

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 ON PUBLIC SAFETY****ASSEMBLYMEMBER GIL CEDILLO, CHAIR****Thursday, May 24, 2012****1:00 P.M. - STATE CAPITOL ROOM 444****VOTE ONLY CALENDAR**

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VOTE-ONLY**5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

ISSUE 1: JUVENILE POPULATION ADJUSTMENT**BACKGROUND**

This change is comprised of a decrease of \$7.2 million General Fund, \$1.6 million General Fund Proposition 98, and \$229,000 in reimbursement authority. Adjusted for recent juvenile population trends, the May Revise reflects an estimated average daily population of 992 wards in 2012-13, which is 156 less than projected in the Governor's Budget.

PROPOSAL

The May Revise proposes a net decrease of \$9.1 million General Fund to reflect revised Division of Juvenile Justice (DJJ) population projections.

Staff Recommendation: Approve Proposal

ISSUE 2: PHARMACY AUGMENTATION LANGUAGE**BACKGROUND**

The Assembly has already adopted the California Correctional Health Care Services (CCHCS) requests for an augmentation of \$59.9 million in fiscal year 2012-13 and \$51.2 million in 2013-14. This augmentation was deemed necessary to restore and set the baseline for the pharmaceutical budget.

The CCHCS reports that this augmentation will bring pharmaceutical funding in line with actual expenditures and prevent the CCHCS from either realizing a deficiency in its pharmaceutical budget or failing to comply with the Federal Court's mandates to provide patient-inmates a level of care that does not violate their constitutional rights.

Staff Recommendation: Adopt trailer bill language mandating the use of generic drugs, and adopt budget bill language that requires the Receiver's office to report on the feasibility of implementing inmate co-payments.

ISSUE 3: EXPANSION OF ALTERNATIVE CUSTODY FOR FEMALE OFFENDERS**BACKGROUND**

Senate Bill 1266 (Liu), Chapter 644, Statutes of 2010, established an ACP within the California Department of Corrections and Rehabilitation (CDCR) under which eligible female inmates, including pregnant inmates or inmates who were the primary caregivers of dependent children, would be allowed to participate in lieu of their confinement in state prison. Under the program, female inmates may be placed in a residential home, a nonprofit residential drug-treatment program, or a transitional-care facility that offers individualized services based on an inmate's needs. The program focuses on reuniting low-level inmates with their families and reintegrating them back into their community.

All inmates continue to serve their sentences under the jurisdiction of the CDCR and may be returned to state prison for any reason. An inmate selected for ACP is under the supervision of a Parole Agent and is required to be electronically monitored at all times.

In addition to ACP, the CDCR also administers the Community Prisoner and Mother Program, which is a community treatment program that allows eligible women sentenced to state prison and who have one or more children under the age of six to participate together in a community-based facility.

PROPOSAL

The Governor's budget proposes trailer bill language that provides for the expansion of the Alternative Custody Program (ACP) for Women to include women who have a prior serious or violent conviction. The goal is to allow CDCR to place these offenders in community-based treatment programs in an effort to achieve successful outcomes and reduce recidivism among this population. Savings resulting from the reduction in the female inmate population will be used to cover the cost of treatment programs in the community. The anticipated population decline in future years is expected to generate long-term savings of \$2.5 million beginning in 2014-15 and \$5 million annually thereafter.

Staff Recommendation: Approve trailer bill language to expand the Alternative Custody Program and the Community Prisoner Mother Program.

ISSUE 4: TECHNICAL ADJUSTMENT TO TRANSFER DIVISION OF JUVENILE JUSTICE PAROLE OPERATIONS TO THE DIVISION OF ADULT PAROLE OPERATIONS**BACKGROUND**

On October 1, 2011, Division of Juvenile Justice Parole Operations (DJPO) and Division of Adult Parole Operations (DAPO) were consolidated to achieve efficiencies consistent with CDCR's Workforce Cap Reduction Plan. This adjustment will allow CDCR to properly align its budget authority with its existing program structure.

PROPOSAL

A Spring Finance Letter proposes to transfer the DJPO to the DAPO. This proposal has a net zero fiscal effect.

Staff Recommendation: Approve Proposal

ISSUE 5: LOCAL FLEXIBILITY**BACKGROUND**

County to County Transfers. Under existing law, counties can only contract with nearby counties for the housing of adult misdemeanants and any persons required to serve a term of imprisonment in county adult detention facilities as a condition of probation. Sheriffs are unable to contract with other counties for the housing of adult felony offenders who now serve their terms in local jails.

