

SUBCOMMITTEE NO. 5

Agenda

Senator Nancy Skinner, Chair
Senator Joel Anderson
Senator Jim Beall



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State Capitol - Room 113

Consultant: Christopher Francis

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ITEMS TO BE HEARD

Issue 1: Reentry Programs in California

Background. Upon release from incarceration, ex-offenders often face a range of challenges.¹ Many have low levels of education and literacy, limited prior attachment to the legal workforce, reduced ties to family and community, and histories of substance abuse and mental health problems. Former prisoners may also confront a number of barriers that can directly limit their ability to gain employment, including lack of basic documentation such as a current driver's license, the use of criminal background checks by employers, and state laws and licensing requirements for jobs in certain fields. Research has also shown that large numbers of prisoners are released into a disproportionately small number of vulnerable communities, causing instability and reduced social cohesion within these neighborhoods.² Reentry refers to the transition of individuals who are incarcerated in prisons or jails back into the community after release.

Currently, there are reentry efforts emerging throughout the US and in California that employ evidence-based strategies focused on comprehensive planning and coordinated service delivery to increase the likelihood that individuals will make safe and successful transitions back into their communities after incarceration.

Reentry Programs associated with CDCR. In California, the CDCR partners with other organizations on pre- and post-release rehabilitative programs and services are offered in communities throughout California delivered through alternative custody, residential, outpatient and drop-in centers.³ Live-in programs for offenders serving the last part of their sentence in community programs in lieu of confinement in state prison provide links to community rehabilitative services and programs focused on skills such as Substance Use Disorder Treatment (SUDT), education, housing, family reunification, vocational training and employment services. Residential programs for parolees are offered throughout the state. All provide residency and support services to parolees including substance use disorders treatment, cognitive outpatient and drop-in programs for parolees provide support in employment assistance and placement, relationships, Cognitive Behavioral Therapies, education, housing and vocational training, behavioral therapies, life skills, employment, education and transitional housing. Some reentry programs are coed while other may only be for male or female ex-offenders.

Advocates' perspectives. However, advocates argue that reentry funding through CDCR is highly problematic. They argue that the money often gets allocated to private corporations that have poor track records when it comes to reentry instead of Community Based Organizations who offer robust programs. They believe in reentry models that have stronger grassroots and community-based infrastructure, rather than one-size-fits-all models by private corporations. They also point to other states that have had success with unique reentry models—some that work with state prisons and others that work with county jails and state agencies.

¹ Jeanne Bellotti et al., "Examining a New Model for Prisoner Re-Entry Services: The Evaluation of Beneficiary Choice Final Report," March 16, 2011. https://www.dol.gov/asp/evaluation/completed-studies/Examining_a_New_Model_for_Prisoner_Reentry_Services/FINAL_REPORT_examining_new_model_prisoner_reentry_services.pdf.

² Ibid.

³ "CDCR's reentry services," https://www.cdcr.ca.gov/Adult_Operations/FOPS/reentry-services.html.

National trends- “Housing First” models of reentry in Ohio. Returning Home Ohio (RHO), a joint project of the Ohio Department of Rehabilitation and Correction and the Corporation for Supportive Housing (CSH), has received additional press on its positive outcomes reducing recidivism for persons who have a behavioral health disorder and who upon release from state prison are entering supportive housing. For the pilot program, disabilities were broadly defined to include developmental disorders, severe addiction, and serious behavioral health problems. Evaluation involving a treatment and comparison group was conducted by a team of researchers at the Urban Institute’s Justice Policy Center. Amongst the Urban Institute’s findings from this program were:

- RHO participants were 60 percent less likely to be reincarcerated
- RHO participants were 40 percent less likely to be rearrested for any crime
- RHO participants received more mental health and substance abuse services and received them sooner than comparison subjects.
- Very few individuals – in either the treatment or comparison group – used emergency shelter following release.
- Other program structure measures (e.g., scattered site versus single site) were not related to re-arrest outcomes. Given the diverse needs of participants and the diverse array of provider settings/capacities, the overall positive findings suggest that, through effective partnerships and inter-agency coordination, RHO was able to match the “right” participants with the “right” provider to meet their needs.
- Among those housed through RHO, individuals with a substance use disorder or personality disorder as their primary disability were significantly more likely to be rearrested.
- RHO participation was associated with an increase in system costs of about \$9,500 per person per year. However, RHO participants had lower criminal justice system costs and higher mental health and substance abuse system costs than comparison group subjects.

