

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 ON PUBLIC SAFETY

ASSEMBLYMEMBER CRISTINA GARCIA, CHAIR

MONDAY, MAY 3, 2021
2:30 P.M. – STATE CAPITOL, ROOM 437

Due to the regional stay-at-home order and guidance on physical distancing, seating for this hearing will be very limited for press and for the public. All are encouraged to watch the hearing from its live stream on the Assembly's website at <https://www.assembly.ca.gov/todaysevents>.

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: BudgetSub5@asm.ca.gov. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.

A moderated telephone line will be available to assist with public participation. The call-in number and access code will be provided before or on the hearing day.

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VOTE-ONLY ITEMS**8940 CALIFORNIA MILITARY DEPARTMENT**

**VOTE-ONLY ISSUE 1: VARIOUS BUDGET PROPOSALS (HEARD IN SUBCOMMITTEE ON MARCH 8, 2021)
AND SPRING BUDGET PROPOSALS**

1. **Los Alamitos: STARBASE Classroom Building.** The Governor's Budget requests \$1.53 million General Fund for the construction phase of the Los Alamitos: STARBASE Classroom Building project and additional \$150,000 to reflect updated costs received from the Department of Finance on March 24, 2021. This project was originally approved in the Budget Act of 2018 to provide additional classroom space. However, due to design and contracting issues, the working drawing phase of the project was delayed and will likely be approved by June 30, 2021.
2. **Military Department State Network—Phase 2.** The Governor's Budget requests 11 permanent positions and \$2.7 million one-time General Fund expenditure authority and \$2.1 million ongoing to continue the development, implementation, and maintenance of its State Network. The CMD State Network is required to conduct daily operations for over 1,000 state employees in CMD that support state specific functions for disaster preparation and planning, youth programs, facilities maintenance, accounting, and personnel management.
3. **Spring Budget Proposal: State Active Duty Compensation Adjustment.** The Governor's Budget requests an ongoing increase of \$16,000 (an increase of \$22,000 General Fund and a decrease of \$6,000 Federal Trust Fund) to the California Military Department to align the pay of its State Active Duty employees to the pay of service members of similar grade in the United States Army, United States Air Force, and United States Navy.
4. **Spring Budget Proposal: Consolidated Headquarters Complex: Elimination of Lease Savings.** The Governor's budget requests that Item 8940-001-0001 be increased by \$1.682 million one-time to reflect the elimination of lease savings due to completion delays at the new Consolidated Headquarters Complex. The Complex was originally estimated to be ready for occupancy July 2021. It is now expected to be ready February 2022.

Staff Recommendation: Approve as Budgeted.

**VOTE-ONLY ISSUE 2: CONSOLIDATED HEADQUARTER COMPLEX MAINTENANCE PERSONNEL (HEARD IN
SUBCOMMITTEE ON MARCH 8, 2021)**

The Governor's Budget requests an increase in position authority of eight positions in 2020-21 and ongoing to be paid for by a portion of the savings generated due to the move from a leased building to the new state owned Consolidated Headquarters Complex in Rancho Cordova.
(Note: This proposal has been withdrawn by the Administration)

Staff Recommendation: Reject the Proposal.

0250 JUDICIAL BRANCH

VOTE-ONLY ISSUE 3: VARIOUS BUDGET PROPOSALS (HEARD IN SUBCOMMITTEE ON MARCH 15) AND SPRING BUDGET PROPOSALS
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- 1. Lake County—New Lakeport Courthouse.** The Governor's Budget requests \$1.63 million General Fund to the Judicial Council for the Performance Criteria and \$66.6 million in lease revenue bond authority for the Design Build phase of the Lake County—New Lakeport Courthouse.
- 2. Mendocino County—New Ukiah Courthouse.** The Governor's Budget requests \$3.33 million General Fund to the Judicial Council for the Performance Criteria phase of the Mendocino County—New Ukiah Courthouse resulting in a new 7 courtroom courthouse in Ukiah.
- 3. Nevada County—New Nevada City Courthouse.** The Governor's Budget requests \$972,000 General Fund to the Judicial Council to initiate a Planning Study for the Nevada County—New Nevada City Courthouse.
- 4. One-Time Deferred Maintenance Allocation.** The Governor's Budget requests \$30 million one-time General Fund in 2021-22 to the Judicial Council for deferred maintenance in trial and appellate courts to support modernization of building management systems, HVAC, elevators, and roof replacements identified in the 2021-22 deferred maintenance list.
- 5. Trial Court Facility Modifications.** The Governor's Budget requests \$18.9 million General Fund in 2021-22 and \$48.8 million in 2022-23 for the Judicial Council's estimated share of the total cost of trial court facility modification projects that resolve deficiencies by expanding the fire and life safety systems at the Central Justice Center in Orange County and correction fire and light safety deficiencies at the East County Regional Center in San Diego County.
- 6. Trial Courts and Courts of Appeal Facilities, Maintenance, and Leases.** The Governor's Budget requests \$53.5 million ongoing General Fund and 5 positions to the Judicial Council to support facilities services costs for trial courts and Courts of Appeal.