Use of Temporary Employees by Counties. This change allows retired persons to be appointed to vacant permanent positions. The intent is to allow local government entities to hire extra help for one-time or short-term events and allow the retired person to be utilized as needed for these types of events for more than one fiscal year. As an example, Sheriffs currently use retired persons during significant criminal trials to provide additional security personnel for a short period of time, typically not exceeding two to three weeks. It would not be prudent to use a permanent employee for this work, as those positions would have to be redirected from

PROPOSAL

The May Revision proposes trailer bill language to 1) allow a county to enter into an agreement with another county or multiple counties for the purpose of housing any adult offenders serving a term in a county jail and 2) allow local government entities to hire extra help for one-time or short-term events, such as high profile trials that require additional sheriff coverage, and to allow the retired person to be utilized as needed for these types of events for more than one fiscal year.

Staff Recommendation: Approve Proposal

ISSUE 6: SHIFT PHASE I JAIL FUNDING TO PHASE II**BACKGROUND**

Phase II of the Jail Financing Program, AB 900 (Solorio) Chapter 7, Statutes of 2007, was amended by 2011 trailer bill that allow counties that received awards in Phase I and had not yet encumbered state financing to relinquish their award and re-compete in Phase II. Three counties chose to relinquish their Phase I award: Kern (\$100 million), Santa Barbara (\$56.3 million), and San Benito (\$15 million). The proposed trailer bill language would move the relinquished financing authority to Phase II, where it would be awarded back to these counties.

PROPOSAL

The May Revise proposes trailer bill language to shift \$171.3 million lease revenue bond authority relinquished in Phase I of the Local Jail Construction Financing Program to Phase II.

Staff Recommendation: Approve Proposal

ISSUE 7: TECH ADJUSTMENT – TRANSFER FUNDING BETWEEN PROGRAMS**BACKGROUND**

These adjustments will allow CDCR to properly align its budget authority with its existing expenditures by program.

PROPOSAL

A Spring Finance Letter proposes to realign resources for a number of programs and divisions in 2012-13 and ongoing. This proposal has a net zero fiscal effect.

Staff Recommendation: Approve Proposal

ISSUE 8: EXPENDITURE AUTHORITY FOR UNPAID LEAVE SETTLEMENT AGREEMENT**BACKGROUND**

Authorizes the CDCR to credit money recovered from employee leave settlement to year in which the expenditure was drawn and expend the amount recovered in the year received, upon approval of the Department of Finance.

PROPOSAL

A Spring Finance Letter proposes trailer bill language to authorize the expenditure of any funding received from the settlement of the unpaid leave lawsuit.

Staff Recommendation: Approve Proposal

ISSUE 9: STATEWIDE BUDGET PACKAGES AND ADVANCED PLANNING**BACKGROUND**

The Governor's Budget included \$750,000 in General Obligation Bond Funds from two sources (the 1986 Prison Construction Fund and the 1988 Prison Construction Fund). Subsequent to the Governor's Budget, a review of the 1986 Prison Construction Fund identified that the fund did not have the available cash balance. The entire amount is now being requested to be funded from the 1988 Prison Construction Fund.

PROPOSAL

A Spring Finance Letter proposes \$503,000 from the cash balance of the 1988 Prison Construction Fund for advance planning and preparation of budget packages for capital outlay projects. This request also eliminates \$503,000 in authority from the 1986 Prison Construction Fund that was contained in the Governor's Budget.

Staff Recommendation: Approve Proposal

ISSUE 10: CAPITAL OUTLAY REAPPROPRIATIONS AND EXTENSION**PROPOSAL**

A Spring Finance Letter proposes the following capital outlay reappropriations and extension:

California Men's Colony, Central Kitchen Replacement (working drawings and construction), \$258,000 General Fund, and \$15.3 million lease revenue bond reappropriation. Although a design firm was selected to complete the working drawings activities for this project, working drawings are only 3 percent complete because the project was suspended pending evaluation of future plans for the facility. This reappropriation is necessary to re-commence the project.

California Men's Colony, Portable Water Distribution System Upgrade, \$33.6 million General Fund. Construction of this project is complete. However, extended environmental monitoring is required per the California Environmental Quality Act and the Department of Fish and Game. Currently, the Department of General Services has an environmental firm under contract to do this work. An extension of the liquidation period is required to maintain payments for the required environmental oversight.

Staff Recommendation: Approve Proposal

ISSUE 11: AUTHORIZE THE SALE OF THE SOUTHERN YOUTH RECEPTION CENTER AND CLINIC**BACKGROUND**

The Southern Youth Correctional Reception Center and Clinic is located in Norwalk, Los Angeles County and consists of 32 acres. The majority of the approximately 30 structures were built in 1954 and are in various stages of disrepair. The proposed trailer bill language would allow the sale to LA County to occur sooner than the traditional surplus property bill. Until LA County has acquired the property, they intend to lease the property from the state.

