

California State Assembly



Agenda

Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, May 20, 2024

Upon Adjournment of Session – State Capitol, Room 437
(Note time change)

Informational Hearing

- I. Call to order.
- II. Member Comments and Questions.
- III. Public Comment.

Notable Issues – 2024-25 Budget

Assembly Budget Subcommittee No. 6 on Public Safety

Introduction

This memo highlights major issues considered by Subcommittee No. 6 as the Assembly works to finalize the details of the 2024-25 Budget. Included is a summary of major issues, general fund solutions, and other notable issues for consideration that have been proposed by the Governor’s January Budget, the Governor’s May Revision, and brought to the attention of the Subcommittee by Members of the Assembly and stakeholders. Staff notes that some of the actions proposed by the Governor have been adopted in early action. Further, certain proposals (state operations reduction and vacancy sweeps) in the January Budget and May Revision have not been included in detail in this memo as the Subcommittee has not received any details.

Overview

The Subcommittee has so far reviewed over 70 budget change proposals and dozens of additional adjustments and proposals listed in letters from the Department of Finance. These proposals and various issues of oversight have been discussed over the course of eight hearings, including today’s hearing.

The majority of reductions proposed in Subcommittee No. 6 will have a limited impact on programs and services to Californians, especially compared to other areas of the state budget. There are a few notable exceptions listed below in more detail. Further, additional reductions could be considered by the Assembly to achieve more efficient and accountable governance, save General Fund dollars, and assist in avoiding deeper cuts to programs and services to California’s most vulnerable and underserved communities.

Notable Issues by Department

1. Department of Corrections and Rehabilitation

Overview. The proposed 2024-25 budget for the Department of Corrections and Rehabilitation is approximately \$14.5 billion, of which \$14.1 billion is General Fund. The Governor’s Budget and May Revision propose General Fund reductions of \$22.3 million in 2022-23, \$116.6 million in 2023-24, \$133.9 million in 2024-25, and \$136 million ongoing. In addition, \$197 million in 2024-25 and \$168 million ongoing of new spending is proposed¹.

¹ Staff notes this new spending proposed amount does not include adjustments based on previously approved proposals or methodologies, standard baseline adjustments, technical adjustments, or continuous appropriations.

The state maintains 32 prisons with a total institutional and camps population of 91,683, as of May 15, 2024. CDCR's spring population projections indicate the population will continue to decrease to 88,680 by 2026-27.

There are approximately 107,500 prison and camp beds² leaving an excess of 15,000 empty beds. The Legislative Analyst's Office (LAO) projects the number of empty beds to grow to 19,000 empty beds by 2028. The LAO recommended the closure of five prisons by the end of 2028, resulting in savings of \$1 billion annually. In addition, the state would avoid significant capital investments in the hundreds of millions. So far, the closure of two state owned prisons, the discontinuance of 1 contract, and the deactivation of 6 yards have yielded \$620 million in annual savings.

Listed below are notable proposals in the Governor's Budget and May Revision:

1. Prison Capacity. The May Revision proposes \$80.6 million in ongoing reductions for housing unit deactivations at thirteen prisons totaling approximately 4,600 beds. This strategy saves approximately \$17,500 per bed. Closing a prison would save approximately \$60,000 per bed. Of the 2 prisons that have already been closed, the average amount of savings has been approximately \$130 million annually, according to LAO, due to the fact that these were two of the smaller prisons in the state. Staff notes that actual savings for prison closures largely depends on the size of the prison that is closed. For example, the state's current smallest prison has a design capacity of 1,508 and the largest prison's design capacity is 3,424.³ The annual operating costs for each prison ranges from \$185 million to \$635 million annually, with many in the \$230-350 million range⁴. In addition, facility closures allow the state to avoid significant capital costs. The 2016 Budget Act included funding for a statewide study on the 12 oldest prisons. The final report identified \$11.24 billion in infrastructure costs for the 12 prisons. For example, Deuel Vocational Institute, which was closed in 2021, had over \$800 million in capital needs, and California Correctional Center which was closed in 2023 had over \$500 million in capital needs. Several prisons have capital needs that exceed a billion dollars each.

Staff notes that the housing unit deactivation proposal, while it provides some immediate savings, fails to achieve greater available savings to help address the state's deficit and/or

² Prison bed count based on court ordered limit of 137.5% of design capacity. Staff notes when the state was sued for an unconstitutional level of overcrowding, the plaintiffs argued for a limit of 125% design capacity and the state/CDCR argued for the use of 150% design capacity. The three judge panel split the difference in the middle and established the 137.5% capacity limit by which CDCR operates its prisons.

³ This capacity reflects the design capacity limit for each prison to but staff notes the actual capacity can be much higher. Staff further notes that the court order requires the overall state prison system capacity's limit is 137.5%, but does not apply to each individual prison.