The results spurred Ohio to expand the program by 40 percent in 2013 and again by 40 percent in 2014.

National trends- “Housing First” in Utah. Studies have shown that the first month after release is a vulnerable period “during which the risk of becoming homeless and/or returning to criminal justice involvement is high.”⁴ Yet, in most jurisdictions to which individuals return after incarceration, accessible and affordable housing is in exceedingly short supply. Additional challenges unique to people with a criminal history make it even more difficult for them to obtain suitable housing. Historically, the national debate on housing for people returning from prison or jail has been considered within broader discussions of affordable housing. However, as the number of formerly incarcerated individuals has skyrocketed over the last few decades, widespread concern has developed about how to provide them with housing in ways that promote public safety. Across the U.S. in 1980, 144,000 individuals were released back to their communities from state prisons;⁵ by 2008 that number had more than quadrupled to 683,106.⁶

⁴ Council of State Governments, Report of the Re-Entry Policy Council (New York: Council of State Governments, 2005), 272.

⁵ Jeremy Travis and Sarah Lawrence, Beyond the Prison Gates: The State of Parole in America (Washington, DC: Urban Institute, Justice Policy Center, 2002).

⁶ William J. Sabol, Heather C. West, and Matthew Cooper, Prisoners in 2008, U.S. Department of Justice, Bureau of Justice Statistics, NCJ 221944 (Washington, DC: U.S. Department of Justice, 2009).

The vast majority of people in prison or jail expect to live with their families or friends after their release, but many are not equipped to receive them. For those individuals who do not own a home and cannot live with friends or relatives, there are six other categories of stable housing options that may be appropriate for supporting successful reentry: private-market rental housing; public housing; affordable housing (nonprofit or privately owned and managed); halfway houses; supportive housing; and specialized reentry housing.

Homelessness overall remains a continuing challenge for many cities. The U.S. homeless population falls into three major categories: those that are temporarily homeless, about 75 percent; those that are episodically homeless, about 10 percent; and those that are chronically homeless, about 15 percent. Chronic homelessness is defined as an unaccompanied adult who has been continuously homeless for a year or more or more than four times homeless in three years that totals 365 days. This small 15 percent of the homeless population, estimated to be 80,000 people in the U.S., can consume 50 to 60 percent of the homeless resources available in a community.

The U.S. government began an initiative in 2003 inviting states and cities and counties to develop a plan to end chronic homelessness in a 10-year period. In early 2005, Salt Lake County Mayor Peter Corroon identified jail overcrowding as a priority issue for his administration.⁷ The Salt Lake County Council committed \$300,000 in HUD HOME funds later that year to help people with special needs (such as mental illnesses, substance use disorders, and histories of incarceration) to secure housing. The county homeless coordinator recommended that the funds be used to seed a housing placement and rental assistance program that could ease overcrowding in the county jail as well as in substance abuse treatment and mental health facilities. As a result of this funding, the Homeless Assistance Rental Project (HARP) was launched in January 2006. To reduce recidivism, the project focuses on providing housing to homeless individuals who have a history of involvement in the criminal justice system. Some of these individuals may come directly from the jail or may already be homeless. HARP also moves people awaiting release from mental health or substance abuse treatment facilities to subsidized housing.

Salt Lake County partnered with the Housing Authority of the County of Salt Lake (HACSL) for this program. Through an intergovernmental agreement, HACSL agreed to provide housing placement services to eligible candidates and to serve as an intermediary between tenants and landlords. HACSL's housing placement process involves identifying landlords who are willing to rent to candidates (with the backing of HACSL). HACSL subsidizes (with HARP funds) the share of the rent above what the tenant is able to pay. As part of their agreement, HACSL mitigates landlord risk by insuring landlords against damages or eviction proceedings—which can be costly—and mediating landlord or tenant concerns. After one year of operation, HARP had placed tenants into fifty-five housing units; 51 percent were female-led households and 32 percent of the households had children living with them.⁸

Moreover, Utah reported a reduction in the chronic homeless population of 91 percent statewide in 2015.

⁷ Katherine Cortes and Shawn Rogers, “Reentry Housing Options: The Policymakers’ Guide” https://csgjusticecenter.org/wp-content/uploads/2012/12/Reentry_Housing_Options-1.pdf.

⁸ Ibid.