7. Spring Budget Proposal: Riverside County: New Mid-County Civil Courthouse Reappropriation. The Governor’s Budget requests a reappropriation of \$75.79 million from the Public Building Construction Fund for the construction phase of the Riverside County—New Mid-County Civil Courthouse. The construction start has been delayed due to an extended review period of the working drawings.

8. Spring Budget Proposal: Stanislaus County-New Modesto Courthouse Reappropriation. The Governor’s Budget requests a reappropriation of \$250.49 million from the Public Building Construction Fund for the construction phase of the Stanislaus County—New Modesto Courthouse. The construction start has been delayed due to an extended review period of the working drawings.

Staff Recommendation: Approve as Budgeted.

VOTE-ONLY ISSUE 4: CONSOLIDATION OF THE STATE COURT FACILITIES CONSTRUCTION FUND AND THE IMMEDIATE AND CRITICAL NEEDS ACCOUNT TBL (HEARD IN SUBCOMMITTEE ON MARCH 15, 2021)

The Governor’s Budget also proposes trailer bill language to consolidate the SCFCF and ICNA, which would allow the ICNA fund balance to be used to prevent the SCFCF from becoming insolvent in the budget year. This delays the need to address the insolvency issues until the combined account becomes insolvent and is unable to meet its current obligations.

Staff Recommendation: Adopt placeholder trailer bill language to consolidate the State Court Facilities Construction Fund and the Immediate and Critical Needs Account.

0820 DEPARTMENT OF JUSTICE

VOTE-ONLY ISSUE 5: VARIOUS BUDGET PROPOSALS TO IMPLEMENT LEGISLATION RELATED TO FIREARMS

1. Firearms Dealers: Conduct of Business (AB 2362). The Governor’s Budget requests \$301,000 Dealers’ Record of Sale Special Account in 2021-22 and \$139,000 annually thereafter to the DOJ to promulgate regulations and track violations per the mandates of Chapter 284, Statutes of 2020 (AB 2362).

2. Firearms: Unsafe Handguns (AB 2847). The Governor’s Budget requests \$674,000 Dealers’ Record of Sale Special Account in 2021-22 and \$1,252,000 in 2022-23 to the DOJ to make necessary information technology changes to meet the mandates of Chapter 292, Statutes of 2020 (AB 2847).

Staff Recommendation: Approve as Budgeted.

VOTE-ONLY ISSUE 6: TASK FORCE TO STUDY AND DEVELOP REPARATION PROPOSALS FOR AFRICAN AMERICANS (HEARD IN SUBCOMMITTEE ON MARCH 15, 2021)

The Governor's Budget requests \$1.1 million General Fund in 2021-22 and 2022-23 to the DOJ to support the Task Force to Study and Develop Reparation Proposals for African Americans as required by Chapter 319, Statutes of 2020 (AB 3121).

Staff Recommendation: Approve as Budgeted.

VOTE-ONLY ISSUE 7: FIREARMS: INSPECTIONS (HEARD IN SUBCOMMITTEE ON MARCH 15, 2021)

The Governor's Budget requests 2 positions and \$152,000 Dealers' Record of Sale Special Account in 2021-22, \$600,000 in 2022-23, and \$445,000 annually thereafter to the DOJ to inspect gun shows per the mandates of Chapter 273, Statutes of 2020 (AB 2061).

