

**2016-17 Legislative Budget Conference Committee
SB 826 (Leno)**

General Government and Public Safety Agenda



Round 1

Phil Ting, Chair

Room 4202

Wednesday June 1, 2016

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Issue 1: Local Public Safety Package

Various

Assembly

The Assembly rejected the Governor's proposal to provide \$250 million for county jail construction in exchange for a plan that supports:

- Increased access to justice.
- Services to homeless, victims of sex trafficking, rape, and domestic violence.
- Access to life saving drugs to reverse opioid overdose in communities.
- Crime reduction efforts.
- Job training and educational services to ex-offenders.
- Law enforcement training and equipment costs.

Senate

The Senate rejected the Governor's proposal to provide \$250 million for county jail construction in exchange for a plan that supports:

- Infrastructure funding to assist communities in providing mental health or substance use disorder treatment.
- Creation of a continuum of children's mental health crisis services.
- Local law enforcement to strengthen community relationships and reduce the impact of the drug epidemic including funding for diversion, local law enforcement training, and resources to mitigate the impact of drug overdoses.
- Reduced teen pregnancies among at-risk youth and the spread of sexually-transmitted diseases.

Staff Comments

Spending Plans for Jail Construction Funding: Details of Each Plan

Proposal	Governor	Senate	Assembly
County jail construction	\$250,000,000	—	—
Implicit bias training for law enforcement	—	\$5,000,000	\$5,000,000
Underground Scholars—support for formerly incarcerated students at University of California, Berkeley	—	500,000	500,000
Community infrastructure grants	—	100,000,000	50,000,000
Children's mental health crisis services	—	80,000,000	50,000,000
Sexually transmitted disease prevention	—	10,000,000	5,000,000
Drug overdose prevention services	—	3,000,000	5,000,000
Pilot of Law Enforcement Assisted Diversion program	—	21,000,000	—
Teen pregnancy prevention	—	10,000,000	—
Adolescent Family Life Program—case management services for expectant and parenting teens	—	6,000,000	—
Pilot medical model for prison substance use disorder treatment	—	2,500,000	—
Prevention and treatment of Hepatitis B and Hepatitis C	—	2,000,000	—
Napa County jail construction	—	—	20,000,000
Regional crime task force grants	—	—	20,000,000
Assistance for homeless and exploited youth	—	—	14,000,000
Dependency counsel	—	—	11,000,000
Proposition 47 programs	—	—	10,000,000
County law libraries	—	—	10,000,000
Equal Access Fund—legal aid services and projects	—	—	10,000,000
Human trafficking	—	—	10,000,000
Court reporters in family court proceedings	—	—	9,000,000
Dependency counsel—hold harmless funding	—	—	7,000,000
			(Continued)

Spending Plans for Jail Construction Funding: Details of Each Plan

(Continued)

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Proposal	Governor	Senate	Assembly
Police station grant	—	—	4,000,000
California Appellate Projects	—	—	2,100,000
Body cameras for local law enforcement	—	—	2,000,000
San Quentin computer program space expansion	—	—	1,800,000
Workforce Investment Board—employment assistance for female ex-offenders	—	—	1,500,000
Workforce Investment Board—employment assistance for adult and juvenile ex-offenders	—	—	1,500,000
Break It To Make It—reentry program	—	—	600,000

Spending Plans for Jail Construction Funding: LAO Comments

- ☑ ***Similarities Between Spending Plans.*** Both houses propose to allocate nearly half of the redirected jail construction funding to the same programs. However, in some cases, the houses differ in (1) the level of funding provided to each program and/or (2) certain implementation details. For example, the funding for drug overdose prevention services would be provided to the Department of Justice under the Assembly's plan and to the Board of State and Community Corrections under the Senate's plan.
- ☑ ***Additional Funding Provided Elsewhere in Budget.*** The houses provide additional funding elsewhere in the budget for some of the same or similar programs that are proposed to receive redirected jail monies. For example, both houses provided similar levels of funding to the California Appellate Projects. However, the Senate does not propose to provide any funding for this program from redirected jail monies.
- ☑ ***Few Details on Some Programs.*** There has been little detail provided on how some of these programs would be operated. For example, it is not clear how the Community Service Infrastructure Grants would be administered or awarded. Accordingly, the Legislature may want to (1) provide more guidance on how some of the funds are to be used or (2) focus on established programs where there are fewer implementation uncertainties.
- ☑ ***Legislature May Want to Focus on One-Time Spending.*** Despite the one-time nature of the proposed jail construction funding, some of the proposed funding would be ongoing. For example, \$49 million of the Assembly's spending plan related to the judicial branch would result in ongoing General Fund expenditures. The Legislature may want to focus its spending on one-time proposals. For example, the Legislature may want to consider approving some of the new programs as pilot projects to determine whether they warrant ongoing funding in future budgets.

Staff Comments

Issue 2: Local Law Enforcement

Board of State and Community Corrections (BSCC)

Assembly

- Adopted the Governor's proposal to provide \$20 million (GF) for City law enforcement Grants distributed statewide by formula.
- Approved an increase of \$2 million for trial court security.
- Took no action on TBL to change the BSCC's executive steering committee processes.

Senate

- Rejected the Governor's proposed \$20 million for City law enforcement Grants.
- Approved an increase of \$3 million for trial court security.
- Adopted TBL to change the BSCC's executive steering committee processes.

Governor: The Governor proposed increases of \$20 million for city law enforcement and \$5 million for trial court security.

Staff Comments

Issue 3: Emergency Operations and Critical Support

Governor's Office of Emergency Services

Assembly

- Adopted the Governor's proposal in its entirety (totaling 77.0 positions and \$35.2 million).

Senate

- Approved a portion of the Governor's proposal (totaling 54.2 positions and \$17 million).

Staff Comments

Issue: Emergency Operations and Critical Support Office of Emergency Services

June 2016

Program	Assembly		Senate		Difference	
	Positions	General Fund	Positions	General Fund	Positions	General Fund
Fire Response						
Fire Apparatus Fleet Replacement and Augmentation	—	\$20,000,000	—	\$10,000,000	—	\$10,000,000
Fire and Rescue Branch Staffing	12	2,528,000	7	1,712,000	5	816,000
Automated Vehicle Location	—	342,000	—	227,000	—	115,000
Disaster Coordination						
Statewide Disaster Programs	2	4,987,000	0	188,000	2	4,799,000
Regional Response and Readiness	13	1,951,000	6	879,000	7	1,072,000
Law Enforcement Branch Staffing	6	1,661,000	4	1,107,000	2	554,000
Other						
Federal Emergency Management Program	—	700,000	—	—	—	700,000
Emergency Operations Incident Support Training	—	169,000	—	—	—	169,000
Administrative Support	10	—	3.5	—	6.5	—
Totals	43	\$32,338,000	20.5	\$14,113,000	22.5	\$18,225,000

Staff Comments

Issue 4: Board of Equalization Action Plan

State Board of Equalization

Assembly

- Eliminated BOE Legislative positions, cuts remaining Executive Department and External Affairs by 25%, and reduces rental costs by 25%.
- Consolidated Board Member offices into one location within a state-owned building.
- Required all office space procured by DGS for BOE to follow SAM Standards.
- Required DOF to conduct an audit of sales and use tax collection.
- Required monthly reports on vacant positions.
- Proposed a BSA Audit on outreach and public relations expenditures.

Senate

- Required DOF to conduct an audit of sales and use tax collection.
- Approved SRL requiring the BOE to provide a comprehensive report on their physical office space and current office space usage.

Governor: No proposal.

Staff Comments



June 2016

State Board of Equalization (BOE)

Assembly	Senate
Physical Office Space Issues	
Board Members' Offices Budget Bill Language (BBL). Proposal that Department of General Services (DGS) work with BOE to reunite board members' offices in one location within a state-owned building.	Board Members' Offices SRL. Supplemental reporting language (SRL) on physical office space: expresses legislative intent that BOE board members' headquarter offices be in same building with those of plurality of BOE headquarters employees.
Reduction in Field Office Costs. Proposed 25 percent reduction in rental costs by eliminating redundant local field offices in California, with an initial \$5 million reduction in 2016-17 and growing in future years.	Office Space Strategic Plan SRL. The physical office space SRL requires strategic plan for BOE physical office space requirements by February 1, 2017.
Office Space Requirements BBL. Proposal that BOE office space procured by DGS follow State Administrative Manual standards related to state employee work space.	No comparable action.
Vacant Positions	
Reporting to Joint Legislative Budget Committee (JLBC). BBL to require monthly reporting to JLBC on vacant positions, which recently numbered around 470.	No comparable action.
Other Key Issues	
Budget Reductions. Reduced BOE budget by \$11.2 million in 2016-17, including \$5 million for field office costs (as described above), \$1.9 million to eliminate BOE legislative positions, \$2.7 million to cut remaining BOE executive department by 25 percent, and \$1.6 million to cut external affairs budget by 25 percent by phasing out positions that do not interact with the public.	No comparable action.
State Auditor Trailer Bill. Proposal that Auditor review BOE outreach and public relations spending by March 2017.	No comparable action.

Staff Comments

Issue 5: Housing

Department of Housing and Community Development and Various

Assembly

- No Place Like Home – Adopted Placeholder Trailer Bill Language to continue discussion on No Place Like Home and adopted May Revision bond resources.
- By Right – Adopted placeholder Trailer bill language
- Funding for Affordable Housing - \$650 million for various Housing proposals including Low Income Housing Tax Credit, Farmworker Housing, Multifamily Housing and others.

Senate

- No Place Like Home – Approved the Senate's No Place Like Home Initiative
- No Action
- Adopted changes to allow low-income housing developers who receive Low- Income Housing Tax Credit (LIHTC) to sell the credits to other taxpayers.

Governor: May Revise endorsed the bond portion of No Place Like Home, proposed 'By Right' proposal as part of May Revise, no proposal on the funding for affordable housing, and proposed the Community Based Transitional housing trailer bill language.

Staff Comments

Housing Overview

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Affordable Housing Funding

\$2 Billion Bond for Supportive Housing. Funds construction and rehabilitation of supportive housing for homeless individuals with mental illness via a \$2 billion bond backed by Proposition 63 (2004) revenues.

Senate. Approved.

Assembly. Approved.

Assembly Affordable Housing Package. \$650 million for various affordable housing programs, including construction of rental housing for low-income families, supportive housing for homeless individuals, local grants for workforce housing, home buyer assistance, and farmworker housing.

Senate. No action.

Assembly. Approved \$650 million.

Temporary Housing Assistance for Homeless Individuals. \$50 million annually for four years for temporary housing assistance for homeless individuals.

Senate. Approved \$50 million.

Assembly. No action.

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Housing Policy Changes

By-Right Approval of Multifamily Housing. Changes state law to streamline the local approval of certain multifamily housing projects that contain affordable housing units.

Senate. No action.

Assembly. Approved placeholder trailer bill.

Down Payment Assistance Programs. Combines remaining funding from multiple down payment assistance programs into the MyHOME Program to help provide down payment assistance to low- and moderate-income families.

Senate. No action. Raised concern about shift in focus of these programs from first-time home buyers to low- and moderate-income home buyers.

Assembly. Approved placeholder trailer bill.

Sale of Low-Income Housing Tax Credits. Permits the sale of state low-income housing tax credits under specified conditions.

Senate. Approved.

Assembly. No action.

Housing Overview: LAO Comments

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- ☒ ***Considerations for Assembly Affordable Housing Package.*** We suggest the Legislature consider (1) how this funding might best complement the \$2 billion bond for supportive housing and (2) whether funding should be targeted at particular high-need populations.
- ☒ ***By-Right Approval Warrants Serious Consideration.*** This proposal could be an important first step toward addressing California's housing shortage. It warrants serious consideration from the Legislature, either during the budget process or in policy committees. We recommend the Legislature consider expanding eligibility for streamlining to facilitate more new housing construction.
- ☒ ***LAO Compromise on Down Payment Assistance Changes.*** We recommend a compromise which amends the proposed language to give priority to low- and moderate-income households that are first-time home buyers.
- ☒ ***Approve Changes Permitting the Sale of Low-Income Housing Tax Credits.*** We recommend the Senate's action as it would reduce the amount of federal taxes recipients of the credit are required to pay, thereby freeing up additional funding to be spent on building affordable housing.

Staff Comments

Issue 6: State Office Infrastructure

Department of General Services – Capital Outlay

Assembly

- Approved \$1.5 billion programmed over four years, \$375 million in 2016-17.
- Approved a continuous appropriation process.
- Adopted placeholder reporting language that would require the Department of General Services to report quarterly to the Legislature on the progress of the projects.
- Required the Department of General Services to work closely with the Legislature in the development of the Capitol Annex.

Senate

- Adopted the Senate proposal to establish the fund with a transfer of \$1 billion, appropriate \$10.1 million for planning and design, and approve placeholder trailer bill language governing the fund.
- Approved a new fund (Infrastructure Capital Fund) which is subject to legislative appropriation not continuously appropriated.

Governor: Included \$1.5 billion transfer from the General Fund to establish a new, continuously appropriated State Office Infrastructure Fund to fund three projects in Sacramento including the State Capitol East Annex. Additionally this proposal includes trailer bill language.

Staff Comments

Issue 7: Medical Marijuana Regulation

Department of Consumer Affairs and Various

Assembly

- Rejected the Governor's proposal for funding and positions.
- Rejected the Governor's trailer bill language.
- Rejected the Governor's proposed IT project.

Senate

- Adopted the Governor's request for positions and funding.
- Adopted portions (Department of Public Health and Department of Consumer Affairs portions) of Governor's trailer bill language.
- Adopted first year costs for the IT solution proposed by the Administration.

Governor: Governor proposed \$3.8 million from the Medical Marijuana Regulation and Safety Act Fund and 25 positions to create the Bureau of Medical Marijuana Regulation. The Governor also proposed trailer bill language and an IT system to be administered by the Bureau.

Staff Comments

Issue 8: CALIFORNIA YOUTH CRISIS LINE

Governor's Office of Emergency Services

Assembly

- Augmented this programs by \$200,000 (GF) bringing the total program budget to \$314,000.

Senate

- No action on this issue.

Staff Comments

Issue 9: Cardroom Background Investigation Backlog

Department of Justice

Assembly

- Approved 20 positions and \$3 million (from the Gambling Control Fund) to address the backlog of background investigations for cardrooms.

Senate

- No action on this issue.

Staff Comments

Issue 10: Major League Sporting Event Raffles

Department of Justice

Assembly

- Rejected the Governor's proposal.

Senate

- Rejected use of GF for the Major League Sporting Event Raffle and instead approved a GF loan and created the Major League Sporting Event Raffle Fund.

Governor: The Governor's Budget included a three-year limited-term General Fund increase of \$335,000 beginning in FY 2016-2017 and 2.0 positions to address workload related to the initial

implementation of and statutory enforcement activities for the Major League Sporting Event Raffles Program.

Staff Comments

Issue 11: Controlled Substance Utilization Review and Evaluation System (CURES)

Department of Justice

Assembly

- Added \$875,000 (CURES Fund) and 8.0 positions to expand the help desk's capacity to handle calls from system users.

Senate

- No action on this issue.

Staff Comments

Issue 12: Armed Prohibited Persons Program

Department of Justice

Assembly

- Approved the Governor's proposal.

Senate

- Approved the Governor's proposal and added trailer bill language that removes the continuous appropriation and provides fee authority to the Attorney General to support the program.

Governor: The budget proposes an on-going increase of \$4.7 million in Firearms Safety and Enforcement Special Fund (FS&E) to provide permanent funding for 22 positions for APPS investigations.

Staff Comments

Issue 13: Proposition 47 Savings

Judicial Branch

Assembly

- No action on this issue.

Senate

- Reduced funding for the trial courts by \$1.7 million (GF) to reflect savings expected due to Proposition 47.

Staff Comments

Issue 14: Department of Corrections and Rehabilitation – Workforce

Department of Corrections and Rehabilitation

Assembly

- Approved as budgeted.

Senate

Rejected funding for 48 positions in the Investigative Services Unit. In addition, approved May Revise funding and concept. Rejected positions and use of funding for training new supervisors. In addition, augmented funding:

- \$2 million for National Institute of Corrections mentorship training.
- \$1 million for innovative management grants for staff resiliency training.
- Trailer bill language related to the correctional officer academy and Senior Warden Position.

Governor: May Revision included \$4 million (GF) and 2 permanent positions to provide training to supervisors and implement succession management plan. In addition, the January budget included 48 correctional officer positions for the Investigative Services Unit.

Staff Comments

Issue 15: Department of Corrections and Rehabilitation – Rehabilitation Programming

Department of Corrections and Rehabilitation

Assembly

- Approved the proposed augmentations.

Senate

Approved the proposed augmentations. In addition, the Senate:

- Increased funding for innovative and restorative justice programs.
- Restored 35 artist facilitator positions.
- Expanded community college programs.
- Allowed life-term offenders to have extended family visits.
- Created a restorative justice provider working group at CDCR.

Governor: The proposed budget included increased funding for substance use disorder treatment, expanding rehabilitative programming, specialized programming for long-term and life-term offenders, and an expansion of Arts in Corrections.

Staff Comments

Issue 16: Military

California Military Department

Assembly

- Rejected the Governor's proposal to provide \$100,000 (Armory Fund) for consultant services to enhance the value of the Santa Barbara Armory prior to sale.
- No action on the Work for Warriors Program .

Senate

- Approved the Governor's proposal to provide \$100,000 (Armory Fund) for consultant services to enhance the value of the Santa Barbara Armory prior to sale.
- Approved \$670,000 (GF) to support the Work for Warriors Program.

Staff Comments

Issue 17: Arts

California Arts Council

Assembly

- Provided \$6.5 million in funding for three infrastructure projects needs for the Pasadena Playhouse, Lark Musical Society, and the Armenian Museum.

Senate

- Provided \$6 million ongoing GF and 2 positions to the Arts Council to increase art programs in underserved communities.
- Provided \$800,000 ongoing GF to the CAC to establish a reentry/bridging grant program to facilitate and expand arts programs designed to help inmates transition from prison back into their community.

Governor: No Proposal.

Staff Comments

Issue 18: Seismic Safety

Department of Insurance and State Treasurer's Office

Assembly

Senate

- Brace and Bolt – Approved one-time General Fund allocation of \$3 million to the Department of Insurance as pass-through to the California Earthquake Authority for the Brace and Bolt program
- Seismic Safety – Expanded the California Capital Access Program (CalCAP) under the State Treasurer's Office to include seismic retrofits and provided \$20 million General Fund.

- No proposal.

Governor: No Proposal.

Staff Comments

Issue 19: Nail Salon Labor Law Enforcement

Labor and Workforce Development Agency and Department of Industrial Relations

Assembly

Senate

- Approved funding for two positions (\$400,000 Special Funds) to examine workplace labor violations within the nail salon industry and report findings to the Legislature by January 1, 2017. Approved funding of \$1 million special fund as placeholder to enable posting of labor law signage in salons in languages that employers and employees speak.

- No proposal.

Governor: The Administration did not include a specific proposal related to nail salon labor law enforcement.

Staff Comments

Issue 20: Legislative Proposals

Various

Assembly

- Approved \$1 million for Zero-Based Budgeting
- Approved \$10 million for Statewide Bonding Assistance under the California Infrastructure and Economic Development Bank.
- Augments the Governor's Cal-ACCESS proposal with an additional \$1 million
- Approves an additional \$402,000 for two positions at Department of Veterans Affairs
- Proposes \$1.3 million in special funds for additional outreach to students

Senate

- Expanded to the Farm to Food Bank tax credit and extended the sunset to 2022.
- Raised the cap on the Williamson Act on the amount directed to the department from \$2.5 million to \$5 million to allow for more funding in good years.
- Approved \$850,000 for Secure Choice based on a General Fund loan.

Governor: Governor proposed \$757,000 million for the procurement of contracted services for the improvement of the Cal-ACCESS project. Proposed additional Administrative support positions for CalVet. Proposed a transfer of authority from the Administrative Fund to the Student Tuition Recovery Fund in the amount of \$183,000. Both houses rejected this proposal.

Staff Comments