National trends- “Housing First” in New York. The CSH’s signature initiative Frequent Users System Engagement (FUSE) helps communities break the cycle of homelessness and crisis among individuals with complex medical and behavioral health challenges who are the highest users of emergency rooms, jails, shelters, clinics and other costly crisis services. The New York pilot placed 200 individuals into supportive housing. After a year, 91 percent⁹ of FUSE participants were still housed in permanent housing, compared to 28 percent of those in a comparison group; after two years, 86 percent of FUSE participants were permanently housed, compared to 42 percent of others. Over the 24 months after housing placement, FUSE participants averaged 29 jail days vs. 48 jail days for the matched comparison group. And, the percentage of participants with any recent use of hard drugs such as heroin or cocaine was half as high as the comparison group. The comparison group was hospitalized for an average of eight days for psychiatric reasons, while FUSE members were hospitalized for 4.4 days; FUSE members had, on average, half as many ambulance rides as the comparison group. Through reduced usage of jails, health services and shelters, each individual housed through FUSE generated \$15,000 in public savings, paying for over two-thirds of the intervention cost.¹⁰

Staff Recommendation. This is an informational item. No action is necessary at this time.

⁹ Corporation for Supportive Housing, “Reducing Homelessness, Incarceration, and Costs through Supportive Housing: The NYC FUSE Program,” http://www.csh.org/wp-content/uploads/2013/11/FUSE_Eval_2page_Results_Final.pdf.

¹⁰ Alana Semuels, “How to End Homelessness in New York City,” *The Atlantic*, Jan. 4, 2016, <https://www.theatlantic.com/business/archive/2016/01/homelessness-new-york-city/422289/>.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION**Issue 2: Integrated Services for Mentally Ill Parolees**

Proposal. This proposal would create a pilot program to provide supportive housing to people who are on parole.

Background. As discussed in the previous item, providing homeless parolees with supportive housing is proven to reduce recidivism. An Ohio supportive housing program demonstrated formerly homeless parolees living in supportive housing have a 60 percent lower recidivism rate than those who are still homeless. New York supportive housing programs also show lower recidivism rates and lower Medicaid costs. California data shows that supportive housing tenants are able to decrease their days incarcerated by over 60 percent.

The Integrated Services for Mentally Ill Parolees (ISMIP) was established in California's 2007-08 budget. ISMIP is funded at \$13 million per year, and was intended to support housing and intensive case management for homeless parolees who have mental illness. It requires California Department of Corrections and Rehabilitation (CDCR) to pay for housing and housing-based services. ISMIP is currently used to provide the entire cost of mental health treatment to a small number of parolees, even though they are eligible for Medi-Cal (50 to 90 percent of reimbursement for costs of care). Additionally, a small percentage, if any, of the ISMIP participants are homeless. The program, according to this proposal's proponents, is not serving its intended purpose.

This proposal would require CDCR to provide supportive housing to parolees experiencing homelessness or at risk of homelessness through existing funding, and partner with counties once the participant transitions off of parole and into the community. Current participants in ISMIP would continue to receive the same treatment they are currently receiving. As program participants transition off of parole, new participants will transition into the pilot program.

Additionally, it would require CDCR to enter into a Memorandum of Understanding (MOU) with counties. CDCR would use savings from receiving federal reimbursement for mental health treatment to pay for rental assistance and services in supportive housing during the participant's term of parole. The participating county would agree to provide community-based mental health treatment and would fund rental assistance and services under Proposition 63 (Mental Health Services Act program) once the participant transitions off of parole.

Staff Recommendation. Hold Open.

0552 OFFICE OF INSPECTOR GENERAL (OIG)**Issue 3: Overview of the OIG**

Background. The mission of the OIG is to assist in safeguarding the integrity of the state's correctional system by overseeing the state's prisons and correctional programs. The OIG accomplishes that mission by conducting ongoing system monitoring, and select reviews of policies, practices, and procedures of the CDCR when requested by the Governor, the Senate Committee on Rules, or the Assembly. The OIG is also responsible for contemporaneous oversight of the internal affairs investigations and the disciplinary process of CDCR, for conducting reviews of the delivery of medical care at each state institution, and for determining the qualifications of candidates submitted by the Governor for the position of warden.

Staff Recommendation. This is an informational item. No action is necessary at this time.

0250 JUDICIAL BRANCH**Issue 4: Court Reporters in Family Law**

Proposal. This proposal requires court reporters in all family court matters. Court reporters serve a critical function in court proceedings. Without a transcript of the proceedings, litigants are: (1) unable to appeal decisions; (2) unable to draft orders effectively; and (3) unable to accurately recount what actually happened during proceedings. While there is a strong need for court reporters in all court proceedings, the need for court reporters in family law proceedings is especially critical.

