

PUBLIC SAFETY

The May Revision includes the following changes related to public safety.

CORRECTIONS AND REHABILITATION

The California Department of Corrections and Rehabilitation (CDCR) incarcerates the most serious and violent felons, supervises them when they are released on parole, and provides rehabilitation programs to help them reintegrate into the community. CDCR provides safe and secure detention facilities and necessary support services to inmates, including food, clothing, academic and vocational training, as well as health care services.

The May Revision includes \$10.2 billion (\$9.9 billion General Fund and \$283 million other funds) for CDCR in 2015-16.

CDCR's General Fund budget is \$130 million less than the Governor's Budget (excluding a \$60.6 million transfer from the statewide funding set aside for high-cost medications). As discussed below, the main component of these savings is a reduction of 4,000 out-of-state beds by the end of the year.

PRISON POPULATION UPDATE AND FUTURE PLANNING

The Governor's Budget projected an overall adult inmate average daily population of 134,986 in 2014-15 and 133,109 in 2015-16. Due to measures reducing the population

working faster than previously estimated, the average daily adult inmate population is now projected to decrease by 1.1 percent to 133,451 in 2014-15 and decrease by 3.8 percent to 127,990 in 2015-16 compared to the Governor’s Budget projections, as displayed in Figure SAF-01.

Figure SAF-01
Spring 2015 Population Estimates

	2014-15	2015-16
Adult Average Daily Population Projection	133,558	129,581
Population Reduction Measures ¹	-107	-1,591
Total Average Daily Population Projection	133,451	127,990

¹For the May Revision, the Population Reduction Measures include the new parole determination process for non-violent, non-sex registrant second-strike offenders and two-for-one credit earning for minimum custody inmates currently eligible for day-for-day credits. The impacts of all other court-ordered population reduction measures, and the effects of Proposition 47, are now incorporated in the Adult Average Daily Population Projection.

On February 10, 2014, the three-judge court granted the state’s request for a two-year extension of the deadline to meet the 137.5-percent population cap and ordered the state to comply with interim benchmarks of 143 percent by June 30, 2014 (subsequently extended to August 31, 2014), 141.5 percent by February 28, 2015, and the final population cap by February 28, 2016. The prison population is currently below the final February 2016 benchmark by 2,220 inmates. However, 2015-16 presents extraordinary challenges and uncertainties for the state prison system.

The Governor’s Budget assumed no reduction to the use of 9,000 out-of-state contract beds, and the fall projections assumed an average daily population reduction of 1,900 inmates in 2015-16 related to the Safe Neighborhoods and Schools Act (Proposition 47). Additionally, the Governor’s Budget assumed the activation of three prison infill projects by February 2016, which would increase the institution capacity by 3,267. However, there continues to be risk associated with this assumption as the timeline assumes an aggressive construction schedule, and the state is required to meet and confer with plaintiffs regarding how the infill beds will be counted toward capacity.

Compared with the Governor’s Budget, spring population projections show an average daily population reduction of approximately 5,100 inmates in 2015-16. This significant decline is driven primarily by revised Proposition 47 estimates showing that the measure is impacting the prison population sooner than expected in the Governor’s Budget. Given

the magnitude of the projected population decline, and the need to maintain sufficient capacity compared with the final population cap of 137.5 percent, the Administration has developed a revised contract bed plan for the May Revision that focuses on reducing the use of out-of-state contract beds.

The May Revision includes savings of \$73.3 million General Fund in 2015-16 tied to the reduction of approximately 4,000 out-of-state contract beds by June 2016. The reduction assumes vacating two out-of-state facilities and reducing use of other out-of-state facilities to achieve a 2,700-bed reduction by December 2015 and a further 1,300-bed reduction by June 2016.

Further reductions to the use of out-of-state beds beyond 4,000 in 2015-16 could jeopardize ongoing compliance with the 137.5-percent population cap, as the total inmate population is projected to increase in 2016-17 and ongoing. Based on this planned reduction and current population trends, by early 2017-18, CDCR's inmate population could be above the targeted capacity and impact compliance with the court-ordered population cap. Moreover, since multiple population reduction measures are in early implementation stages, there is significant uncertainty with the overall population trends. For example, the population projections assume an average daily population reduction of approximately 1,300 inmates in 2015-16 resulting from the new parole determination process for non-violent second-strikers, and a reduction of another 4,600 inmates due to the impacts of Proposition 47.

Recognizing the extraordinary uncertainties within the current population trends, the Administration will develop for the 2016-17 Governor's Budget a long-term plan which, among other issues, takes into account:

- CDCR's growing population trends, housing limitations, and rehabilitation goals;
- any use of contract beds on an ongoing basis, including in-state contract beds, out-of-state contract beds, and the leasing of the California City correctional facility;
- a permanent solution for the decaying infrastructure of the California Rehabilitation Center;
- the need for durable population reductions to stay below 137.5 percent of design capacity, such as the current, court-ordered population reduction measures; and
- the impact of population-reduction measures on fire camps.