Staff Recommendation: Approve as Budgeted.

VOTE-ONLY ISSUE 8: VARIOUS BUDGET PROPOSALS TO IMPLEMENT RECENTLY ENACTED LEGISLATION (HEARD IN SUBCOMMITTEE ON MARCH 15, 2021)

1. Juvenile Court and Probation Statistical System (SB 823). The Governor's Budget requests \$1.9 million General Fund in 2021-22 and \$1 million in 2022-23 to the DOJ to convene a working group necessary to submit a plan for the replacement of the Juvenile Court and Probation Statistical System (JCPSS) with a modern database and reporting system as required by Chapter 337, Statutes of 2020 (SB 823).

2. Secondhand Goods: Reporting Requirements (AB 1969). The Governor's Budget requests \$491,000 Secondhand Dealer & Pawnbroker Fund in 2021-22 and \$114,000 in 2022-23 to the DOJ to perform database upgrades and modifications to comply with the mandates of Chapter 185, Statutes of 2020 (AB 1969).

3. Personal Information: State Agencies (AB 499). The Governor's Budget requests \$425,000 General Fund in 2021-22 and \$168,000 in 2022-23 to the DOJ to make necessary information technology upgrades to implement the mandates of Chapter 155, Statutes of 2020 (AB 499).

4. CURES. The Governor's Budget requests \$484,000 reimbursement authority for the DOJ in 2021-22 and ongoing to support the Controlled Substance Utilization Review and Evaluation System (CURES) Program. The Department of Consumer Affairs is responsible for reimbursing the DOJ for the maintenance and operation of the CURES system via an interagency agreement. A commensurate CURES Fund augmentation has been included in the Department of Consumer Affairs' budget to support this proposal. The 2019 Budget Act included two year limited-term funding associated with four help desk positions (two Associate Governmental Program Analysts and two Staff Service Analysts) for the CURES Program, which expire on June 30, 2021. This proposal seeks to make these positions permanent.

Staff Recommendation: Approve as Budgeted.

VOTE-ONLY ISSUE 9: CONTROLLED SUBSTANCE UTILIZATION REVIEW AND EVALUATION SYSTEM DATE ADJUSTMENT TBL (CHAPTER 677, STATUTES OF 2019)

This proposed trailer bill will delay the implementation of the bill upon completion of various technological changes to the CURES database in order to meet the bill's mandates.

Staff Recommendation: Adopt placeholder trailer bill language to extend implementation date on or before October 1, 2022 for CURES database.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

VOTE-ONLY ISSUE 10: INCREASE TITLE II SPENDING AUTHORITY (HEARD IN SUBCOMMITTEE ON MARCH 15, 2021)

The Governor's Budget requests a one-time \$500,000 increase in 2021-22 in its Title II state operations federal spending authority for BSCC to utilize federal funds to pay for a Reducing Racial and Ethnic Disparities consultant contract.

Staff Recommendation: Approve as Budgeted

0690 OFFICE OF EMERGENCY SERVICES

VOTE-ONLY ISSUE 11: VARIOUS BUDGET PROPOSALS (HEARD IN SUBCOMMITTEE ON MARCH 8, 2021) AND SPRING BUDGET PROPOSALS

1. **California Early Earthquake Warning System.** The Governor's Budget requests \$17.28 million one-time General Fund in 2021-22 for continued support of system operations, an education and outreach campaign, research and development to expand mitigation uses, and program management of the California Earthquake Early Warning Program.
2. **Regional Hazardous Materials Response.** The Governor's Budget requests \$3.595 million General Fund ongoing, beginning in 2021-22, to continue implementation of the Regional Hazardous Materials Response program.
3. **Next Generation 9-1-1 Grant Program.** The Governor's Budget requests a one-time increase of \$570,000 in State Operations Federal Trust Fund Authority for OES to support the continued development and maintenance of Geographic Information Systems and other 9-1-1 activities needed to support the Next Generation 9-1-1 system using available federal grant funds.
4. **Mather: Headquarters Lobby Security Enhancements.** The Governor Budget requests \$251,000 General Fund for preliminary plans and working drawings for security improvements to OES headquarters' lobby to provide an enhanced secure point of entry and reduces the risk of visitor breaches.
5. **Mather: Headquarters Security Checkpoint Enhancements.** The Governor Budget requests \$300,000 General Fund to OES for the preliminary plan and working drawing phases of the Security Enhancements projects to install two permanent security checkpoints and upgrade existing entryway gates at the North and West entrances of the Office of Emergency Services' headquarters. .
6. **Mather: State Operations Center Modification.** The Governor Budget requests \$465,000 General Fund to OES for the preliminary and working drawing phases of the State Operations Center (SOC) Modification project to redesign the SOC.
7. **One-time Deferred Maintenance Allocation.** The Governor's Budget requests \$5 million one-time General Fund to OES for deferred maintenance projects related to critical infrastructure needs.

