboarding and training program and become proficient with their investigations the average number of cases completed increases over time. As such, the BGC anticipates that these 12.0 seasoned analysts will complete an additional 1,104 cases by the end of fiscal year 2017-18.

The 2016 Budget Act included \$3,000,000 from the Gambling Control Fund and 20.0 positions due to a legislative augmentation. This augmentation was also provided to address the current backlog related to initial and renewal license suitability background investigations for the California Cardroom and TPPPPS license applicants. As a result, the BGC received permanent position authority with three-year limited term funding for these 20.0 positions effective July 1, 2016. The 2018 Budget Act provided \$1.6 million from the Gambling Control Fund to support the 12 positions provided in 2015-16 for one additional year. As a result, all of the Cardroom Gaming Unit's 32 limited-term positions will expire at the end of 2018-19.

**Case backlog issues.** According to the DOJ, the scope of the background investigations increased due to requests of the Commission, changes in the industry, and/or increased scrutiny due to identified violations within the industry. The DOJ believes that the positions are necessary to continue to reduce the backlog and maintain the ongoing workload associated with California cardroom and TPPPPS license applicants. Below is a workload history that includes the current backlog:

Fiscal Year	2013-14	2014-15	2015-16	2016-17	2017-18
Beginning	2,001	2,588	2,696	2,153	1,991
Incoming Cases (Initial)	3,266	3,352	3,811	4,129	3,947
<i>Incoming Cases (Renewal)</i>	<i>1,328</i>	<i>1,765</i>	<i>1,568</i>	<i>1,437</i>	<i>1,208</i>
Cases Closed (Initial)	2,306	2,244	3,403	4,209	3,107
<i>Cases Closed (Renewal)</i>	<i>952</i>	<i>1,395</i>	<i>1,523</i>	<i>1,352</i>	<i>1,208</i>
Abandon/WD/Other <sup>2</sup>	749	1,370	996	167	1,025
Ending	2,588	2,696	2,153	1,991	1,806

Age breakdown of backlogged cases as of March 31, 2019:

Length of Time Backlogged	Third-Party Provider License Types					Total Backlogged
	TPPPP Company	TPPPPS Owner	TPPPPS Supervisor	TPPPPS Player	TPPPPS Contracts / Amendments	
Less Than 6 Months	5	7	63	679	4	758
6 Months to 1 Year	1	11	100	351	0	463
1 Year to 2 Years	3	12	54	50	0	119
2 Years to 3 Years	2	6	32	7	0	47
3 Years to 4 Years	1	5	39	6	0	51
4 Years to 5 Years	1	5	17	2	0	25
Over 5 Years	9	66	50	1	0	126
<b>Total Backlogged</b>	<b>22</b>	<b>112</b>	<b>355</b>	<b>1,096</b>	<b>4</b>	<b>1,589</b>

Length of Time Backlogged	Cardroom License Types						Total Backlogged
	Gambling Establishment	Cardroom Owner	Cardroom Key	Cardroom Work Permit	Gambling Establishment Table Increase Requests	Gambling Establishment Ordinance Reviews	
Less Than 6 Months	0	12	36	51	3	1	103
6 Months to 1 Year	0	39	44	15	0	0	98
1 Year to 2 Years	1	92	40	4	0	0	137
2 Years to 3 Years	2	23	5	0	0	0	30
3 Years to 4 Years	1	29	0	0	0	0	30
4 Years to 5 Years	0	2	0	0	0	0	2
Over 5 Years	0	0	0	0	1	0	1
<b>Total Backlogged</b>	<b>4</b>	<b>197</b>	<b>125</b>	<b>70</b>	<b>4</b>	<b>1</b>	<b>401</b>

Projected outcomes:

Fiscal Year	2018-19	2019-20*	2020-21*	2021-22*	2022-23*
Beginning	1,806	2,545	2,433	2,321	2,209
Incoming Cases (Initial)	4,067	3,861	3,861	3,861	3,861
<i>Incoming Cases (Renewal)</i>	<i>2,301</i>	<i>1,656</i>	<i>1,656</i>	<i>1,656</i>	<i>1,656</i>
Cases Closed (Initial)	2,951	2,951	2,951	2,951	2,951
<i>Cases Closed (Renewal)</i>	<i>2,045</i>	<i>2,045</i>	<i>2,045</i>	<i>2,045</i>	<i>2,045</i>
Abandon/WD/Other <sup>3</sup>	633	633	633	633	633
Ending	2,545	2,433	2,321	2,209	2,097

### **Proposed Funding**

The Governor's May Revision proposal includes a permanent Gambling Control Fund augmentation of \$4.399 million in FY 2019-20 and ongoing to retain 32.0 existing positions necessary to continue reducing the backlog and maintaining the ongoing workload associated with California cardroom and third-party providers of proposition player services (TPPPPS) license applicants. The provisional language on the following page is also requested to allow the BGC's budget to be adjusted based on workload needs:

The Department of Finance may augment or reduce the amount in Schedule (2) of this item based on workload changes related to the processing of license applications, renewals, and background investigations for cardrooms and third-party providers. The Director of Finance shall not approve any augmentation or reduction unless the approval is made in writing to the Chairperson of the Joint Legislative Budget Committee not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

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**Staff Recommendation: Hold Open.**

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**ISSUE 10: MAY REVISION: CONTROLLED SUBSTANCE UTILIZATION REVIEW AND EVALUATION SYSTEM (CURES) PROGRAM**

The Department of Justice will provide an overview of the May Revision proposals related to the Controlled Substance Utilization Review and Evaluation System (CURES) program.