Staff Recommendation. Hold Open.

Issue 5: Unfunded Appellate Judgeships

Proposal. This proposal requests an augmentation of \$1.2 million from the General Fund to the judicial branch for the purpose of funding the cost of the new appellate court justice and accompanying staff. This request would increase the number of judges in the second division of the fourth District Court of Appeal located in the San Bernardino/Riverside area to eight judges.

Background. Existing law specifies the number of judges for the superior court of each county and for each division of each district of the court of appeal. Existing law provides that the Court of Appeal for the fourth Appellate District consists of three divisions. Existing law requires that one of these divisions hold its regular sessions in the San Bernardino/Riverside area and further requires this division to have seven judges.

In the 10 years, since AB 159 (Jones), Chapter 722, Statutes of 2007, authorized 50 judges to meet the needs of California, these positions remain unfunded and this critical need has only grown. Since these judges were authorized in 2007, the state has grown by three million people, and the Judicial Council reports that California now requires 188.5 judges to provide an adequate judiciary system.

San Bernardino and Riverside Counties, which have a combined need of 95 judges, account for half of the entire statewide need for judges. Inland Southern California was plagued by court closures just when statewide population shifts were greatly increasing the region's demand for judicial resources. For years, inaction by the state has required some of our citizens to take an entire day off work and drive hours across the state in order to access their closest court house. Division Two completed 2,467 cases in FY 2016, the most of any single appellate division in California. Moreover, it has transferred approximately 600 cases over the last five years to Division One in San Diego or Division Three in Santa Ana. This, according to the proposal adds an additional 50-100 miles of travel time to reach the Appeals Court.

The underdeveloped public transportation systems in rural California only serve to make it harder for poorer and disabled Californians to access core services and justice, and the impacted nature of the remaining court houses is especially harmful to those with time sensitive matters like family law proceedings.

Staff Recommendation. Hold Open.

VARIOUS DEPARTMENTS**Issue 6: Driving Under the Influence Trailer Bill Language**

Proposal. This proposal requests technical changes to Vehicle Code sections 23612, 23577, and 23578 to bring the state into compliance with the U.S. Supreme Court ruling in *Birchfield v. North Dakota* (2016).

Background. The U.S. Supreme Court ruling in *Birchfield v. North Dakota* (2016) held that breath testing incident to arrest was not a violation of the Fourth Amendment, but obtaining a blood sample would require a warrant. Further the Court declared that states cannot impose criminal sanctions against drivers for the refusal of a blood test, but may pursue administrative remedies in regulating safety.

Under California's implied consent laws, a person convicted of a DUI can have additional penalties for refusing a peace officer's request to submit to, or willfully complete a specified chemical test. These additional sanctions raise constitutional questions following the *Birchfield* case.

The proposed trailer bill language changes the implied consent to chemical testing and provides that, when lawfully arrested for DUI, the officer shall inform the person that he or she has a choice to refuse the test but the refusal will then result in the administrative sanction. This proposal imposes the administrative sanction of a license suspension or revocation. Moreover, it proposes language that requires an officer to advise the person that he or she is required to submit a blood test is a preliminary alcohol screening test administered by an officer prior to the arrest revealed no alcohol present in the person's blood.

Staff Recommendation. Hold Open.

Issue 7: State Penalty Fund Adjustment

Governor’s Proposal. The Governor’s budget projects that about \$81 million in criminal fine and fee revenue will be deposited into the SPF in 2018-19—a decline of \$12.6 million (or 13.5 percent) from the revised current-year estimate. Of this amount, the Administration proposes to allocate \$79.5 million to eight different programs in 2018-19—all of which received SPF funds in the current year. The below chart, generated by the LAO, many of these programs are also supported by other fund sources. Under the Governor’s plan, five of the eight programs would receive less SPF support compared to the estimated 2017-18 level. Finally, the Governor’s budget does not include funding for two programs—the California Violence Intervention and Prevention Grant Program (CalVIP) and Internet Crimes Against Children Program—that received General Fund support in 2017-18 to backfill, on a one-time basis, the elimination of SPF support for these programs.