Spring Budget Proposals

1. **Community Power Resiliency.** The Governor's Budget requests the reappropriation of up to \$1.5 million General Fund from the 2020 Community Power Resiliency appropriation, until June 30, 2023 to support the continued administration of the local assistance grants and the development of the required report.
2. **Earthquake Early Warning System Extension of Liquidation.** The Governor's Budget requests to extend the liquidation date of 2018 Budget Act funding associated with the

Earthquake Early Warning System from June 30, 2021 to June 30, 2022 to continue the installation of seismic sensors and to perform maintenance activities.

3. Relocation of Red Mountain Communications Site, Del Norte County-Reappropriation.

The Governor's Budget requests a reappropriation of \$1.3 million for the equipment phase and \$15.38 million for the construction phase for the Relocation of Red Mountain Communications Site project in Del Norte County. The reappropriation is necessary due to project delays associated with extended lease negotiations, design changes, weather related access to the project site, and effects of the COVID-19 pandemic. Project completion is expected by December 2022.

4. Relocation of Resources Building Communication Site Reappropriation.

The Governor's Budget requests the reappropriation of \$100,000 until June 30, 2022, due to delayed site readiness of the relocation facility.

5. Seismic Safety Commission Reappropriation.

The Governor's Budget requests the reappropriation of \$215,000 until June 30, 2022, to continue expending unencumbered one-time funding for operating costs associated with the transfer of the Alfred E. Alquist Seismic Safety Commission to the Office of Emergency Services.

6. Reimbursement Authority Increase.

The Governor's Budget requests an increase of \$90,000 in Reimbursement authority beginning in fiscal year 2021-22, and increasing annually thereafter, related to an Interagency Agreement with the California Department of Forestry and Fire Protection for the lease of office space.

Staff Recommendation: Approve as Budgeted.

8120 COMMISSION ON PEACE OFFICERS STANDARDS AND TRAINING

VOTE-ONLY ISSUE 12: REAPPROPRIATION OF DISTANCE LEARNING AND USE OF FORCE TRAINING EQUIPMENT

The Governor's Budget requests a reappropriation of a portion of \$25 million originally authorized in the 2018 Budget Act which includes \$10 million (reappropriated in the 2020 Budget Act) for distance learning and modernization of POST's learning management system, and \$300,000 (of \$5 million) for equipment purchase specific to use of force and de-escalation training.

Staff Recommendation: Approve as Budgeted.

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

VOTE-ONLY ISSUE 13: VALLEY STATE PRISON, CHOWCHILLA: ARSENIC AND MANGANESE REMOVAL WATER TREATMENT PLAN

The Governor's Budget request \$20.28 million for the construction phase of an arsenic and manganese removal water treatment plant at Valley State Prison.

Note: The Administration has withdrawn this proposal.

Staff Recommendation: Reject the Proposal.

VOTE-ONLY ISSUE 14: RECEIVER-QUALITY MANAGEMENT AND PATIENT SAFETY; HEARD ON FEBRUARY 8, 2021

The Governor's Budget requests \$4.0 million General Fund and 23 positions in 2021-22, \$7.5 million General Fund and 45 positions in 2022-23, and \$11.7 million General Fund and 75.0 positions in 2023-24 and ongoing in order to expand the Quality Management System to address patient safety risks.

LAO Recommendation: The LAO notes an error regarding the number of positions requested beginning in 2022-23 and ongoing because the proposal does not take into account two planned prison closures. As such, there should be a reduction in two health program managers and two health program specialist positions in 2022-23 and ongoing, resulting in reduced costs of about \$500,000 General Fund annually.

