

MAY 21, 2020

Overview of Major Public Safety Proposals in the 2020-21 May Revision

PRESENTED TO:

Assembly Budget Subcommittee No. 5
On Public Safety
Hon. Shirley N. Weber, Chair



LEGISLATIVE ANALYST'S OFFICE

May Revision Reflects Reductions From January for Various Public Safety Departments

(Dollars in Millions)

	2020-21		Change	
	January	May	Amount	Percent
CDCR	\$13,200	\$13,151	-\$49	—
General Fund	13,200	13,151	-49	—
Special and other funds	—	—	—	—
Judicial Branch	\$4,277	\$3,994	-\$283	-7%
General Fund	2,192	2,147	-45	-2
Special and other funds	2,086	1,847	-239	-11
Department of Justice	\$771	\$747	-\$24	-3%
General Fund	380	366	-14	-4
Special and other funds	391	381	-10	-2
Office of Emergency Services	\$525	\$516	-\$9	-2%
General Fund	333	324	-9	-3
Special and other funds	192	192	—	—

CDCR = California Department of Corrections and Rehabilitation.

- The May Revision includes various proposals in the area of public safety to help address the state’s budget problem. For example, the Governor withdraws or modifies numerous January proposals. The Governor also proposes various reductions in baseline funding for various public safety departments and loans from numerous special funds to the General Fund.



Major May Proposals for Judicial Branch

Reduces Funding for Base Operations

- Withdraws a \$107.6 million (General Fund) base augmentation for trial court operations proposed in January. Proposes \$216.5 million (General Fund) ongoing trigger reduction to judicial branch operations—\$178.1 million to trial courts; \$23.2 million to state-level entities; and \$15.2 million to other judicial branch programs, such as dependency counsel.
- Recommend ensuring these reductions reflect legislative priorities. At minimum, trial court reductions should be allocated based on workload to ensure that courts with less resources relative to their workload receive a smaller share of the reduction. Other requirements could be imposed, such as ensuring certain service levels are met.

Increases Trial Court Fine and Fee Backfill

- Proposes a one-time \$273.8 million General Fund backfill due to declines in trial court fine and fee revenue—an increase of \$238.5 million above the amount proposed in January. (A backfill has been provided annually since 2014-15.) Includes language allowing the Department of Finance (DOF) to increase this amount as needed.
- Recommend modifying language to parallel notification required for funding unanticipated costs given uncertainty about the amount needed. This will ensure Legislature is informed of any augmentation requests and allow for review. Recommend requiring a quarterly report on actual and projected backfill needs to further increase oversight.



Major May Proposals for Judicial Branch

(Continued)

Provides One-Time Funding for Trial Court Backlog

- Proposes \$50 million one-time General Fund for trial court workload backlogged due to coronavirus disease 2019 (COVID-19). While a backlog exists due to reduced court operations, it is unclear whether the amount is appropriate.
- Recommend Legislature only take action after receiving information on size of backlog, as well as the effect the funding would have and how it would be distributed.

Provides Ongoing Funding for Court Modernization Projects

- Proposes \$25 million ongoing General Fund for projects to modernize court operations that would be selected by Judicial Council. Withdraws two January proposals for digitizing documents and information technology modernization projects totaling \$17.2 million in 2020-21.
- Reject proposed augmentation as projects should be requested through the normal budget process to ensure they are consistent with legislative priorities and sufficiently justified.

Suspends New Courthouse Construction

- Removes \$43.6 million one-time General Fund to begin the design and construction of \$2 billion in new courthouse construction projects to be pursued over five years. (Previously approved projects would continue.)
- Recommend approval of May proposal given condition of the state's General Fund.



Major May Proposals for Department of Justice (DOJ)

Makes Changes to Proposals for the Bureau of Forensic Services (BFS)

- Proposes \$35.8 million one-time General Fund to backfill the decline in criminal fine and fee revenue supporting BFS. Also includes language allowing DOJ to increase this amount as needed. Withdraws January proposal for (1) \$7.3 million for equipment and facility maintenance and (2) \$9.5 million one-time for site acquisition and planning for a new consolidated forensic laboratory campus.
- Recommend approving backfill but modifying the language to parallel notification required for funding unanticipated costs given uncertainty about the amount needed. Also recommend requiring local agencies to partially support the bureau beginning in 2021-22 and directing DOJ to develop a plan to implement these changes. Recommend approving the withdrawal of the January proposals.