PROPOSAL

The May Revise proposes trailer bill language to declare the Southern Youth Correctional Reception Center and Clinic surplus property and authorize the Department of General Services to sell it to Los Angeles County at market value.

Staff Recommendation: Approve Proposal

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

ISSUE 1: BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC) WORKLOAD**BACKGROUND**

The 2011-12 Budget, SB 92, (Committee on Budget and Fiscal Review), Chapter 36, Statutes of 2011 as amended by Chapter 136, Statutes of 2011 (AB 116) established the BSCC, effective July 1, 2012, and consolidated various public safety programs within the BSCC. Specifically, SB 92:

- Abolished the Corrections Standards Authority (CSA) within CDCR and established the BSCC as an independent entity.
- Transferred the powers and duties of CSA to the BSCC.
- Transferred certain powers and duties that currently reside with the California Emergency Management Agency (Cal EMA) to the BSCC.
- Eliminated the California Council on Criminal Justice, and assigned its powers and duties to the BSCC.
- Reestablished the Commission on Correctional Peace Officers Standards and Training within CDCR.

Effective July 1, 2012, SB 92 establishes the BSCC through the transfer of the CSA from CDCR and certain local assistance grant programs from Cal EMA. The BSCC's mission is to provide statewide leadership, coordination, and technical assistance to promote effective state and local efforts and partnerships in California's adult and juvenile criminal justice system, including providing technical assistance and coordination to local governments related to realignment. This mission reflects the principle of aligning fiscal policy and correctional practices, including prevention, intervention, suppression, supervision, and incapacitation. The goal is to promote a justice investment strategy that fits each county and is consistent with the integrated statewide goal of improved public safety through cost-effective, promising, and evidence-based strategies for managing criminal justice populations.

The requested administrative resources are necessary for the BSCC to assist local governments with the implementation of realignment and to carry out its responsibilities to provide statewide leadership, coordination, and technical assistance to promote

PROPOSAL

The May Revise proposes \$750,000 General Fund for the Board of State and Community Corrections (BSCC) to provide additional administrative support for the BSCC necessary to assist local governments with the implementation of realignment.

Staff Recommendation: Approve Proposal

ITEMS TO BE HEARD**5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION****ISSUE 1: DIVISION OF JUVENILE JUSTICE REALIGNMENT REVERSAL AND SAVINGS****BACKGROUND****DJJ Administrative Position Reductions**

The May Revision proposes that by reducing additional field and headquarters administrative positions, DJJ would achieve savings of \$2.7 million, and 25.3 positions in 2012-13 and \$3.1 million and 30.0 positions by 2014-15. CDCR's Workforce Cap Reduction Plan, as proposed in the 2012-13 Governor's Budget, reduced DJJ's headquarters budget by \$4.1 million and 5.0 positions in 2011-12 and \$5.0 million and 13.6 positions in 2012-13 and ongoing (excluding DJJ paroles).

Discharge Remaining Juvenile Parolees on January 1, 2013

By discharging the remaining juvenile parolees on January 1, 2013 instead of July 1, 2014, DJJ would achieve savings of \$2.1 million and 20.4 positions in 2012-13 decreasing to \$1.5 million and 16.1 positions by 2014-15. AB 1628, transitioned all offenders released from DJJ after November 1, 2010 to local probation. DJJ continues to supervise offenders that were released prior to November 1, 2010. AB 1628 specified that all remaining juvenile parolees would be discharged on June 30, 2014. This proposal would instead discharge all remaining juvenile parolees on January 1, 2013. DJJ currently estimates that there will be 450 juvenile parolees in 2012-13 and 285 in 2013-14. However, parolees would have served a minimum of 26 months on parole if discharged on January 1, 2013. In addition, DJJ projects that 74 parolees in 2012-13 and 31 in 2013-14 will violate their conditions of parole and be returned to a DJJ facility. By eliminating juvenile parole 18 months earlier, those violations will not occur.

Lastly, by eliminating juvenile parole 18 months earlier, DJJ would be able to eliminate 1.0 position from the Board of Parole Hearings (BPH). In total, with the reduction of this position and other reductions taken as part of the Governor's Budget and May Revision, DJJ would maintain 5.0 BPH staff for juvenile facility releases.

Age of Jurisdiction

By reducing DJJ's age of jurisdiction from 25 to 23, DJJ would be able to achieve an estimated savings of \$1.5 million and 15.1 positions in 2014-15. There would be no savings associated with this change until 2014-15 because the population would be reduced through attrition and the average length of stay is three years.

