

SUBCOMMITTEE NO. 5

Agenda

Senator Loni Hancock, Chair
Senator Joel Anderson
Senator Curren D. Price, Jr.



Thursday, May 23, 2013
10:00 am
Room 113
Part B
Consultants: Joe Stephenshaw

OUTCOMES

Item Number and Title

Page

Vote Only

- 0855 Gambling Control Commission
 - (1) Remote Caller Bingo **Staff Reco Approved 3-0**

- 0250 Judicial Branch
 - (1) Trial Court Trust Fund – Technical Adjustment **Staff Reco Approved 3-0**
 - (2) Immediate and Critical Needs Account Transfer **Staff Reco Approved 3-0**
.....
 - (3) Control Section 15.45 **Staff Reco Approved 3-0**
 - (4) New Long Beach Courthouse **Staff Reco Approved 2-1 (Anderson No)**..
 - (5) Trial Court Efficiency Proposals and Fee Revenue Increase **Staff Reco Approved 2-1 (Anderson No)**

- 5225 California Department of Corrections and Rehabilitation
 - (1) Health Care Reorganization **Staff Reco Approved 3-0**

- 5227 Board of State and Community Corrections
 - (1) Executive Committee Language **Staff Reco Approved 3-0**.....
 - (2) Baseline Budget Adjustment **Staff Reco Approved 3-0**

To be Heard

- 0250 Judicial Branch
 - (1) Issue 1 – Judicial Branch Contract Law Audits **Staff Reco Approved 2-1 (Anderson No)**

- (2) Trial Courts Cash Management **Staff Recos Approved 3-0 Plus \$100 million GF to the Trial Court Trust Fund**.....
- (3) Judicial Branch – Capital Outlay Projects **Staff Recos Approved 3-0**.....

5225 California Department of Corrections and Rehabilitation

- (1) Expand Fire Camp Capacity **Staff Recos Approved 3-0**.....
- (2) Parole Compliance Workload **Staff Recos Approved 3-0**.....
- (3) Population Adjustment **Staff Recos Approved 3-0**
- (4) Juvenile Population Adjustment **Staff Recos Approved 3-0**
- (5) Public Safety Trailer Bill Language **Staff Recos Approved 3-0, except for Camp Credits, which was 2-1 (Anderson No)**.....
- (6) Community Corrections Performance Incentive Act **May Revise Approved 3-0, Additional Language 2-1 (Anderson No)**.....
- (7) Reappropriation and Scheduling of Rehabilitation Program Funds **Staff Recos Approved 3-0, with report back to the committee regarding use of Inmate Welfare Fund**
- (8) Parolee Mental Health and Medi-Cal Expansion **Staff Recos Approved 2-1 (Anderson No)**.....
- (9) AB 900 General Fund **Staff Recos Approved 2-1 (Anderson No)**.....

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Vote Only

Gambling Control Commission (0855)

Issue 1 – Remote Caller Bingo

Governor’s Proposal. The May Revision proposes \$2,000 to support workload associated with the licensing of Remote Caller Bingo vendors, and trailer bill language to extend the repayment date of two loans from the Gambling Control Fund that were used by the Gambling Control Commission to establish the Remote Caller Bingo Program.

Recommendation. Approve as budgeted.

Judicial Branch (0250)

Issue 1 – Trial Court Trust Fund – Technical Adjustment

Governor’s Proposal. An April Finance Letter proposes a decrease of \$28 million in Trial Court Trust Fund Authority to correct a technical error related to the Automated Traffic Enforcement proposal from fiscal year 2010-11.

Recommendation. Approve as proposed.

Issue 2 – Immediate and Critical Needs Account Transfer

Governor’s Proposal. The Governor’s May Revision proposes an amendment to the Immediate and Critical Needs Account transfer item to ensure the transfer does not adversely affect ongoing construction projects.

Recommendation. Approve as proposed.

Issue 3 – Control Section 15.45

Governor’s Proposal. The Governor’s May Revision proposes that Control Section 15.45 be added in order to offset General Fund Payments to the Trial Court Trust Fund with funds received from county offices of education.