⁴ The annual savings from closing a prison will be less than the annual operating costs as the state regularly captures savings from reductions in the population.

avoid reductions in other areas of the budget that the Assembly prioritizes, including the social safety net, public health, education, and victim services. Further, even with these deactivations, the state will have an excess of 10,000 empty prison beds in the budget year that will grow to nearly 15,000 in the next 3-4 years.

2. Family Connection. The May Revision proposes a reduction of \$4.1 million ongoing to eliminate the third day of visitation for approximately 18,000 Level IV incarcerated individuals. CDCR states this elimination would incentivize individuals to program in order to regain what the department characterizes as a privilege. Staff notes that Level IV institutions generally have limited programming options and waitlists can be very long. Research since the 1970s has shown the consistent positive correlation between family connection and lower recidivism. The Subcommittee has received a significant number of letters and public comment opposing this reduction from organizations and private individuals that would be directly impacted by this reduction.

3. Administrative Reduction. A \$15 million ongoing General Fund reduction that was approved through early action.

4. Chuckawalla Valley State Prison (CVSP). The May Revision proposes \$44.48 million one-time reduction for the accelerated closure of CVSP from March 2025 to November 2024. CVSP was first announced for closure as part of the 2022 Budget Act.

New Proposed Spending. In addition, the Governor's Budget and May Revision includes new spending proposals such as \$24 million ongoing for utilities, \$40 million one-time for a medical program shortfall, \$38.5 million ongoing for contract medical services, \$26 million ongoing for increases in sex offender management program contract services, and \$7.4 million in 2024-25 and \$14.5 million ongoing to further augment CDCR's staff complaint process.

State Operations Reduction and Vacancy Sweep. Staff notes any state operations reductions that may apply to CDCR will be minimal as they have 24 hour facility related exemptions. CDCR currently has approximately 10,000 budgeted vacancies but it is unknown at this time how much of the total funding is redirected to other CDCR budget areas, such as over-time, and how much is reverted back to the General Fund. What is known is that of the 10,000 budgeted vacancies, 2,500 of them are for medical staffing at a cost of \$350 million. CDCR has redirected these vacancy savings for registry costs, overtime, workers' compensation, and other budget gaps.

2. Judicial Branch

Overview. The total proposed 2024-25 budget for the Judicial Branch is approximately \$5.5 billion, of which \$4 billion is proposed for the trial courts. The Governor's Budget and May

Revision propose General Fund reductions of \$77.5 million in 2023-24, \$132 million in 2024-25 and \$107 million ongoing. There is also a total of \$105 million revenue transfer (\$100 million) and reduction (\$5 million) proposed as a General Fund solution. In addition, \$163 million in 2024-25 and \$63 million in new ongoing spending is proposed⁵.

The primary reduction proposed to the Judicial Branch is a \$97 million cut to trial courts. Another notable proposed reduction is \$16 million in 2023-24 and \$10 million ongoing to court reporters in family and civil matters, leaving \$20 million in ongoing funds available.⁶ The courts have more recently utilized various approaches to retain and recruit court reporters including retention and hiring bonuses. The Department of Finance has estimated that the proposed reduction reflects anticipated unspent funds due to positions that will likely remain unfilled despite the courts' hiring efforts. The unions representing court reporters have shared their concerns that the efforts made by the courts have been insufficient and this proposed cut would impact the progress that's been made and will negatively impact court users. One final notable proposed reduction is \$18.6 million for a pilot program focused on firearm relinquishment from individuals found by the court to be prohibited from possessing or owning a firearm. Staff notes that approximately \$9.2 million of this funding has been applied for by a number of trial courts.

In addition to these proposed reductions, proposals for increased funding include \$19 million ongoing for self-help centers and employee compensation adjustments.

3. Department of Justice

Overview. The 2024-25 proposed budget for the Department of Justice (DOJ) is \$1.3 billion, of which \$487 million is General Fund. The Governor's Budget and May Revision propose General Fund reductions of \$18 million ongoing and \$50 million in new proposed spending in 2024-25 and \$37 million ongoing⁷.

The Governor's Budget and May Revision includes a \$130 million loan from the Unfair Competition Law Fund as a General Fund solution. This is in addition to the \$400 million loan from the Litigation Deposit Fund that was authorized in the 2023 Budget Act.

A notable proposed reduction to the DOJ is \$15 million ongoing from the Division of Law Enforcement (\$10 million) and the Division of Legal Services (\$5 million). While the details of what programs would be cut is unknown at this time, staff notes that the \$10 million reduction to

⁵ Staff notes this new spending proposed amount does not include adjustments based on previously approved proposals or methodologies, standard baseline adjustments, technical adjustments, or continuous appropriations.