Makes Changes to Various Other Proposals

- Withdraws or reduces various January proposals to expand DOJ programs. These include the withdrawal of \$5.8 million General Fund for tax recovery task forces and \$2.2 million General Fund for a new Healthcare Rights and Access section (\$6.9 million in proposed special fund support for the section is retained).
- Recommend approval of these changes given condition of the state's General Fund.

Proposes Loans From Various Special Funds

- Proposes \$155.2 million in one-time loans from five special funds to the General Fund. This amount includes the Gambling Control Fund (\$85 million) and the Fingerprint Fees Account (\$50 million).
- Recommend approval as the condition of the various special funds can accommodate the proposed loan amounts.



Major May Proposals for Office of Emergency Services (OES)

Maintains Additional Community Power Resiliency Funding

- Maintains \$50 million one-time General Fund to support state and local efforts to mitigate the effects of public safety power shutoffs.
- Recommend considering reducing funding given the condition of the General Fund and the lack of clarity about the amount needed for this purpose. If approved, recommend (1) adopting language defining how funds could be used (such as the amount for local assistance versus state operations) and (2) requiring OES to report on how funds are ultimately used and what outcomes are achieved.

Augments California Disaster Assistance Act (CDAA) Funding

- Proposes a \$38.2 million one-time General Fund increase for CDAA—\$21.5 million more than proposed in January—to reimburse local governments for certain costs associated with emergency-related activities. Administration indicates that some COVID-19 costs could be funded through CDAA (such as the state’s share of the Great Plates Delivered program).
- Recommend approving, but including language requiring legislative notification of the use of CDAA funding for COVID-19-related costs to help the Legislature track these costs.

Withdraws Wildfire Mitigation Financial Assistance Pilot Program Funding

- Withdraws \$100.8 million (\$25.8 million General Fund) for OES to implement the home hardening pilot grant program authorized by Chapter 391 of 2019 (AB 38, Wood). (The May Revision also reduces funding for the Department of Forestry and Fire Protection [CalFIRE] to implement this bill.)
- Recommend considering whether the removal of funding to support this recently passed legislation is appropriate or if a different level of funding is preferred in light of other General Fund priorities.



Major May Proposals for Office of Emergency Services (OES)

(Continued)

Reduces Wildfire Forecast and Threat Intelligence Integration Center Funding

- Reduces proposed funding for OES to create a new center to improve the state's ability to track and predict wildfire threats pursuant to Chapter 405 of 2019 (SB 209, Dodd) by \$359,000 (from \$2.4 million to \$2 million General Fund). Proposes language requiring DOF to approve a strategy and spending plan prior to OES expending the funds. (We note that funding from other departments, including CalFIRE, California Military Department, and Public Utilities Commission would also be reduced by a total of \$6.4 million General Fund.)
- Recommend approving the reduction given General Fund condition, but modify language to require OES to provide the Legislature with the strategy and spending plan prior to expending funds.

Maintains Disaster Planning, Preparedness, and Response Funding

- Maintains \$9.4 million (\$9.2 million General Fund) increase and 50 positions proposed in January to support many areas of the department's operations, such as finance and administration and disaster response.
- Recommend considering approving funding on a limited-term basis given uncertainty regarding the scale of future disaster-related workload and the need to limit ongoing General Fund spending.

Reverts Funding for Various Legislative Augmentations

- Reverts unspent funding provided in 2019-20 for various programs that have been high legislative priorities—such as Internet Crimes Against Children Program.
- Unclear why some of the funds have not been fully allocated to the intended recipients in the current year. Recommend weighing funding for these programs against other priorities, given the condition of the General Fund.



Major May Proposals for California Department of Corrections and Rehabilitation (CDCR)

Proposes Population Reduction Measures and Prison Closure

- Proposes to (1) reduce reception center processing time—allowing inmates to access rehabilitation programs earlier and earn more time off their prison terms—and (2) increase amount of time certain inmates earn off their prison terms through good behavior. These changes would reduce the inmate population by nearly 11,000 inmates by 2023-24.
- Proposes to close one prison in 2021-22 and another in 2022-23, without identifying the prisons. These changes create \$6.4 million in savings in 2020-21 and hundreds of millions of dollars more in future years.
- Population reduction would likely allow the state to close more than two prisons. Recommend directing CDCR to rank prisons for closure based on specific criteria (such as cost per bed). Recommend not approving prison infrastructure projects until the specific prisons for closure are identified. This would also give more time to assess the impact of population changes on infrastructure need.