Recommendation. Approve as proposed.

Issue 4 – New Long Beach Courthouse

Governor’s Proposal. The Governor’s Budget proposes \$34.8 million (\$54.2 million in 2014-15) from the Immediate and Critical Needs Account (ICNA) for the initial annual service fee for the new Long Beach court building.

Recommendation. 1) Approve the proposal to fund the service payment for the new Long Beach courthouse from ICNA.

2) Adopt trailer bill language to a) require the AOC Judicial Council to report to the Legislature on aspects of the Long Beach project in order to assess the value of this project delivery method, and b) require the development and adoption of best practices for P3 projects, as recommended by the LAO in their November 2012 report.

Issue 5 – Trial Court Efficiency Proposals and Fee Revenue Increase

Governor’s Proposal. The Governor proposes trailer bill language for a range of statutory changes to reduce trial court workload through administrative efficiencies and increase user fees to support ongoing workload at the trial courts.

An April Finance Letter proposes an increase of \$10.3 million to the Trial Court Trust Fund to reflect anticipated revenues associated with three of these proposals: the exemplification of record (\$164,660), copy and comparison (\$5.9 million) ,and mailing services fees (\$200,000), and also the \$30 fee for court reporting services lasting under one hour as authorized by the 2012 Budget Act (\$4.0 million).

Recommendation. Approve the following proposals:

1. Court-Ordered Debt Collection
2. Court-Appointed Dependency Counsel
3. Copies or Comparisons of Files
4. Exemplification of a Record
5. Small Claims Mailing
6. Trial by Written Declaration
7. Approve the April Finance Letter to recognize increased fee revenue.

Approve the following proposals with modification:

1. Preliminary Hearing Transcripts – Modify to allow a local court, by rule, to require counsel to make a request for preliminary hearing transcripts.
2. Records Search – Exempt the press from new fee.

Department of Corrections and Rehabilitation (5225)

Issue 1 – Health Care Reorganization

Governor's Proposal. The May Revision proposes trailer bill language intended to authorize the establishment of a third undersecretary, to oversee CDCR's adult inmate health care services programs. The proposal also includes two new director positions to report to the undersecretary; one to oversee the Division of Health Care Operations and the other to oversee the Division of Health Care Policy and Administration.

Recommendation. Approve as proposed.

Board of State and Community Corrections (5227)

Issue 1 – EXECUTIVE COMMITTEE LANGUAGE

Governor's Proposal. The May Revision proposes trailer bill language to provide that members of the board are not financially interested in any contract made by the board based upon the receipt of compensation for holding public office or public employment. This would ensure the continued use of the historically effective Executive Steering Committee (ESC) process for developing recommendations to the Board.

The TBL will exempt board members, who receive compensation for holding public office or employment, and allow them to continue to serve as ESC members or on any delegated committee.

Recommendation. Approve as proposed

Issue 2 – Baseline Budget Adjustment

Governor's Budget. The Governor's Budget proposes 9 positions, funded from existing resources, for research activities, the administration of the local jail construction financing program, authorized by Chapter 42, Statutes of 2012 (SB 1022), and other

administrative functions necessary for the board to operate as an independent entity. These positions consist of 5 research positions (1 Research Specialist V, 1 Research Specialist III, 2 Research Program Specialist I's, and 1 Research Analyst), 3 Associate Governmental Program Analysts, and 1 Executive Assistant.

Recommendation. Approve this request with the adoption of the following budget bill language to 1) require the BSCC to report on activities related to evidence-based practices and 2) require that one of the research positions be designated for juvenile justice issues.

- The Board of State and Community Corrections shall develop recommendations for how it can build its clearinghouse and technical assistance capacity for collecting and providing user-friendly information to assist state and local corrections with selecting, implementing, and evaluating evidence-based or promising programs, services, and treatment practices for managing criminal offenders in the community. The board shall provide a written report to the appropriate fiscal and policy committees of the Legislature of its recommendations, and a description of how the board developed its recommendations, on or before May 1, 2014.
- The positions included in this item for research activities shall include 1 juvenile justice research and program specialist to assist BSCC, including its Juvenile Justice Standing Committee, in the development of standardized juvenile justice system performance and quality assurance measures, and in planning for necessary upgrades of state and local data systems to support those measures, with the goal of advancing juvenile justice best-practices that will promote public safety while assuring positive outcomes for justice-involved youth.