Table: Governor’s Proposed State Penalty Fund (SPF) Expenditures for 2018-19 (*In Thousands*)¹¹

Program	2017-18 (Estimated)			2018-19 (Proposed)			Change From 2017-18
	SPF	Other Funds	Total	SPF	Other Funds	Total	Total
Victim Compensation	\$9,100	\$103,656	\$112,756	\$6,534	\$105,867	\$112,401	-\$355
Various OES Victim Programs ¹²	11,834	73,377	85,211	8,984	63,649	72,633	-12,578
Peace Officer Standards and Training	47,241	5,287	52,528	43,835	1,959	45,794	-6,734
Standards and Training for Corrections	17,304	100	17,404	15,998	100	16,098	-1,306
CalWRAP	3,277	—	3,277	2,478	—	2,478	-799

¹¹ credit: LAO “The 2018-19 Budget: Governor’s Criminal Justice Proposals”

¹² Includes Victim Witness Assistance Program, Victim Information and Notification Everyday Program, Rape Crisis Program, Homeless Youth and Exploitation Program, and Child Sex Abuse Treatment Program, OES = Office of Emergency Services; CalWRAP = California Witness Relocation and Assistance Program; and DFW = Department of Fish and Wildlife.

DFW employee education and training	450	2,628	3,078	450	2,536	2,986	-92
Bus Driver Training	895	494	1,389	—	1,447	1,447	58
Traumatic Brain Injury	800	314	1,114	800	92	892	-222
Local Public Prosecutors and Public Defenders Training	450	—	450	450	—	450	—
CalVIP*	—	9,500	—	—	—	—	-9,500
Totals	\$91,351	\$195,356	\$277,207	\$79,529	\$175,650	\$255,179	-\$31,528

**CalVIP received General Fund support in 2017-18 to backfill, on a one-time basis, the elimination of SPF support for this program. However, the proposed 2018-19 Governor's budget does not provide any funding for the CalVIP program.*

Background. During court proceedings, trial courts typically levy fines and fees upon individuals convicted of criminal offenses (including traffic violations). When such fines and fees are collected, state law (and county board of supervisor resolutions for certain local charges) dictates a very complex process for the distribution of fine and fee revenue to numerous state and local funds. These funds in turn support numerous state and local programs. For example, such revenue is deposited into the SPF for the support of various programs including training for local law enforcement and victim assistance. State law requires that collected revenue be distributed in a particular priority order, allows distributions to vary by criminal offense or by county, and includes formulas for distributions of certain fines and fees. A total of about \$1.7 billion in fine and fee revenue was distributed to state and local funds in 2015-16. Of this amount, the state received roughly one-half.

Various Actions Taken in Recent Years to Address Declining Criminal Fine and Fee Revenue. The total amount of fine and fee revenue distributed to state and local governments has declined since 2010-11. As a result, a number of state funds receiving such revenue, including the SPF, have been in operational shortfall for years—meaning annual expenditures exceed annual revenues—and some have become insolvent. Over the past few years, the state has adopted a number of one-time and ongoing solutions to address the shortfalls or insolvency facing some of these funds:

- **Eliminating SPF Distribution Formulas.** As part of the 2017-18 budget, the state eliminated existing statutory provisions dictating how revenues deposited into the SPF are distributed to nine other state funds. Instead, specific dollar amounts are now appropriated directly to specific programs in the annual budget based on state priorities.
- **Shifting Costs.** In recent years, the state has shifted costs from various funds supported by fine and fee revenue to the General Fund or other funds. Most of these cost shifts were either on a one-time or temporary basis. For example, nearly \$16.5 million in costs were shifted from the Peace Officers Training Fund to the General Fund in 2016-17. More recently, the state

authorized the Department of Justice to effectively shift \$15 million in costs from the DNA Identification Fund in 2017-18 and 2018-19 to two other special funds. However, one such cost shift—specifically the General Fund backfill of the Trial Court Trust Fund, which supports trial court operations—has been provided continuously since 2014-15.

- ***Reducing Expenditures.*** The state has also directed certain departments to reduce expenditures from fine and fee revenue. For example, the Commission on Peace Officer Standards and Training (POST), which receives such revenue to support training for law enforcement, was required to reduce expenditures. In response, the commission took several actions, such as suspending or reducing certain training reimbursements and postponing some workshops. Similarly, as we discuss in more detail later in this report, the reduction in fine and fee revenues has halted certain trial court construction projects.
- ***Increasing Revenue.*** The state has also attempted to increase the amount of fine and fee revenue collected in different ways. For example, the 2017-18 budget provided one-time and ongoing resources for the Franchise Tax Board (FTB) to increase its fine and fee revenue collection activities. (Currently, court and county collection programs can collect fine and fee revenue themselves, as well as contract with FTB or private entities.)