Reduces Parole Terms and Creates Parole Earned Discharge Process

- Proposes to cap parole terms at 24 months for most parolees and establish a parole earned discharge process. These changes would reduce the parole population by about 5,000 and create \$23 million in savings in 2020-21 with tens of millions of dollars in increased savings in future years.
- Proposal would focus resources on the time period when parolees are most likely to recidivate and increase their incentive to adhere to their parole conditions. Proposal could be further reduced by \$5 million to account for additional savings, such as savings associated with having fewer individuals on electronic monitoring.



Major May Proposals for California Department of Corrections and Rehabilitation (CDCR)

(Continued)

Realigns Division of Juvenile Justice (DJJ) to Counties

- Cancels plan to transition DJJ from CDCR into a new entity, the Department of Youth and Community Restoration (DYCR). By eliminating DYCR's budget and resources to support the transition, these changes result in a net savings to the state of about \$20 million in 2020-21.
- Proposes to realign DJJ to be a county responsibility by stopping intake of new youth into DJJ beginning January 1, 2021 and allowing DJJ's population to decline through attrition. Provides counties funding to help cover the costs associated with housing youth who would otherwise be housed in DJJ. While these changes only create \$1 million in savings in 2020-21, the eventual closure of DJJ would create additional savings in future years.
- Recommend approving, as it is generally consistent with our prior recommendations, but adopting budget trailer legislation to (1) set a concrete date for the full closure of DJJ by June 30, 2023, (2) allow counties to contract with DJJ at full cost to assist counties with the transition, (3) incentivize counties to recall DJJ wards before the closure date, (4) replace the proposed funding for counties with an amount that BSCC determines necessary to run an effective and efficient program beginning July 2021, and (5) take steps to reduce the likelihood of youth being sent to state prison as a result of the realignment.

Funding Adjustments Do Not Account for COVID-19 Impacts

- Likely COVID-19 impacts have not been accounted for in various funding adjustments including (1) expanding the Integrated Substance Use Disorder Treatment Program (ISUDTP) (\$91 million), (2) increasing funding for medical guarding and transportation (\$14.3 million), and (3) making various population related adjustments (\$8 million reduction).



Major May Proposals for California Department of Corrections and Rehabilitation (CDCR)

(Continued)

- Recommend reducing proposed increase for ISUDTP by \$45 million on a one-time basis as the proposed increase would expand access to health and rehabilitation services that have been substantially curtailed to promote physical distancing. The physical distancing policies will likely prevent the services from expanding for at least a portion of the budget year. (Because these policies will remain in place for an unknown amount of time, the actual savings could be higher or lower.)
- Recommend considering removing some or all of the proposed \$14 million augmentation to CDCR's \$613 million medical guarding budget as COVID-19 has reduced inmate medical appointments.
- Recommend directing CDCR to provide population and fiscal projections by October 1, 2020 that reflect the impact of COVID-19 to allow the Legislature to assess whether there are additional savings.



Other Major May Proposals

Removes Funding for Expanded Authority of Office of the Inspector General (OIG)

- Removes funding associated with expanded authority of the OIG that was approved as part of the 2019-20 budget. This authority included allowing the OIG to initiate investigations, audits, or reviews of policies, practices, and procedures within CDCR.
- By removing this funding, it is unlikely that the OIG will be able to make use of its new authority.

Provides Funding for Post-Release Community Supervision Grants

- Provides \$12.9 million for county costs associated with inmates being released early from prison to the supervision of county probation.
- While the state has typically provided this funding to offset near-term county cost increases, it is not obligated to do so as these costs will be offset by future savings. Given the state's fiscal condition, the Legislature could reconsider providing this funding.

Makes Various Peace Officer Standards and Training Reappropriations and Reversions

- Proposes to (1) reappropriate \$10 million unspent one-time General Fund from 2018-19 to support increased distance learning training opportunities and (2) revert \$16.5 million unspent one-time General Fund resources appropriated in past years. The funds come from funding for implicit bias and procedural justice training (provided in 2016-17), use of force or crisis mental health training (provided in 2018-19), and local assistance (provided in 2019-20).
- Reappropriation could result in expansion of how state provides training effectively and reversion helps address condition of the General Fund.