Items to be Heard

Judicial Branch (0250)

Issue 1 – Judicial Branch Contract Law Audits

Governor’s Proposal. The Governor’s budget proposal includes trailer bill language authorizing the AOC to contract with the Controller, Department of Finance (DOF), or State Auditor to perform mandated contracting audits.

Recommendation. Reject the proposed trailer bill. Adopt, the following solutions to address the cost of the State Auditor’s court contracting audits:

1. Appropriate \$325,000 to the Trial Court Trust Fund.
2. Adopt budget bill language that specifies that this funding is to be allocated, by the Judicial Council, to trial courts that are audited by the State Auditor pursuant to the court’s contracting provisions, and that the funds are to be paid the State Auditor for the costs of these audits.
3. Modify statute to make the court’s contracting audit program a more selective, risk-based audit program.

Issue 2 – Trial Courts Cash Management

Governor’s Proposal. The Governor has proposed trailer bill language to address trial court cash management concerns.

Recommendation. Approve trailer bill language to increase the amount of funds that a trial court can carryover, from one fiscal year to the next, to 12 percent. In addition, adopt the Administration’s proposed exclusions from the calculation of the 12 percent carryover. **The sub-committee also added \$100 million GF to support trial courts.**

Issue 3 – Judicial Branch – Capital Outlay Projects

Governor’s Proposal. A May 1 Finance Letter proposes 1) \$522.3 million (\$511.4 in Lease Revenue Bond Authority (LRB), and \$10.9 from the Immediate and Critical Needs Account (ICNA) for the construction phase of three court construction projects, 2) \$15.4 million from the ICNA for the working drawings phase of five projects, 3) the reappropriation of \$240.2 million in LRB authority for the construction phase of one

project, and 4) reimbursement authority of \$3.6 million for the preliminary plans phase of one project.

Recommendation. Approve as proposed.

California Department of Corrections and Rehabilitation (5225)

Issue 1 – Expand Fire Camp Capacity

Governor’s Proposal. The Governor’s May Revision proposes \$15.4 million General Fund, and 140 positions, to retain the maximum number of fire camps and inmate crews.

Recommendation. Approve as proposed.

Issue 2 – Parole Court Revocation and Compliance Workload

Governor’s Proposal. The Governor’s May Revision proposes \$8.3 million General Fund, and 60.0 positions on a one-year limited-term basis, to address court revocation and compliance workload to address *Valdivia* compliance.

Recommendation. Approve as proposed.

Issue 4 – Population Adjustment

Governor’s Proposal. The May Revision includes an increase of \$11.5 million GF in 2012-13, and \$6.7 million GF in 2013-14, to support various costs directly related to adult inmate and parole population changes.

Recommendation. Approve as proposed.

Issue 5 – Juvenile Population Adjustment

Governor's Proposal. The May Revision proposes to adjust the CDCR's budget based on updated juvenile ward population trends. This proposal includes a decrease of \$425,000 General Fund in 2012-13, and a decrease of \$2.8 million General Fund in 2013-14.

Recommendation. Approve as proposed. In addition, adopt budget bill language to require the DJJ report back to Joint Legislative Budget Committee on potential cost reductions as their population declines.

Issue 6 – Public Safety Trailer Bill Language

Governor's Proposal. The Administration has proposed trailer bill language related to state and local public safety issues.

The proposals for the subcommittee's consideration are:

Notification of Reception Center or Parole Office Closure – Require CDCR to provide written notification at least 90 days prior to the opening, closure, or change of location of a reception center or parole office.

Misclassified Post-Release Community Supervision or Parole Placement – Provide a 60-day period during which an offender can be transferred from the jurisdiction of parole to probation or from probation to parole. After this period, the offender would remain under the supervision of the jurisdiction to which the offender was released for the remainder of his/her supervision term, regardless of the original offense.