⁶ The Legislature had included \$30 million ongoing General Fund for court reporters in civil and family law matters beginning in 2021.

⁷ Staff notes this new spending proposed amount does not include adjustments based on previously approved proposals or methodologies, standard baseline adjustments, technical adjustments, or continuous appropriations.

the Division of Law Enforcement may impact task forces that focus on fentanyl, human trafficking, organized retail theft and others, and reduce coordination efforts with local law enforcement.

The new spending proposals include \$3.9 million in 2024-25, \$1.24 million ongoing for the Firearms Information Technology Systems Modernization Project and resources to support the implementation of 13 pieces of signed legislation.

4. California Office of Emergency Services

Overview. The total proposed 2024-25 budget for the California Office of Emergency Services (Cal OES) is approximately \$793.9 million, a 3.1 % increase over the proposed January Budget due to the recent receipt of additional federal funds. This budget reflects approximately \$147.7 million one-time General Fund reductions and \$22 million ongoing General Fund reductions. In addition, \$50 million in new spending is proposed for 2024-25 and \$1 million ongoing.

One notable reduction is the \$15 million General Fund reversion for the Seismic Retrofitting Program which was intended to provide financial assistance to multifamily housing property owners to subsidize retrofits of seismically vulnerable older apartment buildings. The reduction would end the program entirely. The budget also proposes an additional 911 surcharge of 5 cents for public safety radio modernization, providing funding of \$6.4 million annually for staff (some limited term) and \$23.7 million annually for four years to purchase new equipment. The current 911 surcharge is 30 cents.

Finally, the Cal OES Victim Services Program provides a number of federally funded grants to victim service providers to ensure victims of crime receive appropriate services. Cal OES has recently learned that its' federal Victims of Crime Act (VOCA) funding, effective July 1, 2024, will be significantly reduced, resulting in a 45 percent reduction in grant funding to California victim service providers. The Victim Services Program would require an additional \$103 million appropriation to simply maintain the current level of funding for victim services programs.

5. Board of State Community Corrections

Overview. Staff notes the May Revision includes a proposed reduction to the Adult Reentry Grant (\$54.1 million in 2023-24 and \$19 million each year for three years beginning in 2025-26) which provides housing support for people on parole, a reduction of \$40 million for the last year of the Public Defense Pilot to support indigent defense efforts in more than 30 counties, an ongoing reduction to the CalVIP grant program of \$9 million, and a reduction of the Medication Assisted Treatment (MAT) grant program which was provided \$10.5 million in one-time funds in the 2022 Budget Act to support local jails to address substance use disorder for people in jails.

6. Military Department

Overview. Staff notes the Governor's Budget includes \$15 million in 2024-25 and \$15 million in 2025-26 for a total of \$30 million additional funding for illicit drug interdiction efforts in the state. This proposal would build upon the \$30 million investment for these efforts included in the 2022 Budget Act. This augmentation is part of the overall proposed increased funding of \$33 million in 2024-25 and \$18 million ongoing for the Military Department.

7. Office of Inspector General

Overview. Staff notes the May Revision includes a reduction of medical inspection staff for the Office of Inspector General (OIG), resulting in less frequent medical inspections of prisons. The Department of Finance state that prisons that have not yet been delegated back to the state by the Federal Receiver would be scheduled using the existing schedule. It is also noted that the state operations reduction and vacancy sweeps to the OIG is unknown at this time; however, staff notes that they may have significant impact on the oversight and auditing functions of the OIG, resulting in less transparency and accountability of prison operations and policy.

Major Trailer Bill Proposals

- 1. Remote Court Hearings.** The trailer bill proposes to remove the sunset for remote court hearings so that they may continue to be used in the courts.
- 2. Trial Court Trust Fund Reserve Cap.** Existing law allows trial courts to carry over unused funds in an amount not to exceed 3% of the court's operating budget from the prior fiscal year. The proposed trailer bill would increase the amount to 5% or up to \$100,000.
- 3. Transfer of Juvenile Justice Grants Administration from the Board of State and Community Corrections to the Office of Youth and Community Restoration.** The proposed trailer bill effectuates the requirement in existing law to make this transfer by January 1, 2025.
- 4. CURES Fee Increase.** The trailer bill proposes to increase the fee from \$9 to \$15 for the Controlled Substance Utilization Review and Evaluation System (CURES) beginning April 1, 2025, for the maintenance and operations costs to support CURES. Current costs to support CURES is approximately \$4 million annually which the current CURES fund appropriation totals only \$2.8 million. Staff notes that the 2020 Budget Act increased the CURES fee temporarily to \$11 from April 1, 2021 to April 1, 2023, after which the fee was reduced to \$9 annually.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 6 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim and Bernie Orozco.