Legislative Analyst's Office. The LAO states that the Governor's proposed SPF expenditure plan reflects priorities that are generally consistent with the expenditure plan for 2017-18. Specifically, the proposed plan does not eliminate SPF support for any programs which received such support in 2017-18 except the Bus Driver Training Program which would be supported by the Motor Vehicle Administration instead. Additionally, similar to 2017-18, reductions in SPF support for certain programs (such as for victim compensation) will be offset by increased expenditures from other funds.

Unclear What Impact Proposed Reductions Will Have. The Governor's proposed expenditure plan does not specify how the programs would accommodate the proposed funding reductions. Rather, the reductions are unallocated and the programs would be given flexibility in how such reductions will be implemented. For example, it is unknown at this time how POST will accommodate its reductions. Accordingly, the programmatic impact of the proposed reductions is unknown.

Legislature May Have Different Priorities. While the Governor's proposal reflects the Administration's funding priorities, it is likely that the Legislature has different priorities. The Legislature could decide that programs should implement different levels of expenditure reductions. For example, the Legislature could make greater reductions for peace officer or corrections standards and training in order to make funding available to support CalVIP. In addition, the Legislature may want to specify how certain departments implement their reductions in order to ensure that their choices are consistent with legislative priorities.

Structural Problems with Criminal Fine and Fee System Still Remain. The Governor's proposal does not provide a long-term solution to address the structural problems of the state's criminal fine and fee system. As noted above, the amount of criminal fine and fee revenue distributed into state and local funds—such as the SPF—continues to decline. The elimination of formulas dictating SPF allocations in 2017-18 increased the Legislature's control over the use of the revenue and allowed the Legislature to allocate funding based on its priorities. However, numerous other distribution formulas remain—thereby making it difficult for the Legislature to make year-to-year adjustments in spending. Additionally, the level of funding allocated to programs, including those supported by the SPF, still relies on the amount of criminal fine and fee revenue that is available rather than on

workload or service level needs. This means that programs that are supported by such revenue, which can fluctuate depending on factors outside of the Legislature's control (such as the number of citations issued and individuals' willingness to pay), will continue to be disproportionately impacted compared to programs that are not supported by this type of revenue. Finally, to the extent that revenue continues to decline, the Legislature will be required to continue to take action to address the operational shortfalls and insolvencies of funds supported by such revenue.

LAO Recommendations. Although the Governor's proposed SPF expenditure plan is generally consistent with the 2017-18 plan, the Legislature will want to review it to make sure the plan reflects its priorities—particularly given the projected reduction in SPF revenues—and make any necessary adjustments. The LAO recommends the Legislature to direct the entities that administer the programs to take specific actions in implementing any reduction in SPF support, in order to ensure that legislative priorities are maintained. For example, the Legislature could require that entities maintain certain types of training provided to local agencies.

Consider Changing Overall Distribution of Fine and Fee Revenue. As the LAO has indicated in recent years, a broader, long-term approach to changing the overall distribution of fine and fee revenue is needed to address the ongoing structural problems with the current system. As initially discussed in their January 2016 report, the LAO continues to recommend that the Legislature (1) eliminate all statutory formulas related to fines and fees and (2) require the deposit of nearly all such revenue, except those subject to legal restrictions, into the General Fund for subsequent appropriation in the annual state budget. This would allow the Legislature to maximize control over the use of such revenue and ensure that state and local programs it deems to be priorities are provided the level of funding necessary to meet desired workload and service levels. This would also eliminate the need for the Legislature to continuously identify and implement short-term solutions to address various other such funds supported by this revenue that are currently facing or nearing structural shortfalls or insolvency.

Consider Other Long-Term Solutions to Address Structural Problems. In recent years, the LAO also identified various key weaknesses and problems with the state's assessment, collection, and distribution of criminal fine and fee revenue, such as a lack of clear fiscal incentives for collection programs to collect debt in a cost-effective manner that maximized the amount collected. To address these deficiencies, they provided a number of recommendations to overhaul and improve the system. For example, they recommended piloting a new collections model to address the lack of clear incentives for collection programs to collect debt in a cost-effective manner, as well as consolidating most fines and fees to address the challenges of distributing revenues accurately.

Staff Recommendation. Hold Open.