Health Care Information for Offenders Released from Prison to Post Release Community Supervision - Provides for a standard set of health care information to be provided by the CDCR to counties for all inmates placed on post-release community supervision, regardless of whether the inmate consents to the release of health care information. This will require an exemption from federal HIPAA regulations, which would be requested after legislation is enacted.

Parole Revocation Hearings – Current law provides that parole revocation hearings happen in the jurisdiction of where a parolee resides. The proposed language revises current law to state that a parole revocation hearing could also occur in the jurisdiction where the parole violation occurred, as recommended by the Board of Parole Hearings/Administrative Office of the Courts transition working group.

Mandatory Supervision Following Early Release of Split Sentence – Clarifies existing law to specify that the supervision portion of a split sentence begins when the

person is released from jail. This avoids a gap in supervision in those instances when inmates are released early due to jail capacity issues.

Controller Disbursement of Local Subventions: Monthly vs. Quarterly – Pursuant to current law, the Controller disburses subventions from the Law Enforcement Services Subaccount (JJCPA/COPS, Booking Fees, Juvenile Probation, et al) and the Juvenile Justice Subaccount (YOBG and JRF) on a quarterly basis. These funds should be disbursed monthly, consistent with the intent of realignment in maximizing local control and flexibility.

Ongoing Law Enforcement Services Growth Allocation – The realignment superstructure bill trailer bill did not specify how growth funding is allocated to the various subaccounts after 2012-13. This proposal would continue the current distribution split on an ongoing basis.

Conservation Camp Credits for Locals – Local governments lack the statutory authority to provide credits for programs similar to those conducted by the state. Inmates in state prisons can earn six weeks per year for completing educational programs. Also at the state level, inmates earn two for one credits for time served in fire camps. Local agencies propose establishing statutory authority to provide credits for education programs and participation in conservation camps, which contain crews that do outdoor preservation projects, such as cleaning up parks and open spaces.

Recommendation. Approve as proposed.

Issue 7 – Community Corrections Performance Incentive Act (SB 678)

Governor's Proposal. The May Revision proposes \$72.1 million (for a total of \$106.9 million), and trailer bill language, to support county probation departments that are successful in reducing felony probation failure rates.

The trailer bill language proposes to:

- 1) require the AOC to collect additional data on the felony probation population relating to the number of Penal Code Section 1170(h) convictions;
- 2) revise the probation failure rate calculation so that it includes revocations resulting in county jail incarceration;
- 3) add a third tier of performance incentive payments for counties that demonstrate improved felony probation outcomes, but that still have combined probation failure rates above the 2006 through 2008 baseline statewide average; and,

4) remove the statutory authority to fund the Administrative Office of the Courts' (AOC) workload associated with SB 678 and realignment (a separate appropriation was proposed in the Governor's Budget); and

5) extends the \$200,000 minimum payment to counties performing better than the statewide average.

Recommendation. Adopt the Administration's May Revise proposal. Add trailer bill language to broaden the scope of the probation population that could be considered in the programs funding formula to include post release community supervision and mandatory supervision caseloads and remove the 2015 sunset date.

Issue 8 – Reappropriation and Scheduling of Rehabilitation Program Funds

Background. Due to recent concerns regarding unspent funds or shifting of rehabilitation funds within CDCR's budget to cover other expenses, the 2012 Budget Act included a separate item of appropriation for CDCR rehabilitative programs. By creating this separate item, the Legislature intended to increase accountability of funds that are budgeted for rehabilitative programs and ensure that the funds are spent as intended.

It has come to the subcommittee's attention that, in the current year, there will be a year-end balance of funds in CDCR's rehabilitation programs item. To ensure that this funding is utilized to enhance inmate rehabilitative programs, it is recommended that the sub-committee reappropriate the balance of funds in Item 5225-008-0001, Budget Act of 2012, for the following purposes:

- Maintenance and upgrades of certain CDCR classroom and rehabilitative programming spaces (\$5.4 million). Budget bill language to require the use of inmate ward labor where possible.
- A pilot project for a re-entry program for locals to receive inmates 60 days prior to release in order to provide services prior to reentry into the community. The pilot would be authorized to take place in four counties (San Francisco, Los Angeles, Marin, and San Diego) and the counties would be required to report on program outcomes (\$5 million).
- A pilot project to provide a fiscal incentive for participation in CDCR vocational programs (\$4.4 million).
- An allocation to the Prison Industry Authority (PIA) to support the Career Technical Education program. Budget bill language would require the PIA to report on its budget and expenditures during the fiscal year (\$3.1 million).
- One-time funding to support parolee reentry courts (\$2.3 million).