Staff Recommendation: Adopt LAO Recommendation.

VOTE-ONLY ISSUE 15: VARIOUS BUDGET PROPOSALS; HEARD ON FEBRUARY 22, 2021

1. Cellular Interdiction Program: The Governor's Budget requests \$1.8 million General Fund in 2021-22 and ongoing to maintain the existing Managed Access System (MAS) at 18 institutions. Since 2012, MAS has been provided through the IWTS contract at no cost to CDCR, which ends in 2021. The MAS solution prevents the cell phone from connecting to cellular service effectively neutralizing communication capabilities inside the prison.

2. Increased Canteen Resources: The Governor's Budget requests \$2 million Inmate Welfare Fund and 7.0 positions in 2021-22 and \$1.8 million Inmate Welfare Fund and 7.0 positions in 2022-23 and ongoing to meet growing demand for canteen items and provide increased and equal access to canteen for the incarcerated population.

3. Fire Alarm Replacement and Fire Suppression Repair Reappropriation: The Governor's Budget requests the reappropriation of \$54.5 million General Fund in 2021-22 for the replacement of fire alarm systems and repair fire suppression systems at Mule Creek State Prison, Richard J. Donovan Correctional Facility, and California State Prison-Sacramento. In addition, provisional language is requested to extend the expenditure and encumbrance period through June 30, 2024.

Staff Recommendation: Approve as Budgeted.

ITEMS TO BE HEARD

8940 MILITARY DEPARTMENT

ISSUE 1: UPDATE ON DELAYED ACTIVATION OF THE CONSOLIDATED HEADQUARTERS COMPLEX

Background. The 2017 Budget Act included funding for a Consolidated Headquarters Complex in Sacramento for the California Military Department. A total of \$171 million in lease revenue bond authority was provide for this project. Since the Military Department has their own construction authority, this project did not go through the Department of General Services (DGS) and DGS was not brought on to provide any technical support. A contract was ultimately awarded to Walsh Construction for \$132.5 million and the project broke ground in 2018 with an estimated completion date of fall of 2020. Delays have pushed the completion date out to 2022. Most recently, construction has stopped after a letter from the State Fire Marshall, dated March 19, 2021, outlined several violations, such as the need for installation of fire protection, that need to be corrected in order for the project to continue.

PANELISTS

- Sally Lukenbill, Department of Finance
- Drew Soderborg, Legislative Analyst's Office

Staff Recommendation: Hold Open.

0690 OFFICE OF EMERGENCY SERVICES

ISSUE 2: ELIMINATION OF VOLUNTARY CONTRIBUTIONS TAX FORM EXPENDITURE AUTHORITY**PANELISTS**

- Andrew Duffy, Department of Finance

*The Legislative Analyst's Office is available for questions from the Subcommittee.

Proposal

The Governor's Budget requests a reduction of budget authority as a conforming action to the removal of the California Sexual Violence Victim Services Fund (Fund 8093) and California Domestic Violence Victims Fund (Fund 8104) from the state tax forms and no longer receive revenue because they did not meet the minimum contribution threshold. The sections of the Revenue and Taxation Code authorizing these funds have since become inoperative and have been repealed, in accordance with statute.

Staff Recommendation: Hold Open

8830 CALIFORNIA LAW REVISION COMMISSION

ISSUE 3: COMMITTEE ON REVISION OF THE PENAL CODE**PANELISTS**

- Michael Romano, Chairperson, Committee on Revision of the Penal Code
- Anita Lee, Legislative Analyst's Office

*The Department of Finance is available for questions from the Subcommittee.

Proposed Funding

The Governor's Budget requests 3 positions and \$494,000 in reimbursement authority from the Office of the Legislative Counsel in 2021-22 and ongoing for the Committee on Revision of the Penal Code (Committee) to increase its efficiency, productivity, and address increased workload. The areas where additional staffing are needed include:

- (1) The need for the Committee to conduct its work in public meetings limits the time available for the Committee to deliberate and make decisions about possible reforms. More thorough staff briefings before meetings would lead to more efficient use of meeting time and greater progress.
- (2) The development of an aggregated database of empirical data from state and local entities will improve the Committee's ability to focus its resources on reforms that would provide the greatest benefit.
- (3) In the Committee's second year, and going forward, staff will perform legislative liaison functions.
- (4) In the Committee's second year, and going forward, staff workload will increase in other areas.

