



CALIFORNIA PROBATION, PAROLE AND CORRECTIONAL ASSOCIATION

To: All CPPCA Members

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

Date: January 9, 2015

Re: Governor Brown Releases Proposed January 2015-16 Budget

Today, Governor Brown released his proposed 2015-16 Budget. The Budget proposes approximately \$113.3 billion in spending, but reflects the Governor's stated desire to continue to be prudent in the way we spend public funds despite a more positive economic turn. The Governor's Budget reflects mandated commitments to education via Prop 98 as well implementation costs of the Affordable Care Act. Consequently, after funding for these two large programs, there are very limited General Fund discretionary dollars for other programs. The Budget assumes a \$4 billion increase in revenue through June 2016. We expect, as a result, that the Governor will continue to mitigate new spending which the Legislature is likely to seek, particularly in the area of health and human services.

The Budget does represent a continued commitment to public safety and probation among other key program areas. Investments are proposed for SB 678, to mitigate second strike PRCS offenders, and continuing CCP implementation grants among other programs.

The final budget is due to the Governor by June 15 and must be signed into law by July 1, 2015. We will continue to review and advise as more information becomes available.

You can access the full budget summary at: <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

PUBLIC SAFETY ITEMS

SB 678 – (page 83) The Budget includes \$125 million based on the formula used for the 2014–15 allocation; however, the Governor outlines that DOF will need to continue to work with CPOC, Judicial Council, and CDCR to revise the formula.

Funding for PRCS Second-Strike Offenders with Enhanced Credit Earnings - (page 76) An additional \$16 million is proposed to be appropriated directly to probation departments to address accelerated release of some PRCS offenders as a result of the Three Judge Panel orders.

CCP Implementation Grants – \$7.9 million is proposed to go out to the counties that report on their realignment efforts to the BSCC. The funds would be distributed based on the most recent county population as follows: (1) \$100,000 to each county with a population of 0 to 200,000, inclusive, (2) \$150,000 to each county with a population of 200,001 to 749,999, inclusive, and (3) \$200,000 to each county with a population of 750,000 and above.

Realignment Chart – (page 64) Realignment funding for the Community Corrections Subaccount which accounts for AB 109 programmatic funding is projected to grow to \$1.06 billion in 2015-16. This represents an overall increase of approximately \$128 million from last year and an approximate \$63 million increase from two years ago before counties



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witnessed the drop in funding. Projected growth for this account attributed to the 2014-15 budget year which counties will receive in the 2015-16 budget year (specifically fall 2015) is projected to be slightly lower than projected last year by approximately 24 million (down from \$151.8 to \$127.7). The state estimates AB 109 growth for 2015-16 to be \$113.7 million.

State Penalty Fund/Peace Officer Training (page 84) - The State Penalty Fund was created as a depository for assessments on specified fines, penalties, and forfeitures for criminal offenses. These funds are then distributed among eight special funds, two of these being POST and the Corrections Training Fund. Both are projected to become insolvent in 2015-16 due to structural deficits. To address this insolvency, the Budget reflects approximately \$12 million in additional penalty assessment revenues resulting from the establishment of an 18 month outstanding debt amnesty program that would be administered by the courts and counties. The Administration plans to address the long-term solvency by zero-basing all programs funded by the State Penalty Fund. As a first step, the Budget would reduce POSTs administrative costs by \$5.3 million in 2015-16.

CDCR

CDCR Budget (page 73) – The budget proposal for the entire department is \$10.3 billion for 2015-16 which comprises 9 percent of the overall state general fund, same percent as last year. Population estimates remain fairly consistent with the projections from the end of last year with a total projection of 135,897 ADP for 2014-15 and 137,002 ADP for 2015-16 which will continue to keep CDCR within court ordered benchmarks. The ability to meet the benchmarks continue to hinge on the use of contract beds at both in and out of state facilities. The parole ADP is projected to be 43,226 in 2014-15 and 40,467 ADP in in 2015-16. DJJ population is increasing over last year’s projections by 29 and 53 respectively for a total of 685 ADP in 2014-15 and 709 in 2015-16.

Prop 47 - (page 77) The budget does not reflect estimated 2015-16 savings. The first transfer of state savings to the Neighborhoods and Schools Fund doesn’t occur until 2016-17. If there are savings, eventually there could be funds awarded by the BSSC for programs.

Recidivism Reduction Fund - (page 79) As you will recall, the Recidivism Reduction Fund (RRF) was established via SB 105 in 2013. CDCR received \$42 million for various activities aimed at reducing recidivism. Due to delays in implementation, CDCR has \$28.2 million of the original amount available for expenditure. The Budget proposes to reappropriate \$12.6 million to enter into contracts with community reentry facilities. Further, the Budget proposes the remaining \$15.6 million for the expansion of substance use disorder treatment at non-reentry hub institutions. This is not new money to CDCR from the RRF; rather, it is a reappropriation of funds not spent in the previous year.