In addition, while the 2012 Budget Act created Item 008 within CDCR's budget to separate funding for the Division of Rehabilitative Programs from the Division of Adult Institutions, approximately \$7.8 million remains in Item 001 for Program 48-Adult Education, Vocation and Offender Programs-Adult Administration. The sub-committee should consider eliminating Program 48 in Item 001 and moving activities and funds to other programs and items, as specified, which is consistent with the Legislature's action to separate funding for the Division of Rehabilitative Programs beginning in 2012-13.

While we do not currently have the specific funding or positions associated with the Community Resource Managers or Inmate Leisure Time Activity Groups, the CDCR and Finance should be directed to work together to determine how the resources are to be divided consistent with the recommended action of the subcommittees. To the extent other programs are funded in Program 48 within Item 001, the subcommittees direct staff, CDCR, and Finance to work together to identify the appropriate scheduling for those programs consistent with the intent to eliminate Program 48 within Item 001. Finance should report the final scheduling amounts to subcommittee staff. Below are the approximate resources that would be rescheduled.

Approximately \$3.6 million in expenditures for Community Resource Managers - 1 position per institution dedicated to bringing programs into prisons. Recommend moving the positions and funding to Program 48 within Item 008, beginning in 2013-14.

Approximately \$4.2 million for Inmate Leisure Time Activity Groups- Provides staff (self-help sponsors) to oversee inmates participating in programs conducted by community providers/volunteers (i.e., Alcoholics Anonymous, Narcotics Anonymous, Anger Management, and Problem Resolution).

- Self-help sponsors are custody staff or correctional counselors that monitor inmate participation, escort volunteers to group locations, and initiate custody response when necessary. Sponsors are paid hourly since this is not full-time/scheduled workload.
- These staff perform a custody-related function and custody staff are funded only in Item 001. Custody (Officers, Sergeants, and Lieutenants) staff are funded in Program 25 (Adult Institution General Security) and Correctional Counselors are funded in Program 27 (Adult Institution Inmate Support). Recommend moving the funding associated with overseeing inmate participation from Program 48 to Program 27 within Item 001.

Recommendation. Approve the reappropriation of CDCR rehabilitative programs funding to support the items listed above and approve the elimination of program 48 from CDCR's main item and the rescheduling of funds included in the item and creating a separate budget program for the Sex Offender Management Board. The Department of Finance shall report the final scheduling to committee staff and the Legislative Analyst's Office for review prior to making the final adjustment. **In addition the chair asked the department to subcommittee regarding the use of the Inmate Welfare**

Fund for the Arts in Corrections program and the ability to create partnerships with community colleges.

Issue 9 – Parolee Mental Health and Medi-Cal Expansion

Background.

The federal Affordable Care Act

Historically, the state has spent tens of millions of dollars annually from the General Fund for the CDCR to provide mental health treatment services to mentally ill parolees. With the implementation of the federal Affordable Care Act, federal Medicaid reimbursements could be attained for some of the costs of these existing services. Moreover, the amount of federal reimbursements could increase significantly under the federal Patient Protection and Affordable Care Act (ACA) if the Legislature chooses to expand Medi-Cal to provide health coverage to most low-income individuals, as authorized by ACA.

The federal Affordable Care Act could expand Medi-Cal coverage, including mental health, to approximately one million uninsured eligible Californians, which is anticipated to include individuals recently released from local jails and state prison.

The Division of Adult Operations (DAPO) utilizes contracted social workers to provide Transitional Case Management Program (TCMP) for inmates transitioning back to the community. TCMP services are provided for eligible inmates and parolees under the jurisdiction of the CDCR. The TCMP program works at enrolling inmates who are 120 days from release for state and federal benefits. Under the current program the TCMP reaches approximately 15% of the population prior to their release.