Staff Recommendation: Hold Open.

0820 DEPARTMENT OF JUSTICE

ISSUE 4: SPRING BUDGET PROPOSALS**PANELISTS**

- Chris Ryan, Chief of Operations, Department of Justice
- Yolanda Morrow, Acting Director, Bureau of Gambling Control
- Jennifer Euler, Chief Assistant Attorney General, Division of Medi-Cal Fraud and Elder Abuse
- Anita Lee, Legislative Analyst's Office

*The Department of Finance is available for any questions from the Subcommittee.

Proposed Funding

1. Bureau of Gambling Control Licensing Positions and Support. The Governor's Budget requests \$3.4 million Gambling Control fund in 2021-22 and ongoing to process California Cardroom and Third-Party Providers of Proposition Player Services license applications. Specifically, this funding would (1) make permanent 20 existing positions currently supported by temporary funding and (2) add 6 new clerical support positions. The 2019 Budget Act approved \$4.4 million and the retention of 32 limited term positions for two years

2. Medi-Cal Fraud and Elder Abuse Workload. The Governor's Budget requests \$10.5 million Federal Trust Fund and \$3.5 million False Claims Act Fund to allow full expenditure of a reoccurring federal grant which supports its current operations of eight regional offices. The Department of Justice states that the increasing federal Medicaid budget presents substantial challenges without the commensurate increase in State spending authority to keep up with the increasing demands related to fraud, abuse and neglect. From 2016 through 2019, the budget allotment for Medi-Cal has increased from \$538.9 million to \$705.8 million.

STAFF COMMENT

The Subcommittee is in receipt of correspondence from the California Gaming Association opposing the Bureau of Gambling Control Licensing Positions and Support. They state the following:

- Vacancies should be filled prior to creating and funding any new positions. The letter cites that the Bureau has approximately 38 vacancies per year.
- Workload efficiencies can be created with statutory changes to eliminate duplicative background checks and the adoption of new renewal periods consistent with other state practices, rather than more resources and positions.

Staff Recommendation: Hold Open.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

ISSUE 5: STRENGTHENING JAIL OVERSIGHT (SPRING PROPOSAL)**PANELISTS**

- Katie Howard, Executive Director, Board of State and Community Corrections
- Renee Menart, Center on Juvenile and Criminal Justice
- Caitlin O’Neil, Legislative Analyst’s Office

*The Department of Finance is available for questions from the Subcommittee.

Proposed Funding

The Governor’s Budget requests \$3.1 million General Fund and 14 positions ongoing to the Board of State and Community Corrections (BSCC) for the oversight of county jails. This proposal also includes proposed trailer bill language to allow properly identified and authorized BSCC staff to enter a local detention facility without advance notice to conduct inspections to determine compliance with the Board’s regulations. This proposal would allow for BSCC to move from biennial inspections to annual inspections and would allow for additional technical assistance.

STAFF COMMENT

The Subcommittee is in receipt of correspondence from the following organizations:

Anti-Recidivism Coalition
California Alliance for Youth and Community Justice
Center on Juvenile and Criminal Justice
Children’s Defense Fund-CA
MILPA
Nextgen California
Starting over, Inc.

The aforementioned list of stakeholders have shared the following concerns and recommendations to the Subcommittee:

1. The budget proposal will not address existing concerns with the BSCC’s systemic deficiencies identified in the LAO’s report “A Review of State Standards and Inspections for Local Detention Facilities” which raised concerns on the lack of a clear mission, concerns over the quality of

inspections, and the membership of the BSCC lacking sufficient expertise and balance of perspectives to oversee local detention facilities.

2. Unannounced inspections are recommended but an increased budget and positions is unjustified as existing resources can be used to reformat inspection reports to focus on the most serious violations and information flow between staff and the BSCC's Board can be improved without additional resources.

3. Increasing biennial inspections to annual inspections is an improvement, but without improving transparency and a demonstration of holding facilities accountable, there is risk that additional inspections will merely result in more of the status quo.

