



CALIFORNIA PROBATION, PAROLE AND CORRECTIONAL ASSOCIATION

To: All CPPCA Members

From: Danielle Higgs, Legislative Representative, Danielle@warnerandpank.com

Date: May 14, 2013

Subject: Governor Releases May Revision to 2013-14 Budget

Today, Governor Brown released his May Revision to the 2013-14 Budget which proposes a multiyear plan that maintains a \$1.1 billion reserve and pays down budgetary debt. The May Revision economic forecast reflects modest, but steady growth over the next five years. Yet, the budget remains balanced only by a narrow margin. Further, the state must begin to plan now to ensure that the budget will remain balanced after the temporary Proposition 30 tax revenues expire.

You can view the entire May Revision at: http://www.dof.ca.gov/documents/2013-14_May_Revision.pdf. Please note that the May Revision summary only includes those changes that were made to the January Proposed Budget. Proposals in the January Budget remain intact unless indicated in the May Revision. Below we have summarized many of the major changes as outlined in the Governor's May Revision.

REALIGNMENT IMPLEMENTATION TRAILER BILL LANGUAGE

The 2013-14 trailer bill language relating to realignment implementation is included in the Governor's May Revision. Language for these budget trailer bills is posted on the Department of Finance website at the following link: http://www.dof.ca.gov/budgeting/trailer_bill_language/corrections_and_general_government/documents/

PUBLIC SAFETY DETAILS

- **California Community Corrections Performance Incentive Act (SB 678)** – An increase of \$72.1 million General Fund for the allocation of SB 678, bringing the total funding to \$106.9 million for county probation departments that demonstrate success in reducing the number of adult felony probationers going to prison or jail for committing new crimes or violating the terms of probation. This augmentation continues to support probation efforts targeted at reducing recidivism and encouraging alternatives to incarceration.
- **Reduction in Realignment Growth Funding** - As part of the May Revision, the estimates for projected sales and use tax for 2012-2013 fell below projections made in the January budget proposal by approximately 2.3% (approximately \$500 million total statewide) and are estimated to fall an additional approximately 1.2% (approximately \$300 million) in 2013-2014 from the January budget projections. Because the funding for Realignment is tied almost exclusively to sales and use tax, the projection shortfalls have negatively impacted the projected growth funding for 2012-2013 and 2013-2014.

Here are two charts showing the difference in projected growth money for 2012-2013 and 2013-2014 from the January projections and the May Revision. In short, counties will receive \$121.7 million less (\$42.6 million law enforcement / \$79.1 million HHS) in 2012-2013 and \$27.8 million less (\$9.8 million

law enforcement and \$18 million HHS) in 2013-2014 than initially forecast. The base program allocations have not been affected.

2012-13				
Growth	Jan	May	% Difference	\$ Difference
LE	103.1	60.5	-41%	-42.6
HHS	191.5	112.4	-41%	-79.1
Total	294.6	172.9		-121.7
2013-2014				
Growth	Jan	May	% Difference	\$ Difference
LE	119.7	109.9	-8.19%	-9.8
HHS	222.3	204.3	-8.10%	-18.0
Total	342.0	314.2		-27.8

CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The May revision includes \$9.1 billion (\$8.8 billion General Fund and \$252 million other funds) for CDCR in 2013-14.

- Long-Term Offenders – The May Revision proposes additional tools to assist counties in managing long-term offenders. The proposal authorizes CDCR to house long-term offenders, provided the county agrees to accept an equivalent average daily population of short-term offenders. The proposal relies on County Parole Boards to make the determination to send long-term inmates to state prison after inmates have served three years of their sentence in a county jail. Lastly, the proposal establishes a presumption of a minimum level of split sentencing but authorizes a judge to make an exception if the judge determines that a split sentence is not appropriate.
- Expand Fire Camp Capacity – An increase of \$15.4 million to reflect 3,800 state prison inmates participating in fire camps. The 2012 Budget Act assumed that the number of inmates in fire camps would decrease to 2,500 in 2013-14. As a result, the Governor’s Budget included a \$15.4 million General Fund reduction for lower levels of custody staffing. Based on more recent projections, there are sufficient eligible inmates to maintain all current fire camps and crews. Housing these additional inmates in fire camps provides overcrowding relief, expands credit earning opportunities, and supports fire suppression.
- Drug Interdiction Program – An increase of \$6.6 million General Fund to reduce the prevalence of drugs in prisons by implementing various initiatives that have proven successful in other states. This proposal is intended to increase correctional staff and inmate safety, reduce inmate violence and the use of solitary confinement, and increase participation in rehabilitative programs.

- Health Care Reorganization – To support the transition of inmates health care back to the state, the Administration is proposing the establishment of a third Undersecretary and related executive positions to oversee CDCR’s adult inmate health care services programs. These positions will not be filled until a transition plan and timeline have been finalized.
- Adult Population Adjustment- An increase of \$11.5 million General Fund in 2012-13 and \$6.7 million General Fund in 2013-14 for adult inmate and parole population changes. The revised average daily population projections for adult inmates are 132,621 in the current year and 128,885 in the budget year, an increase of 398 and 280, respectively. The mental health population projection is 31,889 in the current year and 31, 753 in the budget year, an increase of 1,966 and 2,321, respectively. The revised average daily population projections for parolees are 62,498 in the current year and 46,358 in the budget year, an increase of 60 parolees and decrease of 1,262 parolees, respectively.
- Juvenile Population and Workload Adjustment – A decrease of \$353,000 Proposition 98 in 2012-13 and \$2.4 million (\$1.4 million General Fund and \$1 million Proposition 98) in 2013-2014 for Juvenile population adjustments and cost changes. The revised average daily population projections for wards are 821 in the current year and 679 in the budget year, a decrease of 50 wards in the current year and 234 wards in the budget year. The May revision reflects budget changes necessary to continue serving a reduced juvenile population, including establishment of a ward-driven Operation Expenses and Equipment funding mechanism, funding the cost of mental health treatment provided by the Department of State Hospitals, and funding the actual salaries for filled custody positions.

DEPARTMENT OF STATE HOSPITALS

- Intermediate Care and Acute Units - The May Revision contains \$22.1 million (\$16 million General Fund) and 173 positions to establish four new units and convert one existing unit at three state hospitals. This funding would increase the number of beds by 155 and better accommodate patient population for Lanterman-Petris-Short, Incompetent to Stand Trial, Mentally Disordered Offender, and Sexually Violent Predator commitments.
- Patient Management and Bed Utilization Unit – Proposes \$1.8 million General Fund and 18 positions in 2013-14 to establish a Patient Management Unit to provide more appropriate patient-security level placement.
- Patient Inpatient Hospital Programs co-located with the CDCR – A net decrease of \$10 million General Fund and 3.1 positions resulting from the transition of beds from DSH-Salinas and DSH-Vacaville to the California Health Care Facility in Stockton. This proposal is consistent with the approved Mental Health Bed Plan and would provide necessary inpatient treatment staff for the Psychiatric Programs co-located with CDCR facilities.

MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION

- Evaluation Master Plan – The May Revision includes \$947,000 Mental Health Serviced Fund and 6 positions to begin implementation of the Mental Health Services Act Evaluation Master Plan approved by the Commission on March 28, 2013.