Integrated Services for Mentally Ill Parolees (ISMIP)

To date, several research studies have demonstrated that affordable housing coupled with support services, also known as supportive housing, leads to a reduction in recidivism among vulnerable offenders who suffer from mental illness (SMI) and who are homeless.

To address the needs of parolees who suffer from SMI, AB 900 (Solorio), Chapter 7, Statutes of 2007, required the CDCR to provide services in day treatment or crisis care centers to at least 300 parolees who suffer from serious mental illness and who are at-risk for homelessness. Using AB 900 funding, the CDCR Division of Adult Parole Operations (DAPO) developed the Integrated Services for Mentally Ill Parolees (ISMIP) program, which is based on the adult system of care model to provide wraparound services that are flexible and tailored to each individual's rehabilitative needs.

DAPO's ISMIP Program is a comprehensive model that provides varied levels of care, supportive/transitional housing, and an array of mental health rehabilitative services to

assist with the development of independent living in the least restrictive environment possible. Parole Agents and parole outpatient clinic (POC) staff refer parolees to contracted ISMIP providers for day treatment and crisis care services. Each parolee-client has a designated mental health personal services coordinator (or case manager) who, as a part of a multidisciplinary treatment team, is responsible for providing or assuring coordinating needed services including:

- Housing
- Crisis Care - 24 / 7 / 365 (including in-patient services)
- Mental Health Treatment
- Substance Abuse Treatment
- Life Skills
- Vocational training
- Education
- Benefit Entitlements
- Transitional Plans for County Services
- Medication Management
- Transportation

Data provided by CDCR and the providers in the ISMIP program showed that of the 1,502 individuals in the program, the recidivism rate was only 24 percent, compared to a 71 percent recidivism rate for other parolees with severe mental health disorders.

Recommendation. 1) Reverse the Blueprint reduction to the TCMP program (\$0.487 million) and add 55 social workers to the TCMP program to pre-enroll all offenders leaving state prison on Medi-Cal. This will expand health care and mental health care services to both parolees and offenders on post-release community supervision. The cost of the expansion would be offset by the reduction of prescription costs by CDCR because 100 percent of the costs would be covered by Medi-Cal. CDCR's cost for providing prescription drugs to parolees has fluctuated from \$30 million to \$10 million annually.

2013-14 Costs

Additional 55 TCMP workers:	\$4.400 million (assumes \$80k per)
Reverse Blueprint Reduction:	\$0.487 million

2) Increase the ISMIP program from 300 parolees to 1,000 parolees who suffer from serious mental illness and who are at-risk for homelessness.

2013-14 Costs

Increase ISMIP:	\$6.917 million
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Issue 10 – AB 900 General Fund

Background. Chapter 7, Statutes of 2007 (AB 900, Solorio), among other changes, authorized \$6.5 billion for prison construction and improvement initiatives intended to relieve overcrowding in state prisons. Of this amount, \$6.2 billion was lease–revenue bond authority for the construction of additional prison beds—including new “infill” facilities built at existing prisons—and health care improvement projects. The balance was a \$300 million appropriation from the General Fund to renovate, improve, or expand sewage, water, and other types of infrastructure capacity at existing prison facilities. In subsequent years, the allowable uses of the General Fund appropriation were expanded in statute to include, for example, the design or construction of prison dental and medication distribution improvements.

In response to CDCR’s plans to operationalize changes driven by realignment, the Legislature adopted a proposal to eliminate \$4.1 billion of the lease–revenue bond authority remaining for AB 900 projects as part of a trailer bill associated with the 2012 Budget Act. The General Fund appropriation amount, however, was not modified.

Currently, about \$110 million of the original \$300 million General Fund appropriation in AB 900 remains unspent. The Governor’s budget proposes to spend about \$10 million of this amount in 2013–14, but has not identified what specific projects the funds will be spent on.

Recommendation. Remove the authority for the remaining \$100 million in AB General Fund after 2013-14.