4. The deficiencies of the Board have less to do with resources and more of an issue with leadership and proximity as the majority of Board members are from the law enforcement field.

Staff Recommendation: Hold Open.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION**ISSUE 6: HEALTH CARE FACILITY IMPROVEMENT PROGRAM—INCREASE LEASE REVENUE APPROPRIATION****PANELISTS**

- Koreen van Ravenhorst, Department of Finance
- Luke Koushmaro, Legislative Analyst's Office

Proposed Funding.

The Governor's Budget requests trailer bill language to increase the lease revenue appropriation authorized by Government Code Section 15819.403 by \$43.235 million to complete construction of the remaining Health Care Facility Improvement Program (HCFIP) projects. As of December 2020, nine of the 25 projects funded by this appropriation have been completed. Four additional projects are scheduled for completion in 2021; the remaining projects are scheduled for completion on a rolling basis through 2023.

Originally, \$900.42 million lease revenue bond financing authority was provided to CDCR to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized has been increased in the following manner: \$43 million in the 2018 Budget Act, \$49.85 million in the 2019 Budget Act, and \$32.53 million in the 2020 Budget Act. In total, the appropriation has been augmented by \$187.35 million for HCFIP projects (18.3 percent). Government Code Section 13332.11 authorizes the State Public Works Board to augment this appropriation up to 20 percent to address cost increases to established projects. However, based on estimated project costs, CDCR is anticipating that funding is needed beyond the 20 percent augmentation authority. The cost increases for HCFIP projects have been approved as a result of several issues, including but not limited to delays in construction, project management issues, non-compliance with fire/light/safety requirements, and poor architectural and engineering design performance.

LEGISLATIVE ANALYST'S OFFICE (LAO)

The LAO provides the following analysis and recommendations:

Not Cost-Effective to Continue Projects at Prisons That Could Be Closed. While we find it is appropriate to increase the lease revenue authority available for HCFIP projects, it would not be cost effective to provide additional authority for projects at prisons that will be closed in the near future. Due to declining inmate populations, CDCR has announced plans to close the Deuel Vocational Institution (DVI) in Tracy by September 30, 2021 and the California Correctional Center (CCC) in Susanville by June 30, 2022. (The department also announced that it will close two minimum security yards—one at California Correctional Institution in Tehachapi and one at

Correctional Training Facility in Soledad.) CDCR's projections of the inmate population suggest that state would likely be able to close three additional prisons by 2024-25. Based on our initial review, the California Men's Colony (CMC) in San Luis Obispo, the California Rehabilitation Center in Norco, San Quentin State Prison, and the Correctional Training Facility in Soledad appear to be strong candidates for closure. This is primarily because these prisons all have high estimated repair and/or operational costs relative to their inmate capacity.

Despite CMC being a strong candidate for closure, CDCR has indicated that \$8.2 million of the proposed lease revenue authority would support the HCFIP project at CMC. The administration has stated that the project is over 80 percent complete and that the remainder of the project is expected to be completed by August 2023. Accordingly, allocating additional lease revenue authority to this project could mean the prison is closed before or shortly after the project is complete. We note that the administration does not currently plan to use the proposed lease revenue authority for HCFIP projects at the other prisons that we have identified as strong candidates for closure or are scheduled to be closed. However, the proposed budget trailer legislation would not prohibit the administration from doing so.

LAO Recommendation

Modify Proposal to Ensure Authority Not Used for Projects at Prisons Likely to Close. We recommend modifying the administration's proposal to ensure that funding is not spent unnecessarily on prisons that are closed shortly thereafter. Specifically, we recommend that the Legislature direct the administration to provide a list by the May Revision of prisons that are strong candidates for closure. The Legislature could use this information to determine if it agrees with this assessment or if it finds that other prisons would be strong candidates for closure. We recommend that the Legislature then modify the proposed budget trailer legislation to prohibit the administration from using additional lease revenue authority for HCFIP projects at prisons that the Legislature views as are strong candidates for closure and adjusting the proposed increase in lease revenue authority accordingly. We further recommend directing the administration to not use its ability to augment the legislatively approved lease revenue authority to provide funding for those projects at prisons the Legislature determines as strong candidates for closure.

Staff Recommendation: Hold Open.

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.