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# California State Senate

COMMITTEE  
ON  
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL  
SACRAMENTO, CA 95814

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**Agenda**  
**January 24, 2008**  
**Room 4203**  
**10 a.m. or Upon adjournment of Session**

*Proposition 98 (K-14 Education)/  
Corrections and Rehabilitation*

**6110 & 6870 Department of Education & California Community Colleges**

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**6110 & 6870 Department of Education & California Community Colleges**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change	Comments
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**Deferral of K-14 Proposition 98 Program Payments**

**The Governor proposes to permanently defer \$1.3 billion in year-end (June) Proposition 98 payments to September of the next fiscal year. The Governor is seeking this change to address an estimated deficiency of cash reserves in specific months during the fiscal year.**

\$1.3 Billion

**(\$1.3 B)  
Total**

**(\$1.1 B)  
K-12**

**(\$200 M)  
Community  
Colleges**

The Governor’s proposal involves the deferral of \$1.1 billion in June payments for K-12 apportionments (revenue limits and categorical programs) and \$200 million in community college apportionments.

Under current law these apportionment payments are already deferred from June to July each year. The Governor’s proposal would extend this current law deferral from July to September on a permanent basis.

The practice of deferring Proposition 98 program payments originated in 2001-02 and 2002-03 as a means of achieving budget solutions by shifting costs from one fiscal year to the next.

**6110 & 6870 Department of Education & California Community Colleges**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change	Comments
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**Reduction of K-14 Proposition 98 Appropriations**

The Governor proposes to reduce Proposition 98 funding by **\$400 million** for 2007-08 in response to estimates of a lower minimum guarantee. The Governor estimates that the minimum Proposition 98 funding guarantee has decreased by \$1.4 billion in 2007-08 due to declining state revenues.

\$57.125 B

**-\$400M (Total)**

-\$360 M (K-12)

-\$40 M (Community Colleges)

The Governor's \$400 million reduction includes:

- **\$360 million** reduction in K-12 general purpose (revenue limit) apportionments, which would be restored to pre-reduction levels in future years when sufficient funds are available;
- **\$40 million** reduction in community college apportionments.

These apportionment dollars provide discretionary funds to school districts and community colleges. The Governor believes that school districts and community colleges can absorb these reductions in the 2007-08. However, he supports finding other K-14 savings to offset the proposed reductions.

**5225 California Department of Corrections and Rehabilitation**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change	Comments
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**5225-001-0001 California Department of Corrections and Rehabilitation**

**Early Release.** The Governor has proposed trailer bill language to direct that certain non-violent, non-serious, non-sex offenders be released from state prison up to 20 months early. Inmates with prior serious or violent crimes and strikes would not be eligible for early release. Inmates that had committed serious crimes in prison that were subject to administration review, but not prosecuted would also be excluded. In addition, offenders that committed over 20 additional crimes categorized as non-violent, non-serious would also be excluded. Offenders eligible for early release would be placed on summary parole.

\$9.3 B

-\$4.3 M  
TBL

If urgency legislation is enacted by March 1, 2008, the Governor estimates that the department could achieve \$4.3 million in savings in the current year from this proposal. These savings would grow to \$256.4 million in 2008-09 and \$526.7 million in 2009-10. The full 10 percent reduction would not be realized until 2009-10.

The Governor estimates one-time costs of \$600,000 to review inmate files to determine if they are eligible for early release. The department also estimates that \$1.5 million is needed in the current year and \$900,000 ongoing to augment the case records unit to process the increased numbers of inmates that will be eligible for parole. The Governor is proposing trailer bill language to allow the department to redirect resources in the current year to cover the costs needed to implement the early release proposal.

The department estimates that this policy change would reduce the average daily population in state prison by over 26,000.

5225

California Department of Corrections and Rehabilitation

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change	Comments
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**Summary Parole.** The Governor has proposed trailer bill language to direct that certain non-violent, non-serious, non-sex offenders be placed on summary parole. Summary parole means that offenders will not be supervised while on parole. However, individuals on summary parole would still be subject to search and seizure by any peace officer, as well as drug testing by any peace officer. Only inmates with no prior serious, violent, or strikeable offenses would be eligible for summary parole.

The department estimates that this policy change would ultimately reduce the average daily parole population by over 28,000 and the average daily state prison population by over 8,600.

\$9.3 B

-\$13.6 M  
TBL

If urgency legislation is enacted by March 1, 2008, the Governor estimates that the department could achieve \$13.6 million in savings in the current year from this proposal. These savings would grow to \$97.9 million in 2008-09 and \$231.5 million in 2009-10. The full 10 percent reduction would not be realized until 2009-10.

The Governor estimates one-time costs of \$10 million in the current year to review case files of offenders to determine if they are eligible for summary parole. The Governor also estimates \$4.1 million would be needed in the current year, and ongoing, for additional case records positions to manage the summary parole population. The Governor is proposing trailer bill language to allow the department to redirect resources in the current year to cover the costs needed to implement the summary parole proposal.