**PANELISTS**

- Department of Justice
- Department of Finance
- Legislative Analyst's Office

**BACKGROUND**

The Controlled Substance Utilization Review and Evaluation System (CURES), maintained by the Department of Justice (DOJ), is a platform that tracks all Schedule II – IV controlled substances dispensed to patients in California. CURES was first established in 1996 as a “technologically sophisticated” database currently containing records of all Schedule II-IV drug prescriptions dispensed within the state. In 2013, the Attorney General sponsored legislation to overhaul the database with revenue newly derived from a license fee for healing arts professionals. As attention to the opioid crisis continues to grow, prescription drug monitoring programs (PDMP) are regularly mentioned as powerful tools for curbing the abuse of prescription drugs. The resulting system, commonly referred to as “CURES 2.0,” is considered to be a significantly improved, state-of-the-art tool for addressing the abuse and diversion of opioids and other prescription drugs. Over 50 million prescription records have been uploaded into the system by dispensing pharmacists since the beginning of the CURES program. As of January 1, 2018, 170,422 users had been approved for access to the system.

Beginning October 2, 2018, health practitioners were required to consult the CURES database prior to writing a prescription for a Schedule II, III, or IV drug for the first time, and then at least once every four months as long as the prescription continues to be renewed. Other recently enacted statutes require the DOJ to facilitate interoperability between health information technology systems and the CURES database, subject to a memorandum of understanding setting minimum security and privacy requirements.

Amongst some of the responsibilities that the DOJ has with regards to CURES are: assist law enforcement and regulatory agencies in their efforts to control the diversion and resultant use of Schedule II-IV controlled substances, receive specified information from prescribers on a monthly basis.

***The legislation mentioned in the proposal.*** Principally, SB 482 requires a health care practitioner authorized to prescribe, order, administer, or furnish a controlled substance to consult the CURES database to review a patient's controlled substance history no earlier than 24 hours, or the previous business day, before prescribing a Schedule II, Schedule III, or Schedule IV controlled substance to the patient for the first time and at least once every 4 months thereafter if the substance remains part of the treatment of the patient. Certain exemptions apply.



AB 1751 requires, no later than July 1, 2020, the DOJ to adopt regulations, regarding the access and use of information within CURES, through stakeholder consultation. Authorizes DOJ to enter into an agreement with any entity operating an interstate data sharing hub, or any agency operating a PDMP in another state, if the entity complies with California's patient privacy and data security standards.

AB 1753 requires all prescription forms to be uniquely serialized, in a manner prescribed by the DOJ. It also requires a security printer, within the next working day following delivery, to submit via a Web-based application, as specified by the DOJ, specified information for all prescription forms delivered. It requires the DOJ to develop a web-based application to facilitate the submission of all delineated information for controlled substance schedule II-IV through prescriptions. Moreover, it authorizes the Department of Justice (DOJ) to, by regulation, reduce the number of approved security printers that manufacture regulated prescription pads to three vendors beginning on January 1, 2020.

AB 149 clarifies the specifications for the uniquely serialized number required in the printing of new prescription forms by security printers approved by the Department of Justice, and expressly confirms the validity of prescriptions written on non-serialized forms until a delayed date for purposes of dispensing prescriptions written on non-serialized forms.

***Justification and subsequent funding.*** According to the DOJ, the changes to CURES through these pieces of legislation are considered maintenance and operations of the existing CURES system. The DOJ would be reimbursed for these costs from the CURES Fund, which is administered by the Department of Consumer Affairs, and therefore DCA will require a concurrent CURES Fund authority increase—currently proposed in the May Revision to be \$2,804,000. DOJ's Research Center estimates that CURES system usage will quadruple. The requested authority and positions will be used by DOJ to implement the web-based application workload increase from AB 1753 and AB 149 as well as to review, process, and maintain MOUs with state PDMPs, make system modifications to the CURES database and respond to inquiries from CURES users concerning interstate data driven by AB 1751.

### **Proposed Funding**

The Governor's May Revision includes requests for reimbursement authority for the following mandates:

- \$474,000 in FY 2019-20 and 2020-21 to support the Controlled Substance Utilization Review and Evaluation System (CURES) Program to meet the mandates associated with Senate Bill (SB) 482.
- Permanent position authority for 1.0 position and reimbursement authority of \$1.179 million in FY 2019-20, \$200,000 in FY 2020-21, \$191,000 in FY 2021-22 and ongoing to meet the mandates outlined in Assembly Bill (AB) 149 and AB 1753.

- Position authority of 3.0 positions and reimbursement authority of \$1.017 million in FY 2019-20 and \$402,000 in FY 2020-21 and ongoing to meet the mandates outlined in Chapter 478, Statutes of 2018 (AB 1751).

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**Staff Recommendation: Hold Open.**

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This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub5hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim.