

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
ON PUBLIC SAFETY**

Assemblymember Gilbert Cedillo, Chair

FEBRUARY 10, 2011
UPON ADJOURNMENT OF SESSION
STATE CAPITOL, ROOM 447

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VOTE ONLY CALENDAR

ISSUE	AMOUNT	ACTION
0250 JUDICIARY		
COURT FACILITIES TRUST FUND ADJUSTMENT	\$8.2 MILLION	APPROVE AS BUDGETED
2720 HIGHWAY PATROL		
COMPUTER AIDED DISPATCH REPLACEMENT	SHIFTING \$7.4 MILLION TO 2011-12	APPROVE AS BUDGETED
ENHANCED RADIO SYSTEM	\$12.8 MILLION	APPROVE AS BUDGETED
CAPITAL OUTLAY PROPOSALS	\$37.9 MILLION	APPROVE AS BUDGETED
0690 EMERGENCY MANAGEMENT AGENCY		
FEDERAL JUSTICE ASSISTANCE GRANT	\$592,000	APPROVE AS BUDGETED
JOHN R. JUSTICE GRANT	\$1 MILLION	APPROVE AS BUDGETED
5225 CDCR		
NCRF WARM SHUTDOWN	\$0	REDUCE REQUEST BY \$1.1 MILLION
IRONWOOD HVAC	\$6.1 MILLION	ADD BBL TO REVERT AB 900 GF OF \$6.1 MILLION
STATEWIDE BUDGET PACKAGES	\$750,000	ADD BBL TO REVERT AB 900 GF OF \$750,000 MILLION
MINOR CAP OUTLAY	\$1.2 MILLION	ADD BBL TO REVERT AB 900 GF OF \$1.2 MILLION
8940 MILITARY		
CUSTODIAN FOR DUBLIN CENTER	\$67,000	APPROVE AS BUDGETED
SAD INCREASES	\$1.4 MILLION	APPROVE AS BUDGETED
ENVIRONMENTAL PROGRAMS	\$413,000	APPROVE AS BUDGETED
CIVIL SUPPORT PLANNING POSITIONS	\$1 MILLION	APPROVE AS BUDGETED
CALEMA HOMELAND SECURITY TRAINING	\$5.1 MILLION	APPROVE AS BUDGETED
QUALITY ASSURANCE REPS	\$393,000	APPROVE AS BUDGETED
OAKLAND MILITARY INSTITUTE	\$423,000	REJECT PROPOSAL

0250 JUDICIARY

ISSUE 1: COURT FACILITIES TRUST FUND APPROPRIATION ADJUSTMENT

The Governor's budget proposes an adjustment to the Court Facilities Trust Fund of \$8,205,000, which includes \$3,210,000 in reimbursement authority for the amount of additional funding coming from counties.

BACKGROUND

The Trial Court Facilities Act (Chapter 1082, Statutes of 2002) transferred responsibility for operation and maintenance of court facilities to the state. The Act established a process by which counties provide funding for facilities operation and maintenance costs based on historic funding patterns through a county facility payment (CFP) to the state.

Staff Recommendation: Approve as Budgeted.

2720 CALIFORNIA HIGHWAY PATROL

ISSUE 1: COMPUTER AIDED DISPATCH REPLACEMENT

The Governor's budget proposes to shift the funding timeline for the installation of a new Computer-Aided Dispatch system (CAD) due to delays in procurement and signing of a vendor contract.

BACKGROUND

As part of the 2009-10 budget, the Administration requested, and the Legislature approved, two-year funding of \$27.8 million (Motor Vehicle Account) for the information technology project to replace the 20-year old CAD system. The CAD is a system containing servers and workstations used to dispatch emergency services (police, fire, ambulance) to calls from the public needing assistance. The new CAD would also allow persons in a dispatch center to easily view and understand the status of all units in the field. This proposal pushes a portion of the project costs into a third year (2011-12).

Staff Recommendation: Approve as Budgeted.

ISSUE 2: ENHANCED RADIO SYSTEM

The Governor's budget includes two proposals totaling \$12.8 million in capital outlay funding for the sixth year of the public safety radio project, which is mostly complete. The capital outlay request involves the replacement of radio towers where the existing towers were not strong enough to accommodate new equipment.

BACKGROUND

In 2006-07, the Legislature approved this five-year project that had an estimated total cost of \$491 million. As the project evolved, the CHP and its partner, the Office of the Chief Information Officer – Public Safety Communications Division down-scoped the project to reduce costs, and the CHP revised total cost to \$353 million. The project will enhance radio interoperability with other public safety agencies and provide additional radio channels for tactical and emergency operations. The project involves new radio transmission equipment at CHP facilities, on remote towers, and in CHP vehicles. As part of project approval, the Legislature required annual project reporting for the life of the project - due annually each March 1.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: CAPITAL OUTLAY PROPOSALS

The Governor's budget proposes two requests related to capital outlay projects. The Legislature has previously approved funding for early phases of these projects, such as design and land acquisition.

- **Santa Fe Springs Area Office – (Construction Phase):** \$19.6 million (Motor Vehicle Account) is requested for the construction phase of the Santa Fe Springs Area Office replacement project. The Legislature previously approved about \$7.6 million for earlier phases of this project.
- **Oceanside Area Office – (Construction Phase):** \$18.3 million (Motor Vehicle Account) is requested for the construction phase of the Oceanside Area Office replacement project. The Legislature previously approved about \$4.6 million for earlier phases of this project.

BACKGROUND

The CHP owns the land for the Oceanside facility and expects to purchase land soon for the Santa Fe Springs facility. A significant amount of funds have been approved by the Legislature and spent on the early phases of these projects. Due to the slow economy, competition for construction work is strong and the state may achieve bid savings.

Staff Recommendation: Approve as Budgeted.

0690 CALIFORNIA EMERGENCY MANAGEMENT AGENCY

ISSUE 1: FEDERAL JUSTICE ASSISTANCE GRANT

The Governor's budget proposes \$592,000 in federal fund authority in 2011-12 to continue to administer American Recovery and Reinvestment Act (ARRA), Justice Assistance Grant (JAG) funds.

BACKGROUND

The CalEMA is the administering department for the justice stimulus funding that came to California as part of ARRA. This included three major programs – JAG (\$135.6 million), Victims of Crime Act (\$2.8 million), and Violence Against Women Act (\$12.0 million). This request allows CalEMA to continue to administer the JAG funding in 2011-12.

Staff Recommendation: Approve as Budgeted.

ISSUE 2: JOHN R. JUSTICE GRANT

The Governor's budget proposes \$1,046,000 in Federal Trust Fund authority for the CalEMA to administer the federal John R. Justice Grant Program.

BACKGROUND

The CalEMA was awarded \$1,046,000 in September 2010 from the federal Department of Justice for the John R. Justice Grant. This program provides loan repayment assistance for local, state, and federal public defenders and local and state prosecutors who commit to new or continued employment as public defenders or prosecutors for at least three years. \$52,000 (5 percent) will be retained for state administration costs.

Staff Recommendation: Approve as Budgeted.

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

ISSUE 1: NORTHERN CALIFORNIA RE-ENTRY FACILITY WARM SHUTDOWN

The Governor's budget proposes a warm shutdown of the Northern California Re-entry Facility (NCRF), which was scheduled to be activated in December 2012. This request does not result in a net funding change.

BACKGROUND

NCRF is located on the previous site of the Northern California Women's Facility near the city of Stockton. The existing infrastructure, which includes 400 cells in four "270" design housing units is being repurposed to accommodate 500 male re-entry inmates. This project, which is scheduled to be the first re-entry facility activated under the authority of AB 900, will replace temporary beds currently in use, and it is included in CDCR's long range plan for medical and mental health beds provided to the *Coleman Court* in November 2009.

In order to maintain a warm shut down at the Northern California Re-entry Facility the following building component systems need to be nominally supported:

Component System /	Warm Shut Down
Potable Water Distribution	Maintain water treatment facility & systems w/ over 60 Acres of active distribution lines at a reduced capacity. This system supplies potable water for neighboring California Department of Forestry (CDF) Camps. This system should be maintained to prevent bacterial contamination resulting in the eventual disinfection of the system. All plumbing fixtures and valves should be cycled / serviced periodically to ensure proper functionality. All backflow devices should be maintained and AWWA tested for compliance with health and safety cross connection requirements.
Steam / Hot Water Distribution System	Maintain high-pressure boiler operation to supply steam and hot water to all structures of the facility at a reduced capacity. This will ensure all steam systems are maintained throughout the institution to prevent equipment failure, corrosion, and possible ruptured piping due to below freezing temperatures during winter months.
Wastewater / Sewage System	The system should be operated/flushed monthly to compensate for evaporation in pipelines that could result in methane gas build up. Prime and treat wastewater traps quarterly to prevent methane gas build up. Treat sewage lines for root intrusion quarterly. Service lift station pumps monthly.
HVAC & Refrigeration Systems	All buildings / housing units should have some form of air flow to deter mold growth as a result of moisture & stagnant air in a closed environment. HVAC units can be shut down but should be cycled / serviced at least semi-annually. Walk-in Refrigerator and Freezer units can be shut down but should be operated and serviced every 1-2 months. Electrical power should

	be maintained at all refrigeration compressors with oil heater to avoid potential oil migration.
Electrical Systems – Emergency Generators	The Paso Facility operates one (1) Emergency Generator with six (6) Back-up generators on hand. This unit should be tested monthly and is under contract for preventive maintenance and semi-annual service.
Electrical Systems – CCTV, Personal Alarm, LAN/WAN, Fiber Optics and Phones	The Paso Facility has a computerized alarm system with staff tracking capability, a CCTV extensive LAN/WAN, fiber optic and phone systems. All of these can be shut down with the exception of the repeaters due to FCC licensing requirements. Periodic service is recommended to ensure proper functionality prior to re-activation however; some of the equipment may need to be replaced due to shortened life expectancy from non-use.
Fire Alarm Systems	State law requires a functioning fire alarm system be maintained on all buildings unless they are occupied with trained staff. These system's control panels should be serviced at least quarterly to resolve any trouble or false alarms and replace failed batteries.
Grounds Keeping and Vector Control	Maintaining grounds helps control insect and rodent / vector infestation of vacant areas and buildings. A pest control contract would ensure insect & vector populations are maintained at a minimum.

Staffing required to maintain the outlined needs of Northern California Re-entry Facility:

- 1.0 Correctional Plant Manager I
- 1.0 Office Technician – Typing
- 1.0 Lead Groundskeeper, (CF)
- 1.0 Stationary Engineer, (CF)
- 1.0 Water and Sewage Plant Supervisor, (CF)

The maintenance and technical positions that would support the operations of this facility during the warm shut down are as follows:

- Correctional Plant Manager I is required for managing the maintenance of the facility to ensure the State's assets are protected.
- The Office Technician – Typing is required for the completion of facility correspondence, and record keeping of the existing preventive maintenance program.
- Lead Groundskeeper, (CF) is required to maintain grounds, sanitation, drainage, and erosion control for the facility.
- Stationary Engineer, (CF) is required to maintain the facility's mechanical systems.
- Water and Sewage Plant Supervisor, (CF) is required to maintain the facility's mechanical systems and water treatment system.

COMMENTS

The Department of Finance now reports that NCRF was already funded for a warm shutdown. According to DOF, NCRF has a base level of funding of \$1,828,000. This is comprised of \$976,000 for 7 pre-activation staff and \$853,000 for warm shutdown funding.

It is now recommended that NCRF's base funding be reduced to \$775,000 (a reduction of \$1,053,000) with the 5.0 standard warm shutdown positions.

Staff Recommendation: Approve this request but reduce it by \$1,053,000 to account for base resources that are no longer needed.

ISSUE 2: IRONWOOD STATE PRISON, HEATING, VENTILATION, AND AIR CONDITIONING SYSTEM

The Governor's budget proposes \$6.1 million General Fund for the working drawings phase of this project. Total estimated cost of this project is \$143.2 million.

BACKGROUND

This project will replace the evaporative cooling system with a Heating, Ventilation, and closed loop chilled water Air Conditioning, and closed loop chilled water Air Conditioning (HVAC) system at Ironwood State Prison (ISP) in support of 20 housing units and a majority of the other institutional support facilities, and to install an energy saving roof membrane with insulation. Also a new Central Chiller Plant and the installation of a dedicated emergency power back-up generator to operate the Central Chiller Plant during power outages. Preliminary plans were funded in the 2008 Budget Act and were approved by the Public Works Board in November 2010.

The institution "swamp cooler" type air handling units at ISP have deteriorated and prematurely reached the end of their useful life. Despite continued maintenance and repair efforts, the units continue to corrode and are unreliable. Corrosive salt laden water generated by and leaking from the air handling units has caused extensive damage to areas surrounding the units (roofs and walls).

From July to October, temperatures frequently range from 93 to 105 degrees Fahrenheit inside and 110 to 130 degrees Fahrenheit outside.

Staff Recommendation: Approve proposal with addition of budget bill language authorizing the reversion of the AB 900 General Fund appropriation of \$6.1 million. Action saves \$6.1 million GF.

ISSUE 3: STATEWIDE BUDGET PACKAGES AND ADVANCE PLANNING

The Governor's budget proposes \$750,000 General Fund to perform advance planning and prepare budget packages for capital outlay projects.

BACKGROUND

The CDCR currently operates 33 adult prisons and 4 juvenile facilities, along with 45 adult or juvenile conservation camps. The development of well documented and justified capital outlay requests for funding consideration in the annual Budget Act requires the development of budget packages. Additionally, the need arises during the fiscal year to perform advance planning functions such as environmental reviews and site assessments to determine the feasibility of future capital outlay requests.

To perform these functions, the CDCR has been provided with a Statewide Budget Packages and Advance Planning appropriation in the annual Budget Act. Provisional language is included with this appropriation limiting it to projects that meet both of the following criteria: 1) the project being studied has not already received funding from the Legislature; and, 2) the project is being prepared for funding consideration in either of the next two state Budget Acts.

COMMENTS

Similar to Issue 1, the LAO has recommended that this project's funding come from the balance of the \$300 million AB 900 General Fund appropriation.

Staff Recommendation: Approve proposal with addition of budget bill language authorizing the reversion of the AB 900 General Fund appropriation of \$750,000. Action saves \$750,000 GF.

ISSUE 4: STATEWIDE MINOR CAPITAL OUTLAY

The Governor's budget proposes \$1.2 million for the construction of three minor capital outlay projects (a ten percent contingency fund is also included).

BACKGROUND

The three projects are:

1. **CSP – Solano, Closed Circuit Cooling Tower (\$352,000)**. This proposal requests funding to install a closed circuit cooling tower in parallel with the existing Steam Heat Exchangers in order to maintain indoor temperatures at or below 90 degrees Fahrenheit.
2. **N.A. Chaderjian Youth Group Recreation Area for Intensive Behavior Program (\$338,000)**. This proposal requests funding for the construction of a fenced outdoor group recreation area for the youth assigned to the Sacramento Intensive Behavior Treatment Program. The group recreation area will be constructed in a location adjacent to the living unit.
3. **Wasco State Prison, Additional Blast-Chill Units for Main Kitchen (\$396,000)**. This proposal requests funding to purchase and install two additional blast-chill units in the Main Kitchen at Wasco State Prison. These projects will resolve long-standing operational and equipment issues resulting from population increases.

Staff Recommendation: Approve proposal with addition of budget bill language authorizing the reversion of the AB 900 General Fund appropriation of \$1.2 million. Action will save \$1.2 million General Fund.

8940 MILITARY DEPARTMENT

ISSUE 1: CUSTODIAN FOR DUBLIN READINESS CENTER AND FIELD MAINTENANCE SHOP

The Governor's budget proposes \$67,000 (\$17,000 GF and \$50,000 federal funds) for a custodian to support the new Dublin Readiness Center (RC) and Field Maintenance Shop (FMS) located at Parks Reserve Forces Training Area. The GF portion of this request will be absorbed within existing resources.

BACKGROUND

The 28,218 square foot Dublin FMS was completed in December 2008. The 28,891 square foot Dublin RC is scheduled for completion by May 11, 2011. It is the responsibility of the California Military Department to provide maintenance and janitorial services for readiness centers and armories. The federal government provided 100 percent of the construction funds for the Dublin facilities. The state's responsibility is to ensure the facilities are operational and maintained to meet mission requirements.

Staff Recommendation: Approve as Budgeted.

ISSUE 2: STATE ACTIVE DUTY EMPLOYEE COMPENSATION INCREASE

The Governor's budget proposes \$1.363 million (\$705,000 GF and \$658,000 Federal Trust Fund) to cover the State Active Duty (SAD) compensation increases to be granted effective January 1, 2011, and estimated to be granted January 2, 2012.

BACKGROUND

Per state statute, pay for SAD employees must be based upon military pay increases granted by Congress; additional compensation adjustments are also mandated due to a congressionally-approved increase in the military allowance for housing and subsistence. The 2011-12 estimates are 1.9 percent for salary and 1.5 percent basic allocation for housing.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: ENVIRONMENTAL PROGRAMS INCREASE TO MEET FEDERAL REQUIREMENTS

The Governor's budget proposes \$413,000 (federal funds) and 4 positions to support increasing environmental requirements within the Environmental Program Directorate.

BACKGROUND

The California Army National Guard has numerous facilities throughout the state, including three major training bases covering over 50,000 acres; an aviation repair depot servicing military helicopters from 13 western states; three aviation support facilities; two equipment storage sites for armored combat vehicles; two major vehicle and weapons maintenance centers; 34 smaller vehicle maintenance shops; supply depots; and forward operating bases. For these units to be effective, they must be in compliance with all federal, state, and local environmental laws, as well as Department of Defense Instructions and Army regulations. The four positions would come at no cost to the state as they are 100 percent federally funded by the National Guard Bureau through a Master Cooperative Agreement with the state. The four positions required for this augmentation will be absorbed from within the Department and will be responsible for making sure federal construction projects can be executed in California.

Staff Recommendation: Approve as Budgeted.

ISSUE 4: CIVIL SUPPORT PLANNING POSITIONS AND INTEROPERABLE COMMUNICATIONS EQUIPMENT

The Governor's budget proposes \$1.0 million (reimbursements) in support of State Homeland Security Grant Program funds for emergency planning, immediate emergency response and exercise Homeland Security planning, and procurement of emergency equipment to support the Governor's Office and the California Emergency Management Agency.

BACKGROUND

This request provides the Military Department with functional staff to cover the full spectrum of Homeland Security emergency planning, exercises, and operations and is critical to executing a coordinated and rapid emergency response while maintaining Continuity of Operations and Continuity of Government plans. Of the expenditure authority requested, \$635,000 will enable the Department to hire four personnel to fill required assignments in operations and plans, training and exercises, operational law, and operational logistics. These positions will be absorbed from within the Department. The remaining \$383,000 will be used to purchase communications equipment to allow California National Guard forces/assets a greatly increased capability to conduct interoperable communications with civilian emergency responders.

Staff Recommendation: Approve as Budgeted.

ISSUE 5: CALEMA HOMELAND SECURITY TRAINING AND EXERCISE PROGRAM

The Governor's budget proposes \$5.1 million (reimbursements) and the re-establishment of 33 three-year limited-term positions to execute an interagency agreement between the Military Department and the California Emergency Management Agency (CalEMA) for staffing support and operating expenses.

BACKGROUND

In 2003, the Military Department was assigned the responsibility of "Executive Agent" by CalEMA for all homeland security terrorism training and exercise activities funded from the various initiatives that constitute the federal HSGP. In this capacity, the CalEMA Homeland Security Training and Exercise Program (HSTEP), consisting of the Military Department and various federal, state, and local agency staff, was charged with providing statewide oversight for the training and exercise needs of California's first responder community to respond to terrorist attacks involving weapons of mass destruction. The 33 positions were originally established on a limited-term basis for purposes of the interagency agreement between the Military Department and CalEMA and all expire on June 30, 2011. These positions provide the necessary Military Department personnel to CalEMA to manage its statewide terrorism training and exercise programs for Weapons of Mass Destruction. These funds also allow for operating expenses related to the HSTEP. The proposed funding level in 2011-12 represents a reduced reimbursement level from the previous five years (from \$7.5 million to \$5.1 million); this is a result of a reduction in contracts for loaned executives from other governmental agencies that have been assigned to the HSTEP.

Staff Recommendation: Approve as Budgeted.

ISSUE 6: QUALITY ASSURANCE REPRESENTATIVES

The Governor's budget proposes \$393,000 (federal funds) for four Quality Assurance Representatives to provide on-site quality assurance and observation support to the Facilities Directorate project managers on renovation and construction projects statewide, and to help ensure that construction projects at Military Department facilities are executed in compliance with relevant building codes, specifications, and plans.

BACKGROUND

The Military Department's Directorate of Facilities currently employs 14 Quality Assurance Representatives (e.g., inspectors) who provide on-site construction observation support to new construction and renovation projects at departmental readiness centers, maintenance shops, and training bases statewide. At present, a Quality Assurance Representative is typically responsible for between two and four concurrent projects, requiring each Representative to split his time between work sites. As a result, at least some work at each project site is completed un-observed by a Representative. Federal Corps of Engineers standards require that a Quality Assurance Representative be on site whenever work is being performed. The resources in this request, which are 100 percent federally-funded, will ensure federal inspection standards are met. These four positions will be absorbed from within the Department.

Staff Recommendation: Approve as Budgeted.

ISSUE 7: OAKLAND MILITARY INSTITUTE REDIRECTION

The Governor's budget proposes the redirection of \$423,000 to support classroom programs at the Oakland Military Institute Charter School.

BACKGROUND

The Administration has indicated that it is withdrawing this request. As such, they have requested that the Sub-Committee deny the proposal.

Staff Recommendation: Reject this Proposal.

ITEMS TO BE HEARD

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

The mission of the California Department of Corrections and Rehabilitation (CDCR) is to enhance public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into our communities. The CDCR is organized into the following programs:

- Corrections and Rehabilitation Administration
- Corrections Standards Authority
- Juvenile: Operations and Offender Programs; Academic and Vocational Education; Parole Operations; Health Care Services
- Adult Corrections and Rehabilitation Operations: Security; Inmate Support; Contracted Facilities; Institution Administration
- Parole Operations: Adult Supervision; Adult Community Based Programs; Administration
- Board of Parole Hearings: Adult Hearings; Administration
- Adult Health Care Services
- Adult: Education, Vocation, and Offender Programs: Education; Substance Abuse Program; Inmate Activities; Administration

ISSUE 1: INTERMEDIATE CARE FACILITY – CMF MENTAL HEALTH BEDS

The Governor's budget proposes \$1.958 million and 20.0 PYs in 2011-12, growing to \$2.35 million and 25.1 PY in 2012-13 to provide custody staffing for the activation and operation of the 64-bed Intermediate Care Facility (ICF) at the California Medical Facility (CMF).

BACKGROUND

The CDCR is scheduled to open a new ICF at CMF – Vacaville in October 2011. The ICF will house seriously mentally ill inmates in need of longer-term inpatient treatment. Construction of the project was funded through AB 900 and is consistent with the *Coleman* court's direction to increase ICF capacity in the prison system. The Department of Mental Health will provide the clinical staffing for this facility. CDCR is responsible for providing the security staffing.

The activation of this facility is consistent with the Department's long range plans to provide sufficient housing and treatment for seriously mentally ill inmates. The Legislature has already approved the construction of this facility knowing that there would be additional ongoing operating costs.

COMMENTS

The LAO raised a concern with four of CDCR's budget requests related to the activation of new facilities, including the ICF at CMF. The LAO's concern is that the funding requests for activation of these new beds does not account for the offsetting savings that should occur from taking down beds in other facilities.

Staff Recommendation: Approve proposal. However, reduce by \$636,000 to account for offset as recommended by the LAO.

0250 JUDICIARY

Article VI of the Constitution creates the Supreme Court of California and the Courts of Appeal to exercise the judicial power of the state at the appellate level. Article VI also creates the Judicial Council of California to administer the state's judicial system. Chapter 869, Statutes of 1997, created the California Habeas Corpus Resource Center to represent any person financially unable to employ appellate counsel in capital cases.

Chapter 850, Statutes of 1997, enacted the Lockyer-Isenberg Trial Court Funding Act of 1997 to provide a stable and consistent funding source for the trial courts. Beginning with the 1997-98 fiscal year, consolidation of the costs of operation of the trial courts was implemented at the state level, with the exception of facility, revenue collection, and local judicial benefit costs. This implementation capped the counties' general purpose revenue contributions to trial court costs at a revised 1994-95 level. The county contributions become part of the Trial Court Trust Fund, which supports all trial court operations. Fine and penalty revenue collected by each county is retained or distributed in accordance with statute. Each county makes quarterly payments to the Trial Court Trust Fund equal to the fine and penalty revenue received by the state General Fund in 1994-95, as adjusted by amounts equivalent to specified fine and fee revenues that counties benefited from in 2003-04. Chapter 1082, Statutes of 2002, enacted the Trial Court Facilities Act of 2002, which provided a process for the responsibility for court facilities to be transferred from the counties to the state by July 1, 2007. This Chapter also established several new revenue sources, which went into effect on January 1, 2003. These revenues are deposited into the State Court Facilities Construction Fund for the purpose of funding the construction and maintenance of court facilities throughout the state. As facilities transfer to the state, counties will also contribute revenues for operation and maintenance of court facilities based upon historical expenditures.

The mission of the Judicial Branch is to resolve disputes arising under the law and to interpret and apply the law consistently, impartially, and independently to protect the rights and liberties guaranteed by the Constitutions of California and the United States, in a fair, accessible, effective, and efficient manner.

In order to consolidate operational costs of the Judicial Branch, the Governor's Budget combined the previously separate budgets of Judicial and State Trial Court Funding as the Judicial Branch beginning with the 2005-06 fiscal year.

The Governor's budget proposes a total of about \$3.7 billion for the judicial branch from all fund sources—a decrease of \$272 million (or 7 percent) from the revised current-year level. This amount includes roughly \$1 billion from the General Fund, \$860 million in a one-time transfer of redevelopment funding, and \$499 million from the counties, with most of the remaining balance of about \$1.3 billion derived from fine, penalty, and court fee revenues. The General Fund amount is a net decrease of \$668 million, or 40 percent, from the revised current-year amount. (Adjusting for the shifts in redevelopment funding, the General Fund costs reduction would be \$158 million, or 8 percent.)

Below is a three-year summary of expenditures and positions. It is worth noting that the Department of Justice is supported by a variety of sources with the General Fund projected to account for approximately 33% (\$255 million) of expenditures in 2011-12.

2009-10		2010-11		2011-12	
Expenditures	Positions	Expenditures	Positions	Expenditures	Positions
\$681.4 million	4,679.0	\$724.9 million	4,997.3	\$775.7 million	4,996.6

ISSUE 1: LONG BEACH COURTHOUSE

BACKGROUND

The budget Act of 2007 authorized the Administrative Office of the Courts (AOC) to enter into a lease-purchase or other multi-year agreement for the delivery of a new Long Beach Courthouse. The final negotiated agreement was subject to the review and approval of the Department of Finance (DOF) to ensure that the agreement is consistent with the performance expectations and benchmark criteria, which were previously approved by DOF and the Joint Legislative budget Committee (JLBC) in April and August of 2008.

The AOC submitted the final financial data of the performance-based infrastructure (PBI) proposal for Long Beach in November of 2010. This final submittal was to address DOF direction that the final agreement must be at least comparable in value to a Public Sector Comparator and the state's risk of any negative refinancing must be eliminated. On December 16, 2010, DOF approved the final project agreement.

The PBI agreement for the new Long Beach courthouse establishes a performance-based payment system that makes the project company (Long Beach Justice Partners) accountable for building performance throughout the agreement's 35-year term. The project company assumes project construction costs as well as maintenance, repair, and preservation responsibilities over the 35-year term. Some of the other stated benefits of the PBI approach are; 1) speed of completion – 14 months sooner, 2) state funding commitment not required until 2013-14, and 3) risk is transferred to the private sector for building construction and operations.

The Long Beach court project proposes a 531,000 square foot building that consists of 416,100 square feet for the Superior Court, 73,900 square feet for County Justice Agencies, 31,400 square feet for Probation, and 9,600 square feet for commercial and retail space. In addition, the project will include a 399,052 square foot parking facility.

COMMENTS

Over the course of the project, some key assumptions that were presented to the Legislature as benefits to the state have changed. One key assumption being that the property of the current Long Beach Court was valuable enough to provide for a significant offset to the projects overall cost.

Staff notes that, given the changes in the state's fiscal situation and project assumptions, the Legislature may wish to evaluate all options available to meet the state's financial obligations of the Long Beach court project. Specifically, the project agreement requires the AOC to request that the annual service fee be included in the form of a line-item appropriation in the Governor's budget. This annual service fee is projected to range from approximately \$44 million to \$73 million over the contracts 35-year term. The Legislature may wish to explore the possibility of using existing court funding sources to avoid/mitigate the impact on the General Fund.

Staff Recommendation: Informational Item. No Recommendation.

ISSUE 2: CIVIL REPRESENTATION BUDGET BILL LANGUAGE

The Governor's budget proposes budget bill language to support the implementation of the Civil Representation Pilot Program.

BACKGROUND

Assembly Bill 590 (Statutes of 2009, ch.457) requires the Judicial Council, commencing July 1, 2011, to implement and administer the Civil Representation Pilot Program. The bill provides that legal counsel shall be appointed to represent low-income parties in civil matters involving critical issues affecting basic human needs. The model pilot project in selected courts will be based on a competitive grant process and requests for proposal.

The program will be funded from a fee increase of \$10 for certain court services, such as issuing an abstract of judgment and registering a license or certificate. fee revenues are expected to be about \$10.2 million. The proposed language would allow the Branch the flexibility to spend more on the program if a higher level of revenue were to materialize. The language also allows \$500,000 to be retained for administrative activities by the Administrative Office of the Courts.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: COURT APPOINTED COUNSEL BUDGET BILL LANGUAGE

The Governor's budget proposes budget bill language authorizing the Branch to submit a deficiency request to address a shortfall in the Courts of Appeal Court Appointed Counsel Program should one occur in 2011-12.

BACKGROUND

California has a constitutional mandate to provide adequate legal services to indigents in criminal and juvenile matters before the Courts of Appeal. Private attorneys are appointed by the courts of appeal to provide representation to these appellants. Statewide, the attorneys are selected, trained, and mentored by five non-profit appellate projects that contract with the Courts of Appeal to oversee the attorneys' work on each individual case and ensure competency, efficiency, and cost-effectiveness.

According to data provided by the Judicial Branch, it appears that total project costs have risen in recent years primarily due to increases in the number of appointments and hourly rates paid. However, costs did decrease in 2009-10.

While the Branch is currently projecting a shortfall in 2011-12, the decrease in project costs in 2009-10 suggests the possibility that the trend may be reversing, raising uncertainty about whether a budget year deficiency is to be expected. This uncertainty is particularly true considering that, at the time the Branch's request was prepared, it only had one month of actual data for the current year. Therefore, it may be worth waiting a few more months during the current year to see actual current year cost trends for this program.

Additionally, staff notes the requested language may set unusual precedents. Specifically, departments are expected to either request additional funding or identify ways to absorb new costs when they foresee increased costs in the budget year. Asking for language to allow the Branch to incur a deficiency is, therefore, unusual. Also, it is unclear why the Branch would seek to accrue current year claims to be paid in the following budget year. Standard budgeting practice is for claims to be charged to the fiscal year in which they were incurred.

Staff Recommendation: Deny without Prejudice

ISSUE 4: CAPITAL OUTLAY REQUESTS

The Governor's budget proposes funding for working drawings and/or construction of 17 new courthouses and 2 courthouse renovation projects. These projects are lease-revenue bond funded projects with lease-revenue payments coming from the Immediate and Critical Needs Account (ICNA).

BACKGROUND

The ICNA was established under current law for the purpose of constructing additional courthouses throughout the state. The revenue from these funds comes primarily from increased fines and court fees. Following are the proposed projects. All of the request are for the working drawings phase of the projects (except for San Joaquin, which is for working drawings and construction):

(Dollars in Millions)		
Project	Request	Total Project Cost
Delano (Kern)	\$2.5	\$41.4
Los Banos (Merced)	2.0	32.2
Hanford (Kings)	8.3	136.5
Yreka (Siskiyou)	5.9	95.4
Fresno (Fresno)	6.1	113.3
Juvenile Justice Center(San Joaquin)	3.6	3.9
Sonora (Tuolumne)	4.3	69.2
San Diego (San Diego)	32.6	642.6
Family Justice Center (Santa Clara)	14.6	242.0
Sacramento (Sacramento)	22.9	437.5
El Centro (Imperial)	3.5	59.5
Red Bluff (Tehama)	4.0	72.3
Lakeport (Lake)	3.6	56.0
Redding (Shasta)	9.1	170.6
Indio Juvenile and Family (Riverside)	3.8	65.7
Yuba City (Sutter)	4.7	73.9
South Monterey (Monterey)	3.0	49.1
Woodland (Yolo)	9.6	167.4
North Butte (Butte)	4.4	76.9

COMMENTS

Staff notes that the Legislature has approved prior phases of these projects.

Staff Recommendation: Deny without Prejudice

ISSUE 5: UNALLOCATED REDUCTION

The Governor's budget proposes a \$200 million funding reduction, on an ongoing basis, for the state's judiciary.

BACKGROUND

Although no detail was presented on how this reduction would be implemented, the Administration proposes to work with stakeholders and the Judicial Branch to identify ways to implement this reduction in a manner that is least harmful to the courts and preserves service levels provided to the public.

The LAO has issued a report recommending a combination of seven changes for the Legislature to consider in implementing reductions to the judicial branch. In total, the LAO's recommended changes would result in \$356 million in savings in the budget year. While some of the recommended budget solutions are one-time in nature, others would increase in out-years, resulting in about \$300 million in ongoing savings when fully implemented. It is worth noting that while some of the LAO's recommendations (Use of Trial Court Reserves for example) have been utilized in the past, other recommendations have been rejected by the Legislature in recent years (Electronic Court Reporting, Court Security). The LAO recommended options are listed below.

(Dollars in Millions)

Recommendation	2011-12	2012-13	Full Implementation
Elec. Court Reporting	\$13	\$34	\$113
Ensure courts charge for civil court reporters	23	21	12
Competitive Bidding for Court Security	20	40	100
Trial Court workload Analysis	35	45	60
Contract for Interpreter Services	15	15	15
Use Trial Court Reserves	150	0	0
Immediate and Critical Needs Account Transfer	100	50	0
Totals	\$356	\$205	\$300

COMMENTS

Staff notes that the court's plan on allocating \$176.8 million of the Governor's reduction to the state's trial court appropriation, while the remaining \$23.2 million would be absorbed by the state operations Item (Judicial Council, Supreme Court, Court of Appeals, Habeas Corpus Resource Center).

Additionally, a variety of stakeholders have provided input on possible solutions to address the trial court's funding reduction. These suggestions include such things as; expanding and enhancing collection of revenue, reduce instances of mandatory court appearances, redirect funding for court IT initiatives, and performing an assessment of AOC functions.

Staff Recommendation: Hold Open