Currently, California is one of only four states that retain jurisdiction up to the age of 25 (Oregon, Montana and Wisconsin are the other three states). The vast majority of states (33 in total) retain jurisdiction up to the age of 23, Kansas retains jurisdiction up to age 21, and other states retain jurisdiction up to the ages of 18, 19, or 20. County jurisdiction in California ends at age 21. With the passage of SB 81 (Budget and Fiscal Review Committee), Chapter 175, Statutes of 2007, the most serious and violent juvenile offenders are sentenced to DJJ rather than local facilities. Therefore, the majority of youth in DJJ are under jurisdiction until the age of 25.

Establish a Base Fee of \$24,000 Per Year

By establishing a fee of \$24,000 per year for each offender committed by a juvenile court to DJJ, state revenue would be increased by \$19.9 million in 2012-13 and ongoing. Prior to January 1, 2012, counties paid an annual base fee of \$215 per month for the most serious offenders and a sliding scale fee that ranged from \$22,000 to \$44,000 annually for lower level offenders. After the passage of SB 81 and the associated population reductions of lower-level offenders, the fees paid by counties diminished. If the sliding scale fees that were in effect prior to January 1, 2012 were applied to the existing population, they would result in revenues of approximately \$3.5 million in 2012-13.

The Budget Act of 2011 included a revenue trigger that required counties to pay the State \$125,000 for each offender committed to DJJ. The trigger went into effect on January 1, 2012. There was strong opposition to the trigger from the local level on the basis that it compromised counties' ability to implement public safety realignment. In response to those concerns, as well as the high cost of housing offenders in DJJ, the Governor's Budget proposed the elimination of DJJ, which also raised strong opposition due to public safety concerns.

Projected Board Date Extensions

This change would prohibit the CDCR/DJJ from extending a wards parole consideration date, and require the Department to promulgate regulations to establish a process for granting a ward whose parole consideration hearing date was delayed due to disciplinary sanctions prior to enactment, a reduction of up to 100 percent of any time acquired for disciplinary matters. This change would provide additional system wide consistency and result in ongoing savings to be realized through future annual population adjustments.

PROPOSAL

The May Revise requests a reduction of \$4.8 million General Fund and 45.7 positions in 2012-13, increasing to \$6.1 million and 61.2 positions by 2014-15 as a result of:

1. Reducing Division of Juvenile Justice (DJJ) administrative staff;
2. Ending juvenile parole on January 1, 2013 instead of July 1, 2014 as required by AB 1628 (Budget Committee), Chapter 729, Statutes of 2010;
3. Reducing DJJ's age of jurisdiction from 25 to 23 for all wards committed to DJJ on or after July 1, 2012; and,
4. Increasing General Fund revenues by \$19.9 million per year beginning in 2012-13 by establishing a fee of \$24,000 for each offender committed by a juvenile court to DJJ.

Trailer bill language is required to implement each piece of this proposal, with the exception of reducing the number of DJJ administrative staff. The May Revise also includes an increase of \$11.2 million General Fund to reflect the removal of the January proposal to eliminate the DJJ.

LAO RECOMMENDATION

In February, the LAO recommended approving the Governor's January proposal to close DJJ and require counties to manage all juvenile offenders. While they still believe that proposal would promote efficiency and accountability in juvenile justice, the LAO finds that the alternative savings measures included in the Governor's May Revision also warrant consideration.

The LAO notes that the Governor's proposal to lower the DJJ age of jurisdiction carries the risk that more juvenile cases could be filed in adult court rather than juvenile court. Because there is no upper limit on the adult court's age of jurisdiction, prosecutors may opt to pursue more eligible juvenile cases in adult court as a way to secure longer sentences. To the extent this occurs, there could be some additional state prison costs in the future.

Staff Recommendation: Approve May Revise Proposal and Projected Board Date extension changes.

ISSUE 2: CALIFORNIA CORRECTIONS HEALTH CARE SERVICES BASELINE AUGMENTATION**BACKGROUND**

From 2009-10 through 2011-12, California Correctional Health Care Services (CCHCS) received three unallocated reductions totaling \$409 million. In addition to these reductions, CCHCS has a savings target for realignment of \$99.7 million in 2012-13. These reductions total \$508.7 million, of which, CCHCS projects to be able to achieve \$384.2 million. As such, CCHCS is requesting \$124.5 million and 243 positions in 2012-13.

PROPOSAL

The May Revise proposes an increase of \$128.4 million General Fund and 273.6 positions in 2012-13. This funding is to:

1. Restore \$124.5 million in previous unallocated budget reductions;
2. Provide \$1.6 million for the California Health Care Facility; and,
3. Provide \$2.3 million for the activation of the Folsom Women's Facility.

Staff Recommendation: Approve May Revise Proposal