Career Technical Education/Prison Industry Authority (page 79) – The Budget includes \$2.6 million for CDCR to contract with the California Prison Industry Authority to provide 342 CTE offender training slots, approximately two-thirds of which are for female inmates.

HEALTH AND HUMAN SERVICES

California Department of Social Services (CDSS) - (page 69) In his January release, the Governor has included \$9.6 million for CDSS to begin implementation of the Continuum of Care Reform (CCR). The CCR is the State’s effort to reduce the utilization of group homes, moving towards family-based placements and ultimately reducing the length of



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stay for youth in placement whenever possible. This start-up funding is targeted towards the following: 1) recruitment and retention of home-based family care providers which are the foundation of CCR and 2) increasing the capacity of social workers within foster family agencies to provide services to youth in home-based family care placements. The CDSS released the final CCR report (found [here](#)) in conjunction with the Governor's Proposed Budget.

Mental Health and Substance Use Disorder Services - (page 63) The Department of Health Care Services (DHCS) continues to be in the process of recertifying active Drug Medi-Cal providers due to its efforts to eliminate fraud and abuse in the program. DHCS projects this process to be complete in November 2015. The budget extends the 21 positions and \$2.2 million (\$1.1 in General Fund) appropriated in 2014 into the 2015-16 budget year to complete the recertification efforts as well as implement on-site monitoring of providers. The recertification process has impeded treatment for offenders and it is hoped that completion of DHCS' recertification efforts will improve treatment resources for the offender population.

Cost of Drugs – (page 54) The proposed Budget reserves \$300 million to account for the fiscal impact of high-cost drugs for several new Hepatitis C drugs for inmates in state prisons, patients in state hospitals and participants in Medi-Cal and other programs.

JUDICIAL BRANCH

Trial Courts – (page 113) The Budget includes \$180 million in proposed new funding for the Judicial Branch including \$90.1 million to support trial court operations and \$26.9 million to reflect a projected increase in trial court workload as a result of the passage of Proposition 47.

STATE HOSPITALS

Incompetent to Stand Trial - (page 66) The proposed Budget highlights the continuing waitlist of 400 adult IST patients waiting to be admitted to the Department of State Hospitals. The Budget notes the efforts that have previously been undertaken and sets up the issue for further discussion.

OTHER ITEMS

State Mandate Repayment – (page 124) The Budget proposes \$533 million in accelerated payments to local governments to pay off some of the mandate debt owed by the state for costs incurred prior to 2004. This is based off of a trigger mechanism that will be used if, at the 2015 May Revision, estimated GF revenues exceed estimates. After satisfying the Prop 98 guarantee, additional revenues will pay down the remainder (\$800 million) of the state's pre-2004 mandate debt. The proposed \$533 will provide counties, cities, and special districts with general purpose revenue. It is the Administration's expectation that local governments use these funds for core services such as public safety and improving the implementation of 2011 Realignment.

Career Technical Education – (page 26) The Budget proposes \$250 million in one-time Proposition 98 funding in each of the next three years to support a transitional CTE Incentive Grant Program. Unlike the existing Career Pathways Trust Program, school districts, county offices of education and charter schools receiving funding from this new transitional program will be required to provide a dollar-for-dollar match, and priority for these state funds will be given to local educational agencies applying in partnership with other local educational agencies to offer regional



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programs. To maintain eligibility for funding under the CTE Incentive Grant Program, recipients will need to demonstrate positive results across a spectrum of outcome measures.

Workforce Investment

- *Workforce Investment Plan* - (page 48) The Budget lays out a framework to strengthen the workforce and specifically highlights targeting education and employment services to special populations including, but not limited to, formerly incarcerated individuals. The Labor and Workforce Development Agency will develop the United States Workforce Investment Plan over the next year which will include, among other things, input from community correctional programs.
- *Workforce Grants* - (page 50) The Governor proposes significant investment in adult education, career technical education, workforce investment and apprenticeships in an effort to address poverty and income inequality. The federal Workforce Investment Act of 2014 included a substantial investment in workforce investment targeting youth, adults and dislocated workers. A portion of the funding the state received this year is discretionary (California received \$34.5 million in discretionary funding in 2014). Discretionary funding is expected to increase in 2015-16 and the state intends to provide further details in its May Revision; however, the Governor notes in his January budget two grants highlighted for potential funding which present opportunities for both juvenile and adult probationers include the following:
 - SlingShot Regional Grants – Provided \$5.2 million in 2014-15 budget to address regional barriers to employment.
 - Regional Workforce Accelerator Program Grants – Provided \$3.2 million in 2014-15 to partnerships for job training, support services, and job placement assistance for various target populations including formerly incarcerated individuals.

Augmentation to Support City Law Enforcement Activities – (page 84) The Budget proposes to continue \$40 million for front line law enforcement. The BSCC allocates funds to one city in each county named as the fiduciary and then the local law enforcement agencies in that county decide how it is distributed.