Significant Adjustments:

- Adult Population Adjustment—A decrease of \$21.3 million General Fund in 2014-15 and \$108.5 million General Fund in 2015-16 for adult inmate and parole population changes. The revised average daily population projections for adult inmates are 133,451 in the current year and 127,990 in the budget year, a decrease of 1,535 and 5,119 inmates, respectively. The revised average daily parolee population projection is 44,073 in the current year and 44,570 in the budget year, an increase of 847 and 4,103 parolees, respectively.
- Juvenile Population Adjustment—A decrease of \$494,000 General Fund in 2014-15 and \$2 million General Fund in 2015-16 for juvenile population adjustments. The revised average daily population projections for wards are 683 in the current year and 677 in the budget year, which is a decrease of 2 wards in the current year and 32 wards in the budget year.
- Hepatitis C Treatment—An increase of \$51.8 million General Fund in 2014-15 and \$60.6 million General Fund in 2015-16 to treat inmates with new Hepatitis C treatments. At the Governor’s Budget, this funding was carried in the statewide set-aside for high-cost medications pending coordination of a working group on a statewide approach to high-cost medications. The May Revision allocates increases to the affected budgets.

COMMUNITY CORRECTIONS PERFORMANCE INCENTIVE GRANT

The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. This performance-based funding has been provided to county probation departments when they successfully reduce the number of adult felony probationers going to state prison. The May Revision proposes to update the SB 678 funding formula to include all types of local felony supervision, refocus this grant on local supervision admissions to state prison, and reward counties’ past success. The intent of this revision is to preserve past successes and encourage county probation departments to continue to decrease the number of individuals sent to state prison. With the revision of this formula, the May Revision proposes to augment this grant program by \$1.1 million for a total of \$125.8 million in 2015-16.

County probation departments oversee three types of local felony supervision: probation, Mandatory Supervision and Post Release Community Supervision. Felons on probation that have committed a prison-eligible crime can be admitted to state prison under two circumstances: (1) their probation is revoked for a technical violation of the terms of their probation or (2) they commit a new prison-eligible crime. Felons on Mandatory Supervision and Post Release Community Supervision can be sentenced to state prison only if they commit a new prison-eligible crime. In 2014, 10 percent of all state prison admissions were due to technical violations of probation, while 18 percent of all state prison admissions were due to new prison-eligible crimes committed by felons on local supervision.

The proposed formula will provide incentive funding to counties that decrease their state prison admissions below a 2013 baseline. Reductions in state prison admissions for new crimes for individuals on felony probation, Mandatory Supervision and Post Release Community Supervision will be funded at 50 percent of the state's estimated contract bed rate per offender, while reductions in state prison admissions for technical revocations by felony probationers will be funded at 75 percent of the state's estimated contract bed rate per offender. Additionally, counties with a state prison admission rate 50 percent below the state average will receive a high-performance grant. The focus on technical revocations provides incentives to keep felons on probation in programs and out of state prison. Lastly, the formula adds a past performance allocation for counties which is equal to 60 percent of the average of the highest two years of past payments. Providing an element of stable funding will allow counties to continue programs that produced this past success, while also allowing counties to commit funding to ongoing strategies to continue to reduce their admissions to state prison.

The funding from the SB 678 grant program over the past four years has been an important component to reducing the state prison population. While California's criminal justice system is still undergoing systemic changes, preserving proven population reduction programs like SB 678 is key to a durable solution for the state to maintain compliance with the court-ordered population cap of 137.5 percent of design capacity.

AMNESTY PROGRAM

The Governor's Budget included an 18-month amnesty program that authorizes individuals with past due court-ordered debt owed prior to January 1, 2013, relating to traffic infractions, to pay outstanding delinquent debt at a 50-percent reduction if the individual meets specified eligibility criteria. Overall, the amnesty program is estimated

to generate \$150 million, which will help avoid structural deficits within many of the eight special funds supported by the State Penalty Fund. Approximately \$12 million of the \$150 million is expected to be deposited in the State Penalty Fund.

The May Revision updates the Administration's proposed amnesty program by allowing individuals whose driver licenses have been suspended due to Failure To Appear or Failure To Pay related to traffic offenses to reinstate their licenses as part of the program—so they can legally get to work and make their agreed upon payments to the Court. These individuals would agree to either make one payment or sign up for a payment plan, supported by a wage garnishment agreement in the event that the individual fails to make a payment. In addition, the \$300 court-imposed assessment fee pursuant to the Penal Code will be waived for the purposes of the amnesty program and replaced by a \$50 amnesty administrative fee for the courts to recover their costs of running the program.

COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING

The Commission on Peace Officer Standards and Training's main funding source is the Peace Officers' Training Fund, which receives the majority of its revenue from the State Penalty Fund. The Commission's budget can be categorized into three main areas: administration, contracts for training courses, and reimbursement of training costs. In January 2014, due to declining revenues, the Commission instituted an 18-month reduction plan that relied heavily on reducing the reimbursement of training costs provided to local law enforcement agencies that attend training. The limited-term reduction plan also includes smaller reductions to training course contracts, as well as some workshops and seminars conducted by the Commission.

Because the Commission's reduction plan was limited term and revenues from the State Penalty Fund continued to decline, the Governor's Budget included a reduction of \$5.2 million to the Commission's administrative costs. This reduction, coupled with the proposed delinquent-debt amnesty program, was a placeholder to cover a revenue shortfall in the Peace Officers' Training Fund in 2015-16.

The May Revision refines the proposal by reducing administrative costs (\$800,000); slightly increasing the current reduction of contracted, non-mandated training courses (\$1.9 million); and continuing the suspension of reimbursements for local law enforcement to backfill behind officers participating in training (\$2.5 million). The proposed reduction should not further impact the current training services offered,

as it is a continuation of existing reductions or reduced level of services. The proposed reduction, coupled with the delinquent-debt amnesty program, will allow the Commission to reinstate reimbursement of travel and per diem costs of approximately \$4.4 million—a reimbursement that has been suspended since January 2014—which will help reduce the cost of training for local law enforcement agencies.

This page intentionally blank to facilitate double-sided printing.